

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
First Regular Session  
2001

# HOUSE BILL 2052

## AN ACT

AMENDING SECTION 28-448, ARIZONA REVISED STATUTES; AMENDING SECTION 28-2051, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 343, SECTION 10; AMENDING SECTION 28-2051, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; PROVIDING FOR THE DELAYED REPEAL OF SECTION 28-2051, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 198, SECTION 1; AMENDING SECTIONS 28-2054 AND 28-2055, ARIZONA REVISED STATUTES; AMENDING SECTION 28-2058, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 198, SECTION 2; AMENDING SECTION 28-2059, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2064; AMENDING SECTION 28-2132, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTION 28-2134, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 28-2134; AMENDING SECTIONS 28-2157, 28-2163 AND 28-2356, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTION 28-2064, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; MAKING AN APPROPRIATION; BLENDING MULTIPLE ENACTMENTS; RELATING TO VEHICLE TITLES AND REGISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 28-448, Arizona Revised Statutes, is amended to  
3 read:  
4 28-448. Notice of address or name change; address update; civil  
5 traffic violation  
6 A. If a person's name or address changes after the person applies for  
7 or receives a driver license or nonoperating identification license or after  
8 the person applies for or receives a vehicle registration or vehicle title,  
9 the person shall notify the department within ten days after the change of  
10 the old and new address or the former and new name and the following:  
11 1. If a registration or title is applied for or received, the number  
12 of vehicles registered to the person and the vehicle identification numbers  
13 of the vehicles.  
14 2. If a driver license or nonoperating identification license is  
15 applied for or received, the person's date of birth and the number of each  
16 license held by the person or a statement that each license is suspended,  
17 revoked or canceled.  
18 B. A person may notify the department of an address change by  
19 telephone, in writing, in person or by approved electronic means AND OF A  
20 NAME CHANGE IN PERSON OR IN WRITING.  
21 C. The department may update an address in a vehicle registration  
22 record or driver license record if a traffic citation received by the  
23 department or records of another consenting government agency indicate an  
24 address change after the date the address was stated in department records.  
25 D. A violation of this section is a civil traffic violation.  
26 Sec. 2. Section 28-2051, Arizona Revised Statutes, as amended by Laws  
27 2000, chapter 343, section 10, is amended to read:  
28 28-2051. Application for certificate of title; vision screening  
29 test  
30 A. A person shall apply on a form furnished PRESCRIBED OR AUTHORIZED  
31 by the department for a certificate of title to a motor vehicle, trailer or  
32 semitrailer to the department. The person shall make the application within  
33 thirty days of the purchase or transfer of the vehicle, trailer or  
34 semitrailer. The transferee shall sign the application.  
35 B. The application shall contain:  
36 1. The transferee's full name and either the driver license number of  
37 the transferee or a number assigned by the department.  
38 2. The transferee's complete residence address.  
39 3. A brief description of the vehicle to be titled.  
40 4. The name of the manufacturer of the vehicle.  
41 5. The serial number of the vehicle.  
42 6. The last license plate number if applicable and if known and the  
43 state in which the license plate number was issued.

- 1           7. If the application is for a certificate of title to a new vehicle,  
2 the date of sale by the manufacturer or dealer to the person first operating  
3 the vehicle.
- 4           8. If the application is in the name of a lessor:  
5           (a) The lessor shown on the application as the owner or transferee.  
6           (b) At the option of the lessor, the lessee shown on the application  
7 as the registrant.  
8           (c) The address of either the lessor or lessee.  
9           (d) The signature of the lessor.
- 10          9. If the application is for a certificate of title to a specially  
11 constructed, reconstructed or foreign vehicle, a statement of that fact. For  
12 the purposes of this paragraph, "specially constructed vehicle" means a  
13 vehicle not originally constructed under a distinctive name, make, model or  
14 type by a generally recognized manufacturer of vehicles.
- 15          10. If an applicant rents or intends to rent the vehicle without a  
16 driver, a statement of that fact.
- 17          11. Other information required by the department.
- 18          C. Unless subsection B, paragraph 8 of this section applies, on  
19 request of an applicant, the department shall allow the applicant to provide  
20 on the title of a motor vehicle, trailer or semitrailer a post office box  
21 address that is regularly used by the applicant.
- 22          D. A person shall submit the following information with an application  
23 for a certificate of title:  
24          1. To a vehicle previously registered:  
25          (a) The odometer mileage disclosure statement prescribed by section  
26 28-2058.  
27          (b) If the applicant is applying for title pursuant to section  
28 28-2060, the applicant's statement of the odometer reading as of the date of  
29 application.  
30          2. To a new vehicle:  
31          (a) A certificate **OR ELECTRONIC TITLE** from the manufacturer showing  
32 the date of sale to the dealer or person first receiving the vehicle from the  
33 manufacturer. Before the department issues a certificate of title to a new  
34 vehicle, a certificate **OR ELECTRONIC TITLE** from the manufacturer shall be  
35 surrendered to the department.  
36          (b) The name of the dealer or person.  
37          (c) A description sufficient to identify the vehicle.  
38          (d) A statement certifying that the vehicle was new when sold.  
39          (e) If sold through a dealer, a statement by the dealer certifying  
40 that the vehicle was new when sold to the applicant.
- 41          E. The department may request an applicant who appears in person for a  
42 certificate of title of a motor vehicle, trailer or semitrailer to complete  
43 satisfactorily the vision screening test prescribed by the department.



1 (b) If the applicant is applying for title pursuant to section  
2 28-2060, the applicant's statement of the odometer reading as of the date of  
3 application.

4 2. To a new vehicle:

5 (a) A certificate or electronic title from the manufacturer showing  
6 the date of sale to the dealer or person first receiving the vehicle from the  
7 manufacturer. Before the department issues a certificate of title to a new  
8 vehicle, a certificate or electronic title from the manufacturer shall be  
9 surrendered to the department.

10 (b) The name of the dealer or person.

11 (c) A description sufficient to identify the vehicle.

12 (d) A statement certifying that the vehicle was new when sold.

13 (e) If sold through a dealer, a statement by the dealer certifying  
14 that the vehicle was new when sold to the applicant.

15 E. The department may request an applicant who appears in person for a  
16 certificate of title of a motor vehicle, trailer or semitrailer to complete  
17 satisfactorily the vision screening test prescribed by the department.

18 Sec. 4. Delayed repeal

19 Section 28-2051, Arizona Revised Statutes, as amended by Laws 2000,  
20 chapter 198, section 1, is repealed from and after December 31, 2001.

21 Sec. 5. Section 28-2054, Arizona Revised Statutes, is amended to read:

22 28-2054. Certificate of title; application processing

23 A. The department shall file each application for a certificate of  
24 title. When the department is satisfied that the application is genuine and  
25 regular and that the applicant is entitled to a certificate, it shall  
26 register the vehicle and the owner alphabetically under the name of the owner  
27 and numerically under the serial number and under a distinctive title number  
28 assigned to the vehicle and the owner.

29 B. In addition to all other requirements, if the application is for a  
30 certificate of title to a mobile home the department shall not issue or  
31 transfer a certificate of title on the mobile home if there are any  
32 delinquent unsecured personal property taxes on the mobile home.

33 ~~C. Except as provided in article 4 of this chapter, a person who owns~~  
34 ~~a motor vehicle, trailer or semitrailer, on furnishing satisfactory proof of~~  
35 ~~ownership to the director, may procure a certificate of title to the vehicle,~~  
36 ~~whether or not a certificate of title has been issued previously. If the~~  
37 ~~director determines that an applicant for a certificate of title to a motor~~  
38 ~~vehicle, trailer or semitrailer is not entitled to a certificate of title,~~  
39 ~~the director may refuse to issue a certificate or to register the vehicle~~  
40 ~~and, for like reason, after notice, may revoke a registration already issued~~  
41 ~~or an outstanding certificate of title. Within fifteen days of the date the~~  
42 ~~notice is mailed, the applicant may request a hearing.~~

1           Sec. 6. Section 28-2055, Arizona Revised Statutes, is amended to read:  
2           28-2055. Certificate of title; content requirements; delivery

3           A. The DEPARTMENT OR AN AUTHORIZED THIRD PARTY SHALL PRINT THE  
4 certificate of title, AND IT shall contain forms for assignment of title or  
5 interest and warranty by the owner, with space for notation of liens and  
6 encumbrances on the vehicle at the time of transfer. The certificate of  
7 title shall also contain the odometer mileage disclosure statement pursuant  
8 to section 28-2058.

9           B. If a motor vehicle, trailer or semitrailer has been registered in  
10 any other state or country, the department shall retain in its records  
11 the name of the state or country in which the prior registration took place.

12           C. EXCEPT AS PROVIDED IN SECTION 28-2064, THE DEPARTMENT SHALL DELIVER  
13 OR MAIL THE ORIGINAL CERTIFICATE OF TITLE TO:

14           1. THE APPLICANT IF THERE ARE NOT ANY LIENS OR ENCUMBRANCES ON THE  
15 CERTIFICATE OF TITLE.

16           2. THE HOLDER OF THE LIEN OR ENCUMBRANCE FIRST IN TIME ON THE DATE OF  
17 THE APPLICATION IF THERE ARE LIENS OR ENCUMBRANCES ON THE CERTIFICATE OF  
18 TITLE.

19           Sec. 7. Section 28-2058, Arizona Revised Statutes, as amended by Laws  
20 2000, chapter 198, section 2, is amended to read:

21           28-2058. Transfer of title; odometer mileage disclosure  
22 statement

23           A. When the owner of a registered or unregistered vehicle transfers or  
24 assigns the owner's title or interest to the vehicle:

25           1. If the vehicle is registered:

26           (a) The owner shall endorse on the certificate of title to the vehicle  
27 an assignment with the warranty of title in the form printed on the  
28 certificate.

29           (b) Except as provided in section 28-2094, the owner shall deliver the  
30 certificate to the purchaser or transferee at the time of delivery of the  
31 vehicle to the purchaser or transferee.

32           (c) The registration of the vehicle expires and the owner shall  
33 transfer the license plates, surrender the license plates to the department  
34 or an authorized third party or submit an affidavit of license plate  
35 destruction within thirty days after the owner transfers or assigns the  
36 owner's title or interest in the vehicle.

37           (d) Except as provided in section 28-2091, the acquiring owner shall  
38 apply for registration or title, or both, within fifteen days after the  
39 relinquishing owner transfers or assigns the relinquishing owner's title or  
40 interest in the vehicle. The director may prorate the registration period as  
41 the director deems necessary to coincide with emissions inspection  
42 requirements.

43           (e) Except if the acquiring owner is an insurer who acquires the  
44 vehicle pursuant to a claim settlement, the acquiring owner shall display on  
45 the vehicle a temporary registration plate, another permit or a valid license

1 plate as prescribed by the department until ownership of the vehicle is  
2 transferred in the department's records.

3 2. Regardless of whether or not the vehicle is registered:

4 (a) Except as provided in subsection B of this section, the owner  
5 shall deliver to the purchaser or transferee an odometer mileage disclosure  
6 statement in a form prescribed by the director.

7 (b) Except as provided in sections 28-2060 and 28-2091, the purchaser  
8 or transferee shall present the certificate of title to the department with  
9 the required fee within fifteen days after the transfer and:

10 (i) **EXCEPT AS PROVIDED IN SECTION 28-2064**, the department shall issue  
11 a new certificate of title ~~to the purchaser or transferee~~.

12 (ii) If required, the purchaser or transferee shall apply for and  
13 obtain registration, and the department shall issue new license plates to the  
14 purchaser or transferee.

15 B. The odometer disclosure requirement of subsection A of this section  
16 does not apply to:

17 1. A motor vehicle that is ten model years of age or older.

18 2. A motor vehicle that has a gross vehicle weight rating of sixteen  
19 thousand pounds or more.

20 3. A vehicle that is not self-propelled.

21 4. A motor vehicle that is sold directly by the manufacturer to an  
22 agency of the United States in conformity with contractual specifications.

23 5. A new motor vehicle that is purchased for resale and not for use by  
24 the purchaser.

25 Sec. 8. Section 28-2059, Arizona Revised Statutes, is amended to read:

26 **28-2059. Obtaining a certificate of title; revocation**

27 A. ~~Except as provided in article 4 of this chapter, a person who owns~~  
28 ~~a motor vehicle, on furnishing~~ IF satisfactory proof of ownership IS  
29 FURNISHED to the director, THE DIRECTOR may obtain ISSUE a certificate of  
30 title ~~to the~~ FOR A motor vehicle, TRAILER OR SEMITRAILER whether or not a  
31 certificate of title has ever been issued FOR THAT MOTOR VEHICLE, TRAILER OR  
32 SEMITRAILER.

33 B. If the director determines that an applicant for a certificate of  
34 title to a motor vehicle, trailer or semitrailer is not entitled to a  
35 certificate of title, the director may refuse to issue a certificate or to  
36 register the vehicle and, after notice and a hearing, the director may revoke  
37 a registration already acquired or an outstanding certificate of title. The  
38 director shall serve the notice in person or by ~~certified~~ REGULAR  
39 mail. **WITHIN FIFTEEN DAYS AFTER THE DATE THE NOTICE IS DELIVERED OR MAILED,**  
40 **THE APPLICANT MAY REQUEST A HEARING.**

41 Sec. 9. Title 28, chapter 7, article 2, Arizona Revised Statutes, is  
42 amended by adding section 28-2064, to read:

43 **28-2064. Electronic certificates of title system**

44 A. **THE DIRECTOR SHALL ESTABLISH A SYSTEM TO ALLOW THE VOLUNTARY**  
45 **RECORDING OF VEHICLE TITLE INFORMATION FOR NEWLY ISSUED, TRANSFERRED AND**

1 CORRECTED CERTIFICATES OF TITLE, INCLUDING PERFECTION AND RELEASE OF SECURITY  
2 INTERESTS, THROUGH ELECTRONIC MEDIA IN A COST-EFFECTIVE MANNER IN LIEU OF THE  
3 SUBMISSION AND MAINTENANCE OF PAPER DOCUMENTS AS PROVIDED IN THIS CHAPTER.

4 B. IN THE PROCESS OF ESTABLISHING THE SYSTEM, THE DIRECTOR SHALL:

5 1. RESEARCH METHODS BY WHICH THE DEPARTMENT, LENDING INSTITUTIONS AND  
6 SALES FINANCE COMPANIES MAY EXCHANGE AND MAINTAIN INFORMATION CONCERNING THE  
7 PERFECTION AND RELEASE OF VEHICLE SECURITY INTERESTS WITHOUT SUBMITTING OR  
8 RECEIVING A PAPER TITLE DOCUMENT.

9 2. DEVELOP METHODS BY WHICH LENDING INSTITUTIONS, SALES FINANCE  
10 COMPANIES AND MANUFACTURERS MAY ELECTRONICALLY SUBMIT UPDATED INFORMATION  
11 PERTAINING TO THE TITLE RECORD, INCLUDING THE ADDITION, ASSIGNMENT OR RELEASE  
12 OF VEHICLE SECURITY INTERESTS.

13 C. THE DIRECTOR MAY LIMIT THE NUMBER OF LENDING INSTITUTIONS AND SALES  
14 FINANCE COMPANIES PARTICIPATING IN THE SYSTEM BUT SHALL ENCOURAGE LENDING  
15 INSTITUTIONS AND SALES FINANCE COMPANIES OF VARIOUS SIZES TO  
16 PARTICIPATE. IF, AFTER THE SYSTEM HAS BEEN IN OPERATION FOR TWELVE MONTHS,  
17 THE DIRECTOR DETERMINES THAT THE SYSTEM IS SUCCESSFUL, THE DIRECTOR MAY  
18 EXPAND THE SYSTEM.

19 D. SECTION 28-444, SUBSECTION B APPLIES TO CERTIFICATES OF TITLE UNDER  
20 THE SYSTEM ESTABLISHED PURSUANT TO THIS SECTION.

21 Sec. 10. Section 28-2132, Arizona Revised Statutes, is amended to  
22 read:

23 28-2132. Indication of lien or encumbrance

24 A. The department shall provide on the application for title and the  
25 application for registration only a section that provides for the indication  
26 of a lien or encumbrance on the vehicle.

27 B. The applicant's signature on the application for title or the  
28 application for registration only is consent for the lien or encumbrance to  
29 be indicated by the department on its official title record for the vehicle.

30 C. Except as provided in subsection D and on receipt of the  
31 application as provided in this section, the department shall endorse on the  
32 application the date and hour it was received at the registering office of  
33 the department. ~~When the department is satisfied that the application is  
34 genuine and regular, it shall issue a new certificate of title that gives all  
35 of the following:~~

36 ~~1. The name of the owner.~~

37 ~~2. A statement of all liens or encumbrances.~~

38 ~~3. The amount of the liens or encumbrances certified to the department  
39 as existing against the vehicle.~~

40 D. The department shall not issue a new certificate of title ~~to a~~  
41 ~~purchaser or transferee~~ if the outstanding certificate of title indicates an  
42 existing lien or encumbrance unless the lien or encumbrance has been  
43 satisfied or the lienor or encumbrancer has consented in writing **OR**  
44 **ELECTRONICALLY** to the transfer of title.



1 D. THE DEPARTMENT MAY SATISFY A LIEN OR ENCUMBRANCE ON ITS RECORDS AND  
2 ON A CERTIFICATE OF TITLE TO A VEHICLE IF THE OWNER OF THE VEHICLE FURNISHES  
3 SATISFACTORY PROOF OF THE PAYMENT IN FULL OF THE UNDERLYING DEBT AND AN  
4 AFFIDAVIT STATING THE FOLLOWING:

5 1. THAT THE OWNER HAS MADE A DILIGENT SEARCH TO LOCATE THE HOLDER OF  
6 THE LIEN OR ENCUMBRANCE.

7 2. WITH PARTICULARITY THE STEPS TAKEN IN THE SEARCH.

8 3. THAT AFTER THE SEARCH THE HOLDER OF THE LIEN OR ENCUMBRANCE COULD  
9 NOT BE FOUND.

10 E. THE DEPARTMENT MAY SATISFY A LIEN OR ENCUMBRANCE AGAINST A VEHICLE  
11 ON ITS RECORDS BY ACCEPTING A CERTIFICATE OF TITLE TO THE VEHICLE ISSUED BY  
12 ANOTHER JURISDICTION IF ALL OF THE FOLLOWING CONDITIONS EXIST:

13 1. THE LIEN PREVIOUSLY RECORDED IN THIS STATE DOES NOT APPEAR ON THE  
14 TITLE PRESENTED FROM ANOTHER JURISDICTION.

15 2. THE TITLE WAS ISSUED BY THE OTHER JURISDICTION AT LEAST ONE YEAR  
16 BEFORE THE TIME IT WAS PRESENTED TO THIS STATE.

17 3. THE LAW OF THE OTHER JURISDICTION REQUIRES A LIEN OR ENCUMBRANCE TO  
18 BE RECORDED ON THAT STATE'S CERTIFICATE OF TITLE.

19 Sec. 13. Section 28-2157, Arizona Revised Statutes, is amended to  
20 read:

21 28-2157. Application for registration

22 A. A person shall apply to the department for registration of a motor  
23 vehicle, trailer or semitrailer on forms prescribed ~~and furnished~~ OR  
24 AUTHORIZED by the department.

25 B. The application shall contain:

26 1. The name and complete residence address of the owner.

27 2. A description of the vehicle, including the serial number.

28 3. If it is a new vehicle, the date of sale by the manufacturer or  
29 dealer to the person first operating the vehicle.

30 4. If the owner of the vehicle rents or intends to rent the vehicle  
31 without a driver, a statement of that fact.

32 5. Other facts required by the department.

33 C. The registering officer shall indicate on the face of the  
34 registration application that the registrant may be subject to vehicle  
35 emissions testing requirements pursuant to section 49-542.

36 D. On request of an applicant, the department shall allow the  
37 applicant to provide on the registration of a motor vehicle, trailer or  
38 semitrailer a post office box address that is regularly used by the applicant  
39 and that is located in the county in which the applicant resides.

40 E. The person shall include with the application the required fees and  
41 the certificate of title to the vehicle for which registration is sought. The  
42 registering officer may waive the requirement that the applicant present a  
43 certificate of title at the time of making an application for renewal if the  
44 registering officer has available complete and sufficient records to  
45 accurately compute the vehicle license tax.

1 F. The department may request an applicant who appears in person to  
2 register a motor vehicle, trailer or semitrailer to complete satisfactorily  
3 the vision screening test prescribed by the department.

4 G. A person applying for initial registration of a neighborhood  
5 electric vehicle shall certify in writing that a notice of the operational  
6 restrictions applying to the vehicle as provided in section 28-966 are  
7 contained on a permanent notice attached to or painted on the vehicle in a  
8 location that is in clear view of the driver.

9 Sec. 14. Section 28-2163, Arizona Revised Statutes, is amended to  
10 read:

11 28-2163. Cancellation of registration

12 A. The department shall cancel, **SUSPEND, REVOKE OR DENY** the  
13 registration of a vehicle that it determines is unsafe or unfit to be  
14 operated or that is not equipped as required by law **AND SHALL RETRIEVE**  
15 **LICENSE PLATES AND REGISTRATION CARDS FOR THESE VEHICLES.**

16 B. The department shall cancel the registration of a vehicle if the  
17 person to whom the registration card or license plates have been issued makes  
18 or permits to be made an unlawful use of the vehicle or permits the use of  
19 the vehicle by a person not entitled to the use.

20 Sec. 15. Section 28-2356, Arizona Revised Statutes, is amended to  
21 read:

22 28-2356. Transfer of license plates to another vehicle

23 A. Except as otherwise provided in this chapter, the owner of a  
24 vehicle for which the department provided license plates pursuant to section  
25 28-2351 shall retain those license plates when the owner transfers the  
26 vehicle to another person.

27 B. The department may assign the license plates retained pursuant to  
28 subsection A of this section to another vehicle that belongs to the owner if  
29 all of the following apply:

30 1. The other vehicle is of the same vehicle type.

31 2. The owner makes proper application to the director or a third party  
32 authorized pursuant to chapter 13 of this title.

33 3. The owner pays a transfer fee of twelve dollars in addition to any  
34 other fees required by law.

35 4. If the ~~registration fees~~, vehicle license tax, gross weight fees,  
36 commercial registration fees, special plate fees and motor carrier fees are  
37 more than the similar fees and taxes required to register the vehicle to  
38 which the license plates were previously assigned, the owner pays any  
39 additional fees and taxes required after subtracting any credit allowed under  
40 subsection E of this section.

41 C. If the other vehicle is not of the same vehicle type as the vehicle  
42 for which the license plates were provided by the department pursuant to  
43 section 28-2351, the owner shall either surrender the license plates to the  
44 department or an authorized third party or submit an affidavit of license  
45 plate destruction as prescribed by the director. On surrender of the license

1 plates or submission of an affidavit of license plate destruction, the  
2 department shall provide new license plates of the proper vehicle type to the  
3 owner and, subject to subsection D of this section, credit the owner with an  
4 amount equal to the unexpended portion of the fees and taxes originally paid  
5 by the owner for registration and license plates toward fees and taxes  
6 charged for the registration and license plates of the appropriate new  
7 vehicle type.

8 D. If fees and taxes charged for the registration of another vehicle  
9 to which license plates are assigned are less than the similar fees and taxes  
10 for the registration of the vehicle to which the license plates were last  
11 assigned or if fees and taxes charged for new license plates of a different  
12 vehicle type are less than fees and taxes for the registration of the owner's  
13 previous vehicle, the owner is not entitled to a refund except as provided in  
14 subsection G of this section.

15 E. The owner of a registered vehicle who transfers license plates to  
16 another vehicle or who surrenders license plates or submits an affidavit of  
17 license plate destruction pursuant to subsection C of this section is  
18 entitled to a credit for the unexpired portion of the fees and taxes paid as  
19 required by law in accordance with the following conditions:

20 1. The fees and taxes are prorated on a monthly basis beginning on the  
21 first day of the registration month following the date of acquisition of the  
22 vehicle.

23 2. The credit shall be an amount computed as follows:

24 (a) If the vehicle is registered on an annual basis, one-twelfth for  
25 each full month of the registration period not yet expired.

26 (b) If the vehicle is registered on a biennial basis pursuant to  
27 section 28-2159, one-twenty-fourth for each full month of the registration  
28 period not yet expired.

29 (c) If the vehicle is permanently registered, one-twenty-fourth for  
30 each full month after acquisition of the vehicle to the twenty-fourth month  
31 after the date of initial permanent registration of the vehicle.

32 F. If the amount of the credit computed pursuant to subsection E of  
33 this section is more than the amount due for the registration period, the  
34 department shall carry forward the credit to subsequent registration periods.

35 G. The owner may apply to the department for a refund of the unexpired  
36 portion of the fees and taxes paid if the owner of a registered vehicle  
37 surrenders license plates or submits an affidavit of license plate  
38 destruction pursuant to subsection C of this section, the owner does not  
39 claim a credit pursuant to subsection E of this section and the refund is  
40 more than three hundred fifty dollars. The department shall compute the  
41 refund as prescribed in subsection E of this section.

1 H. An owner who transfers license plates to another vehicle pursuant  
2 to this section is subject to the same penalties for the use of the license  
3 plates on another vehicle or for improper use of the license plates as the  
4 owner would have been subject to for use of the license plates on the vehicle  
5 to which the plates were previously assigned.

6 I. The director shall adopt rules necessary to administer this  
7 section.

8 Sec. 16. Effective date

9 A. Section 28-2051, Arizona Revised Statutes, as amended by section 3  
10 of this act and section 28-2356, Arizona Revised Statutes, as amended by  
11 section 15 of this act, are effective from and after December 31, 2001.

12 B. The following are effective from and after December 31, 2002:

13 1. Sections 28-2054, 28-2055, 28-2059 and 28-2132, Arizona Revised  
14 Statutes, as amended by this act.

15 2. Section 28-2058, Arizona Revised Statutes, as amended by Laws 2000,  
16 chapter 198, section 2 and this act.

17 3. Sections 28-2064 and 28-2134, Arizona Revised Statutes, as added by  
18 this act.

19 Sec. 17. Electronic certificates of title written report  
20 requirements

21 A. After the electronic certificates of title system established  
22 pursuant to section 28-2064, Arizona Revised Statutes, as added by this act,  
23 has been in operation for twelve months, the director of the department of  
24 transportation shall submit a written report on the department's experiences  
25 with the system to the speaker of the house of representatives, the president  
26 of the senate and the governor within ninety days. The report shall include:

27 1. System participation.

28 2. The fiscal impact of the system.

29 3. Customer acceptance and satisfaction with the system.

30 4. Whether or not the director plans to expand the system.

31 B. If the director expands the system, the director shall submit a  
32 written report on the department's experiences with the expanded system to  
33 the speaker of the house of representatives, the president of the senate and  
34 the governor no later than October 1, 2006. This report may include a  
35 recommendation to make any legislative changes necessary to make voluntary  
36 electronic media certificate of title transactions in lieu of submission of  
37 paper documents otherwise required by title 28, chapter 7, Arizona Revised  
38 Statutes, permanent.

39 Sec. 18. Delayed repeal

40 A. Section 17 of this act, relating to electronic certificates of  
41 title written report requirements, is repealed on January 1, 2007.

42 B. Section 28-2064, Arizona Revised Statutes, as added by this act, is  
43 repealed on January 1, 2009.

- 1           Sec. 19. Appropriations; purpose; exemption from lapsing  
2           A. The following amounts are appropriated from the state highway fund  
3 to the department of transportation for the purposes of this act:  
4           1. In fiscal year 2001-2002, \$277,950.  
5           2. In fiscal year 2002-2003, \$60,000.  
6           B. The appropriations made in subsection A of this section are exempt  
7 from the provisions of section 35-190, Arizona Revised Statutes, relating to  
8 lapsing of appropriations.