House Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 174

HOUSE BILL 2022

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 28-2456; AMENDING SECTIONS 28-6501, 28-6991 AND 28-6993, ARIZONA REVISED STATUTES; RELATING TO SPECIAL LICENSE PLATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

28-2351. License plate provided; design

A. The department shall provide to every owner one license plate for each vehicle registered. At the request of the owner and on payment of any required fee, the department shall provide either one or two license plates for a vehicle for which a special plate is requested pursuant to this chapter, except that the department shall provide one license plate if the special plate is issued pursuant to section 28-2416 or 28-2416.01.

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

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

D. The department shall determine the color and design of the license plate. All other plates issued by the department, except the plates issued pursuant to sections 28-2404, 28-2412, 28-2413, 28-2414, 28-2416, 28-2416.01, 28-2417 through ~~28-2455~~ 28-2456, 28-2472, 28-2473, 28-2474, 28-2475 and 28-4533 and article 14 of this chapter, shall be the same color as and similar in design to the license plate as determined by the department.

E. A passenger motor vehicle rented without a driver shall receive the same type of license plate as issued for a private passenger motor vehicle.

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

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

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

1. Except as provided in sections 28-2416 and 28-2416.01, a person who is the registered owner of a vehicle registered with the department or who applies for an original or renewal registration of a vehicle may submit to

the department a completed application form as prescribed by the department with the fee prescribed by section 28-2402 for special plates in addition to the registration fee prescribed by section 28-2003.

2. Except for plates issued pursuant to sections 28-2404, 28-2412, 28-2413, 28-2414, 28-2416, 28-2416.01, 28-2417 through ~~28-2455~~ 28-2456, 28-2472, 28-2473, 28-2474 and 28-2475 and article 14 of this chapter, the special plates shall be the same color as and similar to the design of the regular license plates that is determined by the department.

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

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

B. Except as provided in sections 28-2416 and 28-2416.01, on notification to the department and on payment of the transfer fee prescribed by section 28-2402, a person who is issued special plates may transfer the special plates to another vehicle the person owns or leases. Persons who are issued special plates for hearing impaired persons pursuant to section 28-2408 and international symbol of access special plates pursuant to section 28-2409 are exempt from the transfer fee. If a person who is issued special plates sells, trades or otherwise releases ownership of the vehicle on which the plates have been displayed, the person shall immediately report the transfer of the plates to the department or the person shall surrender the plates to the department as prescribed by the director. It is unlawful for a person to whom the plates have been issued to knowingly permit them to be displayed on a vehicle except the vehicle authorized by the department.

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

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

1. Violates subsection B of this section.

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

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

Sec. 3. Title 28, chapter 7, article 12, Arizona Revised Statutes, is amended by adding section 28-2456, to read:

28-2456. <u>Regionally accredited institution of higher education special plates; fund</u>

A. IF, BY DECEMBER 31, 2016, A REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION WITH AT LEAST ONE UNIVERSITY CAMPUS IN THIS STATE PAYS

THIRTY-TWO THOUSAND DOLLARS TO THE DEPARTMENT FOR THE IMPLEMENTATION OF THIS SECTION, THE DEPARTMENT SHALL ISSUE REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION SPECIAL PLATES WHEN THE DEPARTMENT HAS THE TECHNOLOGY NECESSARY FOR ISSUANCE. THE ENTITY THAT PROVIDES THE THIRTY-TWO THOUSAND DOLLARS SHALL DESIGN THE REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION SPECIAL PLATES. THE DESIGN AND COLOR OF THE REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION SPECIAL PLATES ARE SUBJECT TO THE APPROVAL OF THE DEPARTMENT. THE DIRECTOR MAY ALLOW A REQUEST FOR REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION SPECIAL PLATES TO BE COMBINED WITH A REQUEST FOR PERSONALIZED SPECIAL PLATES. IF THE DIRECTOR ALLOWS SUCH A COMBINATION, THE REQUEST SHALL BE IN A FORM PRESCRIBED BY THE DIRECTOR AND IS SUBJECT TO THE FEES FOR THE PERSONALIZED SPECIAL PLATES IN ADDITION TO THE FEES REQUIRED FOR THE REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION SPECIAL PLATES.

B. OF THE TWENTY-FIVE DOLLAR FEE REQUIRED BY SECTION 28-2402 FOR THE ORIGINAL SPECIAL PLATES AND FOR RENEWAL OF SPECIAL PLATES, EIGHT DOLLARS IS A SPECIAL PLATE ADMINISTRATION FEE AND SEVENTEEN DOLLARS IS AN ANNUAL DONATION.

C. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, ALL SPECIAL PLATE ADMINISTRATION FEES IN THE STATE HIGHWAY FUND ESTABLISHED BY SECTION 28-6991 AND ALL DONATIONS COLLECTED PURSUANT TO THIS SECTION IN THE REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION SPECIAL PLATE FUND ESTABLISHED BY THIS SECTION.

D. THE REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION SPECIAL PLATE FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO THIS SECTION. THE DIRECTOR SHALL ADMINISTER THE FUND. THE FIRST THIRTY-TWO THOUSAND DOLLARS IN THE FUND SHALL BE REIMBURSED TO THE ENTITY THAT PAID THE IMPLEMENTATION FEE TO THE DEPARTMENT PURSUANT TO SUBSECTION A OF THIS SECTION. NOT MORE THAN TEN PERCENT OF THE MONIES DEPOSITED IN THE FUND ANNUALLY SHALL BE USED FOR THE COST OF ADMINISTERING THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED.

E. THE DIRECTOR SHALL ANNUALLY ALLOCATE MONIES FROM THE FUND TO A FOUNDATION OF A REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION IN THIS STATE WITH AT LEAST ONE UNIVERSITY CAMPUS IN THIS STATE THAT HAS MORE THAN TWO THOUSAND STUDENTS RESIDING ON THE CAMPUS AND THAT HAS A NONDISCRIMINATION POLICY FOR ADMISSIONS. THE FOUNDATION MUST BE A CHARITABLE ORGANIZATION THAT IS QUALIFIED UNDER SECTION 501(c)(3) OF THE UNITED STATES INTERNAL REVENUE CODE FOR FEDERAL INCOME TAX PURPOSES.

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

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

28-6501. <u>Definition of highway user revenues</u>

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

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

(a) The special plate administration fees prescribed in sections 28-2404, 28-2412 through ~~28-2455~~ 28-2456 and 28-2514.

(b) The donations prescribed in sections 28-2404, 28-2412 through 28-2415, 28-2417 through ~~28-2455~~ 28-2456, 28-2473, 28-2474 and 28-2475.

2. Section 28-1177.

3. Chapters 10 and 11 of this title.

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

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

28-6991. State highway fund; sources

A state highway fund is established that consists of:

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

2. Monies appropriated by the legislature.

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

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

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

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

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

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

9. Monies generated pursuant to section 28-410.

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

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

12. Except as provided in section 28-5101, the following monies:

(a) Monies deposited pursuant to section 28-2206 and section 28-5808, subsection B, paragraph 2, subdivision (e).

(b) One dollar of each registration fee and one dollar of each title fee collected pursuant to section 28-2003.

(c) Two dollars of each late registration penalty collected by the director pursuant to section 28-2162.

(d) The air quality compliance fee collected pursuant to section 49-542.

(e) The special plate administration fees collected pursuant to sections 28-2404, 28-2412 through 28-2416, 28-2416.01, 28-2417 through ~~28-2455~~ 28-2456 and 28-2514.

(f) Monies collected pursuant to sections 28-372, 28-2155 and 28-2156 if the director is the registering officer.

13. Monies deposited pursuant to chapter 5, article 5 of this title.

14. Donations received pursuant to section 28-2269.

15. Dealer and registration monies collected pursuant to section 28-4304.

16. Abandoned vehicle administration monies deposited pursuant to section 28-4804.

17. Monies deposited pursuant to section 28-710, subsection D, paragraph 2.

18. Monies deposited pursuant to section 28-2065.

19. Monies deposited pursuant to section 28-7311.

20. Monies deposited pursuant to section 28-7059.

21. Monies deposited pursuant to section 28-1105.

22. Monies deposited pursuant to section 28-2448, subsection D.

23. Monies deposited pursuant to section 28-3415.

24. Monies deposited pursuant to section 28-3002, subsection A, paragraph 14.

Sec. 6. Section 28-6993, Arizona Revised Statutes, is amended to read:

28-6993. <u>State highway fund; authorized uses</u>

A. Except as provided in subsection B of this section and section 28-6538, the state highway fund shall be used for any of the following purposes in strict conformity with and subject to the budget as provided by this section and by sections 28-6997 through 28-7003:

1. To pay salaries, wages, necessary travel expenses and other expenses of officers and employees of the department and the incidental office expenses, including telegraph, telephone, postal and express charges and printing, stationery and advertising expenses.

2. To pay for both:

(a) Equipment, supplies, machines, tools, department offices and laboratories established by the department.

(b) The construction and repair of buildings or yards of the department.

3. To pay the cost of both:

(a) Engineering, construction, improvement and maintenance of state highways and parts of highways forming state routes.

(b) Highways under cooperative agreements with the United States that are entered into pursuant to this chapter and an act of Congress providing for the construction of rural post roads.

4. To pay land damages incurred by reason of establishing, opening, altering, relocating, widening or abandoning portions of a state route or state highway.

5. To reimburse the department revolving account.

6. To pay premiums on authorized indemnity bonds and on compensation insurance under the workers' compensation act.

7. To defray lawful expenses and costs required to administer and carry out the intent, purposes and provisions of this title, including repayment of obligations entered into pursuant to this title, payment of interest on obligations entered into pursuant to this title, repayment of loans and other financial assistance, including repayment of advances and interest on advances made to the department pursuant to section 28-7677, and payment of all other obligations and expenses of the board and department pursuant to chapter 21 of this title.

8. To pay lawful bills and charges incurred by the state engineer.

9. To acquire, construct or improve entry roads to state parks or roads within state parks.

10. To acquire, construct or improve entry roads to state prisons.

11. To pay the cost of relocating a utility facility pursuant to section 28-7156.

12. For the purposes provided in subsections C, D and E of this section and sections 28-1143, 28-2353 and 28-3003.

13. To pay the cost of issuing an Arizona centennial special plate pursuant to section 28-2448.

B. For each fiscal year, the department of transportation shall allocate and transfer monies in the state highway fund to the department of public safety for funding a portion of highway patrol costs in eight installments in each of the first eight months of a fiscal year that do not exceed ten million dollars.

C. Subject to legislative appropriation, the department may use the monies in the state highway fund as prescribed in section 28-6991, paragraph 12 to carry out the duties imposed by this title for registration or titling of vehicles, to operate joint title, registration and driver licensing offices, to cover the administrative costs of issuing the air quality

compliance sticker, modifying the year validating tab and issuing the windshield sticker and to cover expenses and costs in issuing special plates pursuant to sections 28-2404, 28-2412 through ~~28-2455~~ 28-2456 and 28-2514.

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

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

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

G. The department may exchange monies distributed to the state highway fund pursuant to section 28-6538, subsection A, paragraph 1 for local government surface transportation program federal monies suballocated to councils of government and metropolitan planning organizations if the local government scheduled to receive the federal monies concurs. An exchange of state highway fund monies pursuant to this subsection shall be in an amount that is at least equal to ninety percent of the federal obligation authority that exists in the project for which the exchange is proposed.

APPROVED BY THE GOVERNOR MAY 11, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 11, 2016.

Passed the House February 18, 2016

by the following vote: 40 Ayes,

17 Nays, 3 Not Voting

Speaker of the House

☐ Pro Tempore

Chief Clerk of the House

Passed the Senate May 6, 2016

by the following vote: 23 Ayes,

5 Nays, 2 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

6 day of May, 2016

at 9:18 o'clock P M.

Valerie Hanna

Secretary to the Governor

Approved this 11th day of

May

at 10:44 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 12 day of May, 2016

at 9:00 o'clock A M.

Michele Reagan

Secretary of State

H.B. 2022