STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

May 16, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on May 16, 2018:

HB 2088 pupils; concussions; parental notification (Carter)
HB 2197 health professionals; workforce data (Carter)
HB 2209 internet protocol; corporation commission (Grantham)
HB 2212 firearm possession; peace officers; definition (Thorpe)
HB 2235 dental therapy; regulation; licensure (Thorpe)
HB 2253 schools; exchange teachers; employment duration (Carter)
HB 2307 scrap vehicles; sales (Campbell)
HB 2310 underground storage tanks; reimbursement claims (Bowers)
HB 2324 community health workers; voluntary certification (Carter)
HB 2356 juvenile court; jurisdiction; age (Bowers)
HB 2383 HOV lanes; emergency vehicles (Clodfelter)
HB 2384 unlawful flight; vehicle impoundment (Clodfelter)
HB 2414 state employee health plan; incentives (Kern)
HB 2416 appropriation; study; prime contracting classification (Cobb)
HB 2422 personal delivery devices (Townsend)
HB 2455 commercial vehicles definition; driver licenses (Cook)
HB 2510 auto dealers; task force; fund (John)

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HB 2520 schools; reading requirement (Coleman)
HB 2522 traffic violations; penalties (Syms)
HB 2526 career technical education districts (Clodfelter)
HB 2527 ticket surcharge; public safety equipment (Clodfelter)
HB 2529 assisted living; referrals; disclosure (Campbell)
HB 2532 occupational regulation; municipalities; counties; hearings (Payne)
HB 2534 teachers; certification requirements (Carter)
HB 2538 U.S. House vacancy; special election (Coleman)
HB 2564 court fees; EORP; state contribution (Livingston)
HB 2589 department of gaming omnibus (Cook)
HB 2596 property taxes; procedures; abatement (Toma)
HB 2648 ballot measures; paid circulator definition (Leach)
HB 2649 public meetings; recordings; posting; definition (Grantham)
HB 2650 commercial license; defensive driving school (Toma)
HB 2651 landlord tenant; security deposits (Toma)
HB 2652 electric bicycles; definition; use (Allen, J.)
HB 2653 expenditure limitation; waiver of penalties (Cobb)
HB 2654 illegal substances education; partnership (Thorpe)
HB 2655 real estate licenses; online classes (Mosley)
HB 2656 electronic wills and trusts (Leach)
HB 2657 interscholastic activities; health dangers; information (Carter)
SB 1039 appropriation; Arizona water protection fund (Griffin)
SB 1140 certificates of authority; video service (Griffin)
SB 1167 merit council; law enforcement qualifications (Griffin)
SB 1181 corporation commission; railway safety inspectors (Griffin)
SB 1245 appropriation; SNAP; benefit match; produce (Brophy McGee)
SB 1254 school district consolidation (Allen, S.)
SB 1271 construction liability; apportionment; study (Fann)
SB 1273 administrative proceedings; rules; contested cases (Petersen)
SB 1293 department of revenue; administrative efficiency (Farnsworth, D.)
SB 1296 government communications; emergency response interpreters (Bowie)
SB 1398 unemployment; return-to-work program; suitable work (Smith)
SB 1409 TPT; prime contracting; alteration; replacement (Fann)
SB 1476 county sheriff; reentry planning; appropriation (Gray)
SB 1478 employer contributions; EORP (Fann)
SB 1496 prisoners; drug sentences; out-of-custody treatment (Smith)
SB 1498 AZPOST; membership; training; AMBER alert (Smith)

SB 1504 developmental disability rates; appropriation (Smith)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed House Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 298

HOUSE BILL 2307

AN ACT

AMENDING SECTIONS 13-1802, 13-3728, 28-101 AND 28-2097, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2098, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-4301, 28-6991, 41-3451, 44-1321 AND 44-1641, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 11, ARTICLE 3.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1642.02; RELATING TO SCRAP VEHICLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 13-1802, Arizona Revised Statutes, is amended to read:

13-1802. Theft; classification; definitions

A. A person commits theft if, without lawful authority, the person knowingly:

1. Controls property of another with the intent to deprive the other person of such property; or

2. Converts for an unauthorized term or use services or property of another entrusted to the defendant or placed in the defendant's possession for a limited, authorized term or use; or

3. Obtains services or property of another by means of any material misrepresentation with intent to deprive the other person of such property or services; or

4. Comes into control of lost, mislaid or misdelivered property of another under circumstances providing means of inquiry as to the true owner and appropriates such property to the person's own or another's use without reasonable efforts to notify the true owner; or

5. Controls property of another knowing or having reason to know that the property was stolen; or

6. Obtains services known to the defendant to be available only for compensation without paying or an agreement to pay the compensation or diverts another's services to the person's own or another's benefit without authority to do so; or

7. Controls the ferrous metal or nonferrous metal of another with the intent to deprive the other person of the metal; or

8. Controls the ferrous metal or nonferrous metal of another knowing or having reason to know that the metal was stolen; or

9. Purchases within the scope of the ordinary course of business the ferrous metal or nonferrous metal of another person knowing that the metal was stolen.

B. A person commits theft if, without lawful authority, the person knowingly takes control, title, use or management of a vulnerable adult's property while acting in a position of trust and confidence and with the intent to deprive the vulnerable adult of the property. Proof that a person took control, title, use or management of a vulnerable adult's property without adequate consideration to the vulnerable adult may give rise to an inference that the person intended to deprive the vulnerable adult of the property.

C. It is an affirmative defense to any prosecution under subsection B of this section that either:

1. The property was given as a gift consistent with a pattern of gift giving to the person that existed before the adult became vulnerable.

2. The property was given as a gift consistent with a pattern of gift giving to a class of individuals that existed before the adult became vulnerable.

3. The superior court approved the transaction before the transaction occurred.

D. The inferences set forth in section 13-2305 apply to any prosecution under subsection A, paragraph 5 of this section.

E. At the conclusion of any grand jury proceeding, hearing or trial, the court shall preserve any trade secret that is admitted in evidence or any portion of a transcript that contains information relating to the trade secret pursuant to section 44-405.

F. Subsection B of this section does not apply to an agent who is acting within the scope of the agent's duties as or on behalf of a health care institution that is licensed pursuant to title 36, chapter 4 and that provides services to the vulnerable adult.

G. Theft of property or services with a value of twenty-five thousand dollars or more is a class 2 felony. Theft of property or services with a value of four thousand dollars or more but less than twenty-five thousand dollars is a class 3 felony. Theft of property or services with a value of three thousand dollars or more but less than four thousand dollars is a class 4 felony, except that theft of any vehicle engine or transmission is a class 4 felony regardless of value. Theft of property or services with a value of two thousand dollars or more but less than three thousand dollars is a class 5 felony. Theft of property or services with a value of one thousand dollars or more but less than two thousand dollars is a class 6 felony. Theft of any property or services valued at less than one thousand dollars is a class 1 misdemeanor, unless the property is taken from the person of another, is a firearm or is an animal taken for the purpose of animal fighting in violation of section 13-2910.01, in which case the theft is a class 6 felony.

H. A person who is convicted of a violation of subsection A, paragraph 1 or 3 of this section that involved property with a value of one hundred thousand dollars or more is not eligible for suspension of sentence, probation, pardon or release from confinement on any basis except pursuant to section 31-233, subsection A or B until the sentence imposed by the court has been served, the person is eligible for release pursuant to section 41-1604.07 or the sentence is commuted.

I. For the purposes of this section, the value of ferrous metal or nonferrous metal includes the amount of any damage to the property of another caused as a result of the theft of the metal.

J. In an action for theft of ferrous metal or nonferrous metal:

1. Unless satisfactorily explained or acquired in the ordinary course of business by an automotive recycler ~~as defined and~~ THAT IS licensed pursuant to title 28, chapter 10 or by a scrap metal dealer as defined in section 44-1641, proof of possession of scrap metal that was

recently stolen may give rise to an inference that the person in possession of the scrap metal was aware of the risk that it had been stolen or in some way participated in its theft.

2. Unless satisfactorily explained or sold in the ordinary course of business by an automotive recycler ~~as defined and~~ THAT IS licensed pursuant to title 28, chapter 10 or by a scrap metal dealer as defined in section 44-1641, proof of the sale of stolen scrap metal at a price substantially below its fair market value may give rise to an inference that the person selling the scrap metal was aware of the risk that it had been stolen.

K. For the purposes of this section:

1. "Adequate consideration" means the property was given to the person as payment for bona fide goods or services provided by the person and the payment was at a rate that was customary for similar goods or services in the community that the vulnerable adult resided in at the time of the transaction.

2. "Ferrous metal" ~~and "nonferrous metal" have~~ HAS the same ~~meanings~~ MEANING prescribed in section 44-1641.

3. "Pattern of gift giving" means two or more gifts that are the same or similar in type and monetary value.

4. "Position of trust and confidence" has the same meaning prescribed in section 46-456.

5. "Property" includes all forms of real property and personal property.

6. "Vulnerable adult" has the same meaning prescribed in section 46-451.

Sec. 2. Section 13-3728, Arizona Revised Statutes, is amended to read:

13-3728. <u>Unlawful purchase or sale of used catalytic converter; classification</u>

A. It is unlawful for a person to purchase or sell a used catalytic converter unless the purchase or sale is in the ordinary course of business by a commercial motor vehicle parts or repair business in connection with the sale or installation of a new catalytic converter.

B. This section does not apply to:

1. An automotive recycler ~~as defined and~~ THAT IS licensed pursuant to title 28, chapter 10.

2. The purchase or sale of a used catalytic converter as prescribed by section 44-1642.01 that is acquired in a transaction with an industrial account, with another scrap metal dealer or after the used catalytic converter is authorized for release by a peace officer of the jurisdiction in which the transaction occurs.

C. A violation of this section is a class 1 misdemeanor.

Sec. 3. Section 28-101, Arizona Revised Statutes, is amended to read:

28-101. Definitions

In this title, unless the context otherwise requires:

1. "Alcohol" means any substance containing any form of alcohol, including ethanol, methanol, propynol and isopropynol.

2. "Alcohol concentration" if expressed as a percentage means either:

(a) The number of grams of alcohol per one hundred milliliters of blood.

(b) The number of grams of alcohol per two hundred ten liters of breath.

3. "All-terrain vehicle" means either of the following:

(a) A motor vehicle that satisfies all of the following:

(i) Is designed primarily for recreational nonhighway all-terrain travel.

(ii) Is fifty or fewer inches in width.

(iii) Has an unladen weight of one thousand two hundred pounds or less.

(iv) Travels on three or more nonhighway tires.

(v) Is operated on a public highway.

(b) A recreational off-highway vehicle that satisfies all of the following:

(i) Is designed primarily for recreational nonhighway all-terrain travel.

(ii) Is sixty-five or fewer inches in width.

(iii) Has an unladen weight of one thousand eight hundred pounds or less.

(iv) Travels on four or more nonhighway tires.

4. "Authorized emergency vehicle" means any of the following:

(a) A fire department vehicle.

(b) A police vehicle.

(c) An ambulance or emergency vehicle of a municipal department or public service corporation that is designated or authorized by the department or a local authority.

(d) Any other ambulance, fire truck or rescue vehicle that is authorized by the department in its sole discretion and that meets liability insurance requirements prescribed by the department.

5. "Autocycle" means a three-wheeled motorcycle on which the driver and passengers ride in a fully or partially enclosed seating area that is equipped with a roll cage, safety belts for each occupant and antilock brakes and that is designed to be controlled with a steering wheel and pedals.

6. "AUTOMOTIVE RECYCLER" MEANS A PERSON THAT IS ENGAGED IN THE BUSINESS OF BUYING OR ACQUIRING A MOTOR VEHICLE SOLELY FOR THE PURPOSE OF

DISMANTLING, SELLING OR OTHERWISE DISPOSING OF THE PARTS OR ACCESSORIES AND THAT REMOVES PARTS FOR RESALE FROM SIX OR MORE VEHICLES IN A CALENDAR YEAR.

~~6.~~ 7. "Aviation fuel" means all flammable liquids composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating an internal combustion engine for use in an aircraft but does not include fuel for jet or turbine powered aircraft.

~~7.~~ 8. "Bicycle" means a device, including a racing wheelchair, that is propelled by human power and on which a person may ride and that has either:

(a) Two tandem wheels, either of which is more than sixteen inches in diameter.

(b) Three wheels in contact with the ground, any of which is more than sixteen inches in diameter.

~~8.~~ 9. "Board" means the transportation board.

~~9.~~ 10. "Bus" means a motor vehicle designed for carrying sixteen or more passengers, including the driver.

~~10.~~ 11. "Business district" means the territory contiguous to and including a highway if there are buildings in use for business or industrial purposes within any six hundred feet along the highway, including hotels, banks or office buildings, railroad stations and public buildings that occupy at least three hundred feet of frontage on one side or three hundred feet collectively on both sides of the highway.

~~11.~~ 12. "Certificate of ownership" means a paper or an electronic record that is issued in another state or a foreign jurisdiction and that indicates ownership of a vehicle.

~~12.~~ 13. "Certificate of title" means a paper document or an electronic record that is issued by the department and that indicates ownership of a vehicle.

~~13.~~ 14. "Combination of vehicles" means a truck or truck tractor and semitrailer and any trailer that it tows but does not include a forklift designed for the purpose of loading or unloading the truck, trailer or semitrailer.

~~14.~~ 15. "Controlled substance" means a substance so classified under section 102(6) of the controlled substances act (21 United States Code section 802(6)) and includes all substances listed in schedules I through V of 21 Code of Federal Regulations part 1308.

~~15.~~ 16. "Conviction" means:

(a) An unvacated adjudication of guilt or a determination that a person violated or failed to comply with the law in a court of original jurisdiction or by an authorized administrative tribunal.

(b) An unvacated forfeiture of bail or collateral deposited to secure the person's appearance in court.

(c) A plea of guilty or no contest accepted by the court.

(d) The payment of a fine or court costs.

~~16.~~ 17. "County highway" means a public road that is constructed and maintained by a county.

~~17.~~ 18. "Dealer" means a person who is engaged in the business of buying, selling or exchanging motor vehicles, trailers or semitrailers and who has an established place of business and has paid fees pursuant to section 28-4302.

~~18.~~ 19. "Department" means the department of transportation acting directly or through its duly authorized officers and agents.

~~19.~~ 20. "Digital network or software application" has the same meaning prescribed in section 28-9551.

~~20.~~ 21. "Director" means the director of the department of transportation.

~~21.~~ 22. "Drive" means to operate or be in actual physical control of a motor vehicle.

~~22.~~ 23. "Driver" means a person who drives or is in actual physical control of a vehicle.

~~23.~~ 24. "Driver license" means a license that is issued by a state to an individual and that authorizes the individual to drive a motor vehicle.

~~24.~~ 25. "Electric personal assistive mobility device" means a self-balancing device with one wheel or two nontandem wheels and an electric propulsion system that limits the maximum speed of the device to fifteen miles per hour or less and that is designed to transport only one person.

~~25.~~ 26. "Farm" means any lands primarily used for agriculture production.

~~26.~~ 27. "Farm tractor" means a motor vehicle designed and used primarily as a farm implement for drawing implements of husbandry.

~~27.~~ 28. "Foreign vehicle" means a motor vehicle, trailer or semitrailer that is brought into this state other than in the ordinary course of business by or through a manufacturer or dealer and that has not been registered in this state.

~~28.~~ 29. "Golf cart" means a motor vehicle that has not less than three wheels in contact with the ground, that has an unladen weight of less than one thousand eight hundred pounds, that is designed to be and is operated at not more than twenty-five miles per hour and that is designed to carry not more than four persons including the driver.

~~29.~~ 30. "Hazardous material" means a material, and its mixtures or solutions, that the United States department of transportation determines under 49 Code of Federal Regulations is, or any quantity of a material listed as a select agent or toxin under 42 Code of Federal Regulations part 73 that is, capable of posing an unreasonable risk to health, safety and property if transported in commerce and that is required to be

placarded or marked as required by the department's safety rules prescribed pursuant to chapter 14 of this title.

~~30.~~ 31. "Implement of husbandry" means a vehicle that is designed primarily for agricultural purposes and that is used exclusively in the conduct of agricultural operations, including an implement or vehicle whether self-propelled or otherwise that meets both of the following conditions:

(a) Is used solely for agricultural purposes including the preparation or harvesting of cotton, alfalfa, grains and other farm crops.

(b) Is only incidentally operated or moved on a highway whether as a trailer or self-propelled unit. For the purposes of this subdivision, "incidentally operated or moved on a highway" means travel between a farm and another part of the same farm, from one farm to another farm or between a farm and a place of repair, supply or storage.

~~31.~~ 32. "Limousine" means a motor vehicle providing prearranged ground transportation service for an individual passenger, or a group of passengers, that is arranged in advance or is operated on a regular route or between specified points and includes ground transportation under a contract or agreement for services that includes a fixed rate or time and is provided in a motor vehicle with a seating capacity not exceeding fifteen passengers including the driver.

~~32.~~ 33. "Livery vehicle" means a motor vehicle that:

(a) Has a seating capacity not exceeding fifteen passengers including the driver.

(b) Provides passenger services for a fare determined by a flat rate or flat hourly rate between geographic zones or within a geographic area.

(c) Is available for hire on an exclusive or shared ride basis.

(d) May do any of the following:

(i) Operate on a regular route or between specified places.

(ii) Offer prearranged ground transportation service as defined in section 28-141.

(iii) Offer on demand ground transportation service pursuant to a contract with a public airport, licensed business entity or organization.

~~33.~~ 34. "Local authority" means any county, municipal or other local board or body exercising jurisdiction over highways under the constitution and laws of this state.

~~34.~~ 35. "Manufacturer" means a person engaged in the business of manufacturing motor vehicles, trailers or semitrailers.

~~35.~~ 36. "Moped" means a bicycle that is equipped with a helper motor if the vehicle has a maximum piston displacement of fifty cubic centimeters or less, a brake horsepower of one and one-half or less and a maximum speed of twenty-five miles per hour or less on a flat surface with less than a one percent grade.

~~39.~~ 37. "Motorcycle" means a motor vehicle that has a seat or saddle for the use of the rider and that is designed to travel on not more than three wheels in contact with the ground but excludes a tractor and a moped.

~~36.~~ 38. "Motor driven cycle" means a motorcycle, including every motor scooter, with a motor that produces not more than five horsepower.

~~40.~~ 39. "Motorized quadricycle" means a self-propelled motor vehicle to which all of the following apply:

(a) The vehicle is self-propelled by an emission-free electric motor and may include pedals operated by the passengers.

(b) The vehicle has at least four wheels in contact with the ground.

(c) The vehicle seats at least eight passengers, including the driver.

(d) The vehicle is operable on a flat surface using solely the electric motor without assistance from the pedals or passengers.

(e) The vehicle is a commercial motor vehicle as defined in section 28-5201.

(f) The vehicle is a limousine operating under a vehicle for hire company permit issued pursuant to section 28-9503.

(g) The vehicle is manufactured by a motor vehicle manufacturer that is licensed pursuant to chapter 10 of this title.

(h) The vehicle complies with the definition and standards for low-speed vehicles set forth in federal motor vehicle safety standard 500 and 49 Code of Federal Regulations sections 571.3(b) and 571.500, respectively.

~~37.~~ 40. "Motor vehicle":

(a) Means either:

(i) A self-propelled vehicle.

(ii) For the purposes of the laws relating to the imposition of a tax on motor vehicle fuel, a vehicle that is operated on the highways of this state and that is propelled by the use of motor vehicle fuel.

(b) Does not include a SCRAP VEHICLE, A motorized wheelchair, an electric personal assistive mobility device or a motorized skateboard. For the purposes of this subdivision:

(i) "Motorized skateboard" means a self-propelled device that has a motor, a deck on which a person may ride and at least two tandem wheels in contact with the ground.

(ii) "Motorized wheelchair" means a self-propelled wheelchair that is used by a person for mobility.

~~38.~~ 41. "Motor vehicle fuel" includes all products that are commonly or commercially known or sold as gasoline, including casinghead gasoline, natural gasoline and all flammable liquids, and that are composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating internal

combustion engines. Motor vehicle fuel does not include inflammable liquids that are specifically manufactured for racing motor vehicles and that are distributed for and used by racing motor vehicles at a racetrack, use fuel as defined in section 28-5601, aviation fuel, fuel for jet or turbine powered aircraft or the mixture created at the interface of two different substances being transported through a pipeline, commonly known as transmix.

~~41.~~ 42. "Neighborhood electric vehicle" means a self-propelled electrically powered motor vehicle to which all of the following apply:

(a) The vehicle is emission free.

(b) The vehicle has at least four wheels in contact with the ground.

(c) The vehicle complies with the definition and standards for low-speed vehicles set forth in federal motor vehicle safety standard 500 and 49 Code of Federal Regulations sections 571.3(b) and 571.500, respectively.

~~42.~~ 43. "Nonresident" means a person who is not a resident of this state as defined in section 28-2001.

~~43.~~ 44. "Off-road recreational motor vehicle" means a motor vehicle that is designed primarily for recreational nonhighway all-terrain travel and that is not operated on a public highway. Off-road recreational motor vehicle does not mean a motor vehicle used for construction, building trade, mining or agricultural purposes.

~~44.~~ 45. "Operator" means a person who drives a motor vehicle on a highway, who is in actual physical control of a motor vehicle on a highway or who is exercising control over or steering a vehicle being towed by a motor vehicle.

~~45.~~ 46. "Owner" means:

(a) A person who holds the legal title of a vehicle.

(b) If a vehicle is the subject of an agreement for the conditional sale or lease with the right of purchase on performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, the conditional vendee or lessee.

(c) If a mortgagor of a vehicle is entitled to possession of the vehicle, the mortgagor.

~~46.~~ 47. "Pedestrian" means any person afoot. A person who uses an electric personal assistive mobility device or a manual or motorized wheelchair is considered a pedestrian unless the manual wheelchair qualifies as a bicycle. For the purposes of this paragraph, "motorized wheelchair" means a self-propelled wheelchair that is used by a person for mobility.

~~47.~~ 48. "Power sweeper" means an implement, with or without motive power, that is only incidentally operated or moved on a street or highway and that is designed for the removal of debris, dirt, gravel, litter or sand whether by broom, vacuum or regenerative air system from asphaltic

concrete or cement concrete surfaces, including parking lots, highways, streets and warehouses, and a vehicle on which the implement is permanently mounted.

~~48.~~ 49. "Public transit" means the transportation of passengers on scheduled routes by means of a conveyance on an individual passenger fare-paying basis excluding transportation by a sightseeing bus, school bus or taxi or a vehicle not operated on a scheduled route basis.

~~49.~~ 50. "Reconstructed vehicle" means a vehicle that has been assembled or constructed largely by means of essential parts, new or used, derived from vehicles or makes of vehicles of various names, models and types or that, if originally otherwise constructed, has been materially altered by the removal of essential parts or by the addition or substitution of essential parts, new or used, derived from other vehicles or makes of vehicles. For the purposes of this paragraph, "essential parts" means integral and body parts, the removal, alteration or substitution of which will tend to conceal the identity or substantially alter the appearance of the vehicle.

~~50.~~ 51. "Residence district" means the territory contiguous to and including a highway not comprising a business district if the property on the highway for a distance of three hundred feet or more is in the main improved with residences or residences and buildings in use for business.

~~51.~~ 52. "Right-of-way" when used within the context of the regulation of the movement of traffic on a highway means the privilege of the immediate use of the highway. Right-of-way when used within the context of the real property on which transportation facilities and appurtenances to the facilities are constructed or maintained means the lands or interest in lands within the right-of-way boundaries.

~~52.~~ 53. "School bus" means a motor vehicle that is designed for carrying more than ten passengers and that is either:

(a) Owned by any public or governmental agency or other institution and operated for the transportation of children to or from home or school on a regularly scheduled basis.

(b) Privately owned and operated for compensation for the transportation of children to or from home or school on a regularly scheduled basis.

54. "SCRAP METAL DEALER" HAS THE SAME MEANING PRESCRIBED IN SECTION 44-1641.

55. "SCRAP VEHICLE" HAS THE SAME MEANING PRESCRIBED IN SECTION 44-1641.

~~53.~~ 56. "Semitrailer" means a vehicle that is with or without motive power, other than a pole trailer, that is designed for carrying persons or property and for being drawn by a motor vehicle and that is constructed so that some part of its weight and that of its load rests on or is carried by another vehicle. For the purposes of this paragraph, "pole trailer" has the same meaning prescribed in section 28-601.

~~54.~~ 57. "State" means a state of the United States and the District of Columbia.

~~55.~~ 58. "State highway" means a state route or portion of a state route that is accepted and designated by the board as a state highway and that is maintained by the state.

~~56.~~ 59. "State route" means a right-of-way whether actually used as a highway or not that is designated by the board as a location for the construction of a state highway.

~~57.~~ 60. "Street" or "highway" means the entire width between the boundary lines of every way if a part of the way is open to the use of the public for purposes of vehicular travel.

~~58.~~ 61. "Taxi" means a motor vehicle that has a seating capacity not exceeding fifteen passengers, including the driver, that provides passenger services and that:

(a) Does not primarily operate on a regular route or between specified places.

(b) Offers local transportation for a fare determined on the basis of the distance traveled or prearranged ground transportation service as defined in section 28-141 for a predetermined fare.

~~59.~~ 62. "Title transfer form" means a paper or an electronic form that is prescribed by the department for the purpose of transferring a certificate of title from one owner to another owner.

~~60.~~ 63. "Traffic survival school" means a school that offers educational sessions to drivers who are required to attend and successfully complete educational sessions pursuant to this title that are designed to improve the safety and habits of drivers and that are approved by the department.

~~61.~~ 64. "Trailer" means a vehicle that is with or without motive power, other than a pole trailer, that is designed for carrying persons or property and for being drawn by a motor vehicle and that is constructed so that no part of its weight rests on the towing vehicle. A semitrailer equipped with an auxiliary front axle commonly known as a dolly is deemed to be a trailer. For the purposes of this paragraph, "pole trailer" has the same meaning prescribed in section 28-601.

~~62.~~ 65. "Transportation network company" has the same meaning prescribed in section 28-9551.

~~63.~~ 66. "Transportation network company vehicle" has the same meaning prescribed in section 28-9551.

~~64.~~ 67. "Transportation network service" has the same meaning prescribed in section 28-9551.

~~65.~~ 68. "Truck" means a motor vehicle designed or used primarily for the carrying of property other than the effects of the driver or passengers and includes a motor vehicle to which has been added a box, a platform or other equipment for such carrying.

~~66.~~ 69. "Truck tractor" means a motor vehicle that is designed and used primarily for drawing other vehicles and that is not constructed to carry a load other than a part of the weight of the vehicle and load drawn.

~~67.~~ 70. "Vehicle":

(a) Means a device in, on or by which a person or property is or may be transported or drawn on a public highway, excluding devices moved by human power or used exclusively on stationary rails or tracks.

(b) DOES NOT INCLUDE A SCRAP VEHICLE.

~~68.~~ 71. "Vehicle transporter" means either:

(a) A truck tractor capable of carrying a load and drawing a semitrailer.

(b) A truck tractor with a stinger-steered fifth wheel capable of carrying a load and drawing a semitrailer or a truck tractor with a dolly mounted fifth wheel that is securely fastened to the truck tractor at two or more points and that is capable of carrying a load and drawing a semitrailer.

Sec. 4. Section 28-2097, Arizona Revised Statutes, is amended to read:

28-2097. Modular motor homes; definition

A. Notwithstanding any other provision of this title:

1. If a refurbished coach or body component is remounted to a new cab and chassis power unit of a modular motor home, the department shall issue a certificate of title for the modular motor home according to the make of the refurbished coach. The manufacturer's cab and chassis vehicle identification number determines the model year. The department shall conduct a level one inspection of the vehicle and shall brand the certificate of title refurbished.

2. If a modular motor home is separated by removal of the coach or body component from the cab and chassis power unit and a cargo box, container or structure, if any, other than a motor home coach, is fitted to the cab and chassis unit, it ceases to be a modular motor home. The department shall conduct a level one inspection and shall issue a certificate of title for the vehicle according to the body style determined by the inspection. The department shall use the make and model year of the cab and chassis for the purpose of issuing a certificate of title and shall brand the certificate of title refurbished.

B. If a vehicle covered by this section is offered for sale, a person who sells the vehicle shall keep full and complete disclosure statements and present those statements to any person or entity that requests them at the time of a sale or purchase. For the purposes of this subsection, full and complete disclosure statements are documents that accurately reflect the history of the original manufacturer's cab and chassis, including vehicle identification numbers, dates of required

inspections, odometer readings and other information prescribed by the director in rules.

C. For the purposes of this section, "modular motor home" means:

1. A type of motor home that is primarily designed as temporary living quarters, that satisfies the requirements prescribed in section 28-4301, paragraph ~~20~~ 19, subdivision (b) and that is intended from inception through final assembly to consist of an incomplete cab and chassis power unit component and a coach or body component that are designed and engineered to be joined or separated without sheet metal modifications to the cab and chassis power unit component.

2. A vehicle that if joined to form a single unit consists of both:

(a) A cab and chassis power unit component that is purchased or acquired new from an original manufacturer.

(b) A coach or body component that is either purchased or acquired new from an original manufacturer or that is refurbished.

Sec. 5. Title 28, chapter 7, article 3, Arizona Revised Statutes, is amended by adding section 28-2098, to read:

28-2098. Vehicle sales; no certificate of title; violation; classification; civil penalty

A. NOTWITHSTANDING ANY OTHER LAW, A REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER MAY PURCHASE A VEHICLE WITHOUT OBTAINING A CERTIFICATE OF TITLE IF THE SCRAP METAL DEALER OR AUTOMOTIVE RECYCLER COMPLIES WITH SUBSECTION B OF THIS SECTION, THE TRANSACTIONAL VALUE OF THE VEHICLE DOES NOT EXCEED TWELVE HUNDRED DOLLARS, THE VEHICLE IS AT LEAST TWELVE MODEL YEARS OLD AND THE OWNER DOES NOT HAVE THE PAPER CERTIFICATE OF TITLE TO THE VEHICLE FOR ANY OF THE FOLLOWING REASONS:

1. THE OWNER OR THE OWNER'S AUTHORIZED AGENT HAS NOT OBTAINED A TITLE IN THE OWNER'S OR AGENT'S NAME FOR THE VEHICLE.

2. THE OWNER HAS LOST THE PAPER CERTIFICATE OF TITLE FOR THE VEHICLE.

3. THE OWNER HAS RETURNED THE TITLE TO THE DEPARTMENT. IF THIS PARAGRAPH APPLIES, A VEHICLE MAY BE TRANSFERRED TO ONLY A SCRAP METAL DEALER OR AN AUTOMOTIVE RECYCLER.

B. FOR PURCHASES UNDER THIS SECTION, THE REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER SHALL DO ALL OF THE FOLLOWING:

1. TAKE A PICTURE AT THE TIME OF THE TRANSACTION OF ALL OF THE FOLLOWING:

(a) THE SELLER.

(b) THE VEHICLE.

(c) THE VEHICLE'S VEHICLE IDENTIFICATION NUMBER OR FEDERAL IDENTIFICATION STICKER.

2. PAY FOR THE VEHICLE WITH A CHECK AND NOT WITH CASH.

3. OBTAIN A STATEMENT THAT CONTAINS ALL OF THE INFORMATION REQUIRED BY SUBSECTION C OF THIS SECTION, THAT IS SIGNED BY THE SELLER AND THAT AFFIRMS THE CONDITIONS PRESCRIBED IN SUBSECTION A OF THIS SECTION.

C. WHEN THE DEPARTMENT IS ABLE TO ACCEPT AN ELECTRONIC FORM, THE STATEMENT PRESCRIBED BY SUBSECTION B OF THIS SECTION SHALL BE SUBMITTED ELECTRONICALLY IN A FORM THAT IS PRESCRIBED BY THE DEPARTMENT AND SHALL CONTAIN ALL OF THE FOLLOWING:

1. A STATEMENT THAT THE VEHICLE WILL NOT BE TITLED AGAIN AND WILL BE DISMANTLED OR SCRAPPED.

2. A DESCRIPTION OF THE VEHICLE, INCLUDING THE YEAR, MAKE, MODEL AND VEHICLE IDENTIFICATION NUMBER.

3. THE OWNER'S NAME AND ADDRESS AND THE NUMBER FROM THE OWNER'S DRIVER LICENSE, NONOPERATING IDENTIFICATION LICENSE ISSUED PURSUANT TO SECTION 28-3165 OR PHOTO IDENTIFICATION CARD ISSUED BY A TRIBAL GOVERNMENT OR THE UNITED STATES MILITARY.

4. A CERTIFICATION THAT THE OWNER EITHER:

(a) NEVER OBTAINED A TITLE TO THE VEHICLE IN THE OWNER'S NAME.

(b) WAS ISSUED A TITLE FOR THE VEHICLE AND THE TITLE WAS LOST OR STOLEN.

(c) HAS RETURNED THE TITLE TO THE DEPARTMENT.

5. A CERTIFICATION THAT THE VEHICLE IS BOTH OF THE FOLLOWING:

(a) AT LEAST TWELVE MODEL YEARS OLD.

(b) NOT SUBJECT TO A SECURITY INTEREST OR LIEN.

6. AN ACKNOWLEDGMENT THAT THE OWNER AND THE SCRAP METAL DEALER OR AUTOMOTIVE RECYCLER UNDERSTAND THAT THE STATEMENT REQUIRED BY THIS SUBSECTION WILL BE FILED WITH THE DEPARTMENT AND THAT IT IS A CLASS 1 MISDEMEANOR TO KNOWINGLY FALSIFY ANY INFORMATION ON THE STATEMENT.

7. THE OWNER'S SIGNATURE AND THE DATE OF THE TRANSACTION.

8. THE NAME AND ADDRESS OF THE BUSINESS ACQUIRING THE VEHICLE.

9. THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM IDENTIFICATION NUMBER.

10. A BUSINESS AGENT'S SIGNATURE AND DATE, INCLUDING THE AGENT'S PRINTED NAME AND TITLE IF THE AGENT IS SIGNING ON BEHALF OF A CORPORATION.

D. A REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER THAT PURCHASES A VEHICLE UNDER THIS SECTION:

1. SHALL MAINTAIN A PHOTOCOPY OR ELECTRONIC SCAN OF THE OWNER'S DRIVER LICENSE, NONOPERATING IDENTIFICATION LICENSE ISSUED PURSUANT TO SECTION 28-3165 OR PHOTO IDENTIFICATION CARD ISSUED BY A TRIBAL GOVERNMENT OR THE UNITED STATES MILITARY.

2. MAY MAINTAIN A COPY OF THE SELLER'S PHOTO IDENTIFICATION AND REFERENCE THAT PHOTO IDENTIFICATION WITHOUT MAKING A SEPARATE PHOTOCOPY FOR EACH TRANSACTION FOR SUBSEQUENT PURCHASES.

3. SHALL HOLD THE VEHICLE AT LEAST THREE BUSINESS DAYS AFTER THE DATE THAT THE REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER REPORTS THE PURCHASE PURSUANT TO SUBSECTION I OF THIS SECTION BEFORE THE REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER MAY CRUSH, DISMANTLE OR SHRED THE VEHICLE.

E. THE DEPARTMENT MAY DEVELOP AN ELECTRONIC SYSTEM FOR A REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER TO VERIFY AT THE TIME OF A TRANSACTION THAT A MOTOR VEHICLE OFFERED FOR SALE HAS NOT BEEN REPORTED STOLEN.

F. BEFORE PURCHASING A MOTOR VEHICLE UNDER THIS SECTION, A REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER SHALL VERIFY THAT THE MOTOR VEHICLE OFFERED FOR SALE HAS NOT BEEN REPORTED STOLEN. IN ADDITION TO SUBMITTING INFORMATION TO THE DEPARTMENT PURSUANT TO THIS SECTION AND THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM AS REQUIRED BY 28 CODE OF FEDERAL REGULATIONS PART 25, SUBPART B, AFTER THE DEPARTMENT DEVELOPS AN ELECTRONIC VERIFICATION SYSTEM PURSUANT TO THIS SECTION, A REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER SHALL VERIFY THAT A VEHICLE IS NOT STOLEN BY USING THE ELECTRONIC VERIFICATION SYSTEM BEFORE PURCHASING A VEHICLE WITHOUT A CERTIFICATE OF TITLE. IF THE ELECTRONIC VERIFICATION SYSTEM INDICATES THAT THE VEHICLE IS STOLEN, THE REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER MAY NOT PURCHASE THE VEHICLE AND SHALL REPORT THE FINDINGS TO THE DEPARTMENT. A REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER IS NOT REQUIRED TO APPREHEND A PERSON THAT ATTEMPTS TO SELL A MOTOR VEHICLE THAT WAS REPORTED STOLEN.

G. A REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER MUST USE A DEPARTMENT VEHICLE LIEN OR ENCUMBRANCE DATABASE THAT IS IN PLACE ON FEBRUARY 1, 2018 OR A COMPARABLE DATABASE TO CHECK FOR LIENS OR ENCUMBRANCES ON VEHICLES PURCHASED UNDER THIS SECTION IF THE DATABASE SUBSTANTIALLY COMPLIES WITH SECTION 28-2134 WHICH REQUIRES THE RELEASE OF A SATISFIED LIEN.

H. A PERSON WHO KNOWINGLY GIVES FALSE, FRAUDULENT OR ERRONEOUS INFORMATION IN CONNECTION WITH THE SIGNED STATEMENT PRESCRIBED IN SUBSECTION B OF THIS SECTION, WHO FALSELY CERTIFIES THE TRUTHFULNESS AND ACCURACY OF INFORMATION SUPPLIED IN CONNECTION WITH THE STATEMENT OR WHO KNOWINGLY SELLS A VEHICLE THAT IS SUBJECT TO AN UNSATISFIED LIEN IS GUILTY OF A CLASS 1 MISDEMEANOR AND SHALL PAY A FINE OF TWO THOUSAND FIVE HUNDRED DOLLARS.

I. WITHIN FORTY-EIGHT HOURS AFTER THE CLOSE OF BUSINESS EACH DAY, A REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER THAT PURCHASES OR RECEIVES VEHICLES FOR SCRAP OR FOR PARTS SHALL REPORT TO THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM AND MAINTAIN AND DELIVER ELECTRONICALLY TO THE DEPARTMENT IN A FORMAT APPROVED BY THE DEPARTMENT A LIST OF EACH VEHICLE PURCHASED THAT DAY FOR SCRAP OR FOR PARTS. THE LIST SHALL CONTAIN ALL OF THE FOLLOWING:

1. THE NAME, ADDRESS AND CONTACT INFORMATION FOR THE REPORTING ENTITY.
2. THE VEHICLE IDENTIFICATION NUMBER.
3. THE DATE THAT THE VEHICLE WAS OBTAINED.
4. THE NAME OF THE PERSON FROM WHOM THE VEHICLE WAS OBTAINED.

5. WHETHER THE VEHICLE WAS OR WILL BE CRUSHED, DISPOSED OF OR OFFERED FOR SALE OR OTHER PURPOSES.

6. WHETHER THE VEHICLE WILL BE EXPORTED OUT OF THE UNITED STATES.

7. THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM IDENTIFICATION NUMBER OF THE BUSINESS ACQUIRING THE VEHICLE.

J. THE DEPARTMENT SHALL DISCLOSE THE INFORMATION THAT THE DEPARTMENT OBTAINS PURSUANT TO SUBSECTION I OF THIS SECTION ONLY TO LAW ENFORCEMENT AGENCIES AND FOR THE PURPOSES OF CANCELING CERTIFICATES OF TITLE. OTHERWISE THIS INFORMATION IS THE CONFIDENTIAL BUSINESS INFORMATION OF THE RESPECTIVE REPORTING ENTITY.

K. EACH REPORTING ENTITY SHALL RETAIN ALL STATEMENTS AND RECORDS REQUIRED UNDER SUBSECTION B OF THIS SECTION FOR A PERIOD OF TWO YEARS. A REGISTERED SCRAP METAL DEALER AND A LICENSED AUTOMOTIVE RECYCLER SHALL PRINT A FORM OR MAINTAIN AN ELECTRONIC RECORD TO SHOW THAT THE REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER COMPLETED A SEARCH ON THE DEPARTMENT'S ELECTRONIC SYSTEM TO VERIFY THAT A VEHICLE THAT THE REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER PURCHASES PURSUANT TO THIS SECTION IS NOT STOLEN. THE FORM MUST CONTAIN THE VEHICLE'S VEHICLE IDENTIFICATION NUMBER AND THE DATE ON WHICH THE SEARCH WAS CONDUCTED. THE REGISTERED SCRAP METAL DEALER AND LICENSED AUTOMOTIVE RECYCLER MUST ELECTRONICALLY RETAIN THE FORM OR ELECTRONIC RECORD FOR AT LEAST FIVE YEARS. THE DEPARTMENT MUST RETAIN RECORDS OF SEARCHES ON THE DEPARTMENT'S ELECTRONIC SYSTEM PURSUANT TO THIS SECTION FOR AT LEAST TEN YEARS.

L. A PERSON WHO ENGAGES IN THE ACTIVITIES OF A SCRAP METAL DEALER OR AN AUTOMOTIVE RECYCLER, WHETHER OR NOT REGISTERED OR LICENSED AS SUCH, AND WHO KNOWINGLY AND WILFULLY FAILS TO DELIVER A VEHICLE TITLE PURSUANT TO SECTION 28-2094 OR THE STATEMENT REQUIRED UNDER SUBSECTION B OF THIS SECTION TO THE DEPARTMENT OR TO REPORT VEHICLE INFORMATION DESCRIBED IN SUBSECTION I OF THIS SECTION TO THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM WITHIN FORTY-EIGHT HOURS AFTER THE COMPLETION OF A TRANSACTION IS IN VIOLATION OF THIS SECTION AND IS SUBJECT TO A CIVIL PENALTY OF UP TO ONE THOUSAND DOLLARS PER VIOLATION. A LOCAL OR STATE LAW ENFORCEMENT AGENCY, A COUNTY ATTORNEY OR THE ATTORNEY GENERAL MAY BRING AN ACTION IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THIS SECTION. ANY CIVIL PENALTIES ASSESSED SHALL BE DEPOSITED AS FOLLOWS:

1. FIFTY PERCENT SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE STATE HIGHWAY FUND ESTABLISHED BY SECTION 28-6991.

2. FIFTY PERCENT SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE AUTOMOBILE THEFT AUTHORITY FUND ESTABLISHED BY SECTION 41-3451.

M. THE DIRECTOR SHALL INCORPORATE BY REFERENCE THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM PRESCRIBED IN 28 CODE OF FEDERAL REGULATIONS, PART 25, SUBPART B, AND A PEACE OFFICER MAY ENFORCE ITS PROVISIONS.

N. THE SELLER OF MATERIAL FROM SCRAP VEHICLES SHALL CERTIFY TO THE PURCHASER THAT ALL SCRAP VEHICLES USED FOR THE MATERIAL IN THE SALE HAVE BEEN PROPERLY REPORTED TO THE DEPARTMENT OR THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.

O. NOTWITHSTANDING ANY OTHER LAW, ONLY THIS TITLE GOVERNS THE PURCHASE BY A SCRAP METAL DEALER OF A VEHICLE SOLELY FOR THE PURPOSE OF PROCESSING THE VEHICLE INTO A SCRAP VEHICLE OR INTO PREPARED GRADES OF SCRAP METAL AS DEFINED IN SECTION 44-1641.

Sec. 6. Section 28-4301, Arizona Revised Statutes, is amended to read:

28-4301. Definitions

In this chapter, unless the context otherwise requires:

1. "Area of responsibility" means the area surrounding an individual dealer that the factory designates as that dealer's individual primary geographic territory for the purpose of marketing, promoting, selling and leasing new motor vehicles. In the absence of the factory designated area, the area of responsibility is that geographical area surrounding a dealer that lies closer to that dealer than to other dealers of the same line-make.

~~2. "Automotive recycler" means a person who is engaged in the business of buying or acquiring a motor vehicle solely for the purpose of dismantling, selling or otherwise disposing of the parts or accessories and who dismantles six or more vehicles in a calendar year.~~

~~3.~~ 2. "Branch license" means a license that is issued by the director to a licensed motor vehicle dealer and that permits the licensee to sell motor vehicles from an established place of business within the same county but other than the original or principal place of business for which the license was issued.

~~4.~~ 3. "Broker" means a person who for any fee, commission or other valuable consideration offers to provide, provides or represents that the person will provide a service of arranging or assisting in effecting the purchase of a motor vehicle and who is not:

(a) A new motor vehicle dealer or an employee or agent of a new motor vehicle dealer.

(b) A used motor vehicle dealer or an employee or agent of a used motor vehicle dealer.

(c) A manufacturer or employee or agent of a manufacturer.

(d) An auctioneer or engaged in the auto auction business.

(e) A wholesale motor vehicle dealer.

~~5.~~ 4. "Community" means the relevant market area. For the purposes of this paragraph, "relevant market area" means the incorporated city or town in which the franchise is located.

~~6.~~ 5. "Distributor" means a person who either:

(a) Sells or distributes new motor vehicles to new motor vehicle dealers in this state.

(b) Maintains distributor representatives in this state.

~~7.~~ 6. "Distributor branch" means a branch office maintained or availed of by a distributor for either:

(a) The sale of new motor vehicles to new motor vehicle dealers in this state.

(b) Directing or supervising its representatives in this state.

~~8.~~ 7. "Established place of business":

(a) Means a permanent enclosed building or structure that is owned either in fee or leased with sufficient space to display two or more motor vehicles of a kind and type that the dealer is licensed to sell and that is devoted principally to the use of a motor vehicle dealer in the conduct of the business of the dealer.

(b) In the case of a used motor vehicle dealer, trailer dealer or semitrailer dealer:

(i) Need not be a permanent building or structure or part of a permanent building or structure.

(ii) May be a vacant lot or part of a vacant lot.

(iii) Does not mean or include a residence, tent, temporary stand or temporary quarters or permanent quarters occupied pursuant to a temporary arrangement.

(c) In the case of an automotive recycler, means a permanent site or location at which the business of an automotive recycler is or will be conducted.

~~9.~~ 8. "Exhibitor" means a manufacturer of new motor homes that exhibits new motor homes at a special event.

~~10.~~ 9. "Factory branch" means a branch office maintained or availed of by a manufacturer for either:

(a) The sale of new motor vehicles to distributors or the sale of new motor vehicles to new motor vehicle dealers in this state.

(b) Directing or supervising its representatives in this state.

~~11.~~ 10. "Financial institution" means a bank, trust company, savings and loan association, credit union, consumer lender, international banking facility or holding company that is licensed, regulated or insured by the department of financial institutions, the federal deposit insurance corporation, the office of thrift supervision, the comptroller of the currency, the national credit union share insurance fund or the national credit union administration.

~~12.~~ 11. "Franchise" means a contract between two or more persons if all of the following conditions are included:

(a) A commercial relationship of definite duration or continuing indefinite duration is involved.

(b) The franchisee is granted the right to offer, sell and service in this state new motor vehicles manufactured or distributed by the franchisor.

(c) The franchisee, as a separate business, constitutes a component of the franchisor's distribution system.

(d) The operation of the franchisee's business is substantially associated with the franchisor's trademark, service mark, trade name, advertising or other commercial symbol designating the franchisor.

(e) The operation of the franchisee's business is substantially reliant on the franchisor for the continued supply of new motor vehicles, parts and accessories.

~~13.~~ 12. "Franchisee" means a person who both:

(a) Receives new motor vehicles from the franchisor under a franchise.

(b) Offers and sells to and services new motor vehicles for the general public.

~~14.~~ 13. "Franchisor" means a person who both:

(a) Manufactures or distributes new motor vehicles.

(b) May enter into a franchise.

~~15.~~ 14. "Importer" means a person who transports or arranges for the transportation of a foreign manufactured new motor vehicle into the United States for sale in this state.

~~16.~~ 15. "Lead" means any retail consumer who satisfies all of the following:

(a) Responds to a factory-directed program that obtains consumer contact information and that provides such information to one or more dealers.

(b) Expresses an interest to the factory in purchasing, leasing or acquiring any vehicle or product, service or financing available from the dealers of that factory.

(c) Does not qualify for any reasonable factory sponsored employee, retiree or vendor new vehicle purchase program or any other reasonable similar factory new vehicle purchase program.

~~17.~~ 16. "Line-make" means those motor vehicles that are offered for sale, lease or distribution under a common name, trademark, service mark or brand name of the manufacturer of those same motor vehicles.

~~18.~~ 17. "Major component part" includes a motor vehicle or vehicle part that the manufacturer has assigned any factory, motor, serial or other identification number or mark.

~~19.~~ 18. "Manufacturer" means any person who either:

(a) Manufactures or assembles new motor vehicles.

(b) Manufactures or installs on previously assembled truck chassis special bodies or equipment that when installed forms an integral part of the new motor vehicle and that constitutes a major manufacturing alteration, excluding the installation of a camper on a pickup truck.

~~20.~~ 19. "Motor home" means a motor vehicle that is primarily designed as temporary living quarters and that:

(a) Is built onto as an integral part of, or is permanently attached to, a motor vehicle chassis.

(b) Contains at least four of the following independent life support systems if each is permanently installed and designed to be removed only for purposes of repair or replacement:

(i) A cooking facility with an onboard fuel source.

(ii) A gas or electric refrigerator.

(iii) A toilet with exterior evacuation.

(iv) A heating or air conditioning system with an onboard power or fuel source separate from the vehicle engine.

(v) A potable water supply system that includes at least a sink, a faucet and a water tank with an exterior service supply connection.

(vi) A 110-125 volt electric power supply.

~~21.~~ 20. "Motor vehicle" means an automobile, motor bus, motorcycle, truck or truck tractor or any other self-propelled vehicle, trailer or semitrailer.

~~22.~~ 21. "Motor vehicle dealer" means a new motor vehicle dealer, a used motor vehicle dealer, a public consignment auction dealer, a broker or a wholesale motor vehicle auction dealer, excluding a person who comes into possession of a motor vehicle as an incident to the person's regular business and who sells, auctions or exchanges the motor vehicle.

~~23.~~ 22. "New house trailer dealer" means a person who buys, sells, exchanges or offers or attempts to negotiate a sale or exchange of an interest in, or who is engaged in the business of selling, new house trailers or used house trailers taken in trade on new house trailers. For the purposes of this paragraph, "house trailer" means a vehicle, other than a motor vehicle, that is built on a chassis designed for being drawn on the highways by a motor vehicle and that is designed for human habitation.

~~24.~~ 23. "New motor vehicle" means a motor vehicle, other than a used motor vehicle, that is held either for:

(a) Sale by the franchisee who first acquired the vehicle from the manufacturer or distributor of the vehicle.

(b) Sale by another franchisee of the same line-make.

~~25.~~ 24. "New motor vehicle dealer" means a person who buys, sells, exchanges or offers or attempts to negotiate a sale or exchange of an interest in, or who is engaged in the business of selling, new motor vehicles or used motor vehicles taken in trade on new motor vehicles or used vehicles purchased for resale.

~~26.~~ 25. "Off-premises display and sales" means a promotion or sale of motor vehicles for a period of time as specified by the director that both:

(a) Is sponsored by a licensed motor vehicle dealer, the licensed motor vehicle dealer's agents or the manufacturer.

(b) Takes place at a location within the same county but not at the licensee's established place of business.

~~27.~~ 26. "Off-premises exhibition" means the exhibition of a motor vehicle for a period of time as specified by the director at a location within the same county but not at the established place of business of a licensed motor vehicle dealer and at which a solicitation or sale does not occur.

~~28.~~ 27. "Provisional automotive recycler's license" means a license that both:

(a) Is issued by the department only in conjunction with an application for an automotive recycler's license.

(b) Permits the applicant or applicants to conduct the business of an automotive recycler regulated by this chapter pending completion of the criminal records check pursuant to section 28-4361.

~~29.~~ 28. "Provisional dealer's license" means a license that both:

(a) Is issued by the department only in conjunction with an application for a dealer's license.

(b) Permits the applicant or applicants to conduct the business of a motor vehicle dealer regulated by this chapter pending completion of the criminal records check pursuant to section 28-4361.

~~30.~~ 29. "Public consignment auction dealer" means a person who at the public consignment auction dealer's established place of business or at an authorized off-premises location pursuant to the requirements of section 28-4401 is in the business of both of the following:

(a) Conducting live auctions with a licensed auctioneer verbally calling for and accepting bids.

(b) Providing live auction services to the public on a consignment contract basis.

~~31.~~ 30. "Retail consumer" means any person purchasing, leasing or acquiring or possibly purchasing, leasing or acquiring a vehicle or product, service or financing not for resale.

~~32.~~ 31. "Service" means any service that is sold, leased or provided to retail consumers and that directly relates to the ownership or leasing of a new or used motor vehicle, including extended service contracts or motor vehicle warranty and nonwarranty repairs or maintenance, including both parts and labor.

~~33.~~ 32. "Special event" means an exhibition of new motor homes by a motor vehicle dealer licensed to sell new motor homes or an exhibitor for a period of time specified by the director at a location in this state other than the licensee's or exhibitor's established place of business.

~~34.~~ 33. "Used motor vehicle" means a motor vehicle that has been sold, bargained, exchanged or given away or the title to the motor vehicle has been transferred from the person who first acquired the vehicle from the manufacturer, or importer, dealer or agent of the manufacturer or importer, and that has been placed in bona fide consumer use. For the

purposes of this paragraph, "bona fide consumer use" means actual operation by an owner who acquired a new motor vehicle both:

(a) For use in the owner's business or for pleasure or otherwise.

(b) For which a certificate of title has been issued or that has been registered as provided by law.

~~35.~~ 34. "Used motor vehicle dealer" means a person, other than a new motor vehicle dealer, who buys, sells, auctions, exchanges or offers or attempts to negotiate a sale or exchange of an interest in, or who is engaged in the business of selling, seven or more used motor vehicles in a continuous twelve month period. Used motor vehicle dealer does not include a wholesale motor vehicle auction dealer or a public consignment auction dealer.

~~36.~~ 35. "Wholesale motor vehicle auction dealer" means a person who both:

(a) Is in the business of providing auction services solely in wholesale transactions to motor vehicle dealers licensed by this state or any other jurisdiction.

(b) Does not buy, sell or own the motor vehicles the auction dealer auctions in the ordinary course of business.

~~37.~~ 36. "Wholesale motor vehicle dealer" means a person who sells used motor vehicles only to licensed motor vehicle dealers.

Sec. 7. Section 28-6991, Arizona Revised Statutes, is amended to read:

28-6991. <u>State highway fund; sources</u>

~~A~~ THE state highway fund is established that consists of:

1. Monies distributed from the Arizona highway user revenue fund pursuant to chapter 18 of this title.

2. Monies appropriated by the legislature.

3. Monies received from donations for the construction, improvement or maintenance of state highways or bridges. These monies shall be credited to a special account and shall be spent only for the purpose indicated by the donor.

4. Monies received from counties under cooperative agreements, including proceeds from bond issues. The state treasurer shall deposit these monies to the credit of the fund in a special account on delivery to the treasurer of a concise written agreement between the department and the county stating the purposes for which the monies are surrendered by the county, and these monies shall be spent only as stated in the agreement.

5. Monies received from the United States under an act of Congress to provide aid for the construction of rural post roads, but monies received on projects for which the monies necessary to be provided by this state are wholly derived from sources mentioned in paragraphs 2 and 3 of this section shall be allotted by the department and deposited by the state treasurer in the special account within the fund established for

each project. On completion of the project, on the satisfaction and discharge in full of all obligations of any kind created and on request of the department, the treasurer shall transfer the unexpended balance in the special account for the project into the state highway fund, and the unexpended balance and any further federal aid thereafter received on account of the project may be spent under the general provisions of this title.

6. Monies in the custody of an officer or agent of this state from any source that is to be used for the construction, improvement or maintenance of state highways or bridges.

7. Monies deposited in the state general fund and arising from the disposal of state personal property belonging to the department.

8. Receipts from the sale or disposal of any or all other property held by the department and purchased with state highway monies.

9. Monies generated pursuant to section 28-410.

10. Monies distributed pursuant to section 28-5808, subsection B, paragraph 2, subdivision (d).

11. Monies deposited pursuant to sections 28-1143, 28-2353 and 28-3003.

12. Except as provided in section 28-5101, the following monies:

(a) Monies deposited pursuant to section 28-2206 and section 28-5808, subsection B, paragraph 2, subdivision (e).

(b) One dollar of each registration fee and one dollar of each title fee collected pursuant to section 28-2003.

(c) Two dollars of each late registration penalty collected by the director pursuant to section 28-2162.

(d) The air quality compliance fee collected pursuant to section 49-542.

(e) The special plate administration fees collected pursuant to sections 28-2404, 28-2407, 28-2412 through 28-2416, 28-2416.01, 28-2417 through 28-2462 and 28-2514.

(f) Monies collected pursuant to sections 28-372, 28-2155 and 28-2156 if the director is the registering officer.

13. Monies deposited pursuant to chapter 5, article 5 of this title.

14. Donations received pursuant to section 28-2269.

15. Dealer and registration monies collected pursuant to section 28-4304.

16. Abandoned vehicle administration monies deposited pursuant to section 28-4804.

17. Monies deposited pursuant to section 28-710, subsection D, paragraph 2.

18. Monies deposited pursuant to section 28-2065.

19. Monies deposited pursuant to section 28-7311.

20. Monies deposited pursuant to section 28-7059.

21. Monies deposited pursuant to section 28-1105.
22. Monies deposited pursuant to section 28-2448, subsection D.
23. Monies deposited pursuant to section 28-3415.
24. Monies deposited pursuant to section 28-3002, subsection A, paragraph 14.
25. Monies deposited pursuant to section 28-7316.
26. Monies deposited pursuant to section 28-4302.
27. MONIES DEPOSITED PURSUANT TO SECTION 28-2098.

Sec. 8. Section 41-3451, Arizona Revised Statutes, is amended to read:

41-3451. Automobile theft authority; powers and duties; fund; audit

A. ~~An~~ THE automobile theft authority is established consisting of the following members:

1. Two police chiefs who are appointed by the Arizona association of chiefs of police, one of whom represents a city or town with a population of one hundred thousand or more persons and one of whom represents a city or town with a population of less than one hundred thousand persons, or their designees.

2. Two sheriffs who are appointed by the Arizona sheriffs association, one of whom represents a county with a population of five hundred thousand or more persons and one of whom represents a county with a population of less than five hundred thousand persons, or their designees.

3. Two county attorneys who are appointed by the governor, one of whom represents a county with a population of two million or more persons and one of whom represents a county with a population of less than two million persons, or their designees.

4. Two employees of insurers who are licensed to write motor vehicle liability insurance in this state and who are appointed by the governor.

5. Two members of the general public who are appointed by the governor.

6. The assistant director for the motor vehicle division in the department of transportation or the assistant director's designee.

7. The director of the department of public safety or the director's designee.

B. Members serve staggered four-year terms beginning and ending on the third Monday in January. At the first meeting each year, the members shall select a chairman from among the members. The authority shall meet at the call of the chairman or seven members.

C. The authority may:

1. Subject to chapter 4, article 4 of this title, hire staff members as necessary, including an executive director. The executive

director's annual compensation shall not be more than one hundred thousand dollars.

2. Provide work facilities and equipment as necessary.

3. Determine the scope of the problem of motor vehicle theft, including particular areas of the state where the problem is greatest.

4. Analyze the various methods of combating the problem of motor vehicle theft.

5. Develop and implement a plan of operation.

6. Develop and implement a financial plan.

7. Solicit and accept gifts and grants.

8. Report by December 31 of each year to the governor, the president of the senate, the speaker of the house of representatives and the secretary of state on its activities during the preceding fiscal year.

D. If the chairman of the authority knows that a potential ground for the removal of a member of the authority exists under this subsection, the chairman shall notify the governor. The governor shall remove the member if the governor finds that any of the following applies:

1. The member was not qualified to serve at the time the member was appointed.

2. The member does not maintain the member's qualifications to serve.

3. The member cannot discharge the member's duties for a substantial part of the term due to illness or other disability.

4. The member is absent from more than one-half of the regularly scheduled meetings during a calendar year unless the member's absence is excused by a majority vote of the authority.

E. The automobile theft authority fund is established consisting of MONIES DEPOSITED PURSUANT TO SECTION 28-2098 AND any public or private monies that the authority may receive. The automobile theft authority shall administer the fund. Subject to legislative appropriation, monies in the fund shall only be used to pay the expenses of the authority and to carry out the purposes of this section. Monies in the fund are exempt from the provisions of sections 35-143.01 and 35-190 relating to lapsing of appropriations. On notice from the authority, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

F. The authority may accept nonmonetary contributions, including the services of individuals, office and secretarial assistance, mailings, printing, office equipment, facilities and supplies, that are necessary to carry out its functions. The nonmonetary contributions shall not be included in the costs of administration limitation prescribed by subsection H of this section.

G. The automobile theft authority shall allocate monies in the fund to public agencies for the purpose of establishing, maintaining and

supporting programs that are designed to prevent motor vehicle theft, including:

1. Financial support to law enforcement and prosecution agencies for programs that are designed to increase the effectiveness of motor vehicle theft prosecution.

2. Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

H. The costs of administration shall not exceed ten percent of the monies in the fund in any one year so that the greatest possible portion of the monies available to the authority is expended on combating motor vehicle theft.

I. Monies expended from the automobile theft authority fund shall be used to supplement, not supplant, other monies that are available for motor vehicle theft prevention.

J. Each insurer issuing motor vehicle liability insurance policies in this state shall pay a semiannual fee of fifty cents per vehicle insured under a motor vehicle liability insurance policy issued by the insurer. The fee shall be fully earned and nonrefundable at the time the insurer collects the premium for the motor vehicle liability insurance policy. Each insurer shall transmit the fee on or before January 31 and on or before July 31 of each year to the automobile theft authority for deposit in the automobile theft authority fund. The payment due on or before January 31 shall cover vehicles insured under policies that are issued during the period from July 1 through December 31 of the previous year. The payment due on or before July 31 shall cover vehicles insured under policies that are issued during the period from January 1 through June 30 of the same year.

K. The authority shall cause an audit to be made of the automobile theft authority fund. The audit shall be conducted by a certified public accountant every two years. The authority shall file a certified copy of the audit with the auditor general immediately. The auditor general may make further audits and examinations as the auditor general deems necessary and may take appropriate action relating to the audit pursuant to chapter 7, article 10.1 of this title.

L. Authority members are not eligible to receive compensation but are eligible for reimbursement of expenses pursuant to title 38, chapter 4, article 2.

M. This section does not apply to vehicles or vehicle combinations with a declared gross weight of more than twenty-six thousand pounds. Motor vehicle liability insurance policies issued in this state for vehicles or vehicle combinations with a declared gross weight of more than twenty-six thousand pounds are exempt from subsection J of this section.

Sec. 9. Section 44-1321, Arizona Revised Statutes, is amended to read:

44-1321. Definitions

In this article, unless the context otherwise requires:

1. "Automotive recycler" has the same meaning prescribed in section ~~28-4301~~ 28-101.

2. "Industrial account" means a person or business entity that files or is required to file monthly returns for that person's or entity's transaction privilege tax license or a governmental entity that sells lead acid batteries to an automotive recycler.

3. "Lead acid battery" means a battery with a core of elemental lead and a capacity of six or more volts that is suitable for use in a vehicle or a boat.

4. "Peace officer" includes a law enforcement officer who is employed by the department of transportation.

5. "Used automotive components dealer":

(a) Means any business that purchases used components of a motor vehicle with the intent to resell.

(b) Does not include:

(i) An automotive recycler who is licensed pursuant to title 28, chapter 10.

(ii) A lead acid battery seller who is required to accept lead acid batteries pursuant to section 44-1323, subsection A.

Sec. 10. Section 44-1641, Arizona Revised Statutes, is amended to read:

44-1641. Definitions

In this article, unless the context otherwise requires:

1. "Business records" means records of any purchase, trade, barter or other transaction that involves the receipt of scrap metals and that is made in the ordinary course of business at or near the time of the purchase, trade, barter or transaction including receipts, books or similar records as prescribed by section 44-1642, but does not include correspondence, tax returns or financial statements.

2. "Department" means the department of public safety.

3. "Ferrous metals":

(a) Means those metals that will attract a magnet.

(b) INCLUDES A SCRAP VEHICLE.

4. "Industrial account" means a person or business entity that files or is required to file monthly returns for that person's or entity's transaction privilege tax licenses or a governmental entity that sells scrap metal to a scrap metal dealer.

5. "Scrap metal dealers" means each person or business entity including all employees of the person or business entity, except automotive recyclers ~~as defined and~~ THAT ARE licensed pursuant to title 28, chapter 10~~,~~ and whose primary business is the dismantling, selling or

disposing of parts or accessories of motor vehicles, engaged in the business of purchasing, trading, bartering or otherwise receiving secondhand or castoff material of any kind ~~which~~ THAT is commonly known as scrap metal.

6. "Scrap metals" includes insulated and uninsulated metallic cables AND SCRAP VEHICLES.

7. "SCRAP VEHICLE" MEANS A VEHICLE THAT HAS BEEN REPORTED TO THE NATIONAL VEHICLE TITLE INFORMATION SYSTEM AND THAT HAS BEEN FLATTENED, CRUSHED, BALED OR LOGGED SO THAT THE VEHICLE IS LESS THAN FIFTY PERCENT OF ITS ORIGINAL VOLUME, IS NO LONGER THE VEHICLE THAT IS DESCRIBED BY THE CERTIFICATE OF TITLE AND IS SOLD FOR PURPOSES OF SCRAP METAL ONLY.

Sec. 11. Title 44, chapter 11, article 3.1, Arizona Revised Statutes, is amended by adding section 44-1642.02, to read:

44-1642.02. Scrap vehicle purchase; applicable law

NOTWITHSTANDING ANY OTHER LAW, ONLY TITLE 28 GOVERNS THE PURCHASE BY A SCRAP METAL DEALER OF A VEHICLE AS DEFINED IN SECTION 28-101 SOLELY FOR THE PURPOSE OF PROCESSING THE VEHICLE INTO A SCRAP VEHICLE OR INTO PREPARED GRADES OF SCRAP METAL.

Sec. 12. Conditional enactment; notice

A. This act does not become effective unless on or before October 1, 2020 the department of transportation implements an electronic system for a registered scrap metal dealer or a licensed automotive recycler to report all vehicle acquisitions electronically within forty-eight hours and verify at the time of a transaction that a motor vehicle offered for sale has not been reported stolen.

B. The department of transportation shall notify in writing the director of the Arizona legislative council on or before October 1, 2020 either:

1. Of the date on which the condition was met.

2. That the condition was not met.

APPROVED BY THE GOVERNOR MAY 16, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 16, 2018

Passed the House February 22, 2018

by the following vote: 56 Ayes,

0 Nays, 4 Not Voting

Speaker of the House

☐ Pro Tempore

Chief Clerk of the House

Passed the Senate April 16, 2018

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

President of the Senate

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. 2307

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 30, 20 18,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

Speaker of the House

Jim Drake
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

18 day of May, 20 18,

at 8:13 o'clock A M.

Secretary to the Governor

Approved this 16th day of

May, 20 18,

at 2:22 o'clock P. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 16 day of May, 20 18,

at 4:28 o'clock P. M.

Michele Reagan
Secretary of State

H.B. 2307