



Arizona State Senate Issue Brief

July 23, 2014

Note to Reader:

The Senate Research Staff provides nonpartisan, objective legislative research, policy analysis and related assistance to the members of the Arizona State Senate. The *Research Briefs* series is intended to introduce a reader to various legislatively related issues and provide useful resources to assist the reader in learning more on a given topic. Because of frequent legislative and executive activity, topics may undergo frequent changes. Additionally, nothing in the *Brief* should be used to draw conclusions on the legality of an issue.

SPECIAL LICENSE PLATES

OVERVIEW

The Motor Vehicle Division (MVD) of the Arizona Department of Transportation (ADOT) issues vehicle license plates that display both the name of the state as well as a registration number assigned to the vehicle and the owner. A standard 6" X 12" Arizona license plate (4" X 7" for motorcycles) must be clearly visible and displayed on the rear of the vehicle. The name of Arizona on the license plate cannot be obscured, and the letters and numerals on the plate must be of sufficient size to be plainly readable during daylight from a distance of 100 feet.

In addition to standard vehicle license plates, Arizona law provides for the creation of special license plates. License plates for honored military, vehicles of historic value (e.g., horseless carriages, classic cars, etc.) and distinctive vehicles (e.g. farm and off-road vehicles, etc.) are authorized by statute and are considered special plates. License plates for the hearing impaired, handicapped (international symbol of access) and veterans are also special plates. MVD also issues special plates that benefit a variety of causes and nonprofit organizations. Although the origin for a special plate can vary, many of the special plates seen on vehicles today have been authorized in statute by the Legislature during the past two decades.

To date, the Legislature has approved the creation of over 50 special license plates in statute and 7 more have been created by the License Plate Commission. Special plates also can be personalized and/or include a disability insignia. Those plates and combinations coupled with plates that are designed for commercial, government, motorcycle and other related administrative purposes mean that there are more than 150 different plate *designs* issued by MVD.

LICENSE PLATE COMMISSION

In 1992, the Legislature established the License Plate Commission (Commission) to facilitate and standardize the special license plate creation, design and issuance process. At the time, the Commission also was responsible for determining the color and design of both the standard Arizona license plate and special license plates, with exceptions. These exceptions were: Collegiate (A.R.S. § 28-2412), Environmental (A.R.S. § 28-2413), Honored Military

(Congressional Medal of Honor, Former Prisoner of War, Purple Heart and Pearl Harbor Survivor, A.R.S. § 28-2452 et seq.) and historic vehicles, which had been authorized in statute and issued prior to the Commission's existence. As part of its authorities, the Commission could approve special *organization* plates for nonprofit organizations if certain statutory requirements were met (Laws 1992, Chapter 208).

Special organization plates created by the Commission are standard Arizona license plates in design and color but feature an organizational logo or insignia. During its existence, the Commission authorized the design and creation of seven organization plates. They are:

- **Arizona Historical Society** - Donations benefit the Arizona Historical Society and its museums and programs.
- **Choose Life** - Donations benefit the Arizona Life Coalition.
- **Fire Fighter** - Donations benefit the Professional Fire Fighters of Arizona.
- **Fraternal Order of Police** - Donations benefit the Fraternal Order of Police.
- **Legion of Valor** - Donations benefit the Legion of Valor.
- **University of Phoenix** - Donations benefit the University of Phoenix scholarship programs.
- **Wildlife Conservation/Arizona Sportsmen for Wildlife Conservation** - Donations benefit the Wildlife Conservation Council, which is part of the Arizona Sportsmen for Wildlife Conservation, to fund wildlife habitat projects, outdoor recreation and educational opportunities.

In 2009, the Legislature repealed the Commission (Laws 2009, Chapter 37). However, the special organization plates authorized by the Commission prior to 2009 remain valid. The 2009 law also specified that an organization may redesign its respective plate if the new design is approved by ADOT, and the

organization pays \$32,000 for reissuance (A.R.S. § 28-2404).

SPECIAL LICENSE PLATE FEES

Any person wishing to obtain or renew a special license plate is required to pay a \$25 fee, with exceptions. Of the \$25 fee, \$8 is typically an administration fee that ADOT deposits in the State Highway Fund (SHF) and \$17 is a donation to the respective organization or charitable fund. For Commission-created organization plates, the fees are deposited into a separate account of the SHF but the administration and donation split remains the same. ADOT retains \$8 for administration costs and transmits the donations as authorized in a written resolution of the nonprofit organization. There are no fees for obtaining hearing impaired or disability plates, and other exceptions to the \$25 fee are specified in Table 1.

In some instances, Arizona law requires an entity to pay an implementation fee of \$32,000 to ADOT before issuing a new special plate. According to MVD, the cost breakdown for the implementation fee is as follows: \$19,800, programming; \$7,500, manufacturing; \$3,500, forms; and \$1200, shipping, which totals \$32,000. License plates for entities that are authorized by the legislature that require the \$32,000 to be paid to ADOT are not issued until the fee is paid.

SPECIAL LICENSE PLATE DESIGN PROCESS

Although the Commission no longer exists, the current special plate design process is relatively the same as when the Commission considered new plates. Currently, ADOT, the sponsoring organization or entity and law enforcement collaborate in the design and color of new special plates. ADOT's first priority is for law enforcement and the public to be able to read the plate information from a distance. If the new plate is initiated by a sponsoring organization or entity, ADOT requires the requesting entity to propose colors that conspicuously contrast the background of the

plate from its alpha/numeric information. As all participating parties move forward with a final design, ADOT examines plate design mock-ups to ensure that all pertinent criteria with regard to plate size, visibility and contrast are met. Law enforcement representatives must approve the final plate design. This design process, however, is not currently codified in Arizona statutes.

SPECIAL LICENSE PLATES AUTHORIZED IN STATUTE

As mentioned earlier, the Legislature statutorily authorized a majority of Arizona special plates during the past 20 years. In most cases, the legislation establishes a separate fund specific to the new plate where fees are to be deposited. For some plates, statute allows ADOT to retain up to 10 percent of the donations in order to administer the fund. To date, ADOT has not taken a percentage from any special license plate fund for administration purposes. Statute further outlines specific information about each plate, including but not limited to, the purpose of the plate and its fund and fund administrator. Statutes detailing the license plates issues by the legislature can be found here at A.R.S Title 28, Chapter 7, Article 12 beginning with § 28-2407: <http://www.azleg.gov/ArizonaRevisedStatutes.asp?Title=28>. For a current list of the license plates available to the public, please visit this MVD website detailing the information: <http://www.azdot.gov/mvd/VehicleServices/PlatesandPlacards>.

ADDITIONAL RESOURCES

- Arizona Department of Transportation Motor Vehicle Division
Phoenix: (602) 712 - 7355
Tucson: (520) 629 - 9808
Elsewhere in Arizona: (800) 251 - 5866
www.azdot.gov/mvd
- A.R.S. Title 28, Chapter 7, Articles 11 through 15.
- Laws 2009, Chapter 37
- Laws 2011, Chapter 32
- <http://www.azdot.gov/mvd/VehicleServices/PlatesandPlacards>