

REFERENCE TITLE: vehicle fees; alternative fuel VLT

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

## **HB 2166**

Introduced by  
Representatives Campbell: Cook, John

AN ACT

AMENDING TITLE 28, CHAPTER 7, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2007; AMENDING SECTION 28-5801, ARIZONA REVISED STATUTES; REPEALING SECTION 28-5805, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-5808 AND 41-1752, ARIZONA REVISED STATUTES; RELATING TO THE VEHICLE LICENSE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 28, chapter 7, article 1, Arizona Revised  
3 Statutes, is amended by adding section 28-2007, to read:

4 28-2007. Highway safety fee

5 AT THE TIME OF APPLICATION FOR AND BEFORE REGISTRATION EACH YEAR OF  
6 A VEHICLE, THE REGISTERING OFFICER SHALL COLLECT A HIGHWAY SAFETY FEE IN  
7 AN AMOUNT TO BE DETERMINED BY THE DIRECTOR ANNUALLY. THE DIRECTOR SHALL  
8 DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, ALL MONIES COLLECTED  
9 PURSUANT TO THIS SECTION IN THE ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY  
10 SECTION 41-1752. THE HIGHWAY SAFETY FEE SHALL FULLY FUND ONE HUNDRED TEN  
11 PERCENT OF THE DEPARTMENT OF PUBLIC SAFETY HIGHWAY PATROL BUDGET FOR EACH  
12 FISCAL YEAR LESS ANY PRIOR UNENCUMBERED BALANCE IN THE ARIZONA HIGHWAY  
13 PATROL FUND ESTABLISHED BY SECTION 41-1752 THAT EXCEEDS TEN PERCENT OF THE  
14 PRIOR YEAR'S DEPOSITS OF HIGHWAY SAFETY FEE MONIES PURSUANT TO THIS  
15 SECTION.

16 Sec. 2. Section 28-5801, Arizona Revised Statutes, is amended to  
17 read:

18 28-5801. Vehicle license tax rate

19 A. At the time of application for and before registration each year  
20 of a vehicle, the registering officer shall collect the vehicle license  
21 tax imposed by article IX, section 11, Constitution of Arizona. On the  
22 taxpayer's vehicle license tax bill, the registering officer shall provide  
23 the taxpayer with ~~the following:~~

24 ~~1. information showing the amount of the vehicle license tax that~~  
25 ~~each category of recipient will receive and the amount that is owed by the~~  
26 ~~taxpayer.~~

27 ~~2. The amount of vehicle license tax the taxpayer would pay~~  
28 ~~pursuant to section 28-5805 if the taxpayer's motor vehicle was powered by~~  
29 ~~alternative fuel.~~

30 B. Except as provided in subsections C, D and E of this section:

31 1. During the first twelve months of the life of a vehicle as  
32 determined by its initial registration, the vehicle license tax is based  
33 on each one hundred dollars in value, the value of the vehicle is sixty  
34 ~~per cent~~ PERCENT of the manufacturer's base retail price of the vehicle  
35 and the vehicle license tax rate for each of the recipients is as follows:

36 (a) The rate for the Arizona highway user revenue fund is one  
37 dollar twenty-six cents.

38 (b) The rate for the county general fund is sixty-nine cents.

39 (c) The rate for counties for any purposes related to  
40 transportation, as determined by the board of supervisors, is sixteen  
41 cents.

42 (d) The rate for incorporated cities and towns is sixty-nine cents.

43 2. During each succeeding ~~twelve month~~ TWELVE-MONTH period, the  
44 vehicle license tax is based on each one hundred dollars in value, the  
45 value of the vehicle is 16.25 ~~per cent~~ PERCENT less than the value for the

1 preceding ~~twelve-month~~ TWELVE-MONTH period and the vehicle license tax  
2 rate for each of the recipients is as follows:

3 (a) The rate for the Arizona highway user revenue fund is one  
4 dollar thirty cents.

5 (b) The rate for the county general fund is seventy-one cents.

6 (c) The rate for counties for the same use as highway user revenue  
7 fund monies is seventeen cents.

8 (d) The rate for incorporated cities and towns is seventy-one  
9 cents.

10 3. The minimum amount of the vehicle license tax computed under  
11 this section is ten dollars per year for each vehicle that is subject to  
12 the tax. If the product of all of the rates prescribed in paragraph 1 or  
13 2 of this subsection is less than ten dollars, the vehicle license tax is  
14 ten dollars. The vehicle license tax collected pursuant to this paragraph  
15 shall be distributed to the recipients prescribed in this subsection based  
16 on the percentage of each recipient's rate to the sum of all of the rates.

17 C. The vehicle license tax is as follows for noncommercial trailers  
18 that are not travel trailers and that are ten thousand pounds or less  
19 gross vehicle weight:

20 1. On initial registration, a ~~one-time~~ ONETIME vehicle license tax  
21 of one hundred five dollars.

22 2. On renewal of registration, a ~~one-time~~ ONETIME vehicle license  
23 tax of seventy dollars.

24 D. The vehicle license tax is as follows for a trailer or  
25 semitrailer that is not a travel trailer and that exceeds ten thousand  
26 pounds gross vehicle weight:

27 1. On initial registration, a ~~one-time~~ ONETIME vehicle license tax  
28 of five hundred fifty-five dollars.

29 2. On renewal of registration or if previously registered in  
30 another state, a ~~one-time~~ ONETIME vehicle license tax of:

31 (a) If the trailer's or semitrailer's model year is less than six  
32 years old, three hundred fifty-five dollars.

33 (b) If the trailer's or semitrailer's model year is at least six  
34 years old, one hundred dollars.

35 E. The vehicle license tax for an all-terrain vehicle or  
36 off-highway vehicle as defined in section 28-1171 is three dollars if the  
37 all-terrain vehicle or off-highway vehicle meets both of the following  
38 criteria:

39 1. Is designed by the manufacturer primarily for travel over  
40 unimproved terrain.

41 2. Has an unladen weight of eighteen hundred pounds or less.

42 F. The vehicle license tax collected pursuant to subsection C, D  
43 or E of this section shall be distributed to the recipients prescribed in  
44 subsection B of this section based on the percentage of each recipient's  
45 rate to the sum of all of the rates.

1 G. For the purposes of ~~subsection~~ SUBSECTIONS C and D of this  
2 section, "travel trailer" has the same meaning prescribed in section  
3 28-2003.

4 Sec. 3. Repeal

5 Section 28-5805, Arizona Revised Statutes, is repealed.

6 Sec. 4. Section 28-5808, Arizona Revised Statutes, is amended to  
7 read:

8 28-5808. Vehicle license tax distribution

9 A. Except as provided in subsection D of this section, the director  
10 shall distribute monies collected by the director pursuant to section  
11 28-5801, except monies deposited in the state general fund, on the first  
12 and fifteenth calendar day of each month as follows:

13 1. On the first calendar day, the director shall deposit, pursuant  
14 to sections 35-146 and 35-147, all of the Arizona highway user revenue  
15 fund monies received from the first through the fifteenth calendar day of  
16 the preceding month in the Arizona highway user revenue fund, except that  
17 on the first calendar day the director shall deposit, pursuant to sections  
18 35-146 and 35-147, in the parity compensation fund established by section  
19 41-1720, 1.51 ~~per cent~~ PERCENT of the portion of vehicle license tax  
20 revenues that otherwise would be deposited in the state highway fund from  
21 the first through the fifteenth calendar day of the preceding month.

22 2. On the fifteenth calendar day, the director shall deposit,  
23 pursuant to sections 35-146 and 35-147, all of the Arizona highway user  
24 revenue fund monies received from the sixteenth through the last day of  
25 the preceding month in the Arizona highway user revenue fund, except that  
26 on the fifteenth calendar day, the director shall deposit, pursuant to  
27 sections 35-146 and 35-147, in the parity compensation fund established by  
28 section 41-1720, 1.51 ~~per cent~~ PERCENT of the portion of vehicle license  
29 tax revenues that otherwise would be deposited in the state highway fund  
30 from the sixteenth through the last day of the preceding month. On the  
31 fifteenth calendar day, the director shall distribute or deposit all other  
32 monies received during the entire preceding month as follows:

33 (a) The county general fund monies to the county general fund.

34 (b) The county transportation monies to the state treasurer to be  
35 apportioned among the counties for any purposes related to transportation,  
36 as determined by the board of supervisors, on the basis that the  
37 population of the unincorporated area of each county bears to the  
38 population of the unincorporated areas of all counties in this state.

39 (c) The incorporated cities and towns monies to the incorporated  
40 cities and towns of the county in proportion to the population of each.

41 3. The deposit of the monies in the parity compensation fund  
42 pursuant to paragraphs 1 and 2 of this subsection shall not impact the  
43 distribution of vehicle license tax revenues to the state general fund and  
44 to cities, towns and counties pursuant to this section.

1 B. The director shall distribute monies collected by the director  
2 pursuant to sections 28-5804, ~~28-5805~~, 28-5806 and 28-5810, except monies  
3 deposited in the state general fund, on the first and fifteenth calendar  
4 day of each month as follows:

5 1. On the first calendar day, the director shall deposit, pursuant  
6 to sections 35-146 and 35-147, 37.61 ~~per cent~~ PERCENT of all monies  
7 received from the first through the fifteenth calendar day of the  
8 preceding month in the highway user revenue fund.

9 2. On the fifteenth calendar day, the director shall deposit,  
10 pursuant to sections 35-146 and 35-147, 37.61 ~~per cent~~ PERCENT of all  
11 monies received from the sixteenth through the last day of the preceding  
12 month in the highway user revenue fund and distribute or deposit the  
13 following amounts as a percentage of all monies received pursuant to  
14 sections 28-5804, ~~28-5805~~, 28-5806 and 28-5810 during the entire preceding  
15 month as follows:

16 (a) 20.45 ~~per cent~~ PERCENT to the county general fund.

17 (b) 4.91 ~~per cent~~ PERCENT to the state treasurer to be apportioned  
18 among the counties for any purposes related to transportation, as  
19 determined by the board of supervisors, on the basis that the population  
20 of the unincorporated area of each county bears to the population of the  
21 unincorporated areas of all counties in this state.

22 (c) 20.45 ~~per cent~~ PERCENT to the incorporated cities and towns of  
23 the county in proportion to the population of each.

24 (d) 1.64 ~~per cent~~ PERCENT, pursuant to sections 35-146 and 35-147,  
25 in the state highway fund established by section 28-6991.

26 (e) 4.09 ~~per cent~~ PERCENT in the state highway fund established by  
27 section 28-6991.

28 (f) 10.85 ~~per cent~~ PERCENT, pursuant to sections 35-146 and 35-147,  
29 in the state general fund to aid school financial assistance.

30 C. For purposes of this section the population of a county, city or  
31 town shall be determined as provided by section 28-6532 or 42-5033.01. If  
32 an incorporated city or town has had no federal enumeration of population,  
33 the supervisors shall both:

34 1. Appoint a qualified person to take an accurate census of the  
35 incorporated city or town.

36 2. Certify the results to the county treasurer, and the  
37 incorporated city or town shall share in the distribution as provided by  
38 this section.

39 D. On the fifteenth calendar day of each month, the director shall  
40 transfer to the state general fund from the portion of vehicle license tax  
41 revenues that otherwise would be deposited in the state highway fund  
42 pursuant to section 28-6538, subsection A, paragraph 1 the following  
43 amounts:

44 1. An amount equal to ninety ~~per cent~~ PERCENT of the fees collected  
45 pursuant to section 28-4802, subsection A in the preceding month.

1           2. An amount equal to sixty ~~per cent~~ PERCENT of the fees collected  
2 pursuant to section 28-4802, subsection B in the preceding month.

3           E. On the fifteenth calendar day of each month, the director shall  
4 transfer to the state general fund from the portion of vehicle license tax  
5 revenues that otherwise would be deposited in the state highway fund  
6 pursuant to section 28-6538, subsection A, paragraph 1 the difference  
7 between the actual amount of the vehicle license tax revenue collected as  
8 a result of registration of vehicles pursuant to section 28-2159 in the  
9 preceding month for a five-year registration period and the amount that  
10 would have been collected if those same vehicles had been registered for a  
11 two-year vehicle registration period.

12           Sec. 5. Section 41-1752, Arizona Revised Statutes, is amended to  
13 read:

14           41-1752. Arizona highway patrol fund

15           A. An Arizona highway patrol fund is established.

16           B. The Arizona highway patrol fund consists of:

17           1. Monies distributed to the fund from the Arizona highway user  
18 revenue fund by the legislature subject to section 28-6537.

19           2. Miscellaneous service fees.

20           3. Rewards.

21           4. Awards.

22           5. Insurance recoveries.

23           6. Receipts from the sale or disposal of any property held by the  
24 Arizona highway patrol or purchased with Arizona highway patrol monies.

25           7. Monies received from the public safety personnel retirement  
26 system pursuant to section 20-224.01.

27           8. Monies deposited pursuant to section 28-3513.

28           9. **MONIES DEPOSITED PURSUANT TO SECTION 28-2007.**

29           C. Subject to legislative appropriation, the patrol superintendent  
30 shall administer and spend monies in the Arizona highway patrol fund in  
31 conformity with the laws governing state financial operations.

32           D. Monies in the Arizona highway patrol fund:

33           1. Do not revert to the state general fund or Arizona highway user  
34 revenue fund.

35           2. Are exempt from the provisions of section 35-190 relating to  
36 lapsing of appropriations.

37           E. Subject to legislative appropriation, monies in the Arizona  
38 highway patrol fund shall be used to administer the provisions of law  
39 relating to the highway patrol and the Arizona highway patrol reserve and  
40 all matters pertaining to those laws, except that monies received pursuant  
41 to subsection B, paragraph 7 of this section shall be used for the  
42 department of public safety.