



ARIZONA STATE SENATE
Fifty-Fourth Legislature, First Regular Session

FACT SHEET FOR S.B. 1001

highway safety fee; repeal; VLT

Purpose

Repeals the annual highway safety fee (fee) and statute relating to the vehicle license tax (VLT) classification of alternative fuel vehicles.

Background

[Laws 2018, Chapter 265](#) established the fee. The fee is collected with vehicle registration applications and deposited into the Arizona Highway Patrol Fund. The Director of the Arizona Department of Transportation (ADOT) is required to determine the fee amount annually that must fund 110 percent of the Department of Public Safety's highway patrol budget.

During the first-year registration of an alternative fuel vehicle, the VLT is \$4 for each \$100 of assessed value of the vehicle. The assessed value of the vehicle for the first year is 1 percent of the manufacturer's base retail price of the motor vehicle ([A.R.S. § 28-5805](#)). Beginning January 1, 2020, the value of an alternative fuel vehicle, for the purposes of calculating VLT, that is purchased before January 1, 2020, will be determined by a percentage, set by the Director of ADOT, of the base retail price of the motor vehicle. Alternative fuel vehicles purchased after January 1, 2020, that have less than 10,000 pounds gross vehicle weight for the purposes of calculating the VLT will have an initial value of 30 percent of the manufacturer's base retail price of the motor vehicle. Alternative fuel vehicles purchased after January 1, 2020, that have more than 10,000 pounds gross vehicle weight will be subject to the regular VLT formula ([A.R.S. § 28-5805; Version 2](#)).

The fiscal impact to the state General Fund relating to the repeal of the fee is \$107 million in FY 2020. The fiscal impact to the state General Fund relating to the VLT portion is unknown at this time.

Provisions

1. Repeals the fee and ADOT's rulemaking exemption to implement the fee.
2. Repeals the changes to the VLT for alternative fuel vehicles that go into effect on January 1, 2020.
3. Makes conforming changes.
4. Becomes effective on the general effective date.

Prepared by Senate Research
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LMM/kja