

Senate Engrossed House Bill

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

CHAPTER 256

# **HOUSE BILL 2444**

AN ACT

AMENDING SECTION 28-5104, ARIZONA REVISED STATUTES; RELATING TO MOTOR VEHICLE  
TOWING COMPANY BOND REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-5104, Arizona Revised Statutes, is amended to  
3 read:

4 28-5104. Bond requirement

5 A. Except as provided in SUBSECTION F OF THIS SECTION AND sections  
6 28-5101.01 and 28-5101.02, a person who applies for authorization pursuant to  
7 this article shall submit with the application a bond in a form to be  
8 approved by the director and in an amount of at least one hundred thousand  
9 dollars for each location.

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

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

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

21 2. Insolvency or discontinuance of business.

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

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

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

28 1. A department, an agency or a political subdivision of this state.

29 2. An Arizona court.

30 3. An Arizona law enforcement agency or department.

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

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

34 6. A motor vehicle dealer that is licensed and bonded by the  
35 department of transportation or a state organization of licensed and bonded  
36 motor vehicle dealers.

37 7. A manufacturer, an importer, a factory branch or a distributor  
38 licensed by the department of transportation.

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

40 9. An owner or a registrant of a fleet of one hundred or more  
41 vehicles.

42 10. A public utility.

43 11. A tribal government.

1           12. An employer or association that has at least five hundred  
2 employees or members.

3           F. A TOWING COMPANY EMPLOYEE WHO CONDUCTS A LEVEL ONE MOTOR VEHICLE  
4 INSPECTION DESCRIBED IN SECTION 28-2011 AND WHO APPLIES FOR AUTHORIZATION  
5 PURSUANT TO THIS ARTICLE SHALL SUBMIT WITH THE APPLICATION A BOND IN A FORM  
6 TO BE APPROVED BY THE DIRECTOR AND IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE  
7 THOUSAND DOLLARS. THE BOND ISSUED PURSUANT TO THIS SUBSECTION COVERS EVERY  
8 LOCATION IN WHICH THE TOWING COMPANY IS LOCATED.

APPROVED BY THE GOVERNOR MAY 17, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 17, 2016.

Passed the House February 4, 2016

Passed the Senate March 30, 2016

by the following vote: 57 Ayes,

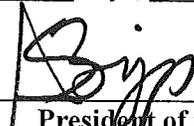
by the following vote: 29 Ayes,

0 Nays, 3 Not Voting

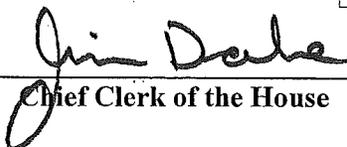
0 Nays, 1 Not Voting



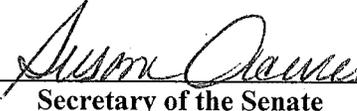
Speaker of the House



President of the Senate

  
Chief Clerk of the House

Pro Tempore

  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

H.B. 2444

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

May 6, 2016,

by the following vote: 54 Ayes,

1 Nays, 5 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6 day of May, 2016,

at 9:18 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 17<sup>th</sup> day of

May, 2016,

at 10:46 o'clock A. M.

[Signature]  
Governor of Arizona

H.B. 2444

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 17<sup>th</sup> day of May, 2016,

at 11:40 o'clock A. M.

[Signature]  
Secretary of State