

House Engrossed

ADOT; licenses; registration; VLT; aviation

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HOUSE BILL 2481

AN ACT

AMENDING SECTIONS 28-3158, 28-3171, 28-3225, 28-3480, 28-3482, 28-3512, 28-4841, 28-5801, 28-5805, 28-6392 AND 28-8322, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 25, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 28-8322.01 AND 28-8322.02; AMENDING SECTIONS 28-8324, 28-8325, 28-8329, 28-8335, 28-8337, 28-8338, 28-8339, 28-8340, 28-8341 AND 28-8342, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-3158, Arizona Revised Statutes, is amended to
3 read:

4 28-3158. Driver license or instruction permit application

5 A. A person who applies for an instruction permit or for a driver
6 license shall use a form furnished by the department.

7 B. An applicant shall pay the fee prescribed by section 28-3002 for
8 a driver license or for an instruction permit issued under section
9 28-3154, 28-3155, 28-3156 or 28-3225. ~~For a class A, B or C license
10 application, payment of the fee required by this section entitles the
11 applicant to not more than three attempts to pass the written examination
12 or road test within twelve months from the date of the application.~~ The
13 department shall refund an application fee pursuant to section 28-373.

14 C. An applicant for an instruction permit or a driver license shall
15 give the department satisfactory proof of the applicant's full legal name,
16 date of birth, sex and domicile residence address in this state, if the
17 applicant has a residence address, and that the applicant's presence in
18 the United States is authorized under federal law.

19 D. The application for an instruction permit or a driver license
20 shall state the following:

21 1. A brief description of the applicant and any other identifying
22 information required by the department.

23 2. Whether the applicant has been licensed, and if so, the type of
24 license issued, when the license was issued and what state or country
25 issued the license.

26 3. If the applicant was never licensed, the applicant's last
27 previous state or country of residence.

28 4. The social security number of the applicant.

29 E. The department shall:

30 1. Verify that a social security number provided by an applicant is
31 a valid number assigned to that applicant.

32 2. Retain the social security number in its records.

33 F. The social security number provided to the department pursuant
34 to subsection D of this section for an applicant's driver license or
35 instruction permit shall not appear on an applicant's driver license or
36 instruction permit unless the applicant requests that the social security
37 number appear on the applicant's driver license or instruction permit as
38 the driver license or instruction permit number. Except as provided in
39 sections 28-455 and 41-1954, the department shall not release the social
40 security number to any person unless the applicant requests that the
41 social security number appear on the applicant's driver license or
42 instruction permit as the driver license or instruction permit number.
43 The provisions of this subsection shall be included in each application.

1 G. The department may adopt and implement procedures to deny a
2 driver license or instruction permit to a person who has been deported.
3 The department may adopt and implement procedures to reinstate a person's
4 privilege to apply for a driver license or permit if the person's legal
5 presence status is restored.

6 H. On request of an applicant, the department shall allow the
7 applicant to provide on the license or permit a post office box address
8 that is regularly used by the applicant.

9 I. The department may request an applicant who appears in person
10 for a license, a duplicate license or reinstatement of a driving privilege
11 to complete satisfactorily the vision screening prescribed by the
12 department.

13 J. If a driver license applicant submits satisfactory proof to the
14 department that the applicant is a veteran, on request of the applicant,
15 the department shall allow a distinguishing mark to appear on the license
16 that identifies the person as a veteran.

17 Sec. 2. Section 28-3171, Arizona Revised Statutes, is amended to
18 read:

19 28-3171. Driver license expiration and renewal; exception;
20 extension

21 A. Except as provided in subsection B, D or E of this section and
22 unless medical restrictions require a shorter expiration period, a driver
23 license **IS EITHER OF THE FOLLOWING:**

- 24 1. ~~is~~ Valid until the applicant's sixty-fifth birthday.
25 2. ~~is~~ Renewable for successive periods of five years after the
26 applicant's ~~sixty-fifth~~ **SIXTIETH** birthday.
27 ~~3. Expires on the applicant's birthday if the license was issued~~
28 ~~pursuant to subsection B of this section.~~

29 B. Notwithstanding subsection A of this section, ~~—~~
30 ~~1. The department shall issue to an applicant a driver license that~~
31 ~~is valid for not more than five years and six months if the applicant~~
32 ~~applies within six months of the applicant's next birthday and if the~~
33 ~~applicant is sixty-four years of age or older, unless medical restrictions~~
34 ~~require a shorter expiration period.~~

35 ~~2.~~ on presentation of satisfactory proof of qualification, the
36 director may issue a class D, G or M license or permit for a period of up
37 to five years to:

38 ~~(a)~~ 1. A person who is an out-of-state student or who is the
39 spouse of an out-of-state student. For the purposes of this **subdivision**
40 **PARAGRAPH**, "out-of-state student" has the same meaning prescribed in
41 section 28-2001.

42 ~~(b)~~ 2. An immediate family member of any active duty military
43 personnel temporarily stationed in this state.

1 ~~(c)~~ 3. Any other person for whom the director determines other
2 circumstances justify the issuance.

3 C. An applicant shall apply for renewal of a driver license before
4 the expiration of a current license. The department may require an
5 examination of a renewal applicant for a class D, G or M license as
6 required of an original applicant.

7 D. A veteran, as defined in section 41-601, whose driver license
8 expires is not required to renew the veteran's driver license for six
9 months ~~from~~ AFTER the date of the veteran's discharge from military
10 service.

11 E. The department may extend the expiration date of a class D or M
12 license for a resident if the applicant is not in this state at the time
13 the license expires and will not be in this state for at least thirty
14 consecutive days after the expiration of the driver license. On payment
15 by the applicant of the fee prescribed in section 28-3002, the department
16 shall issue a certificate of extension that is valid only if accompanied
17 by the applicant's previous license. An applicant for extension of a
18 license shall comply with the following:

19 1. The application requirements of section 28-3158.

20 2. The licensing requirements of section 28-3153.

21 3. Medical requirements applicable to all license applicants,
22 except that the applicant is not required to obtain an eyesight
23 examination.

24 Sec. 3. Section 28-3225, Arizona Revised Statutes, is amended to
25 read:

26 28-3225. Commercial learner's permit

27 A. A person who is at least eighteen years of age may apply to the
28 department for a learner's permit for a class A, B or C license. The
29 department may issue a learner's permit to the applicant after the
30 applicant passes all parts of the examination and meets all other
31 requirements for a class A, B or C license other than the driving test.

32 B. The permit entitles the permittee to drive a motor vehicle
33 requiring a class A, B or C license on the public highways for ~~six~~ TWELVE
34 months ~~from~~ AFTER the date of issuance when the following conditions are
35 met:

36 1. The permittee has the permit in the permittee's immediate
37 possession.

38 2. The permittee is accompanied by a person who has the same class
39 or A higher class of license issued by this state or any other qualifying
40 state and who occupies a seat beside the driver.

41 3. If the permittee is under twenty-one years of age, the permittee
42 does not operate a commercial motor vehicle interstate.

1 Sec. 4. Section 28-3480, Arizona Revised Statutes, is amended to
2 read:

3 28-3480. Operation in violation of restriction;
4 classification; civil traffic violation

5 A. Except as provided in subsections B and C of this section, a
6 person who operates a motor vehicle in violation of a driver license
7 restriction is guilty of a class 2 misdemeanor.

8 B. If the restriction that is violated is the requirement to wear
9 corrective lenses while operating a motor vehicle, the person is
10 responsible for a civil traffic violation.

11 C. If the restriction that is violated is imposed pursuant to
12 section ~~28-1601~~ or 28-3308, the person is responsible for a civil traffic
13 violation.

14 D. If the person is cited for a violation of subsection C of this
15 section and presents evidence to the court that the person's unrestricted
16 driving privilege has been reinstated, the court may dismiss the citation.

17 Sec. 5. Section 28-3482, Arizona Revised Statutes, is amended to
18 read:

19 28-3482. Driving on a license suspended for failure to
20 appear; restricted privilege to drive; civil
21 penalty; dismissal

22 A. A person may not drive a motor vehicle on a public highway if
23 the person's privilege to drive a motor vehicle is suspended pursuant to
24 section ~~28-1601~~ or 28-3308.

25 B. A person who violates this section is responsible for a civil
26 traffic violation and is not subject to vehicle ~~towing~~ REMOVAL or ~~impound~~
27 IMPOUNDMENT pursuant to section 28-3511.

28 C. If a person is cited for a violation of this section and the
29 person presents evidence to the court that the person's unrestricted
30 privilege to drive has been reinstated, the court may dismiss the charge
31 of driving under a suspended license.

32 Sec. 6. Section 28-3512, Arizona Revised Statutes, is amended to
33 read:

34 28-3512. Release of vehicle; civil penalties; definition

35 A. An immobilizing or impounding agency shall release a vehicle
36 before the end of the immobilization or impoundment period as follows:

- 37 1. To the registered owner, if the vehicle is a stolen vehicle.
- 38 2. To the registered owner, if the vehicle is subject to bailment
39 and is driven by an employee of a business establishment, including a
40 parking service or repair garage, who is subject to section 28-3511,
41 subsection A, B or C.
- 42 3. To the registered owner, if the owner was operating the vehicle
43 at the time of removal and either immobilization or impoundment and
44 presents proof satisfactory to the immobilizing or impounding agency that

1 the ~~owner has a valid driver license or the~~ owner's driving privilege has
2 been reinstated.

3 4. To the registered owner, if all of the following apply:

4 (a) The owner or the owner's agent was not the person driving the
5 vehicle pursuant to section 28-3511, subsection A.

6 (b) The owner or the owner's agent is in the business of renting
7 motor vehicles without drivers.

8 (c) The vehicle is registered pursuant to section 28-2166.

9 (d) There was a rental agreement in effect at the time of the
10 immobilization or impoundment.

11 5. Except as provided in paragraph 7 of this subsection, to the
12 spouse of the registered owner or any person who is identified as an owner
13 of the vehicle on the records of the department at the time of removal and
14 either immobilization or impoundment, if the spouse or person was not the
15 driver of the vehicle at the time of removal and either immobilization or
16 impoundment and the spouse or person enters into an agreement with the
17 immobilizing or impounding agency that stipulates that if the spouse or
18 person allows a driver who does not have a valid driving privilege or a
19 driver who commits a violation that causes the spouse's or person's
20 vehicle to be removed and either immobilized or impounded pursuant to this
21 article within one year after any agreement is signed by an immobilizing
22 or impounding agency, the spouse or person will not be eligible to obtain
23 release of the spouse's or person's vehicle before the end of the
24 immobilization or impoundment period.

25 6. To the motor vehicle dealer, if the vehicle is owned by a motor
26 vehicle dealer who has paid fees pursuant to section 28-4302 and is driven
27 by a customer, potential customer or employee of the motor vehicle dealer
28 and the motor vehicle dealer has provided to the immobilizing or
29 impounding agency indicia of the motor vehicle dealer's ownership of the
30 vehicle, including a certificate of title or a manufacturer-issued
31 certificate or statement of origin.

32 7. To any person who is identified as an owner of the vehicle on
33 the records of the department at the time of removal and either
34 immobilization or impoundment, if the vehicle is a commercial motor
35 vehicle, a street sweeper or heavy equipment as defined in section 28-854
36 and the person was not the driver of the vehicle at the time of removal
37 and either immobilization or impoundment.

38 B. A vehicle shall not be released pursuant to subsection A of this
39 section except pursuant to an immobilization or a poststorage hearing
40 under section 28-3514 or if all of the following are presented to the
41 immobilizing or impounding agency:

42 1. The owner's or owner's spouse's currently valid driver license
43 issued by this state or the owner's or owner's spouse's state of domicile.

44 2. Proof of current vehicle registration or a valid salvage or
45 dismantle certificate of title.

1 3. Proof that the vehicle is in compliance with the financial
2 responsibility requirements of chapter 9, article 4 of this title.

3 4. If the person is required by the department to install a
4 certified ignition interlock device on the vehicle, proof of installation
5 of a functioning certified ignition interlock device in the vehicle. The
6 impounding agency, storage yard, facility, person or agency having
7 physical possession of the vehicle shall allow access during normal
8 business hours to the impounded vehicle for the purpose of installing a
9 certified ignition interlock device. The impounding agency, storage yard,
10 facility, person or agency having physical possession of the vehicle shall
11 not charge any fee or require compensation for providing access to the
12 vehicle or for the installation of the certified ignition interlock
13 device.

14 C. The owner or the owner's spouse if the vehicle is released to
15 the owner's spouse is responsible for paying all immobilization, towing
16 and storage charges related to the immobilization or impoundment of the
17 vehicle and any administrative charges established pursuant to section
18 28-3513, unless the vehicle is stolen and the theft was reported to the
19 appropriate law enforcement agency. If the vehicle is stolen and the
20 theft was reported to the appropriate law enforcement agency, the operator
21 of the vehicle at the time of immobilization or impoundment is responsible
22 for all immobilization, towing, storage and administrative charges.

23 D. Before the end of the immobilization or impoundment period, the
24 immobilizing or impounding agency shall release a vehicle to a person,
25 other than the owner, identified on the department's record as having an
26 interest in the vehicle immediately before the immobilization or
27 impoundment if all of the following conditions are met:

28 1. The person is either of the following:

29 (a) In the business of renting motor vehicles without drivers and
30 the vehicle is registered pursuant to section 28-2166.

31 (b) A motor vehicle dealer, bank, credit union or acceptance
32 corporation or any other licensed financial institution legally operating
33 in this state or is another person who is not the owner and who holds a
34 security interest in the vehicle immediately before the immobilization or
35 impoundment.

36 2. The person pays all immobilization, towing and storage charges
37 related to the immobilization or impoundment of the vehicle and any
38 administrative charges established pursuant to section 28-3513 unless the
39 vehicle is stolen and the theft was reported to the appropriate law
40 enforcement agency. If the vehicle is stolen and the theft was reported
41 to the appropriate law enforcement agency, the operator of the vehicle at
42 the time of immobilization or impoundment is responsible for all
43 immobilization, towing, storage and administrative charges.

44 3. The person presents foreclosure documents or an affidavit of
45 repossession of the vehicle.

1 4. The person requesting release of the vehicle was not the person
2 driving the vehicle at the time of removal and immobilization or
3 impoundment.

4 E. Before a person described in subsection D of this section
5 releases the vehicle to the owner who was operating the vehicle at the
6 time of removal and immobilization or impoundment, the person described in
7 subsection D of this section shall require the owner to present and shall
8 retain for a period of at least three years from the date of releasing the
9 vehicle a copy of all of the following:

10 1. A driver license issued by this state or the owner's or owner's
11 agent's state of domicile.

12 2. A current vehicle registration or a valid salvage or dismantle
13 certificate of title.

14 3. Evidence that the vehicle is in compliance with the financial
15 responsibility requirements of chapter 9, article 4 of this title.

16 F. The person described in subsection D of this section may require
17 the owner to pay charges that the person incurred in connection with
18 obtaining custody of the vehicle, including all immobilization, towing and
19 storage charges that are related to the immobilization or impoundment of
20 the vehicle and any administrative charges that are established pursuant
21 to section 28-3513.

22 G. A vehicle shall not be released after the end of the
23 immobilization or impoundment period unless the owner or owner's agent
24 presents all of the following to the impounding or immobilizing agency:

25 1. A valid driver license issued by this state or by the owner's or
26 owner's agent's state of domicile.

27 2. A current vehicle registration or a valid salvage or dismantle
28 certificate of title.

29 3. Evidence that the vehicle is in compliance with the financial
30 responsibility requirements of chapter 9, article 4 of this title.

31 4. If the person is required by the department to install a
32 certified ignition interlock device on the vehicle, proof of installation
33 of a functioning certified ignition interlock device in the vehicle. The
34 impounding agency, storage yard, facility, person or agency having
35 physical possession of the vehicle shall allow access during normal
36 business hours to the impounded vehicle for the purpose of installing a
37 certified ignition interlock device. The impounding agency, storage yard,
38 facility, person or agency having physical possession of the vehicle shall
39 not charge any fee or require compensation for providing access to the
40 vehicle or for the installation of the certified ignition interlock
41 device.

42 H. The storage charges relating to the impoundment of a vehicle
43 pursuant to this section shall be subject to a contractual agreement
44 between the impounding agency and a towing firm for storage services
45 pursuant to section 41-1830.51 and shall be \$25 for each day of storage,

1 including any time the vehicle remains in storage after the end of the
2 impoundment period.

3 I. The immobilizing or impounding agency shall have no lien or
4 possessory interest in a stolen vehicle if the theft was reported to the
5 appropriate law enforcement agency. The immobilizing or impounding agency
6 shall release the vehicle to the owner or person other than the owner as
7 identified in subsection D of this section even if the operator at the
8 time of immobilization or impoundment has not paid all immobilization,
9 towing, storage and administrative charges.

10 J. A person who enters into an agreement pursuant to subsection A,
11 paragraph 5 of this section and who allows another person to operate the
12 vehicle in violation of the agreement is responsible for a civil traffic
13 violation and shall pay a civil penalty of at least \$250.

14 K. A person described in subsection D, paragraph 1 of this section
15 who violates subsection E of this section is responsible for a civil
16 traffic violation and shall pay a civil penalty of at least \$250.

17 L. For the purposes of this section, "certified ignition interlock
18 device" has the same meaning prescribed in section 28-1301.

19 Sec. 7. Section 28-4841, Arizona Revised Statutes, is amended to
20 read:

21 28-4841. Abandoned vehicle; notice of intent to transfer
22 vehicle

23 A. On receipt of a report as required by this chapter, the director
24 shall determine the name and address of the owner and lienholder, if any,
25 or any other person identified on the department's record by either:

- 26 1. Searching the department records.
27 2. Asking the vehicle registration agency of another state if the
28 vehicle is registered in that state.

29 B. On receipt of information from reports pursuant to section
30 28-4838 or 28-4839 and after determining the name and address of the owner
31 and lienholder, if any, or any other person identified on the department's
32 record who may have an interest in the vehicle, the director shall notify
33 all interested persons by mail within five days for a vehicle with a
34 record in this state or within thirty days for all other vehicles. The
35 director shall make the notice on a form prescribed by the director. The
36 notice shall include:

- 37 1. A complete description of the vehicle.
38 2. A notice of intent to transfer ownership of the vehicle to the
39 person in possession of the vehicle if, within thirty days ~~from~~ AFTER the
40 date placed on the notification by the department, the owner or lienholder
41 or a person who has an interest in the vehicle does not notify the
42 department of the owner's, lienholder's or person's interest in the
43 vehicle or claim the vehicle.
44 3. The vehicle identification number.

1 4. The place and date the vehicle was found, seized or taken into
2 possession.

3 5. The storage location of the vehicle.

4 6. A statement that the owner is liable to the department for the
5 amounts provided in section 28-4802 if the vehicle was abandoned and
6 removed pursuant to section 28-4802 and that the cost will be collected if
7 the owner subsequently registers another vehicle in this state or
8 subsequently applies for or renews a driver license issued by this state.

9 C. If the records of the department or out of state jurisdiction do
10 not disclose the name and address of the owner and lienholder, if any, or
11 any other person identified on the department's record who may have an
12 interest in the vehicle, or if the notice is returned marked unclaimed or
13 addressee unknown, the department shall publish the notice of the intent
14 of the director to transfer ownership of abandoned vehicles pursuant to
15 this chapter ~~once in a newspaper of general circulation in the county in~~
16 ~~which the vehicle was found or seized~~ ON THE DEPARTMENT'S WEBSITE FOR AT
17 LEAST THIRTY DAYS. The published notice shall include a statement of the
18 intent of the director to transfer ownership of abandoned vehicles after
19 ten days of the published notice and that the department will make
20 available to the public a complete vehicle description of abandoned
21 vehicles subject to transfer of ownership.

22 D. A person who has filed a report of an abandoned vehicle pursuant
23 to section 28-4838, 28-4839 or 28-4840 shall notify the director within
24 twenty-four hours and in the manner prescribed by the director if the
25 vehicle is released or returned to or redeemed or repossessed by the
26 lawful owner or lienholder, if any, or any other person who is identified
27 on the department's record and who may have an interest in the vehicle.

28 Sec. 8. Section 28-5801, Arizona Revised Statutes, is amended to
29 read:

30 28-5801. Vehicle license tax rate

31 A. At the time of application for and before registration each year
32 of a vehicle, the registering officer shall collect the vehicle license
33 tax imposed by article IX, section 11, Constitution of Arizona. On the
34 taxpayer's vehicle license tax bill, the registering officer shall provide
35 the taxpayer with the following:

36 1. Information showing the amount of the vehicle license tax that
37 each category of recipient will receive and the amount that is owed by the
38 taxpayer.

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

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

43 1. During the first twelve months of the life of a vehicle as
44 determined by its initial registration, the vehicle license tax is based
45 on each ~~one hundred dollars~~ \$100 in value, the value of the vehicle is

1 sixty ~~per cent~~ PERCENT of the manufacturer's base retail price of the
2 vehicle and the vehicle license tax rate for each of the recipients is as
3 follows:

4 (a) The rate for the Arizona highway user revenue fund is ~~one~~
5 ~~dollar twenty-six cents~~ \$1.26.

6 (b) The rate for the county general fund is ~~sixty-nine cents~~ \$.69.

7 (c) The rate for counties for any purposes related to
8 transportation, as determined by the board of supervisors, is ~~sixteen~~
9 ~~cents~~ \$.16.

10 (d) The rate for incorporated cities and towns is ~~sixty-nine cents~~
11 ~~\$.69~~.

12 2. During each succeeding ~~twelve-month~~ TWELVE-MONTH period, the
13 vehicle license tax is based on each ~~one hundred dollars~~ \$100 in value,
14 the value of the vehicle is 16.25 ~~per cent~~ PERCENT less than the value for
15 the preceding ~~twelve-month~~ TWELVE-MONTH period and the vehicle license tax
16 rate for each of the recipients is as follows:

17 (a) The rate for the Arizona highway user revenue fund is ~~one~~
18 ~~dollar thirty cents~~ \$1.30.

19 (b) The rate for the county general fund is ~~seventy-one cents~~ \$.71.

20 (c) The rate for counties for the same use as highway user revenue
21 fund monies is ~~seventeen cents~~ \$.17.

22 (d) The rate for incorporated cities and towns is ~~seventy-one cents~~
23 ~~\$.71~~.

24 3. The minimum amount of the vehicle license tax computed under
25 this section is ~~ten dollars~~ \$10 per year for each vehicle that is subject
26 to the tax. If the product of all of the rates prescribed in paragraph 1
27 or 2 of this subsection is less than ~~ten dollars~~ \$10, the vehicle license
28 tax is ~~ten dollars~~ \$10. The vehicle license tax collected pursuant to
29 this paragraph shall be distributed to the recipients prescribed in this
30 subsection based on the percentage of each recipient's rate to the sum of
31 all of the rates.

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

35 1. On initial registration, a ~~one-time~~ ONETIME vehicle license tax
36 of ~~one hundred five dollars~~ \$105.

37 2. On renewal of registration, a ~~one-time~~ ONETIME vehicle license
38 tax of ~~seventy dollars~~ \$70.

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

42 1. On initial registration, a ~~one-time~~ ONETIME vehicle license tax
43 of ~~five hundred fifty-five dollars~~ \$555.

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

1 (a) If the trailer's or semitrailer's model year is less than six
2 years old, ~~three hundred fifty-five dollars~~ \$355.

3 (b) If the trailer's or semitrailer's model year is at least six
4 years old, ~~one hundred dollars~~ \$100.

5 E. The vehicle license tax for an all-terrain vehicle or
6 off-highway vehicle as defined in section 28-1171 is ~~three dollars~~ \$3 if
7 the all-terrain vehicle or off-highway vehicle meets both of the following
8 criteria:

9 1. Is designed by the manufacturer primarily for travel over
10 unimproved terrain.

11 2. Has an unladen weight of ~~eighteen~~ TWO THOUSAND FIVE hundred
12 pounds or less.

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

17 G. For the purposes of ~~subsection~~ SUBSECTIONS C and D of this
18 section, "travel trailer" has the same meaning prescribed in section
19 28-2003.

20 Sec. 9. Section 28-5805, Arizona Revised Statutes, is amended to
21 read:

22 28-5805. Motor vehicle powered by alternative fuel;
23 classification; vehicle license tax; definitions

24 A. A separate classification of motor vehicles is established for
25 purposes of taxation pursuant to article IX, section 11, Constitution of
26 Arizona, that consists of motor vehicles that are powered by alternative
27 fuel and for which the department issues an alternative fuel vehicle
28 special plate or sticker pursuant to section 28-2416.

29 B. Notwithstanding section 28-5801, the registering officer shall
30 collect at the time of application for and before registration of the
31 motor vehicle that is classified under this section an annual license tax
32 of \$4 for each \$100 in value. The motor vehicle value is determined as
33 follows:

34 1. For a motor vehicle that is registered in this state before
35 January 1, 2022, the value of the motor vehicle is one percent of the
36 manufacturer's base retail price of the motor vehicle. After the first
37 twelve months of the life of the motor vehicle as determined by its
38 initial registration, the value of the motor vehicle is fifteen percent
39 less for each twelve-month period than the value for the preceding
40 twelve-month period.

41 2. For a motor vehicle that is initially registered in this state
42 during a period beginning January 1, 2022 and ending December 31, 2022,
43 during the first twelve months of the life of the motor vehicle as
44 determined by its initial registration, the value of the motor vehicle is
45 twenty percent of the manufacturer's base retail price of the motor

1 vehicle. During each succeeding twelve-month period, the value of the
2 motor vehicle is fifteen percent less than the value for the preceding
3 twelve-month period.

4 C. The registering officer shall collect the vehicle license tax on
5 a motor vehicle that is powered by alternative fuel and that is ~~purchased~~
6 ~~INITIALLY REGISTERED~~ from and after December 31, 2022 in accordance with
7 section 28-5801. ~~THE MINIMUM AMOUNT OF THE VEHICLE LICENSE TAX COLLECTED~~
8 ~~PURSUANT TO THIS SUBSECTION MUST BE IN ACCORDANCE WITH SECTION 28-5801 AND~~
9 ~~SHALL BE DISTRIBUTED PURSUANT TO SECTION 28-5808, SUBSECTION B.~~

10 D. ~~EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION,~~ the minimum
11 amount of the license tax computed under this section is \$5 per year for
12 each motor vehicle subject to the tax.

13 E. Except as specifically provided in this section, the vehicle
14 license tax on a motor vehicle classified under this section is governed
15 by this article.

16 F. For the purposes of this section:

17 1. "Alternative fuel" has the same meaning prescribed in section
18 1-215.

19 2. "Motor vehicle" means a vehicle that meets the safety standards
20 of the national highway traffic safety administration and includes:

21 (a) Neighborhood electric vehicles that meet the standards
22 prescribed in 49 Code of Federal Regulations section 571.500, except that,
23 if a vehicle is designed to be operated at speeds of twenty miles per hour
24 or less, the vehicle is not required to have a seventeen digit vehicle
25 identification number.

26 (b) Neighborhood electric shuttles.

27 Sec. 10. Section 28-6392, Arizona Revised Statutes, is amended to
28 read:

29 ~~28-6392.~~ County regional area road fund; distribution;
30 repayment of misused monies; investment

31 A. Each month the state treasurer shall distribute the monies in
32 the county's regional area road fund to the individual county and to the
33 individual cities and towns in the county in the manner that is determined
34 by the board of supervisors before the election and that is described in
35 the publicity pamphlet for the election.

36 B. The jurisdiction receiving the revenues may ~~only~~ use the
37 revenues ~~ONLY~~ for street and highway purposes or for transportation
38 projects included in the regional transportation plan of the county as
39 prepared by the county regional planning agency. If the auditor general
40 reports to the ~~department~~ STATE TREASURER after conducting a performance
41 audit pursuant to section 41-1279.03, subsection A, paragraph 6 that a
42 jurisdiction has not used revenues as provided in this subsection:

43 1. The ~~department~~ STATE TREASURER shall require the jurisdiction to
44 directly repay the fund the full amount of the misused monies beginning

1 immediately as a lump sum or in consecutive annual payments of at least
2 ten percent of the full amount each fiscal year.

3 2. If the jurisdiction fails to timely and fully repay the fund as
4 required by paragraph 1 of this subsection, the ~~department shall notify~~
5 ~~the~~ state treasurer ~~who~~ shall withhold the noncomplying jurisdiction's
6 revenues until the noncomplying jurisdiction presents evidence that is
7 satisfactory to the auditor general and that shows that the jurisdiction
8 has spent monies for purposes prescribed in this subsection from another
9 general revenue source equal to the amount of the revenues diverted from
10 the uses prescribed in this subsection.

11 C. The state treasurer shall invest and divest monies in the
12 county's regional area road fund as provided by section 35-313, and monies
13 earned from investment shall be credited to the fund.

14 Sec. 11. Section 28-8322, Arizona Revised Statutes, is amended to
15 read:

16 28-8322. Registration; exceptions; definition

17 A. Aircraft based in this state shall be registered with the
18 department.

19 B. A person or governmental entity shall register an aircraft by
20 applying to the department on a form provided by the department within
21 sixty days after the aircraft is brought into this state. A person who
22 registers an aircraft shall renew the registration annually ~~for each~~
23 ~~calendar year on or before the last day of February~~ AS PRESCRIBED BY
24 SECTION 28-8322.01.

25 C. The department shall not issue a registration certificate for an
26 aircraft to a person who is subject to the use tax paid pursuant to title
27 42, chapter 5, article 4 unless the applicable tax has been paid as shown
28 by a receipt from the collecting officer.

29 D. Subsections A and B OF THIS SECTION do not apply to aircraft
30 that is ANY OF THE FOLLOWING:

31 1. Operated by an airline company and regularly scheduled for the
32 primary purpose of carrying persons or property for hire in interstate,
33 intrastate or international transportation.

34 2. Owned by a nonresident who bases the aircraft in this state for
35 a period of not more than ninety consecutive days or ninety days in any
36 one calendar year, if the aircraft is not engaged in intrastate commercial
37 activity.

38 3. A BALLOON

39 E. Aircraft, except aircraft included in subsection D, paragraph 1
40 OF THIS SECTION, entering the state to engage in intrastate commercial
41 operations shall be registered before commencing these operations.

42 F. FOR THE PURPOSES OF THIS SECTION, "BALLOON" MEANS EITHER:

43 1. AN AIRCRAFT THAT IS A FLEXIBLE, NONPOROUS BAG INFLATED WITH A
44 GAS THAT IS LIGHTER THAN AIR.

45 2. A HOT AIR BALLOON.

1 Sec. 12. Title 28, chapter 25, article 4, Arizona Revised Statutes,
2 is amended by adding sections 28-8322.01 and 28-8322.02, to read:

3 28-8322.01. Staggered aircraft registration; rules

4 A. THE DIRECTOR SHALL ESTABLISH A SYSTEM OF STAGGERED REGISTRATION
5 ON A MONTHLY BASIS TO DISTRIBUTE THE WORK OF REGISTERING AIRCRAFT AS
6 UNIFORMLY AS PRACTICABLE THROUGHOUT THE TWELVE MONTHS OF THE CALENDAR
7 YEAR.

8 B. ALL AIRCRAFT REGISTRATIONS UNDER THIS ARTICLE EXPIRE PURSUANT TO
9 SCHEDULES ESTABLISHED BY THE DIRECTOR. THE DIRECTOR MAY SET THE NUMBER OF
10 RENEWAL PERIODS WITHIN A MONTH.

11 C. IF ADOPTION OF THE STAGGERED SYSTEM RESULTS IN THE EXPIRATION OF
12 ANY REGISTRATION MORE THAN ONE YEAR AFTER ITS ISSUANCE, THE DEPARTMENT
13 SHALL CHARGE A PRORATED LICENSE TAX THAT IS ONE-TWELFTH OF THE FULL ANNUAL
14 AMOUNT FOR EACH FULL MONTH OF THE REGISTRATION CYCLE AND SHALL CHARGE A
15 FULL REGISTRATION FEE.

16 D. IN ORDER TO INITIATE A SYSTEM OF REGISTERING OR REREGISTERING
17 AIRCRAFT DURING ANY MONTH OF THE CALENDAR YEAR, THE DIRECTOR MAY REGISTER
18 OR REREGISTER AN AIRCRAFT FOR MORE OR LESS THAN A TWELVE-MONTH PERIOD, BUT
19 FOR NOT MORE THAN AN EIGHTEEN-MONTH PERIOD, AND MAY PRORATE THE LICENSE
20 TAX BY ONE-TWELFTH OF THE FULL ANNUAL AMOUNT FOR EACH FULL MONTH OF THE
21 REGISTRATION CYCLE AND SHALL CHARGE A FULL REGISTRATION FEE.

22 E. THE DIRECTOR OR A REGISTERING OFFICER MAY ALLOW A PERSON WHO
23 OWNS TWO OR MORE AIRCRAFT TO REGISTER OR REREGISTER THE AIRCRAFT FOR LESS
24 THAN ONE YEAR SO THAT THE AIRCRAFT'S REGISTRATIONS EXPIRE ON THE SAME
25 DATE.

26 F. THE DIRECTOR SHALL ADOPT RULES NECESSARY TO IMPLEMENT THIS
27 SECTION.

28 28-8322.02. Fleet registration requirements

29 A. IN LIEU OF THE STAGGERED AIRCRAFT REGISTRATION REQUIREMENTS
30 UNDER SECTION 28-8322.01, A PERSON MAY REGISTER A FLEET OF TWO OR MORE
31 AIRCRAFT ON AN ANNUAL BASIS SO THAT THE REGISTRATIONS FOR ALL AIRCRAFT IN
32 THE FLEET EXPIRE IN THE SAME MONTH.

33 B. THE DIRECTOR SHALL APPROVE THE REQUEST FOR FLEET REGISTRATION
34 IF, AT LEAST THIRTY DAYS BEFORE THE REGISTRATION DATE, THE APPLICANT
35 PROVIDES BOTH OF THE FOLLOWING:

36 1. AN APPLICATION CONTAINING INFORMATION NECESSARY FOR
37 QUALIFICATION AS A FLEET REGISTRANT.

38 2. A LIST OF ALL AIRCRAFT TO BE INCLUDED IN THE FLEET.

39 C. TO ESTABLISH A NEW FLEET REGISTRATION AND A UNIFORM MONTH OF
40 EXPIRATION, ALL OF THE FOLLOWING APPLY:

41 1. THE DEPARTMENT SHALL MAINTAIN THE VALUATION FOR AIRCRAFT
42 DETERMINED PURSUANT TO SECTION 28-8335 AT THE CURRENT VALUATION IF IT IS
43 NECESSARY TO CALCULATE A PRORATED LICENSE TAX.

1 2. THE LICENSE TAX FOR THAT YEAR ON THE AIRCRAFT SHALL BE PRORATED
2 BY ONE-TWELFTH OF THE FULL ANNUAL AMOUNT FOR EACH FULL MONTH OF THE
3 REGISTRATION CYCLE.

4 3. THE AIRCRAFT OWNER SHALL PAY THE FULL REGISTRATION FEE. THE
5 REGISTRATION MAY NOT BE PRORATED.

6 Sec. 13. Section 28-8324, Arizona Revised Statutes, is amended to
7 read:

8 28-8324. Registration; license tax

9 A. Aircraft on which a license tax is due under section 28-8335
10 shall not be registered until the license tax is paid.

11 B. If an aircraft that was not previously subject to registration
12 in this state becomes subject to registration, ~~after the beginning of the~~
13 ~~calendar year:~~

14 ~~1. The license tax for that year on the aircraft shall be reduced~~
15 ~~by one-twelfth for each full month of the calendar year that has expired.~~

16 ~~2. The aircraft owner shall pay the full registration fee. The~~
17 ~~registration fee shall not be prorated. THE AIRCRAFT SHALL BE REGISTERED~~
18 ~~PURSUANT TO SECTION 28-8322.01.~~

19 Sec. 14. Section 28-8325, Arizona Revised Statutes, is amended to
20 read:

21 28-8325. Registration fee; certificate

22 ~~A.~~ On payment of a registration fee of ~~five dollars~~ \$5, the license
23 tax and the penalty, if any, the department shall issue a REGISTRATION
24 certificate ~~and license decal~~ THAT MUST BE KEPT WITH THE AIRCRAFT AT ALL
25 TIMES.

26 ~~B. The license decal shall be displayed on the aircraft at all~~
27 ~~times in the manner prescribed by the department.~~

28 ~~C. On satisfactory proof of the loss or destruction of the license~~
29 ~~decal, the department shall issue a duplicate of the license decal to the~~
30 ~~owner on payment of a four dollar fee.~~

31 Sec. 15. Section 28-8329, Arizona Revised Statutes, is amended to
32 read:

33 28-8329. Late registration; penalty; abatement

34 A. If an aircraft required to be registered under this article is
35 not registered within sixty days after its entry into this state and
36 renewed annually ~~on or before the last day of February~~ PURSUANT TO SECTION
37 28-8322.01, a penalty of ~~twenty-five dollars~~ \$25 for the first month and
38 ~~five dollars~~ \$5 for each succeeding month of delinquency shall be added to
39 the registration fee and collected unless an exemption for the aircraft is
40 established pursuant to this article.

41 B. Registration of the aircraft for the year immediately preceding
42 the year for which the application for registration is made is prima facie
43 evidence that the aircraft has been based in this state during the year
44 for which the application for registration is made.

1 C. The director may abate all or a part of any penalty assessed for
2 failure to register an aircraft within the time periods prescribed in this
3 article if the director believes that reasonable cause exists for the
4 failure to register the aircraft as provided by this article. For the
5 purposes of this subsection, "reasonable cause" means a reasonable basis
6 for the person responsible for registration of the aircraft to believe
7 that the aircraft was exempt from registration requirements.

8 Sec. 16. Section 28-8335, Arizona Revised Statutes, is amended to
9 read:

10 28-8335. License tax; tax rate

11 A. An annual license tax is imposed on all aircraft based in this
12 state and required to be registered pursuant to this article, unless an
13 exemption for the aircraft is established pursuant to this article. The
14 license tax is payable to the department on initial registration and
15 annually ~~on or before the last day of February~~ PURSUANT TO SECTION
16 28-8322.01.

17 B. Except as provided in sections 28-8336, ~~through~~ 28-8337,
18 28-8338, 28-8339, 28-8340 AND 28-8341, the department shall determine and
19 assess the license tax prescribed by subsection A of this section on the
20 basis of one-half ~~per cent~~ PERCENT of the average fair market value of the
21 particular make, model and year of aircraft. The tax assessed under this
22 subsection shall ~~not be less than twenty dollars~~ AT LEAST \$20 for a full
23 year of registration.

24 Sec. 17. Section 28-8337, Arizona Revised Statutes, is amended to
25 read:

26 28-8337. Stored or repaired aircraft; license tax rate

27 A. The annual license tax for aircraft that is in storage or that
28 is being repaired is ~~twenty dollars~~ \$20 for each aircraft, except for an
29 aircraft taxed under section 28-8341.

30 B. To qualify for the tax under this section, the aircraft owner
31 shall annually file a sworn affidavit on a form provided by the department
32 with the department not later than the last day of ~~February~~ THE
33 REGISTRATION CYCLE or within sixty days after the aircraft is placed in
34 storage or under repair on entry into this state.

35 C. The owner of an aircraft that is subject to the tax under this
36 section shall notify the department within ten days ~~of~~ AFTER the date the
37 aircraft is returned to use and shall pay the appropriate license tax, if
38 any, prorated on the basis of one-twelfth for each month remaining in the
39 ~~calendar year~~ REGISTRATION CYCLE beginning with the first month the
40 aircraft is restored to use.

1 Sec. 18. Section 28-8338, Arizona Revised Statutes, is amended to
2 read:

3 28-8338. Salvage aircraft; license tax rate; definition

4 A. The annual license tax for a salvage aircraft that is in storage
5 or that is being restored is ~~five dollars~~ \$5 for each aircraft, and the
6 tax shall not be prorated.

7 B. To qualify for the tax under this section, the salvage aircraft
8 owner shall annually file a sworn affidavit on a form provided by the
9 department with the department not later than the last day of ~~February~~ THE
10 REGISTRATION CYCLE or within sixty days after the aircraft is placed in
11 storage or under restoration on entry into this state.

12 C. The salvage aircraft owner who is subject to the tax under this
13 section shall notify the department within ten days ~~of~~ AFTER the date the
14 aircraft is returned to use and shall pay the appropriate license tax, if
15 any, prorated on the basis of one-twelfth for each month remaining in the
16 ~~calendar year~~ REGISTRATION CYCLE beginning with the first month the
17 aircraft is returned to use.

18 D. For the purposes of this section, "salvage aircraft" means an
19 aircraft that is being restored and that is not meant to be flown.

20 Sec. 19. Section 28-8339, Arizona Revised Statutes, is amended to
21 read:

22 28-8339. Special aircraft; license tax rate; definitions

23 A. The annual license tax for an antique AIRCRAFT, classic
24 AIRCRAFT, warbird AIRCRAFT, glider AIRCRAFT, experimental, AIRCRAFT OR
25 homebuilt ~~or balloon~~ aircraft is ~~twenty dollars~~ \$20 for each aircraft.

26 B. To qualify for the tax under this section, the aircraft owner
27 shall annually apply on a form provided by the department to the
28 department not later than the last day of ~~February~~ THE REGISTRATION CYCLE
29 or within sixty days after entry into this state.

30 C. For the purposes of this section:

31 1. "Antique aircraft" means an aircraft that has a year of original
32 manufacture and federal certification that is fifty years old or older.

33 ~~2. "Balloon" means either:~~

34 ~~(a) An aircraft that is a flexible, nonporous bag inflated with a~~
35 ~~gas lighter than air.~~

36 ~~(b) A hot air balloon.~~

37 ~~3.~~ 2. "Classic aircraft" means an aircraft that has a year of
38 original manufacture and federal certification that is at least forty
39 years old but not more than forty-nine years old.

40 ~~4.~~ 3. "Experimental aircraft" means an aircraft that is designated
41 as experimental on its federal aviation administration airworthiness
42 certificate.

43 ~~5.~~ 4. "Glider aircraft" means a light, engineless aircraft that is
44 designed to glide after being towed aloft or launched from a catapult.

1 ~~6.~~ 5. "Homebuilt aircraft" means an aircraft that is constructed
2 primarily by an individual for the individual's personal use, excluding an
3 aircraft that is constructed primarily by a for profit aircraft
4 manufacturing business.

5 ~~7.~~ 6. "Warbird aircraft" means an aircraft that is built before
6 January 1, 1948 expressly for the purpose of military service.

7 Sec. 20. Section 28-8340, Arizona Revised Statutes, is amended to
8 read:

9 28-8340. Manufacturer's aircraft; definition

10 A. The annual license tax for a manufacturer's aircraft is ~~twenty~~
11 ~~dollars~~ \$20 for each aircraft.

12 B. To qualify for the tax under this section, the manufacturer's
13 aircraft owner shall annually file a sworn affidavit on a form provided by
14 the department with the department not later than the last day of ~~February~~
15 ~~THE REGISTRATION CYCLE~~ or within sixty days after entry into this state.

16 C. For the purposes of this section, "manufacturer's aircraft"
17 means an aircraft that is both:

18 1. Manufactured under a production certificate issued by the
19 federal aviation administration under federal air regulations part 21.

20 2. Owned by the manufacturer for purposes of completing manufacture
21 or sale.

22 Sec. 21. Section 28-8341, Arizona Revised Statutes, is amended to
23 read:

24 28-8341. Maintenance aircraft; license tax rate; definition

25 A. The annual license tax for a maintenance aircraft owned by a
26 nonresident is ~~twenty dollars~~ \$20 for each aircraft, unless an exemption
27 is established pursuant to this article. The tax shall not be prorated.

28 B. To qualify for the tax under this section, the nonresident owner
29 or representative of the owner shall annually file a sworn affidavit on a
30 form provided by the department with the department not later than the
31 last day of ~~February~~ ~~THE REGISTRATION CYCLE~~ or within ninety days after
32 the maintenance aircraft enters this state.

33 C. For the purposes of this section, "maintenance aircraft" means
34 an aircraft that is not based in this state but that is present in this
35 state solely for the purpose of maintenance, repair or servicing at a
36 federal certified maintenance facility.

37 Sec. 22. Section 28-8342, Arizona Revised Statutes, is amended to
38 read:

39 28-8342. Fair market value determination

40 For the ~~calendar year~~ ~~REGISTRATION CYCLE~~, the department shall
41 annually determine the fair market value required by sections 28-8335 and
42 28-8336 as established by the dealer price guides or other recognized
43 reliable source of information.