



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

REVISED
FACT SHEET FOR H.B. 2292

motor vehicle dealers; sales; cancellation

Purpose

Allows a motor vehicle dealer and purchaser to agree to rescind or cancel a motor vehicle sale, requires the dealer to return all fees, taxes or other monies to the rightful parties and outlines documentation requirements. Allows motor vehicle contracts and records to be in an electronic form, as specified.

Background

A licensed motor vehicle dealer, including a wholesale motor vehicle dealer or broker, must keep and maintain at the licensee's place of business a permanent record as prescribed by the Director of the Arizona Department of Transportation (ADOT) containing: 1) a particular description of each motor vehicle that was bought, sold, brokered or exchanged by the licensee or received or accepted by the licensee for sale, brokering or exchange, each used motor vehicle body or chassis that is sold or otherwise disposed of, and each motor vehicle that is bought or otherwise acquired and wrecked by the licensee; 2) the name and address of a person from whom a motor vehicle, motor vehicle body or motor vehicle chassis was purchased or otherwise acquired and the date of purchase or acquisition; and 3) the name and address of a person to whom a motor vehicle, motor vehicle body or motor vehicle chassis was sold or otherwise disposed of, the date it was sold or disposed of and a sufficient description of the vehicle, body or chassis to identify it.

A motor vehicle dealer must provide a customer with a written contract and maintain a copy of the contract for three years at the dealer's established place of business ([A.R.S. § 28-4403](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

Rescinded or Canceled Vehicle Sales

1. Allows a motor vehicle dealer and purchaser to elect to rescind or cancel a motor vehicle sale within 30 days of the sale date.
2. Requires a motor vehicle dealer to document a vehicle sale rescission or cancellation and submit the documentation to ADOT within 15 days of agreeing to cancel or rescind a sale.
3. Requires the documentation to include:
 - a) a copy of the agreement executed by the dealer and purchaser, and financing lender if the purchase was financed; and
 - b) a certificate of title, if issued, or an attestation to the loss or destruction of the title.

4. Requires ADOT, within seven days of receiving documentation, to:
 - a) rescind, cancel or revoke any certificate of title issued or applied for;
 - b) refund to the motor vehicle dealer any taxes and fees the dealer paid to ADOT, excluding the certificate of title fee, and any fees retained by ADOT, reimbursed to ADOT or assessed in addition to prescribed fees by an agent, authorized third party or authorized third party electronic service provider; and
 - c) issue a certificate of title to the motor vehicle dealer that shows the dealer as the vehicle owner and the odometer mileage reading as recorded at the time of the rescinded or cancelled sale.
5. Prohibits a motor vehicle dealer from offering a motor vehicle subject to a sale rescission or cancellation for retail sale until the dealer receives the certificate of title from ADOT.
6. Requires a motor vehicle dealer, upon receipt of the required documentation from the applicable department, to return all fees, taxes and other monies to the rightful parties in a manner described by ADOT.
7. Requires a motor vehicle dealer, within three business days of an agreement, to rescind or cancel a sale, to return all amounts received from a lienholder or prospective lienholder in connection with the financing of a rescinded or cancelled sale.
8. Specifies that a sale rescission or cancellation does not negate that a motor vehicle has been the subject of a previous retail sale.

Miscellaneous

9. Allows a licensed motor vehicle dealer, including a broker or wholesale motor vehicle dealer, to keep and maintain the required permanent record in an electronic format.
10. Allows a motor vehicle dealer to provide a customer with an electronic contract.
11. Requires ADOT to determine that a vehicle registration application is genuine, rather than genuine and regular, before issuing a registration card to an owner and license plate to a vehicle.
12. Makes conforming changes.
13. Becomes effective on the general effective date.

Revisions

- Clarifies that a motor vehicle dealer is required to return monies to the rightful parties after receiving the required documentation from the applicable department.

House Action

TI	2/8/23	DPA	10-0-1-0
3 rd Read	2/21/23		60-0-0

Prepared by Senate Research

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KJA/CB/sr