

REFERENCE TITLE: veteran community enhancement special plates

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2331

Introduced by
Representatives Marshall: Hendrix

AN ACT

AMENDING SECTIONS 28-2351 AND 28-2403, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 12, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2470.23; AMENDING SECTIONS 28-6501, 28-6991 AND 28-6993, ARIZONA REVISED STATUTES; RELATING TO SPECIAL PLATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-2351, Arizona Revised Statutes, is amended to
3 read:

4 28-2351. License plate provided; design

5 A. Notwithstanding any other law, the department shall provide to
6 every owner one license plate for each vehicle registered. At the request
7 of the owner and on payment of a fee in an amount prescribed by the
8 director by rule, the department shall provide one additional license
9 plate for a vehicle for which a special plate is requested pursuant to
10 this chapter.

11 B. The license plate shall display the number assigned to the
12 vehicle and to the owner of the vehicle and the name of this state, which
13 may be abbreviated. The director shall coat the license plate with a
14 reflective material that is consistent with the determination of the
15 department regarding the color and design of license plates and special
16 plates. The director shall design the license plate and the letters and
17 numerals on the license plate to be of sufficient size to be plainly
18 readable during daylight from a distance of one hundred feet. In addition
19 to the standard license plate issued for a trailer before August 12, 2005,
20 the director shall issue a license plate for trailers that has a design
21 that is similar to the standard size license plate for trailers but that
22 is the same size as the license plate for motorcycles. The trailer owner
23 shall notify the department which size license plate the owner wants for
24 the trailer.

25 C. In addition to the requirements **PRESCRIBED** in subsection B of
26 this section, for all license plates, including all special plates, that
27 are designed or redesigned on or after September 24, 2022:

28 1. The background color of the license plate shall contrast
29 significantly with the color of the letters and numerals on the license
30 plate and with the name of this state on the license plate.

31 2. The name of this state shall appear on the license plate in
32 capital letters in sans serif font and be three-fourths of an inch in
33 height.

34 D. Notwithstanding any other law, the department shall not contract
35 with a nongovernmental entity to purchase or secure reflective material
36 for the plates issued by the department unless the department has made a
37 reasonable effort to secure qualified bids or proposals from as many
38 individual responsible respondents as possible.

39 E. The department shall determine the color and design of the
40 license plate subject to the requirements prescribed by subsections B and
41 C of this section. All plates issued by the department, except the plates
42 that are issued pursuant to sections 28-2404, 28-2412, 28-2413, 28-2414,
43 28-2416, 28-2416.01, 28-2417 through ~~28-2470.22~~ 28-2470.23, 28-2472,
44 28-2473, 28-2474, 28-2475, 28-2476 and 28-4533 and article 14 of this

1 chapter, shall be the same color as and similar in design to the license
2 plate as determined by the department.

3 F. A passenger motor vehicle that is rented without a driver shall
4 receive the same type of license plate as is issued for a private
5 passenger motor vehicle.

6 Sec. 2. Section 28-2403, Arizona Revised Statutes, is amended to
7 read:

8 28-2403. Special plates; transfers; violation; classification

9 A. Except as otherwise provided in this article, the department
10 shall issue or renew special plates in lieu of the regular license plates
11 pursuant to the following conditions and procedures and only if the
12 requirements prescribed by this article for the requested special plates
13 are met:

14 1. Except as provided in sections 28-2416 and 28-2416.01, a person
15 who is the registered owner of a vehicle registered with the department or
16 who applies for an original or renewal registration of a vehicle may
17 submit to the department a completed application form as prescribed by the
18 department with the fee prescribed by section 28-2402 for special plates
19 in addition to the registration fee prescribed by section 28-2003.

20 2. Except for plates issued pursuant to sections 28-2404, 28-2412,
21 28-2413, 28-2414, 28-2416, 28-2416.01, 28-2417 through ~~28-2470.22~~
22 28-2470.23, 28-2472, 28-2473, 28-2474, 28-2475 and 28-2476 and article 14
23 of this chapter, the special plates shall be the same color as and similar
24 to the design of the regular license plates that is determined by the
25 department.

26 3. Except as provided in section 28-2416, the department shall
27 issue special plates only to the owner or lessee of a vehicle that is
28 currently registered, including any vehicle that has a declared gross
29 weight, as defined in section 28-5431, of twenty-six thousand pounds or
30 less.

31 4. Except as provided in sections 28-2416 and 28-2416.01, the
32 department shall charge the fee prescribed by section 28-2402 for each
33 annual renewal of special plates in addition to the registration fee
34 prescribed by section 28-2003.

35 B. Except as provided in sections 28-2416 and 28-2416.01, on
36 notification to the department and on payment of the transfer fee
37 prescribed by section 28-2402, a person who is issued special plates may
38 transfer the special plates to another vehicle the person owns or leases.
39 Persons who are issued special plates for hearing impaired persons
40 pursuant to section 28-2408 and international symbol of access special
41 plates pursuant to section 28-2409 are exempt from the transfer fee. If a
42 person who is issued special plates sells, trades or otherwise releases
43 ownership of the vehicle on which the plates have been displayed, the
44 person shall immediately report the transfer of the plates to the
45 department or the person shall surrender the plates to the department as

1 prescribed by the director. It is unlawful for a person to whom the
2 plates have been issued to knowingly allow them to be displayed on a
3 vehicle except the vehicle authorized by the department.

4 C. The special plates shall be affixed to the vehicle for which
5 registration is sought in lieu of the regular license plates.

6 D. A person is guilty of a class 3 misdemeanor who:

7 1. Violates subsection B of this section.

8 2. Fraudulently gives false or fictitious information in the
9 application for or renewal of special plates or placards issued pursuant
10 to this article.

11 3. Conceals a material fact or otherwise commits fraud in the
12 application for or renewal of special plates or placards issued pursuant
13 to this article.

14 Sec. 3. Title 28, chapter 7, article 12, Arizona Revised Statutes,
15 is amended by adding section 28-2470.23, to read:

16 28-2470.23. Veteran community enhancement special plates;
17 fund

18 A. IF, BY DECEMBER 31, 2024, A PERSON PAYS \$32,000 TO THE
19 DEPARTMENT FOR THE IMPLEMENTATION OF THIS SECTION, THE DEPARTMENT SHALL
20 ISSUE VETERAN COMMUNITY ENHANCEMENT SPECIAL PLATES. THE PERSON THAT
21 PROVIDES THE \$32,000 SHALL DESIGN THE VETERAN COMMUNITY ENHANCEMENT
22 SPECIAL PLATES. THE DESIGN AND COLOR OF THE VETERAN COMMUNITY ENHANCEMENT
23 SPECIAL PLATES ARE SUBJECT TO THE APPROVAL OF THE DEPARTMENT. THE
24 DIRECTOR MAY ALLOW A REQUEST FOR VETERAN COMMUNITY ENHANCEMENT SPECIAL
25 PLATES TO BE COMBINED WITH A REQUEST FOR PERSONALIZED SPECIAL PLATES. IF
26 THE DIRECTOR ALLOWS SUCH A COMBINATION, THE REQUEST SHALL BE IN A FORM
27 PRESCRIBED BY THE DIRECTOR AND IS SUBJECT TO THE FEES FOR THE PERSONALIZED
28 SPECIAL PLATES IN ADDITION TO THE FEES REQUIRED FOR THE VETERAN COMMUNITY
29 ENHANCEMENT SPECIAL PLATES.

30 B. OF THE \$25 FEE REQUIRED BY SECTION 28-2402 FOR THE ORIGINAL
31 SPECIAL PLATES AND FOR RENEWAL OF SPECIAL PLATES, \$8 IS A SPECIAL PLATE
32 ADMINISTRATION FEE AND \$17 IS AN ANNUAL DONATION.

33 C. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND
34 35-147, ALL SPECIAL PLATE ADMINISTRATION FEES IN THE STATE HIGHWAY FUND
35 ESTABLISHED BY SECTION 28-6991 AND SHALL TRANSMIT ALL DONATIONS COLLECTED
36 PURSUANT TO THIS SECTION TO THE VETERAN COMMUNITY ENHANCEMENT SPECIAL
37 PLATE FUND ESTABLISHED BY THIS SECTION.

38 D. THE VETERAN COMMUNITY ENHANCEMENT SPECIAL PLATE FUND IS
39 ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO THIS SECTION. THE
40 DIRECTOR SHALL ADMINISTER THE FUND. THE FIRST \$32,000 IN THE FUND SHALL
41 BE REIMBURSED TO THE PERSON THAT PAID THE IMPLEMENTATION FEE TO THE
42 DEPARTMENT PURSUANT TO SUBSECTION A OF THIS SECTION. NOT MORE THAN TEN
43 PERCENT OF THE MONIES DEPOSITED IN THE FUND ANNUALLY SHALL BE USED FOR THE
44 COST OF ADMINISTERING THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY
45 APPROPRIATED.

1 E. THE DIRECTOR SHALL ANNUALLY ALLOCATE MONIES FROM THE FUND TO AN
2 ENTITY THAT IS QUALIFIED UNDER SECTION 501(c)(19) OF THE UNITED STATES
3 INTERNAL REVENUE CODE FOR FEDERAL INCOME TAX PURPOSES. THE ENTITY MUST:

4 1. HAVE A MISSION TO ENHANCE THE WELL-BEING OF VETERANS OF THIS
5 NATION, THEIR FAMILIES, THE UNITED STATES MILITARY AND COMMUNITIES IN THIS
6 NATION BY MUTUAL HELPFULNESS.

7 2. HAVE VALUE PRINCIPLES THAT ARE AS FOLLOWS:

8 (a) A VETERAN IS A VETERAN. THE ENTITY EMBRACES ALL CURRENT AND
9 FORMER MEMBERS OF THE MILITARY AND ENDEAVORS TO HELP THEM TRANSITION INTO
10 THEIR COMMUNITIES.

11 (b) SELFLESS SERVICE. THE ENTITY CELEBRATES ALL WHO CONTRIBUTE TO
12 SOMETHING LARGER THAN THEMSELVES AND INSPIRES OTHERS TO SERVE AND
13 STRENGTHEN THIS NATION.

14 (c) AMERICAN VALUES AND PATRIOTISM. THE ENTITY ADVOCATES FOR
15 UPHOLDING AND DEFENDING THE UNITED STATES CONSTITUTION, EQUAL JUSTICE AND
16 OPPORTUNITY FOR EVERYONE AND DISCRIMINATION AGAINST NO ONE, YOUTH
17 EDUCATION, RESPONSIBLE CITIZENSHIP AND HONORING MILITARY SERVICE BY
18 OBSERVING AND PARTICIPATING IN MEMORIAL EVENTS.

19 (d) FAMILY AND COMMUNITY ENGAGEMENT. THE ENTITY MEETS THE UNIQUE
20 NEEDS OF LOCAL COMMUNITIES.

21 (e) ADVANCING THE VISION. THE ENTITY EDUCATES, MENTORS AND LEADS
22 NEW GENERATIONS OF AMERICANS.

23 (f) HONOR THOSE WHO CAME BEFORE US. THE ENTITY PAYS PERPETUAL
24 RESPECT FOR ALL PAST MILITARY SACRIFICES TO ENSURE THEY ARE NEVER
25 FORGOTTEN BY NEW GENERATIONS.

26 3. HAS A MOTTO THAT IS "VETERANS STRENGTHENING AMERICA."

27 F. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST
28 AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES
29 EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

30 Sec. 4. Section 28-6501, Arizona Revised Statutes, is amended to
31 read:

32 28-6501. Definition of highway user revenues

33 In this article, unless the context otherwise requires or except as
34 otherwise provided by statute, "highway user revenues" means all monies
35 received in this state from licenses, taxes, penalties, interest and fees
36 authorized by the following:

37 1. Chapters 2, 7, 8 and 15 of this title, except for:

38 (a) The special plate administration fees prescribed in sections
39 28-2404, 28-2407, 28-2412 through ~~28-2470.22~~ 28-2470.23 and 28-2514.

40 (b) The donations prescribed in sections 28-2404, 28-2407, 28-2412
41 through 28-2415, 28-2417 through ~~28-2470.22~~ 28-2470.23, 28-2473, 28-2474,
42 28-2475 and 28-2476.

43 2. Section 28-1177.

44 3. Chapters 10 and 11 of this title.

1 4. Chapter 16, articles 1, 2 and 4 of this title, except as
2 provided in sections 28-5926 and 28-5927.

3 Sec. 5. Section 28-6991, Arizona Revised Statutes, is amended to
4 read:

5 28-6991. State highway fund; sources

6 The state highway fund is established that consists of:

7 1. Monies distributed from the Arizona highway user revenue fund
8 pursuant to chapter 18 of this title.

9 2. Monies appropriated by the legislature.

10 3. Monies received from donations for the construction, improvement
11 or maintenance of state highways or bridges. These monies shall be
12 credited to a special account and shall be spent only for the purpose
13 indicated by the donor.

14 4. Monies received from counties or cities under cooperative
15 agreements, including proceeds from bond issues. The state treasurer
16 shall deposit these monies to the credit of the fund in a special account
17 on delivery to the treasurer of a concise written agreement between the
18 department and the county or city stating the purposes for which the
19 monies are surrendered by the county or city, and these monies shall be
20 spent only as stated in the agreement.

21 5. Monies received from the United States under an act of Congress
22 to provide aid for the construction of rural post roads, but monies
23 received on projects for which the monies necessary to be provided by this
24 state are wholly derived from sources mentioned in paragraphs 2 and 3 of
25 this section shall be allotted by the department and deposited by the
26 state treasurer in the special account within the fund established for
27 each project. On completion of the project, on the satisfaction and
28 discharge in full of all obligations of any kind created and on request of
29 the department, the treasurer shall transfer the unexpended balance in the
30 special account for the project into the state highway fund, and the
31 unexpended balance and any further federal aid thereafter received on
32 account of the project may be spent under the general provisions of this
33 title.

34 6. Monies in the custody of an officer or agent of this state from
35 any source that is to be used for the construction, improvement or
36 maintenance of state highways or bridges.

37 7. Monies deposited in the state general fund and arising from the
38 disposal of state personal property belonging to the department.

39 8. Receipts from the sale or disposal of any or all other property
40 held by the department and purchased with state highway monies.

41 9. Monies generated pursuant to section 28-410.

42 10. Monies distributed pursuant to section 28-5808, subsection B,
43 paragraph 2, subdivision (d).

44 11. Monies deposited pursuant to sections 28-1143, 28-2353 and
45 28-3003.

- 1 12. Except as provided in section 28-5101, the following monies:
2 (a) Monies deposited pursuant to section 28-2206 and section
3 28-5808, subsection B, paragraph 2, subdivision (e).
4 (b) \$1 of each registration fee and \$1 of each title fee collected
5 pursuant to section 28-2003.
6 (c) \$2 of each late registration penalty collected by the director
7 pursuant to section 28-2162.
8 (d) The air quality compliance fee collected pursuant to section
9 49-542.
10 (e) The special plate administration fees collected pursuant to
11 sections 28-2404, 28-2407, 28-2412 through 28-2416, 28-2416.01, 28-2417
12 through ~~28-2470.22~~ 28-2470.23 and 28-2514.
13 (f) Monies collected pursuant to sections 28-372, 28-2155 and
14 28-2156 if the director is the registering officer.
15 13. Monies deposited pursuant to chapter 5, article 5 of this
16 title.
17 14. Donations received pursuant to section 28-2269.
18 15. Dealer and registration monies collected pursuant to section
19 28-4304.
20 16. Abandoned vehicle administration monies deposited pursuant to
21 section 28-4804.
22 17. Monies deposited pursuant to section 28-710, subsection D,
23 paragraph 2.
24 18. Monies deposited pursuant to section 28-2065.
25 19. Monies deposited pursuant to section 28-7311.
26 20. Monies deposited pursuant to section 28-7059.
27 21. Monies deposited pursuant to section 28-1105.
28 22. Monies deposited pursuant to section 28-2448, subsection D.
29 23. Monies deposited pursuant to section 28-3415.
30 24. Monies deposited pursuant to section 28-3002, subsection A,
31 paragraph 14.
32 25. Monies deposited pursuant to section 28-7316.
33 26. Monies deposited pursuant to section 28-4302.
34 27. Monies deposited pursuant to section 28-3416.
35 28. Monies deposited pursuant to section 28-4504.
36 29. Monies deposited pursuant to section 28-2098.
37 30. Monies deposited pursuant to sections 28-2321, 28-2324,
38 28-2325, 28-5474, 28-5739, 28-5863 and 28-5864.
39 Sec. 6. Section 28-6993, Arizona Revised Statutes, is amended to
40 read:
41 28-6993. State highway fund; authorized uses
42 A. Except as provided in subsection B of this section and section
43 28-6538, the state highway fund shall be used for any of the following
44 purposes in strict conformity with and subject to the budget as provided
45 by this section and by sections 28-6997 through 28-7003:

- 1 1. To pay salaries, wages, necessary travel expenses and other
2 expenses of officers and employees of the department and the incidental
3 office expenses, including telegraph, telephone, postal and express
4 charges and printing, stationery and advertising expenses.
- 5 2. To pay for both:
 - 6 (a) Equipment, supplies, machines, tools, department offices and
7 laboratories established by the department.
 - 8 (b) The construction and repair of buildings or yards of the
9 department.
- 10 3. To pay the cost of both:
 - 11 (a) Engineering, construction, improvement and maintenance of state
12 highways and parts of highways forming state routes.
 - 13 (b) Highways under cooperative agreements with the United States
14 that are entered into pursuant to this chapter and an act of Congress
15 providing for the construction of rural post roads.
- 16 4. To pay land damages incurred by reason of establishing, opening,
17 altering, relocating, widening or abandoning portions of a state route or
18 state highway.
- 19 5. To reimburse the department revolving account.
- 20 6. To pay premiums on authorized indemnity bonds and on
21 compensation insurance under the workers' compensation act.
- 22 7. To defray lawful expenses and costs required to administer and
23 carry out the intent, purposes and provisions of this title, including
24 repayment of obligations entered into pursuant to this title, payment of
25 interest on obligations entered into pursuant to this title, repayment of
26 loans and other financial assistance, including repayment of advances and
27 interest on advances made to the department pursuant to section 28-7677,
28 and payment of all other obligations and expenses of the board and
29 department pursuant to chapter 21 of this title.
- 30 8. To pay lawful bills and charges incurred by the state engineer.
- 31 9. To acquire, construct or improve entry roads to state parks or
32 roads within state parks.
- 33 10. To acquire, construct or improve entry roads to state prisons.
- 34 11. To pay the cost of relocating a utility facility pursuant to
35 section 28-7156.
- 36 12. For the purposes provided in subsections C, D and E of this
37 section and sections 28-1143, 28-2353 and 28-3003.
- 38 13. To pay the cost of issuing an Arizona centennial special plate
39 pursuant to section 28-2448.
- 40 14. To pay for all of the following:
 - 41 (a) The enforcement by the department of public safety and the
42 department of transportation of vehicle safety requirements within
43 twenty-five miles of the border between this state and Mexico.

1 (b) Costs related to procuring electronic equipment, automated
2 systems or improvements to existing electronic equipment or automated
3 systems for relieving vehicle congestion at ports of entry on the border
4 between this state and Mexico.

5 (c) Constructing, maintaining and upgrading transportation
6 facilities, including roads, streets and highways, approved by the board
7 within twenty-five miles of the border between this state and Mexico.

8 (d) As approved by the board, constructing and maintaining
9 transportation facilities in the CANAMEX high priority corridor as defined
10 in section 332 of the national highway system designation act of 1995
11 (P.L. 104-59; 109 Stat. 568).

12 (e) Activities of the department that include collecting
13 transportation and trade data in the United States and Mexico for the
14 purposes of constructing transportation facilities, improving public
15 safety, improving truck processing time and relieving congestion at ports
16 of entry on the border between this state and Mexico. The department may
17 enter into an agreement with the Arizona-Mexico commission and provide
18 funding to the commission for the purposes of this subdivision.

19 (f) A commitment or investment necessary for the department or
20 another agency of this state to obtain federal monies that are designated
21 for expenditure pursuant to this section.

22 B. For each fiscal year, the department of transportation shall
23 allocate and transfer monies in the state highway fund to the department
24 of public safety for funding a portion of highway patrol costs in eight
25 installments in each of the first eight months of a fiscal year that do
26 not exceed \$10,000,000.

27 C. Subject to legislative appropriation, the department may use the
28 monies in the state highway fund as prescribed in section 28-6991,
29 paragraph 12 to carry out the duties imposed by this title for
30 registration or titling of vehicles, to operate joint title, registration
31 and driver licensing offices, to cover the administrative costs of issuing
32 the air quality compliance sticker, modifying the year validating tab and
33 issuing the windshield sticker and to cover expenses and costs in issuing
34 special plates pursuant to sections 28-2404, 28-2407, 28-2412 through
35 ~~28-2470.22~~ 28-2470.23 and 28-2514.

36 D. The department shall use monies deposited in the state highway
37 fund pursuant to chapter 5, article 5 of this title only as prescribed by
38 that article.

39 E. Monies deposited in the state highway fund pursuant to section
40 28-2269 shall be used only as prescribed by that section.

41 F. Monies deposited in the state highway fund pursuant to section
42 28-710, subsection D, paragraph 2 shall only be used for state highway
43 work zone traffic control devices.

44 G. The department may exchange monies distributed to the state
45 highway fund pursuant to section 28-6538, subsection A, paragraph 1 for

1 local government surface transportation program federal monies
2 suballocated to councils of government and metropolitan planning
3 organizations if the local government scheduled to receive the federal
4 monies concurs. An exchange of state highway fund monies pursuant to this
5 subsection shall be in an amount that is at least equal to ninety percent
6 of the federal obligation authority that exists in the project for which
7 the exchange is proposed.

8 H. The department shall use monies deposited in the state highway
9 fund pursuant to section 28-1105, subsection A, paragraph 2, subdivision
10 (a) only for a transportation facility that is located within twenty
11 drivable miles of the international port of entry and shall spend the
12 monies proportionally based on the amount of total monies collected
13 pursuant to section 28-1105, subsection A, paragraph 2, subdivision (a).
14 For the purposes of this subsection, "transportation facility" means a
15 highway or a state route or a county, city or town road that is used by a
16 commercial vehicle or a commercial vehicle combination for which an axle
17 fee is paid pursuant to section 28-5474.