



**Manual
Appendices**

Appendix C

*Arizona Self-Storage
Statutes*



Arizona Revised Statutes

TITLE 33 - PROPERTY

Chapter 15 - Self-Service Storage

ARTICLE 1. GENERAL PROVISIONS

§ 33-1701. Definitions; exception

A. In this article, unless the context otherwise requires:

1. "Default" means the failure to perform on time any obligation or duty set forth in the rental agreement.
2. "Department" means the Arizona game and fish department in the case of motorized watercraft and the department of transportation in the case of all other vehicles.
3. "Electronic mail" means an electronic message or an executable program or computer file that contains an image of a message that is transmitted between two or more computers or electronic terminals and includes electronic messages that are transmitted within or between computer networks from which a confirmation of receipt is received.
4. "Last known address" means that postal address or electronic address provided by the occupant in the rental agreement or the postal address or electronic address provided by the occupant in a subsequent written notice of a change of address.
5. "Late fee" means a reasonable fee or charge that is assessed by the operator for the failure of the occupant to pay rent when due pursuant to section 33-1703, subsection D.
6. "Leased space" means the storage space or spaces at the self-service storage facility that are rented to an occupant pursuant to a rental agreement.
7. "Net proceeds" means the total proceeds received from the lien sale less the total amount of the lien.
8. "Occupant" means a person or the person's sublessee, successor or assign, entitled to the use of the leased space at a self-service storage facility under a rental agreement, to the exclusion of others.
9. "Operator" means the owner, operator, lessor or sublessor of a self-service storage facility, an agent or any other person authorized to manage the facility.
10. "Personal information" has the same meaning prescribed in section 44-7501 and includes passport information and medical or legal records.
11. "Personal property" means movable property that is not affixed to land and includes but is not limited to goods, wares, merchandise, household items and furnishings and vehicles.
12. "Protected property" means personal property the sale or disposal of which is regulated by state or federal law and that is one of the following:
 - (a) Documents, files or electronic data that contains personal information relating to clients, customers, patients or others in connection with the occupant's business.
 - (b) Alcoholic beverages.
 - (c) Pharmaceuticals other than those dispensed by a licensed pharmacy for the occupant's personal use.
 - (d) Firearms.

13. "Registered owner" means an owner of a vehicle as stated in the official records of the department.
14. "Rental agreement" means any written agreement provided to the occupant that establishes or modifies the terms, conditions or rules concerning the use and occupancy of leased space at a self-service storage facility.
15. "Self-service storage facility" means any real property used for renting or leasing storage spaces in which the occupants themselves customarily store and remove their own personal property on a self-service basis.
16. "Vehicle" means a motor vehicle, a trailer or a semitrailer as defined in section 28-101 and a motorized watercraft as defined in section 5-301.
17. "Verified mail" means any method of mailing that is offered by the United States Postal Service and that provides evidence of mailing.

B. This article does not apply to a warehouseman unless the warehouseman issues a warehouse receipt, bill of lading or other document of title for the personal property stored.

§ 33-1702. Residential use; prohibition

- A.** An operator shall not knowingly permit a leased space at a self-service storage facility to be used for residential purposes.
- B.** An occupant shall not use a leased space for residential purposes.

§ 33-1703. Lien; rental agreement; contents; late fees

- A.** The operator of a self-service storage facility has a possessory lien from the date the rent is unpaid and due on all personal property stored within the leased space for rent, late fees and labor or other charges, and for expenses reasonably incurred in its sale, as provided in this article. The lien shall not impair any other lien or security interest at the time the storage was commenced, unless the lienor or secured party knows and consents to the storage of the personal property.
- B.** The rental agreement shall contain a statement, in at least ten point bold-faced type, advising the occupant:
 1. Of the accrual of the lien as of the date the rent is unpaid and due.
 2. That property stored in the leased space may be sold or otherwise disposed of if the occupant is in default.
 3. That any insurance protecting the personal property stored within the storage space against fire, theft or damage must be provided by the occupant.
 4. That a late fee may be charged by the operator for each month that the occupant does not pay rent when due. The rental agreement shall state the date on which rent is due and the date on which the late fee accrues.
- C.** The rental agreement shall contain a provision requiring the occupant to disclose the following:
 1. Any lienholders or secured parties who have an interest in property that is or will be stored in the self-service storage facility.

2. Whether any protected property is or will be stored in the leased space.
- D.** The operator may impose a reasonable late fee on the occupant for each month the occupant does not pay rent when due. For purposes of this section, a reasonable late fee may be computed as the greater of ten dollars per month or twenty per cent of the amount of monthly rent. Any late fee imposed by the operator pursuant to this section is in addition to any other remedy provided by law or contract.
- E.** The operator shall provide adequate notice to the occupant before a late fee is imposed. Adequate notice is provided if the rental agreement complies with subsection B or if a notice is sent to the occupant by verified mail that notifies the occupant that a late fee may be charged in any month in which the occupant does not pay rent when due.
- (c) The operator is not required to send a notice pursuant to this paragraph if ownership information for a vehicle is unavailable.
 - (d) In any notice that is sent, include a description of the vehicle and its vehicle identification number.
4. At least ten days before the sale, send notice by verified mail to any record lienholder or secured party who has an interest in the property to be sold, of whom the operator has actual or constructive knowledge either through the disclosure provision of the rental agreement or through any other written or recorded notice of the sale, that any prior record lienor or secured party may at any time before the sale recover possession of the item of personal property to which the record lien or security interest attaches.

§ 33-1704. Enforcement of lien

- A.** If the occupant is in default for a period of more than thirty days, the operator may foreclose the lien by selling the property stored in the leased space at a public sale, for cash, or if the property is protected property, by disposing of the property pursuant to this section. Proceeds shall then be applied as provided in subsection G of this section. If the contents of the leased space include a vehicle, section 28-4839 does not apply.
[SEE AZSA NOTE: Page 5]
- B.** Before conducting a sale under subsection A of this section, the operator shall:
1. Send notice of the default by verified mail or electronic mail to the occupant at the occupant's last known address.
 2. Send a second notice of default by first class mail not less than seven days after the mailing date of the first notice to the occupant at the occupant's last known address that includes:
 - (a) A statement that the contents of the occupant's leased space are subject to the operator's lien.
 - (b) A statement of the operator's claim, indicating the charges due on the date of the notice and any other charges that may accrue.
 - (c) A demand for payment of the charges due within a specified time, not less than fourteen days after the mailing date of the second notice or thirty additional days if the address of the occupant is outside of the continental United States.
 - (d) A statement that unless the claim is paid within the time stated the contents of the leased space will be sold at a specified time and place, or in the case of protected property, otherwise disposed of at a specified time and place.
 - (e) The name, street address and telephone number of the operator, or the operator's designated agent, whom the occupant may contact to respond to the notice.
 3. If the contents of the leased space include a vehicle:
 - (a) At the time the notice is sent pursuant to paragraph 1 of this subsection, send a notice of default by verified mail to the registered owner at the registered owner's most recent address as shown in the records of the department.
 - (b) At the time the notice is sent pursuant to paragraph 2 of this subsection, send a notice of default by first class mail to the registered owner at the registered owner's most recent address as shown in the records of the department.
 - (c) The operator is not required to send a notice pursuant to this paragraph if ownership information for a vehicle is unavailable.
 - (d) In any notice that is sent, include a description of the vehicle and its vehicle identification number.
- C.** At any time before a sale under this section or before the disposal of protected property, whichever occurs first, the occupant may pay the amount necessary to satisfy the lien and redeem the occupant's personal property.
- D.** If the personal property includes a vehicle, any person listed as a registered owner or lienholder on the records of the department may pay the amount necessary to satisfy the lien, redeem the vehicle and recover possession of the vehicle. The operator is not liable to the occupant or any other person who claims an interest in the vehicle if the operator releases the vehicle to a person listed as a registered owner or lienholder pursuant to this subsection.
- E.** If the personal property is subject to a restitution lien, any person listed as the holder of the restitution lien in the public records may pay the amount necessary to satisfy the lien, redeem the personal property and recover possession of the personal property. The operator is not liable to the occupant or any other person who claims an interest in the personal property if the operator releases the personal property to a person listed as a restitution lienholder pursuant to this subsection.
- F.** If the leased space contains protected property and the operator has actual knowledge of the protected property, the protected property shall not be sold but is subject to disposal by the operator. The operator is not liable to the occupant or to any other person who claims an interest in protected property if the operator disposes of the protected property pursuant to this section. Proper disposal methods include destruction of the protected property or surrendering the protected property to appropriate state or federal authorities if those appropriate state or federal authorities accept the protected property.
- G.** If a sale is held under this section, the operator shall distribute the proceeds in the following manner:
1. To pay all reasonable costs of sale.
 2. To satisfy the valid claims of any lienholder or secured party not otherwise subordinated pursuant to section 33-1703, subsection A.
 3. To satisfy the operator's lien.
 4. To satisfy the valid claims of any record lienholder or secured party subordinated pursuant to section 33-1703, subsection A.
 5. To the occupant on demand.
 6. If the occupant does not claim the balance due to the occupant within ninety days of the sale, the operator shall pay the balance to the department of revenue. If the occupant, at any time within two years from the date of payment to the department of revenue, establishes the occupant's right to the money to the satisfaction of the director of the department of administration, it shall be paid to the occupant. After two

years, all unclaimed monies shall be deposited in the permanent state school fund.

H. If five or more bidders who are unrelated to the operator are in attendance at a sale held under this section, the sale and its proceeds are deemed to be commercially reasonable.

I. A purchaser in good faith of any personal property sold under this article:

1. Does not acquire ownership of protected property contained in the leased space and shall return to the operator any protected property that is found in the leased space.
2. Except for protected property prescribed in paragraph 1 of this subsection, takes the property free and clear of any rights of any party.

J. If the operator complies with this article, the operator's liability arising from the sale:

1. To the occupant is limited to the net proceeds received from the sale of the personal property.
2. To other lienholders or a secured party is limited to the net proceeds received from the sale of any personal property covered by that other lien.

K. If an occupant is in default, the operator may deny the occupant access to the leased space.

L. Unless the rental agreement specifically provides otherwise and until a lien sale under this article, the exclusive care, custody and control of all personal property stored in the leased space remain vested in the occupant. If the occupant is in default for a period of more than thirty days and until the time of sale, the operator, in addition to denying the occupant access to the personal property, may transfer the personal property to a place of safekeeping.

§ 33-1705. Notice posted in the office

Each operator acting pursuant to this article shall at all times keep posted in a prominent place in the operator's office or on the premises of the self-service storage facility, a notice that reads as follows:

Articles stored pursuant to a rental agreement may be sold or disposed of if any storage charges are overdue for more than thirty days.

§ 33-1706. Failure to comply; penalty

Any person aggrieved by a violation of any provision of this article may bring a civil action. In any civil action brought for a violation of this article, in addition to any award for damages, the court may impose a civil penalty not to exceed five hundred dollars and may award reasonable attorney's fees and court costs.

[AZSA NOTE: Newspaper publishing requirement, §33-1704(B)(5), repealed September 30, 2009.]

RELATED LAWS

(Excerpts only. Refer to the Arizona Revised Statutes for full statements of the law.)

§13-806. Restitution lien.

D. A restitution lien is perfected against interests in personal property by filing the lien with the secretary of state, except that in the case of titled motor vehicles it shall be filed with the department of transportation motor vehicle division. A restitution lien is perfected against interests in real property by filing the lien with the county recorder of the county in which the real property is located. The state or a victim may give the additional notice of the lien as either deems appropriate.

E. The filing of a restitution lien in accordance with this section creates a lien in favor of the state or the victim in all of the following:

1. Any interest of the defendant in real property situated in the county in which the lien is filed then maintained or thereafter acquired in the name of the defendant identified in the lien.
2. Any interest of the defendant in personal property situated in this state then maintained or thereafter acquired in the name of the defendant identified in the lien.
3. Any property identified in the lien to the extent of the defendant's interest in the property.

J. A self-service storage facility that forecloses its lien pursuant to section 33-1704 may sell personal property that is subject to a restitution lien. The proceeds from the sale, less the reasonable costs of sale, shall be paid to the restitution lienholder to satisfy the restitution lien as prescribed in section 33-1704. A person who is a good faith purchaser pursuant to section 33-1704 and who purchases personal property that is subject to a restitution lien takes the property free and clear of the rights of the restitution lienholder.

§44-7501. Notification of breach of security system; enforcement; civil penalty; preemption; exceptions; definitions.

6. "Personal information":

(a) Means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when the data element is not encrypted, redacted or secured by any other method rendering the element unreadable or unusable:

- (i) The individual's social security number.
- (ii) The individual's number on a driver license issued pursuant to section 28-3166 or number on a nonoperating identification license issued pursuant to section 28-3165.
- (iii) The individual's financial account number or credit or debit card number in combination with any required security code, access code or password that would permit access to the individual's financial account.

(b) Does not include publicly available information that is lawfully made available to the general public from federal, state or local government records or widely distributed media.

OTHER VEHICLE-RELATED LAWS

(Excerpts only. Refer to the Arizona Revised Statutes for full statements of the law.)

TITLE 5 AMUSEMENTS AND BOATS

§5-301. Definitions

In this chapter, unless the context otherwise requires:

5. "Motorized watercraft" means any watercraft that is propelled by machinery whether or not the machinery is the principal source of propulsion.

§ 5-324. Public records; identification of requester; supplying information by mail; records custodians; certification of records

- C. Persons requesting a copy of a public record pursuant to this section shall identify themselves and state the reason for making the request. The department shall verify the name and address of the person making the request by requiring the person to produce necessary information to ensure that the information given is true and correct.
- E. The procedures required by subsections C and D of this section do not apply to:
8. An operator of a self-service storage facility located in this state who alleges both of the following:
- (a) That the watercraft on which the operator is requesting the record is in the operator's possession.
 - (b) That the record is requested to allow the operator to notify the registered owner and any lienholders of record of the operator's intent to foreclose its lien and to sell the watercraft.

TITLE 28 TRANSPORTATION

§ 28-101. Definitions

In this title, unless the context otherwise requires:

33. "Motor vehicle":

- (a) Means...
 - (i) A self-propelled vehicle.
- (b) Does not include 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.

48. "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. "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.

57. "Vehicle" 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.

§28-455. Release of personal information

- A. In accordance with section 28-458 and the driver's privacy protection act of 1994 (18 United States Code sections 2721 through 2725) and notwithstanding section 28-447, the department shall not knowingly disclose or otherwise make available to any person:
1. Personal information obtained by the department in connection with a motor vehicle record except as otherwise provided in this section.
- C. Subject to subsection A of this section, the department may disclose personal information as follows:

14. For any other use that is specifically authorized by law and that is related to the operation of a motor vehicle or public safety, including the following:

- (e) Use by an operator of a self-service storage facility who alleges both of the following:
 - (i) That the vehicle on which the operator is requesting the record

is in the operator's possession.

- (ii) That the record is requested to allow the operator to notify the registered owner and any lienholders of record of the operator's intent to foreclose its lien and to sell the vehicle.

§ 28-456. Subsequent sale or disclosure of record information by authorized recipient.

- A. Except as provided in subsections B and C of this section, an authorized recipient of personal information may resell or redisclose the information only for a use permitted under section 28-455, subsection B or C.

§28-457. Unlawful acts; civil actions

- A. The department, including department employees, shall not knowingly obtain or disclose personal information or highly restricted personal information except as authorized by law.
- B. A person shall not knowingly obtain or disclose personal information or highly restrictive personal information from a motor vehicle record for any use not permitted under section 28-455, subsection B or C.
- C. A person shall not make a false representation to obtain any personal information or highly restrictive personal information from an individual's motor vehicle record.
- D. A person who violates this section is guilty of a class 1 misdemeanor.
- E. In addition to any criminal penalties or sanctions for violations of this section, civil actions may also be brought in a United States district court pursuant to 18 United States Code section 2724.

§ 28-2060. Transfer of ownership by operation of law

- D. The transferee of a vehicle required to be titled and registered under section 28-2153 or a mobile home required to be titled under section 28-2063 may obtain a transfer of registration to the transferee and a new certificate of title if both of the following occur:

1. The title or interest of the owner of the vehicle passes to another either:
- (a) Through notice and sale under the conditions contained in any security agreement, chattel mortgage, condi-

tional sale or other evidence of lien or under the authority given by statute in cases arising under sections 33-1021 and 33-1022 or under section 33-1704.

2. Satisfactory evidence is presented to the

director that the sale of the vehicle was fairly and lawfully conducted in conformity with all requirements of law after due notice to the former owner. In cases arising under section 33-1704, a declaration that is signed by both the seller and the buyer and that sets forth compliance

with section 33-1704 constitutes satisfactory evidence, and the director may rely on that declaration.

*AZSA NOTE: SELF-STORAGE IS PROHIBITED FROM FORECLOSING A LIEN BY USE OF THE ABANDONED VEHICLE STATUTE.
[See: §33-1704(A)] Therefore, this section does not apply with respect to unpaid rents or missing tenants.*

§ 28-4839. Report; vehicle abandoned in storage; violation; classification; disposition

A. A vehicle that is left in a public garage or parking lot for storage or parking more than ten days, that has not been left under a written contract of storage and that has not during that period been removed by the person leaving it is an abandoned vehicle.

The party in possession of such a vehicle shall:

1. Report the vehicle on forms prescribed by the director of the department of transportation.

2. Submit the report to the director of the department of transportation.

3. Submit a copy of the report to the director of the department of public safety.

B. Except if the vehicle inspection prescribed in section 28-4834 is not completed within the prescribed time period due to no fault of the person, a person who fails to make the report to the

director of the department of transportation and the director of the department of public safety at the end of five days after the ten day period forfeits all claims for storage of the vehicle and is guilty of a class 2 misdemeanor.

C. A vehicle that is abandoned by being left in a public garage or parking lot as provided by this section shall be disposed of pursuant to sections 28-4841 and 28-4842.

SELF-SERVICE STORAGE INSURANCE AGENT LICENSE

TITLE 20 - INSURANCE

Chapter 2 - Transaction of Insurance Business

ARTICLE 3.3 OTHER INSURANCE PROFESSIONALS

§ 20-332. Self-service storage agents; license; definitions

- A.** The director may issue a self-service storage agent license to an operator that has complied with the requirements of this section authorizing the operator to offer or to sell the kinds of insurance prescribed in this section in connection with and incidental to the rental of space at a self-service storage facility.
- B.** An applicant for a self-service storage agent license shall file a written application in a form prescribed by the director. The application shall specify all locations in this state at which the self-service storage agent may conduct business under the license. Notwithstanding section 20-290, subsection B, a self-service storage agent is not required to have an individual licensee in each self-service storage facility or place where insurance is transacted. The self-service storage agent shall notify the director within thirty days after commencing business under the self-service storage agent's license at any additional locations in this state or of those locations in this state that cease to do business under the license.
- C.** A self-service storage agent may offer or sell insurance only in connection with and incidental to the rental of space at a self-service storage facility and only with respect to personal property insurance that provides coverage to occupants at the self-service storage facility where the insurance is transacted for the loss of or damage to stored personal property that occurs at that facility.
- D.** A self-service storage agent shall not offer or sell insurance pursuant to this section unless:
1. The self-service storage agent makes readily available to the prospective occupant brochures or other written materials that:
 - (a) Summarize the material terms of insurance coverage offered to occupants, including the identity of the insurer, price, benefits, exclusions and conditions.
 - (b) Disclose that the policies offered by the self-service storage agent may provide a duplication of coverage already provided by an occupant's homeowner's insurance policy, renter's insurance policy, vehicle insurance policy, watercraft insurance policy or other source of property insurance coverage.
 - (c) State that if insurance is required as a condition of rental, the requirement may be satisfied by the occupant purchasing the insurance prescribed in this section or by presenting evidence of other applicable insurance coverage.
 - (d) Describe the process for filing a claim.
 2. All costs related to the insurance are clearly itemized in writing.
 3. Evidence of coverage in a form approved by the insurer is provided to every occupant who purchases the coverage.
 4. The insurance is provided by an insurer authorized to transact the applicable kinds of insurance in this state or by a surplus lines insurer pursuant to article 5 of this chapter.
- E.** An employee or agent of a self-service storage agent may act on behalf of and under the supervision of the self-service storage agent in matters relating to the conduct of business under the license that is issued pursuant to this section. The conduct of an employee or agent of a self-service storage agent acting within the scope of employment or agency is deemed the conduct of the self-service storage agent for purposes of this section.
- F.** Each self-service storage agent shall provide a training program that gives employees and agents of the self-service storage agent basic instruction about the provisions of this section, including the kinds of insurance coverage prescribed in this section.
- G.** A self-service storage agent shall not:
1. Offer or sell insurance except in connection with and incidental to the rental of space at a self-service storage facility.
 2. Advertise, represent or otherwise portray itself or any of its employees or agents as licensed insurers or insurance producers.
 3. Pay any person any commission or other compensation dependent on the sale of insurance under the self-service storage agent license that is issued pursuant to this section.
- H.** Nothing in this section prohibits:
1. An insurer from paying, and a self-service storage agent from receiving, a commission, service fee or other valuable consideration dependent on the sale of insurance.
 2. A self-service storage agent from paying, and its employees or agents from receiving, production payments or incentive payments if the payments are not dependent on the sale of insurance.
- I.** An operator is not required to be licensed pursuant to this section merely to display and make available to prospective occupants brochures and other promotional materials created by or on behalf of an authorized insurer or by a surplus lines insurer pursuant to article 5 of this chapter.
- J.** To the extent not inconsistent with this section, sections 20-281, 20-282, 20-283, 20-288 and 20-289, section 20-290, subsection A and sections 20-291, 20-292, 20-293, 20-295, 20-296, 20-297, 20-298, 20-299, 20-301 and 20-302 apply to self-service storage agents. A self-service storage agent is not subject to the continuing education requirements of chapter 18 of this title.
- K.** For the purposes of this section:
1. "Occupant" means a person or the person's sublessee, successor or assign who is entitled to the use of a leased space or spaces at a self-service storage facility, to the exclusion of others.
 2. "Operator" means the owner or owner's managing agent of a self-service storage facility.
 3. "Personal property" means movable property that is not affixed to land and includes:
 - (a) Goods, wares, merchandise, household items and furnishings.
 - (b) Vehicles, motor vehicles, trailers and semitrailers as those terms are defined in section 28-101.
 - (c) Watercraft and motorized watercraft as those terms are defined in section 5-301.
 4. "Self-service storage agent" means an operator who is licensed pursuant to this section.
 5. "Self-service storage facility" means any real property that is used for renting or leasing storage space in which the occupants themselves customarily store and remove personal property on a self-service basis.

OTHER INSURANCE-RELATED LAWS

(Excerpts only. Refer to the Arizona Revised Statutes for full statements of the law.)

§ 20-281. Definitions

In this article, unless the context otherwise requires:

1. "Business entity" means any corporation, association, partnership, limited liability company, limited liability partnership or other legal entity except an individual or sole proprietorship.
5. "Insurance producer" means a person required to be licensed under this article to sell, solicit or negotiate insurance.
10. "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract if the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.
12. "Person" means an individual or a business entity.
14. "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.
15. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

§ 20-282. License required

A person shall not sell, solicit or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with this article.

§ 20-288. Exemption from examination

B. The following applicants are not required to take an examination:

6. An applicant for a self-service storage agent license that is issued pursuant to section 20-332.

§ 20-289. Expiration; surrender; renewal

A. Any license that is issued pursuant to this article, other than a temporary license, continues in force until it expires or the director suspends, revokes or terminates the license. The license is also subject to renewal pursuant to this section.

B. A license that is issued or renewed pursuant to this article or a license that is issued or renewed pursuant to chapter 6, article 9 of this title expires quadrennially as follows:

1. If the licensee is an individual, on the last day of the month of the licensee's birthday, but not less than three years and not more than four years after the last day of the month in which the license is issued or is required to be renewed.
2. If the licensee is a business entity, on the last day of the same month four years after the issuance or renewal due date of the license as provided pursuant to this article.

C. The director may renew a license if the director receives from the licensee all of the following on or before the license expiration date:

1. An application on a form approved by the director.
2. The license fee prescribed in section 20-167.

D. Before renewing a license, the director may require the applicant to:

1. Provide all documents that are reasonably necessary to verify the information that is contained in the application and any other information including prior criminal records.
2. Submit a full set of fingerprints to the department. The department of insurance shall submit the fingerprints to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

[AZSA NOTE: Fingerprints are not being required as part of a self-storage insurance license application.]

E. Any license for which the director does not receive timely application for renewal and full payment of fees expires at midnight on the renewal date. During the year after the expiration of a license under this section, a person who otherwise meets the qualifications for a license may renew an expired license by filing with the director a renewal application, the quadrennial license fee and an additional one hundred dollars as a late renewal fee. Any application that is received during this one year period for the same license that expired under this section is deemed a renewal application. Any application that is received after the one year period for the same license that expired under this section is deemed a new application.

F. On the written request of a person who is licensed pursuant to this article, the director may

accept the voluntary surrender of the person's authority to transact one or more lines of insurance or of the person's entire license. A person who surrenders an authority or a license under this subsection shall not reapply for the same authority or license for at least one year after the date of the surrender.

§ 20-290. Insurance producer records; individual licensees

A. An insurance producer shall keep at the insurance producer's principal place of business the usual and customary records that pertain to transactions under the insurance producer's license. The insurance producer shall keep all records for any transaction for three years immediately after the date of completion of the transaction and shall make them available and open to the inspection of the director at any business time during those three years.

B. A business entity insurance producer shall have at least one insurance producer individually licensed for the appropriate lines of authority in each office or place of business in which the business entity transacts insurance in this state.

[AZSA NOTE: §B does not apply to self-storage; see §20-332(B)]

§ 20-292. Violation; injunctive relief

If the director has cause to believe that any person is violating or about to violate section 20-282, 20-298, 20-311.01, 20-321.01, 20-331, 20-331.01, 20-332, 20-340.01 or 20-411, the director may order the person to cease and desist and, through the attorney general, may cause a complaint to be filed in the superior court in Maricopa county to enjoin and restrain the person from continuing the violation, engaging in the violation or doing any act in furtherance of the violation. If the director orders the person to cease and desist, the person may file a notice of appeal and may appeal any final order pursuant to title 41, chapter 6, article 10. If the director, through the attorney general, causes a complaint to be filed, the superior court in Maricopa county has jurisdiction of the proceeding and may make and enter an order or judgment awarding the preliminary or final relief as in its judgment is proper.

§ 20-293. Insurance vending machines

A. Only a licensed insurance producer who is authorized by the director may solicit applications for and issue policies by means of mechanical vending machines. The insurance producer shall supervise each machine and shall issue policies only of insurers authorized to transact business in this state. A policy shall not be solicited and issued through a machine if the director finds that

the kind of insurance or form of policy to be sold is unsuitable for sale and issuance through vending machines, that use of a vending machine may pose a risk of harm to the public or that the proposed type of vending machine is not reasonably suitable and practical for the purpose.

B. The insurance producer shall display on or near each vending machine evidence of the producer's authority to solicit applications and issue policies in a manner and form as the director may reasonably require. The evidence of authority shall specify the name and address of both the insurer and the insurance producer, the kind of insurance and type of policy to be sold, the place where the machine is to be in operation and the machine's identification number. The authority granted pursuant to this section expires coincident with the insurance producer's license. The director shall suspend, revoke or otherwise terminate the authority to operate a vending machine coincidentally with that of the insurance producer.

§ 20-295. License denial, suspension or revocation; civil penalty

A. The director may deny, suspend for not more than twelve months, revoke or refuse to renew an insurance producer's license or may impose a civil penalty in accordance with subsection F of this section or any combination of actions for any one or more of the following causes:

1. Providing incorrect, misleading, incomplete or materially untrue information in the license application.
2. Violating any provision of this title or any rule, subpoena or order of the director.
3. Obtaining or attempting to obtain a license through misrepresentation or fraud.
4. Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business.
5. Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
6. Having been convicted of a felony.
7. Having admitted or been found to have committed any insurance unfair trade practice or fraud.
8. Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.
9. Having an insurance producer license, or its equivalent, denied, suspended or revoked in any state, province, district or territory.
10. Forging another's name to any document related to an insurance transaction.

11. Aiding or assisting any person in the unauthorized transaction of insurance business.

14. Using the insurance producer's license principally to procure insurance that covers the life, property or insurable interests, other than to insure an interest in property that is being sold under a contract or that is securing a loan, of any of the following:

- (a) The licensee.
- (b) The licensee's family or relatives to the second degree.
- (c) The licensee's employer.
- (d) The licensee's employees.
- (e) A firm or corporation, or its employees, in which the licensee owns a substantial interest.

B. The director may deny, suspend for not more than twelve months, revoke or refuse to renew the license of a business entity:

1. For any of the causes prescribed in subsection A of this section if the cause relates to the designated producer or any member, officer, director or manager of the business entity.
2. If the director finds that an individual insurance producer's violation was known or should have been known by the designated producer or one or more of the members, officers, directors or managers acting on behalf of the business entity and the violation was not seasonably reported to the director and no reasonable corrective action was taken.

C. If the director denies an application for a license, the director shall notify the applicant in accordance with title 41, chapter 6, article 10.

D. The director may revoke, suspend or refuse to renew a license after notice and an opportunity for a hearing in accordance with title 41, chapter 6, article 10.

E. Any hearing required by this section shall be conducted as prescribed in chapter 1, article 2 of this title and title 41, chapter 6, article 10.

F. In addition to or instead of any suspension, revocation or refusal to renew a license pursuant to this section, after a hearing the director may:

1. Impose a civil penalty of not more than two hundred fifty dollars for each unintentional failure or violation, up to an aggregate civil penalty of two thousand five hundred dollars.
2. Impose a civil penalty of not more than two thousand five hundred dollars for each intentional failure or violation, up to an aggregate civil penalty of fifteen thousand dollars.

3. Order the licensee to provide restitution to any party injured by the licensee's action.

G. The licensee shall pay any civil penalty to the director who shall deposit it, pursuant to sections 35-146 and 35-147, in the state general fund. The civil penalty is in addition to any other applicable penalty or restraint either in this article or in any other law and may be recovered in a civil action brought by the director. For the purposes of subsection F of this section, a single publication, exhibition or utterance of any matter in violation of this title is deemed one violation or failure, including an edition of a newspaper, book or magazine, a single representation to an audience, a single broadcast over radio or television or a single exhibition of a motion picture.

H. The director shall retain the authority to enforce this title and impose any penalty or remedy authorized by this title against any person who is under investigation for or charged with a violation of this title even if the person's license has been surrendered or has lapsed by operation of law.

§ 20-296. Procedure after suspension or revocation of license

A. The director shall not again issue any license under this title to any person whose license has been revoked until one year after the revocation and the person again qualifies in accordance with the applicable provisions of this title.

B. If the license of a business entity is suspended or revoked, a member, officer or director of or designated producer for the business entity shall not be issued a license or serve as the designated producer for any licensee during the period of the suspension or revocation unless the director determines that the member, officer, director or designated producer was not personally at fault and did not acquiesce in the matter that resulted in the suspension or revocation of the license.

§ 20-297. Assumed business name; trade name

A. An insurance producer doing business under any name other than the producer's legal name shall notify the director on a form prescribed by the director before using the assumed name.

B. The director may deny the use of an assumed business name, require the use of a different assumed business name or require the use of an assumed business name if an insurance producer uses or proposes to use an assumed business name that either:

1. Is so similar to the legal name or name already assumed under this section by any other licensed insurance producer so as to cause uncertainty or confusion.
2. Tends to deceive or mislead the public as to the nature of the business that is or will be conducted.

C. An insurance producer shall notify the director in writing within thirty days after any material change to the information filed with the director under this section.

D. The director shall not issue any license in a trade name except to a business entity and on proof satisfactory to the director that the trade name has been lawfully registered.

§ 20-298. Commissions

A. An insurer or insurance producer shall not pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in this state if that person is required to be licensed under this article and is not so licensed.

B. A person shall not accept a commission, service fee, brokerage or other valuable consideration for selling, soliciting or negotiating insur-

ance in this state if that person is required to be licensed under this article and is not so licensed.

C. Renewal or other deferred commissions may be paid to a person for selling, soliciting or negotiating insurance in this state if the person was required to be licensed under this article at the time of the sale, solicitation or negotiation and was so licensed at that time.

D. An insurer or insurance producer may pay or assign commissions, service fees, brokerages or other valuable consideration to an insurance agency or to persons who do not sell, solicit or negotiate insurance in this state, unless the payment would violate section 20-451.

E. This section does not affect payment of the regular salaries due to a licensee's employees or the distribution in the regular course of business of compensation and profits among a business entity's members or other owners.

§ 20-301. Report of actions

A. Within thirty days after the final disposition of the matter, an insurance producer shall report to the director any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state. The report shall include a copy of the order, consent to order or other relevant dispositive document.

B. Within thirty days after the initial pretrial hearing date, an insurance producer shall report to the director any criminal prosecution of the producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and all other relevant legal documents.

DECEASED TENANT – SMALL ESTATE LAWS

(Excerpts only. Refer to the Arizona Revised Statutes for full statements of the law.)

§14-3971. Collection of personal property by affidavit; ownership of vehicles; affidavit of succession to real property

B. Thirty days after the death of a decedent, any person indebted to the decedent or having possession of tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action belonging to the decedent shall make payment of the indebtedness or deliver the tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action to a person claiming to be the successor of the decedent upon being presented an affidavit made by or on behalf of the successor and stating that all of the following are true:

1. Thirty days have elapsed since the death of the decedent.

2. Either:

(a) An application or petition for the appointment of a personal representative is not pending and a personal representative has not been appointed in any jurisdiction and the value of all personal property in the decedent's estate, wherever located, less liens and encumbrances, does not exceed fifty thousand dollars as valued as of the date of death.

(b) The personal representative has been discharged or more than one year has elapsed since a closing statement has been filed and the value of all personal property in the decedent's estate, wherever located, less liens and encumbrances, does not exceed fifty thousand dollars as valued as of the date of the affidavit.

3. The claiming successor is entitled to payment or delivery of the property.

§14-3972. Effect of affidavit

A. The person paying, delivering, transferring or issuing personal property or the evidence thereof pursuant to affidavit is discharged and released to the same extent as if he dealt with a personal representative of the decedent. He is not required to see to the application of the personal property or evidence thereof or to inquire into the truth of any statement in the affidavit.

If any person to whom an affidavit is delivered refuses to pay, deliver, transfer or issue any personal property or evidence thereof, it may be recovered or its payment, delivery, transfer or issuance compelled upon proof of their right in a proceeding brought for the purpose by or on behalf of the persons entitled thereto. Any person to whom payment, delivery, transfer or issuance is made is answerable and accountable therefor to any personal representative of the estate or to any other person having a superior right.