



Mail Drop 530M
PO Box 2100
Phoenix AZ 85001

POLICY
17.2.10

EXPORT ONLY (FOREIGN COUNTRY MOTOR VEHICLE DEALERS)

Summary of Changes

Pursuant to HB2120, Laws 2014, effective July 24, 2014, added Sections H and I prohibiting a motor vehicle dealer from parking a vehicle for the primary purpose of sale or for transfer at specified locations and mandatory impoundment of a vehicle that is displayed for sale with a vehicle identification number (VIN) that has been destroyed, removed, covered, altered or defaced.

Purpose

To provide standards for vehicles purchased by a foreign country motor vehicle dealer from a wholesale motor vehicle auction dealer.

Policy

- A. Pursuant to A.R.S. §28-4334, a person who is not licensed in this state as a dealer is prohibited from selling any vehicles in this state. Foreign country motor vehicle dealers cannot sell vehicles in Arizona unless they are a licensed dealer in Arizona.
- B. Wholesale motor vehicle auction dealers do not buy, sell, own or have any interest in the motor vehicles that are being auctioned. They provide auction services solely in wholesale transactions to motor vehicle dealers licensed by this state or any other jurisdiction, including foreign country motor vehicle dealers.
- C. When a foreign country motor vehicle dealer purchases a vehicle from a licensed wholesale motor vehicle auction dealer, the wholesale motor vehicle auction dealer shall:
 1. Stamp "EXPORT ONLY" on the title of the vehicle (A.R.S. §28-4423),
 2. Ensure the seller and buyer complete the reassignment portion on the back of the title and the foreign country motor vehicle dealer is listed as the purchaser, and
 3. If the wholesale motor vehicle auction dealer is an Authorized Third Party Provider (ATP), in addition to performing C1 and C2 above, the ATP shall update the vehicle record as follows:
 - a. Place a Status Code 20 (Sold Notice) on the vehicle record.
 - b. Place a comment on the vehicle record that includes:
 - The date of sale
 - "Export Only"
 - The name of the foreign country motor vehicle dealer
 - The country where the vehicle is being exported

EXAMPLE COMMENT: 01/01/2013/Export Only/John's Auto Sales/Canada

- D. When a customer presents a title that is stamped "EXPORT ONLY" but no comments have been placed on the vehicle record, or a foreign country motor vehicle dealer is the assignee on the back of a title but the title is not stamped "EXPORT ONLY", and/or the vehicle

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record does not have any comments regarding export only, the Customer Service Representative (CSR) shall update the vehicle record as follows:

1. Place a Status Code 20 (Sold Notice) on the vehicle.
2. Place a comment on the vehicle record that includes:
 - a. The date of sale
 - b. "Export Only"
 - c. The name of the foreign country motor vehicle dealer
 - d. The country where the motor vehicle is being exported

EXAMPLE COMMENT: 01/01/2013/Export Only/John's Auto Sales/Canada

Note: Foreign country motor vehicle dealers are not eligible to obtain an Arizona certificate of title or registration. Foreign country motor vehicle dealers must export vehicles purchased at a wholesale motor vehicle auction.

- E. When a customer, who is not a Foreign Country Motor Vehicle Dealer, presents a title for transfer that is stamped "EXPORT ONLY" and/or the vehicle record has the comment "Export Only," the CSR shall:
1. Request the customer obtain a Level II/III Inspection
 2. Collect the appropriate DOR tax or have the customer provide proof that the DOR tax was paid as prescribed in Policy.14.2.3 (Department of Revenue (DOR) Tax).
 3. Complete an Office of Inspector General (OIG) Incident report. Include as much information as possible, such as the purchaser's name, seller's name, where the vehicle was purchased and the date it was purchased, etc.

Note: In cases where an out-of-state title is presented and stamped "EXPORT ONLY" and/or when the out-of-state vehicle has a previous Arizona record that has the comment "Export Only," the CSR's shall follow the process prescribed in Section E (1)(2) and (3) above.

- F. The CSR may remove any comments related to "Export Only" and process the transaction when all of the following requirements have been met:
1. The customer submits a successful Level II/III Inspection report for the vehicle.
 2. The customer pays the appropriate DOR tax or the customer provides proof that the appropriate DOR taxes were previously paid.
 3. The OIG Incident Report is completed and forwarded to the OIG Dealers Investigation Unit.
- G. If a vehicle purchased at a wholesale motor vehicle auction by a foreign country motor vehicle dealer was exported out of the United States and then legally purchased in a foreign country and brought back into the United States to be titled and registered, the customer must:
1. Provide ownership documents, such as a Canadian ownership document (i.e., Ontario Certificate of Registration) or a Mexican Government Pedimento.
 2. Obtain a Level II/III Inspection.
 3. Pay appropriate DOR taxes as prescribed in Policy.14.2.3(E) (Department of Revenue (DOR) Tax).

H. Pursuant to A.R.S. §28-4401, a motor vehicle dealer or person acting as a motor vehicle dealer shall not park a motor vehicle for the primary purpose of displaying the vehicle for sale or for transfer of ownership on any of the following:

1. A public street or highway.
2. A public parking lot.
3. Any other public property.
4. Any private property if the public may lawfully drive a motor vehicle on the property. This paragraph does not apply if the property is a motor vehicle dealer's lot and the motor vehicle that is parked on the property is in the motor vehicle dealer's inventory.

I. Pursuant to A.R.S. §28-4401, a vehicle that is displayed for sale with a vehicle identification number that has been destroyed, removed, covered, altered or defaced is subject to mandatory vehicle immobilization or impoundment pursuant to A.R.S. §28-3511.

18 July 2014
Date


STACEY K. STANTON
Division Director

Attachment: None

Authority: HB2120, Laws 2014, effective July 24, 2014. A.R.S. §§ 28-2059, 28-4334, 28-4423, 28-4842, 42-5010, 42-5155, 42-5159

Procedure Information:

Steps: