REFERENCE TITLE: VLT; registration fees; gas tax

State of Arizona Senate Fifty-third Legislature First Regular Session 2017

SB 1445

Introduced by Senators Worsley: Brophy McGee, Fann, Hobbs, Mendez

AN ACT

AMENDING TITLE 20, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-269; AMENDING SECTION 28-2003, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-5606.01; AMENDING SECTIONS 28-5801 AND 28-5808, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 12, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1744; AMENDING SECTION 41-1752, ARIZONA REVISED STATUTES; RELATING TO VEHICLE FEES AND TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona: 2 Section 1. Title 20, chapter 2, article 2, Arizona Revised 3 Statutes, is amended by adding section 20-269, to read: 4 20-269. Motor vehicle liability insurers: semiannual fee 5 ON OR BEFORE JANUARY 31 AND JULY 31 EACH YEAR AN INSURER ISSUING 6 MOTOR VEHICLE LIABILITY POLICIES IN THIS STATE SHALL PAY TO THE DEPARTMENT 7 OF PUBLIC SAFETY A SEMIANNUAL FEE IN AN AMOUNT AS DETERMINED BY THE 8 DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY PURSUANT TO SECTION 41-1744 9 FOR EVERY VEHICLE THAT THE INSURER INSURES UNDER A MOTOR VEHICLE LIABILITY 10 POLICY. THE FEE SHALL BE FULLY EARNED AND NONREFUNDABLE AT THE TIME THE INSURER COLLECTS THE PREMIUM FOR THE MOTOR VEHICLE LIABILITY INSURANCE 11 12 POLICY. THE DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY SHALL DEPOSIT THE MONIES, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE ARIZONA HIGHWAY 13 14 PATROL FUND ESTABLISHED BY SECTION 41-1752. THE PAYMENT THAT IS DUE ON OR BEFORE JANUARY 31 SHALL COVER VEHICLES INSURED UNDER POLICIES THAT ARE 15 16 ISSUED DURING THE PERIOD FROM JULY 1 THROUGH DECEMBER 31 OF THE PREVIOUS 17 THE PAYMENT THAT IS DUE ON OR BEFORE JULY 31 SHALL COVER VEHICLES YEAR. 18 THAT ARE INSURED UNDER POLICIES THAT ARE ISSUED DURING THE PERIOD FROM 19 JANUARY 1 THROUGH JUNE 30 OF THE SAME YEAR. 20 Sec. 2. Section 28-2003, Arizona Revised Statutes, is amended to 21 read: 22 28-2003. Fees; vehicle title and registration; identification 23 plate; definition 24 The following fees are required: Α. For each certificate of title, salvage certificate of title, 25 1. 26 restored salvage certificate of title or nonrepairable vehicle certificate 27 of title. four dollars. 28 2. For each certificate of title for a mobile home, seven 29 The director shall deposit three dollars of each fee imposed by dollars. 30 this paragraph in the state highway fund established by section 28-6991. 3. Except as provided in section 28-1177, for the registration of a 31 32 motor vehicle, eight dollars, except that the fee for motorcycles is nine 33 dollars. 34 4. For a duplicate registration card or any duplicate permit, four 35 dollars. 36 5. For each special ninety day nonresident registration issued 37 under section 28-2154, fifteen dollars. 38 6. For the registration of a trailer or semitrailer that is not a 39 travel trailer, and that is ten thousand pounds or less gross vehicle 40 weight and that is used in the furtherance of a commercial enterprise, 41 eight dollars. 7. For the registration of a trailer or semitrailer that is not a 42 43 travel trailer and that exceeds ten thousand pounds gross vehicle weight: 44 (a) On initial registration, a one-time ONETIME fee of two hundred 45 forty-five dollars.

1 (b) On renewal of registration or if previously registered in 2 another state, a one-time ONETIME fee of: 3 (i) If the trailer's or semitrailer's model year is less than six 4 years old, one hundred forty-five dollars. 5 (ii) If the trailer's or semitrailer's model year is at least six 6 years old, ninety-five dollars. 7 8. For the registration of a noncommercial trailer that is not a 8 travel trailer and that is ten thousand pounds or less gross vehicle 9 weight: 10 (a) On initial registration, a one-time ONETIME fee of twenty 11 dollars. 12 (b) On renewal of registration, a one-time ONETIME fee of five 13 dollars. 14 9. For a transfer of a noncommercial trailer that is not a travel 15 trailer and that is ten thousand pounds or less gross vehicle weight, twelve dollars. 16 17 10. For each special ninety day resident registration issued under 18 section 28-2154, fifteen dollars. 11. For each one trip registration permit issued under section 19 20 28-2155, one dollar. 21 12. For each temporary general use registration issued under 22 section 28-2156, fifteen dollars. 23 13. For each identification plate bearing а serial or 24 identification number to be affixed to any vehicle, five dollars. 25 14. IN ADDITION TO THE FEES IMPOSED BY PARAGRAPH 3 OF THIS SUBSECTION, A FEE ON ANY VEHICLE THAT DOES NOT RELY EXCLUSIVELY FOR 26 27 PROPULSION ON A SOURCE OF FUEL SUBJECT TO A TAX PURSUANT TO CHAPTER 16, ARTICLE 1 OF THIS TITLE AND THAT IS EQUAL TO AN AMOUNT THAT THE DIRECTOR, 28 ON OR BEFORE FEBRUARY 1 EACH YEAR, ESTIMATES IS THE AVERAGE AMOUNT OF 29 30 TAXES PAID BY AN AVERAGE VEHICLE PURSUANT TO CHAPTER 16, ARTICLE 1 OF THIS 31 TITLE DURING THE CURRENT FISCAL YEAR. 32 B. For the purposes of this section, "travel trailer" means a 33 trailer that is: 34 1. Mounted on wheels. 35 Designed to provide temporary living quarters for recreational, 2. 36 camping or travel use. 37 3. Less than eight feet in width and less than forty feet in 38 length. 39 Sec. 3. Title 28, chapter 16, article 1, Arizona Revised Statutes, 40 is amended by adding section 28-5606.01, to read: 41 28-5606.01. Imposition of natural gas motor fuel taxes A. IN ADDITION TO ALL OTHER TAXES PROVIDED BY LAW, A TAX IS IMPOSED 42 ON NATURAL GAS IN ANY FORM THAT IS USED IN THE PROPULSION OF VEHICLES ON 43 PUBLIC STREETS, ROADS AND HIGHWAYS IN THIS STATE. 44

1	B. THE TAX SHALL BE IMPOSED, COLLECTED AND DISTRIBUTED IN THE SAME
2	MANNER AS THE TAXES IMPOSED BY SECTION 28-5606.
3	C. ON OR BEFORE FEBRUARY 1 EACH YEAR, THE DIRECTOR SHALL ESTABLISH
4	A RATE FOR THE NEXT FISCAL YEAR FOR THE TAX IMPOSED BY THIS SECTION AS
5	FOLLOWS:
6	1. THE DIRECTOR SHALL DETERMINE THE QUANTITY OF NATURAL GAS, IN
7	EACH FORM, THAT CONTAINS THE ENERGY EQUIVALENT TO A GALLON OF MOTOR FUEL
8	AND A GALLON OF USE FUEL WHEN USED IN THE PROPULSION OF VEHICLES.
9	2. FOR EACH FORM OF NATURAL GAS USED IN THE PROPULSION OF VEHICLES,
10	THE DIRECTOR SHALL ESTABLISH A UNIT OF MEASUREMENT AND A TAX RATE, ROUNDED
11	UP TO THE NEXT FULL CENT, SO THAT THE AMOUNT OF THE TAX PAID IS AS NEARLY
12	AS EQUIVALENT AS POSSIBLE TO THE TAX THAT WOULD OTHERWISE BE PAID IF THE
13	VEHICLE USED MOTOR FUEL OR USE FUEL FOR PROPULSION.
14	Sec. 4. Section 28-5801, Arizona Revised Statutes, is amended to
15	read:
16	28-5801. <u>Vehicle license tax rate</u>
17	A. At the time of application for and before registration each year
18	of a vehicle, the registering officer shall collect the vehicle license
10	tax imposed by article IX, section 11, Constitution of Arizona. On the
20	taxpayer's vehicle license tax bill, the registering officer shall provide
20	the taxpayer with the following:
22	1. Information showing the amount of the vehicle license tax that
22	
	each category of recipient will receive and the amount that is owed by the
24 25	taxpayer.
25	2. The amount of vehicle license tax the taxpayer would pay
26	pursuant to section 28-5805 if the taxpayer's motor vehicle was powered by
27	alternative fuel.
28	B. Except as provided in subsections C, D and E of this section:
29	1. During the first twelve months of the life of a vehicle as
30	determined by its initial registration, the vehicle license tax is based
31	on each one hundred dollars in value, the value of the vehicle is sixty
32	per cent PERCENT of the manufacturer's base retail price of the vehicle
33	and the vehicle license tax rate for each of the recipients is as follows:
34	(a) The rate for the Arizona highway user revenue fund is one
35	dollar twenty-six cents.
36	(b) The rate for the county general fund is sixty-nine cents.
37	(c) The rate for counties for any purposes related to
38	transportation, as determined by the board of supervisors, is sixteen
39	cents.
40	(d) The rate for incorporated cities and towns is sixty-nine cents.
41	(e) THE RATE FOR THE ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY
42	SECTION 41-1752 IS CENTS.
43	2. During each succeeding twelve month period, the vehicle license
44	tax is based on each one hundred dollars in value, the value of the
45	vehicle is 16.25 per cent PERCENT less than the value for the preceding
	- 3 -

1 twelve month period and the vehicle license tax rate for each of the 2 recipients is as follows: 3 (a) The rate for the Arizona highway user revenue fund is one 4 dollar thirty cents. 5 (b) The rate for the county general fund is seventy-one cents. 6 (c) The rate for counties for the same use as highway user revenue 7 fund monies is seventeen cents. 8 (d) The rate for incorporated cities and towns is seventy-one 9 cents. 10 (e) THE RATE FOR THE ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY 11 SECTION 41-1752 IS CENTS. 12 3. The minimum amount of the vehicle license tax computed under this section is ten dollars per year for each vehicle that is subject to 13 14 the tax. If the product of all of the rates prescribed in paragraph 1 or 2 of this subsection is less than ten dollars, the vehicle license tax 15 16 is ten dollars. The vehicle license tax collected pursuant to this 17 paragraph shall be distributed to the recipients prescribed in this 18 subsection based on the percentage of each recipient's rate to the sum of 19 all of the rates. 20 C. The vehicle license tax is as follows for noncommercial trailers 21 that are not travel trailers and that are ten thousand pounds or less 22 gross vehicle weight: 23 1. On initial registration, BOTH OF THE FOLLOWING: 24 (a) A one-time ONETIME vehicle license tax of one hundred five 25 dollars. (b) A ONETIME VEHICLE LICENSE TAX OF DOLLARS. THE DIRECTOR 26 27 SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES RECEIVED 28 PURSUANT TO THIS SUBDIVISION IN THE ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY SECTION 41-1752. 29 30 2. On renewal of registration, BOTH OF THE FOLLOWING: (a) A one-time ONETIME vehicle license tax of seventy dollars. 31 32 (b) A ONETIME VEHICLE LICENSE TAX OF _____ DOLLARS. THE DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES RECEIVED 33 34 PURSUANT TO THIS SUBDIVISION IN THE ARIZONA HIGHWAY PATROL FUND 35 ESTABLISHED BY SECTION 41-1752. 36 D. The vehicle license tax is as follows for a trailer or 37 semitrailer that is not a travel trailer and that exceeds ten thousand 38 pounds gross vehicle weight: 1. On initial registration, BOTH OF THE FOLLOWING: 39 40 (a) A one-time ONETIME vehicle license tax of five hundred fifty-five dollars. 41 (b) A ONETIME VEHICLE LICENSE TAX OF _____ DOLLARS. THE DIRECTOR 42 SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES RECEIVED 43 PURSUANT TO THIS SUBDIVISION IN THE ARIZONA HIGHWAY PATROL FUND 44 45 ESTABLISHED BY SECTION 41-1752.

1 2. On renewal of registration or if previously registered in another state, a one-time ONETIME vehicle license tax of: 2 3 (a) If the trailer's or semitrailer's model year is less than six 4 years old, BOTH OF THE FOLLOWING: 5 (i) Three hundred fifty-five dollars. 6 DOLLARS. THE DIRECTOR SHALL DEPOSIT, PURSUANT TO (ii) 7 SECTIONS 35-146 AND 35-147, MONIES RECEIVED PURSUANT TO THIS ITEM IN THE 8 ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY SECTION 41-1752. 9 (b) If the trailer's or semitrailer's model year is at least six 10 years old. BOTH OF THE FOLLOWING: 11 (i) One hundred dollars. 12 (ii) DOLLARS. THE DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES RECEIVED PURSUANT TO THIS ITEM IN THE 13 14 ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY SECTION 41-1752. 15 E. The vehicle license tax for an all-terrain vehicle or 16 off-highway vehicle as defined in section 28-1171 is three dollars if the 17 all-terrain vehicle or off-highway vehicle meets both of the following 18 criteria: 19 1. Is designed by the manufacturer primarily for travel over 20 unimproved terrain. 21 2. Has an unladen weight of eighteen hundred pounds or less. 22 F. The vehicle license tax collected pursuant to subsection C. D or E of this section shall be distributed to the recipients prescribed in 23 24 subsection B of this section based on the percentage of each recipient's 25 rate to the sum of all of the rates. 26 G. For the purposes of subsection SUBSECTIONS C and D of this 27 section, "travel trailer" has the same meaning prescribed in section 28 28-2003. 29 Sec. 5. Section 28-5808, Arizona Revised Statutes, is amended to 30 read: 31 28-5808. Vehicle license tax distribution A. Except as provided in SECTION 28-5801 AND subsection D of this 32 section, the director shall distribute monies collected by the director 33 34 pursuant to section 28-5801, except monies deposited in the state general 35 fund, on the first and fifteenth calendar day of each month as follows: 36 1. On the first calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147, all of the Arizona highway user revenue 37 38 fund monies received from the first through the fifteenth calendar day of 39 the preceding month in the Arizona highway user revenue fund, except that 40 on the first calendar day the director shall deposit, pursuant to sections 35-146 and 35-147, in the parity compensation fund established by section 41 41-1720, 1.51 per cent PERCENT of the portion of vehicle license tax 42 revenues that otherwise would be deposited in the state highway fund from 43 44 the first through the fifteenth calendar day of the preceding month.

1 2. On the fifteenth calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147, all of the Arizona highway user 2 revenue fund monies received from the sixteenth through the last day of 3 4 the preceding month in the Arizona highway user revenue fund, except that 5 on the fifteenth calendar day, the director shall deposit, pursuant to 6 sections 35-146 and 35-147, in the parity compensation fund established by 7 section 41-1720, 1.51 per cent PERCENT of the portion of vehicle license 8 tax revenues that otherwise would be deposited in the state highway fund 9 from the sixteenth through the last day of the preceding month. On the 10 fifteenth calendar day, the director shall distribute or deposit all other 11 monies received during the entire preceding month as follows:

(a) The county general fund monies to the county general fund.

13 (b) The county transportation monies to the state treasurer to be 14 apportioned among the counties for any purposes related to transportation, 15 as determined by the board of supervisors, on the basis that the 16 population of the unincorporated area of each county bears to the 17 population of the unincorporated areas of all counties in this state.

18 (c) The incorporated cities and towns monies to the incorporated 19 cities and towns of the county in proportion to the population of each.

3. The deposit of the monies in the parity compensation fund pursuant to paragraphs 1 and 2 of this subsection shall not impact the distribution of vehicle license tax revenues to the state general fund and to cities, towns and counties pursuant to this section.

B. The director shall distribute monies collected by the director pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810, except monies deposited in the state general fund, on the first and fifteenth calendar day of each month as follows:

1. On the first calendar day, the director shall deposit, pursuant to sections 35–146 and 35–147, 37.61 per cent PERCENT of all monies received from the first through the fifteenth calendar day of the preceding month in the highway user revenue fund.

2. On the fifteenth calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147, 37.61 per cent PERCENT of all monies received from the sixteenth through the last day of the preceding month in the highway user revenue fund and distribute or deposit the following amounts as a percentage of all monies received pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810 during the entire preceding month as follows:

39

(a) 20.45 per cent PERCENT to the county general fund.

40 (b) 4.91 per cent PERCENT to the state treasurer to be apportioned 41 among the counties for any purposes related to transportation, as 42 determined by the board of supervisors, on the basis that the population 43 of the unincorporated area of each county bears to the population of the 44 unincorporated areas of all counties in this state.

1 (c) 20.45 per cent PERCENT to the incorporated cities and towns of 2 the county in proportion to the population of each. 3 (d) 1.64 per cent PERCENT, pursuant to sections 35-146 and 35-147, 4 in the state highway fund established by section 28-6991. 5 (e) 4.09 per cent PERCENT in the state highway fund established by 6 section 28-6991. 7 (f) 10.85 per cent PERCENT, pursuant to sections 35-146 and 35-147, 8 in the state general fund to aid school financial assistance. 9 C. For purposes of this section the population of a county, city or town shall be determined as provided by section 28-6532 or 42-5033.01. If 10 an incorporated city or town has had no federal enumeration of population, 11 12 the supervisors shall both: 13 1. Appoint a qualified person to take an accurate census of the 14 incorporated city or town. 15 results to the county treasurer, 2. Certify the and the 16 incorporated city or town shall share in the distribution as provided by 17 this section. 18 D. On the fifteenth calendar day of each month, the director shall 19 transfer to the state general fund from the portion of vehicle license tax 20 revenues that otherwise would be deposited in the state highway fund 21 pursuant to section 28-6538, subsection A, paragraph 1 the following 22 amounts: 23 1. An amount equal to ninety per cent PERCENT of the fees collected 24 pursuant to section 28-4802, subsection A in the preceding month. 25 2. An amount equal to sixty per cent PERCENT of the fees collected 26 pursuant to section 28-4802, subsection B in the preceding month. 27 On the fifteenth calendar day of each month, the director shall Ε. 28 transfer to the state general fund from the portion of vehicle license tax revenues that otherwise would be deposited in the state highway fund 29 30 pursuant to section 28-6538, subsection A, paragraph 1 the difference 31 between the actual amount of the vehicle license tax revenue collected as 32 a result of registration of vehicles pursuant to section 28-2159 in the 33 preceding month for a five-year registration period and the amount that 34 would have been collected if those same vehicles had been registered for a 35 two-year vehicle registration period. 36 Sec. 6. Title 41, chapter 12, article 3, Arizona Revised Statutes, 37 is amended by adding section 41-1744, to read: 38 41-1744. Highway patrol expenses; motor vehicle liability 39 policy insurers; fee determination 40 EACH YEAR, ON OR BEFORE FEBRUARY 1, THE DIRECTOR SHALL DETERMINE THE REQUIRED EXPENSES OF THE HIGHWAY PATROL FOR THE NEXT FISCAL YEAR. 41 BASED ON THAT DETERMINATION, THE DIRECTOR SHALL ESTABLISH THE DOLLAR AMOUNT OF 42 THE FEE TO BE IMPOSED BY SECTION 20-269 FOR THE NEXT FISCAL YEAR, ROUNDED 43 TO THE NEXT HIGHER WHOLE DOLLAR, BY TAKING ONE HUNDRED TWENTY PERCENT OF 44 45 THE DETERMINED REQUIRED EXPENSES OF THE HIGHWAY PATROL FOR THE NEXT FISCAL

1 YEAR AND SUBTRACTING ANY OTHER ANTICIPATED MONIES TO BE DEPOSITED IN THE ARIZONA HIGHWAY PATROL FUND IN THE NEXT FISCAL AND SUBTRACTING THE 2 ESTIMATED BALANCE IN THE FUND AT THE END OF THE CURRENT FISCAL YEAR. 3 0N 4 OR BEFORE MAY 1 THE DIRECTOR SHALL NOTIFY THE INSURERS THAT ARE SUBJECT TO 5 THE FEE OF THE FEE AMOUNT FOR THE NEXT FISCAL YEAR. 6 Sec. 7. Section 41-1752, Arizona Revised Statutes, is amended to 7 read: 8 41-1752. Arizona highway patrol fund 9 A. An THE Arizona highway patrol fund is established. B. The Arizona highway patrol fund consists of: 10 11 1. Monies distributed to the fund from the Arizona highway user 12 revenue fund by the legislature subject to section 28-6537. 13 2. Miscellaneous service fees. 14 3. Rewards. 15 4. Awards. 16 5. Insurance recoveries. 17 6. Receipts from the sale or disposal of any property held by the 18 Arizona highway patrol or purchased with Arizona highway patrol monies. 19 7. Monies received from the public safety personnel retirement 20 system pursuant to section 20-224.01. 21 8. MONIES DEPOSITED PURSUANT TO SECTION 20-269. 22 8. 9. Monies deposited pursuant to section 28-3513. 23 10. MONIES DEPOSITED PURSUANT TO SECTION 28-5801. 24 C. Subject to legislative appropriation, the patrol superintendent 25 shall administer and spend monies in the Arizona highway patrol fund in 26 conformity with the laws governing state financial operations. 27 D. Monies in the Arizona highway patrol fund: 28 1. Do not revert to the state general fund or Arizona highway user 29 revenue fund. 30 2. Are exempt from the provisions of section 35-190 relating to 31 lapsing of appropriations. 32 E. Subject to legislative appropriation, monies in the Arizona 33 highway patrol fund shall be used to administer the provisions of law 34 relating to the highway patrol and the Arizona highway patrol reserve and 35 all matters pertaining to those laws, except that monies received pursuant 36 to subsection B, paragraph 7 of this section shall be used for the 37 department of public safety. 38 Sec. 8. <u>Requirements for enactment; two-thirds vote</u> 39 Pursuant to article IX, section 22, Constitution of Arizona, this 40 act is effective only on the affirmative vote of at least two-thirds of the members of each house of the legislature and is effective immediately 41 on the signature of the governor or, if the governor vetoes this act, on 42 43 the subsequent affirmative vote of at least three-fourths of the members 44 of each house of the legislature.