



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED

FACT SHEET FOR H.B. 2438

~~ADOT; administration; licensing; planning~~
(NOW: ADOT continuation; administration; licensing; planning)

Purpose

Continues the Arizona Department of Transportation (ADOT) for eight years, establishes a commercial vehicle fleet license plate, codifies federal prohibitions for commercial drivers, prescribes requirements relating to law enforcement and outlines revisions to various transportation statutes, as prescribed.

Background

Established in 1973 to provide an integrated and balanced state transportation system, ADOT is granted the exclusive control and jurisdiction over state highways and routes, state-owned airports and all state-owned transportation systems and must register vehicles and aircrafts, license drivers, collect revenues, enforce vehicle and aviation statutes and perform related transportation planning functions. To carry out these responsibilities, ADOT is organized into six divisions: 1) motor vehicle; 2) transportation planning; 3) highways; 4) aeronautics; 5) public transit; and 6) administrative services. ADOT also works cooperatively with regional transportation planning organizations, as well as county and local authorities, on transportation-related projects and development (A.R.S. §§ [28-331](#) and [28-332](#)).

ADOT receives funding through legislative appropriation, non-appropriated funds and federal funds, as well as private sources, including donations and fees. ADOT's operating budget for FY 2025 includes \$251,996,900 and 3,402 full-time equivalent positions ([JLBC](#)).

The Joint Senate Transportation and Technology and House of Representatives Transportation and Infrastructure Committee of Reference (COR) held a public meeting on January 4, 2024, to receive public testimony and review and evaluate ADOT's response to the sunset review factors and special audits conducted by the Office of the Auditor General. The COR recommended that ADOT be continued for four to six years ([COR Report](#)). ADOT terminates on July 1, 2024, unless continued by the Legislature ([A.R.S. § 41-3024.25](#)).

A fleet is two or more vehicles owned by a person and registered in the state. A *commercial motor vehicle* is a vehicle or combination of vehicles that transports passengers or property in the furtherance of a commercial enterprise in Arizona, is not exempt from prescribed gross weight fees and includes a: 1) bus or school bus; 2) vehicle, or combination of vehicles, that has a minimum gross weight rating of 10,000 pounds and is used for intrastate commerce; and 3) vehicle that transports passengers for hire and has capacity for eight or more persons or is used to transport hazardous materials, as prescribed (A.R.S. §§ [28-2201](#) and [28-5201](#)).

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

Provisions

ADOT Continuation

1. Continues, retroactive to July 1, 2024, ADOT until July 1, 2032.
2. Repeals ADOT on January 1, 2033.
3. Contains a purpose statement.

Commercial Vehicle Fleet License Plate (Commercial Fleet Plates)

4. Allows ADOT to issue a commercial fleet plate in a manner determined by ADOT to a person that pays the prescribed fleet plate fee.
5. Allows a fleet with more than 100 commercial vehicles to apply for a commercial fleet plate with the fleet's approved logo in a standard location on the plate, as designed by the fleet and approved by ADOT.
6. Allows a fleet with more than 25 commercial vehicles to apply for a commercial fleet plate with the fleet's approved name placed on the bottom of the plate, as designed by the fleet and approved by ADOT.
7. Allows ADOT to establish design guidelines to help streamline the approval process and minimize costs.
8. Authorizes ADOT to charge a fee in an amount to be determined by the Director of ADOT (Director) for the initial design and administration of commercial fleet plates in addition to the registration fee.
9. Establishes the Commercial Fleet Plate Fund (Fund) which is administered by the Director and consists of monies from collected fleet plate fees.
10. Instructs the Director to use Fund monies to implement commercial fleet plates.
11. Stipulates that Fund monies are continuously appropriated and exempt from lapsing.

Federal Compliance for Commercial Drivers

12. Requires ADOT to search the Federal Motor Carrier Safety Administration (FMCSA) Drug and Alcohol Clearinghouse before issuing, upgrading, renewing or transferring a commercial driver license (CDL) or issuing, upgrading or renewing a commercial learner's permit.
13. Directs ADOT, on notice from the FMCSA Drug and Alcohol Clearinghouse that a driver is prohibited from operating a commercial vehicle due to a violation of the federal controlled substances and alcohol use and testing prohibitions, to:
 - a) deny issuing, upgrading, renewing or transferring a CDL or issuing, upgrading or renewing a commercial learner's permit; and
 - b) initiate downgrade procedures for CDL and commercial learner's permit holders by removing the commercial privilege from the CDL or permit.

14. Specifies that the downgrade is effective within 60 days after ADOT receives notification of a driver's prohibited status.
15. Requires ADOT, on notice from the FMCSA Drug and Alcohol Clearinghouse that a driver is no longer prohibited from operating a commercial vehicle, to allow issuing, upgrading, renewing or transferring a CDL and issuing, upgrading or renewing a commercial learner's permit.
16. Directs ADOT, on notice from the FMCSA Drug and Alcohol Clearinghouse that a driver was erroneously placed in a prohibited status, to:
 - a) expunge the driver record of any reference to and actions taken on the record as a result of the erroneous notification; and
 - b) allow for the reinstatement of commercial privileges.

Law Enforcement

17. Assigns the following primary duties for peace officers designated by ADOT:
 - a) protect Arizona's transportation infrastructure and promote road safety through the enforcement of state and federal commercial motor carrier laws and rules; and
 - b) conduct vehicle inspections and investigations of fraud, abuse and misconduct.
18. Prohibits a designated peace officer from enforcing a violation of traffic and vehicle regulations committed by the operator of a noncommercial vehicle, unless the officer determines that a failure to enforce the violation could result in a substantial risk of imminent death or physical injury.
19. Allows a mobile port of entry to only be operated within 25 road miles of a fixed port of entry in Arizona.
20. Exempts a mobile port of entry from the 25-mile requirement if state or municipal law enforcement agencies request assistance for commercial vehicle enforcement to:
 - a) streamline operations or combine enforcement resources for compliance, education or training; or
 - b) ensure safe, secure and efficient commercial transportation across the state.

Five-Year Transportation Facilities Construction Program (Program)

21. Requires the State Transportation Board (Board), on or before April 1 rather than the second Monday in April, to annually:
 - a) review the updated Program; and
 - b) publish a notice in each county in which construction projects are planned under the Program for the following five fiscal years.
22. Requires the notice to specify the date of the public hearing at which the Board will consider projects planned under the Program, rather than a date that is on or before the third Monday in May for a public hearing at the office of the Board.
23. Requires the public hearing to allow the public to review the Program and make any comments to the Board.

Transportation Revisions

24. Caps, at five years, the period of validity for a driver license that is initially issued to an applicant who is 60 years old or older.
25. Allows the Director to establish hours of operation for Motor Vehicle Division offices on a legal holiday.
26. Modifies, for cases involving traffic offenses or civil violations committed by persons under 18 years old, the requirement to report the offense or violation to ADOT no more than 30 days after the date of conviction or finding of responsibility, rather than the date on which the offense or violation was committed.
27. Prohibits ADOT from taking administrative action against a person's driving privileges or vehicle registration if a judicial officer reports a conviction or finding of responsibility to ADOT more than five years after the date of conviction or finding of responsibility.
28. Removes the Arizona State Schools for the Deaf and the Blind as a state agency that is excluded from state motor vehicle fleet participation.
29. Removes requiring a vendor to file an application no more than once each week for a use fuel tax refund if the amount of the refund is at least \$750.
30. Removes a requirement that registering officers must provide taxpayers with the amount of vehicle license tax the taxpayer would pay if the taxpayer's vehicle was powered by alternative fuel on the taxpayer's bill.

Miscellaneous

31. Reconciles the minimum safety standards for light rail transit and streetcar systems in counties with a population of more than 500,000 persons with the minimum safety standards maintained by the Federal Transit Administration.
32. Defines *declared gross weight*.
33. Makes technical and conforming changes.
34. Becomes effective on the general effective date, with a retroactive provision, as noted.

Amendments Adopted by Committee

1. Reinstates the requirement that Program projects are listed by priority, rather than by route.
2. Reinstates mandatory hearings on the revocation of interstate user licenses for a violation of statutory interstate user fuel tax responsibilities.
3. Makes conforming changes.

Amendments Adopted by Committee of the Whole

1. The committee amendment was substituted by the committee of the whole amendment.

2. Continues ADOT for eight years, retroactive to July 1, 2024.
3. Prescribes primary duties for a peace officer who is designated by ADOT.
4. Prohibits a designated peace officer from enforcing a violation committed by a noncommercial vehicle operator, except as specified.
5. Allows a mobile port of entry to only be operated within 25 road miles of a fixed port of entry in Arizona, except as specified.
6. Establishes a commercial fleet plate which displays the logo of a fleet with more than 100 vehicles and the name of a fleet with more than 25 vehicles, as designed by the fleet and approved by ADOT.
7. Allows ADOT to issue commercial fleet plates, establish design guidelines and charge a fleet plate fee.
8. Establishes the Fund which consists of fleet plate fee collections.
9. Reinstates the requirement that Program projects are listed by priority, rather than by route.
10. Reinstates mandatory hearings on the revocation of interstate user licenses for a violation of statutory interstate user fuel tax responsibilities.
11. Repeals ADOT on January 1, 2033.
12. Adds a purpose statement.
13. Makes technical and conforming changes.

House Action

Senate Action

TI	1/24/24	DPA	11-0-0-0	TTMC	3/18/24	DPA	6-0-1
3 rd Read	2/5/24		57-0-0-3				

Prepared by Senate Research

June 14, 2024

KJA/slp