

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
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CHAPTER 287

HOUSE BILL 2622

AN ACT

AMENDING SECTIONS 28-5101 AND 28-5104, ARIZONA REVISED STATUTES; RELATING TO
AUTHORIZED THIRD PARTIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-5101, Arizona Revised Statutes, is amended to
3 read:

4 28-5101. Third party authorization

5 A. The director may authorize third parties to perform certain title
6 and registration, motor carrier licensing and tax reporting, dealer licensing
7 and driver license functions.

8 B. The director may authorize a person to be a third party electronic
9 service provider. An authorized third party electronic service provider
10 shall meet all of the requirements established by the department relating to
11 security, the minimum number of types of transactions, payment options and
12 multiple service delivery channels. Before authorization by the director
13 pursuant to this subsection, a person shall submit a plan approved by the
14 director for transition of an authorized third party electronic service
15 provider's customer service transactions to the department for the purposes
16 of continued operation by the department. The director may require updates
17 of the plan as deemed necessary by the director.

18 C. A person shall not engage in any business pursuant to this article
19 unless the director authorizes the person to engage in the business.

20 D. The director may furnish necessary documents or license plates
21 subject to this article.

22 E. Except as provided in subsection F of this section, an authorized
23 third party or an authorized third party electronic service provider shall
24 submit to the department all statutorily prescribed fees and taxes it
25 collects. In addition to the statutorily prescribed fees and taxes, an
26 authorized third party or an authorized third party electronic service
27 provider may collect and retain a reasonable and commensurate fee for its
28 services.

29 F. In addition to payment pursuant to section 28-374, the department
30 shall reimburse the authorized third party or third party electronic service
31 provider as follows:

32 1. One dollar of each INITIAL, RENEWAL, REPLACEMENT OR DUPLICATE
33 registration fee for a vehicle or an aircraft.

34 2. One dollar of each INITIAL, DUPLICATE OR TRANSFER title fee for a
35 vehicle or an aircraft.

36 3. An amount equal to two per cent of each vehicle license tax payment
37 the authorized third party collects and submits to the department or four
38 dollars for each registration year or part of a registration year, whichever
39 is more. The reimbursement amount shall not exceed the amount of vehicle
40 license tax collected.

41 4. Four dollars for each INITIAL, RENEWAL, REPLACEMENT OR DUPLICATE
42 application that the third party processes and that relates to driver
43 licenses, nonoperating identification licenses or permits. AN AUTHORIZED
44 THIRD PARTY MAY ADD THE COST FOR EXPEDITED PROCESSING OF RENEWAL, REPLACEMENT
45 OR DUPLICATE APPLICATIONS IF REQUESTED BY THE APPLICANT.

1 5. An amount equal to two per cent of each overweight or excess size
2 vehicle registration or permit fee the third party collects and submits to
3 the department or one dollar for each overweight or excess size vehicle
4 registration or permit processed, whichever is more.

5 6. One dollar for each motor vehicle OR SPECIAL MOTOR VEHICLE record,
6 excluding motor vehicle records released to commercial recipients, including
7 insurers and their authorized agents as defined in section 28-450.

8 7. Five dollars OR ONE-FOURTH OF ONE PER CENT OF THE FUEL TAXES
9 REPORTED, WHICHEVER IS GREATER, for each FUEL tax report ~~filing~~ FILED
10 ELECTRONICALLY. THE MAXIMUM ANNUAL AMOUNT RETAINED SHALL NOT EXCEED ONE
11 MILLION FIVE HUNDRED THOUSAND DOLLARS FOR THE FIRST YEAR OF THE ELECTRONIC
12 FILING AND THREE HUNDRED SIXTY THOUSAND DOLLARS EACH YEAR THEREAFTER.

13 8. One dollar for each fuel tax permit.

14 9. One dollar for each nonsufficient funds OR DISHONORED check
15 payment.

16 10. One dollar for each abandoned vehicle report PROCESSED, EXCEPT FOR
17 APPLICATIONS FOR CRUSHED VEHICLES.

18 11. One dollar for each abandoned vehicle payment.

19 12. Two dollars for each INITIAL special OR PERSONALIZED license plate
20 application.

21 13. One dollar for each INITIAL, RENEWAL OR REPLACEMENT vehicle dealer
22 license plate application.

23 14. Five dollars for each application for an initial vehicle dealer
24 license or continuation of a vehicle dealer license.

25 15. One dollar of each twelve dollar fee paid pursuant to section
26 28-2356.

27 16. ONE DOLLAR FOR EACH TRAFFIC SURVIVAL SCHOOL APPLICATION AND ONE
28 DOLLAR FOR EACH CERTIFICATE OF COMPLETION PROCESSED.

29 G. THE DEPARTMENT'S AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PROVIDER
30 MAY RETAIN TWO DOLLARS FOR PROCESSING DOCUMENTS ELECTRONICALLY WHEN THE
31 STATUTORY FEE PURSUANT TO THIS TITLE IS TWO DOLLARS OR MORE.

32 H. THE DIRECTOR MAY AUTHORIZE THE ELECTRONIC THIRD PARTY SERVICE
33 PROVIDER TO PROCESS ELECTRONIC FUND TRANSFERS TO THE DEPARTMENT FOR PAYMENT
34 OF MOTOR VEHICLE TAXES AND FEES. THE ELECTRONIC THIRD PARTY SERVICE PROVIDER
35 MAY ADD A TWO DOLLAR PROCESSING FEE FOR EACH ELECTRONIC FUNDS TRANSFER.

36 ~~G.~~ I. Each authorized third party that holds itself out as providing
37 services to the general public shall post a sign in a conspicuous location in
38 each facility of the authorized third party that contains the amount charged
39 for each transaction performed by the authorized third party and the amount
40 charged by the department for the same transaction.

41 Sec. 2. Section 28-5104, Arizona Revised Statutes, is amended to read:
42 28-5104. Bond requirement

43 A. A person who applies for authorization pursuant to this article
44 shall submit with the application a bond in a form to be approved by the

1 director and in an amount of at least ~~twenty-five~~ ONE HUNDRED thousand
2 dollars.

3 B. A surety company authorized to transact business in this state
4 shall execute the bond with the applicant as principal obligor on the bond
5 and the state as obligee. The bond shall be conditioned that the applicant
6 will faithfully comply with all of the provisions of law and that the bond is
7 noncancellable without at least sixty days' prior notice to the
8 director. Any future liability of the surety company terminates on the
9 director's termination of a third party's authorization.

10 C. The bond inures to the benefit of any person who suffers loss
11 because of any of the following:

12 1. Nonpayment by the authorized person of any fee or tax paid to the
13 third party by that person.

14 2. Insolvency or discontinuance of business.

15 3. Failure of the authorized third party to comply with the authorized
16 third party's duties pursuant to this article.

17 D. The aggregate liability of a surety company for any breach of the
18 conditions of a bond required pursuant to this section shall not exceed the
19 amount of the bond.

20 E. The bond requirement of this section does not apply to:

21 1. A department, agency or political subdivision of this state.

22 2. An Arizona court.

23 3. An Arizona law enforcement agency or department.

24 4. A financial institution or enterprise under the jurisdiction of the
25 department of financial institutions or a federal monetary authority.

26 5. The federal government or any of its agencies.

27 6. A motor vehicle dealer that is licensed and bonded by the
28 department of transportation or a state organization of licensed and bonded
29 motor vehicle dealers.

30 7. A manufacturer, importer, factory branch or distributor licensed by
31 the department of transportation.

32 8. An insurer under the jurisdiction of the department of insurance.

33 9. An owner OR REGISTRANT of a fleet ~~as defined in section 28-2201~~ OF
34 ONE HUNDRED OR MORE VEHICLES.

35 10. A public utility.

36 11. A tribal government.

37 ~~12. A title service company that is bonded by the department of~~
38 ~~transportation.~~

39 ~~13-~~ 12. An employer or association that has at least five hundred
40 employees or members.

APPROVED BY THE GOVERNOR MAY 19, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 19, 2006.