CHAPTER 264

HOUSE BILL 2481

AN ACT


(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 28-3158, Arizona Revised Statutes, is amended to read:

28-3158. Driver license or instruction permit application
A. A person who applies for an instruction permit or for a driver license shall use a form furnished by the department.
B. An applicant shall pay the fee prescribed by section 28-3002 for a driver license or for an instruction permit issued under section 28-3154, 28-3155, 28-3156 or 28-3225. For a class A, B or C license application, payment of the fee required by this section entitles the applicant to not more than three attempts to pass the written examination or road test within twelve months from the date of the application. The department shall refund an application fee pursuant to section 28-373.
C. An applicant for an instruction permit or a driver license shall give the department satisfactory proof of the applicant's full legal name, date of birth, sex and domicile residence address in this state, if the applicant has a residence address, and that the applicant's presence in the United States is authorized under federal law.
D. The application for an instruction permit or a driver license shall state the following:
1. A brief description of the applicant and any other identifying information required by the department.
2. Whether the applicant has been licensed, and if so, the type of license issued, when the license was issued and what state or country issued the license.
3. If the applicant was never licensed, the applicant's last previous state or country of residence.
4. The social security number of the applicant.
E. The department shall:
1. Verify that a social security number provided by an applicant is a valid number assigned to that applicant.
2. Retain the social security number in its records.
F. The social security number provided to the department pursuant to subsection D of this section for an applicant's driver license or instruction permit shall not appear on an applicant's driver license or instruction permit unless the applicant requests that the social security number appear on the applicant's driver license or instruction permit as the driver license or instruction permit number. Except as provided in sections 28-455 and 41-1954, the department shall not release the social security number to any person unless the applicant requests that the social security number appear on the applicant's driver license or instruction permit as the driver license or instruction permit number. The provisions of this subsection shall be included in each application.
G. The department may adopt and implement procedures to deny a driver license or instruction permit to a person who has been deported. The department may adopt and implement procedures to reinstate a person's privilege to apply for a driver license or permit if the person's legal presence status is restored.

H. On request of an applicant, the department shall allow the applicant to provide on the license or permit a post office box address that is regularly used by the applicant.

I. The department may request an applicant who appears in person for a license, a duplicate license or reinstatement of a driving privilege to complete satisfactorily the vision screening prescribed by the department.

J. If a driver license applicant submits satisfactory proof to the department that the applicant is a veteran, on request of the applicant, the department shall allow a distinguishing mark to appear on the license that identifies the person as a veteran.

Sec. 2. Section 28-3171, Arizona Revised Statutes, is amended to read:

28-3171. Driver license expiration and renewal; extension

A. Except as provided in subsection B, D or E of this section and unless medical restrictions require a shorter expiration period, a driver license IS EITHER OF THE FOLLOWING:

1. Valid until the applicant's sixty-fifth birthday.
2. Renewable for successive periods of five years after the applicant's sixty-fifth sixtieth birthday.
3. Expires on the applicant's birthday if the license was issued pursuant to subsection B of this section.

B. Notwithstanding subsection A of this section, the department shall issue to an applicant a driver license that is valid for not more than five years and six months if the applicant applies within six months of the applicant's next birthday and if the applicant is sixty-four years of age or older, unless medical restrictions require a shorter expiration period.

on presentation of satisfactory proof of qualification, the on presentation of satisfactory proof of qualification, the director may issue a class D, G or M license or permit for a period of up to five years to:

1. A person who is an out-of-state student or who is the spouse of an out-of-state student. For the purposes of this subdivision PARAGRAPH, "out-of-state student" has the same meaning prescribed in section 28-2001.
2. An immediate family member of any active duty military personnel temporarily stationed in this state.
3. Any other person for whom the director determines other circumstances justify the issuance.

C. An applicant shall apply for renewal of a driver license before the expiration of a current license. The department may require an examination of a renewal applicant for a class D, G or M license as required of an original applicant.

D. A veteran, as defined in section 41-601, whose driver license expires is not required to renew the veteran's driver license for six months after the date of the veteran's discharge from military service.

E. The department may extend the expiration date of a class D or M license for a resident if the applicant is not in this state at the time the license expires and will not be in this state for at least thirty consecutive days after the expiration of the driver license. On payment by the applicant of the fee prescribed in section 28-3002, the department shall issue a certificate of extension that is valid only if accompanied by the applicant's previous license. An applicant for extension of a license shall comply with the following:
   1. The application requirements of section 28-3158.
   2. The licensing requirements of section 28-3153.
   3. Medical requirements applicable to all license applicants, except that the applicant is not required to obtain an eyesight examination.

Sec. 3. Section 28-3225, Arizona Revised Statutes, is amended to read:

28-3225. Commercial learner's permit

A. A person who is at least eighteen years of age may apply to the department for a learner's permit for a class A, B or C license. The department may issue a learner's permit to the applicant after the applicant passes all parts of the examination and meets all other requirements for a class A, B or C license other than the driving test.

B. The permit entitles the permittee to drive a motor vehicle requiring a class A, B or C license on the public highways for six months after the date of issuance when the following conditions are met:
   1. The permittee has the permit in the permittee's immediate possession.
   2. The permittee is accompanied by a person who has the same class or a higher class of license issued by this state or any other qualifying state and who occupies a seat beside the driver.
   3. If the permittee is under twenty-one years of age, the permittee does not operate a commercial motor vehicle interstate.
Sec. 4. Section 28-3480, Arizona Revised Statutes, is amended to read:

28-3480. Operation in violation of restriction; classification; civil traffic violation
A. Except as provided in subsections B and C of this section, a person who operates a motor vehicle in violation of a driver license restriction is guilty of a class 2 misdemeanor.
B. If the restriction that is violated is the requirement to wear corrective lenses while operating a motor vehicle, the person is responsible for a civil traffic violation.
C. If the restriction that is violated is imposed pursuant to section 28-1601 or 28-3308, the person is responsible for a civil traffic violation.
D. If the person is cited for a violation of subsection C of this section and presents evidence to the court that the person's unrestricted driving privilege has been reinstated, the court may dismiss the citation.

Sec. 5. Section 28-3482, Arizona Revised Statutes, is amended to read:

28-3482. Driving on a license suspended for failure to appear; restricted privilege to drive; civil penalty; dismissal
A. A person may not drive a motor vehicle on a public highway if the person's privilege to drive a motor vehicle is suspended pursuant to section 28-1601 or 28-3308.
B. A person who violates this section is responsible for a civil traffic violation and is not subject to vehicle towing REMOVAL or impound IMPOUNDMENT pursuant to section 28-3511.
C. If a person is cited for a violation of this section and the person presents evidence to the court that the person's unrestricted privilege to drive has been reinstated, the court may dismiss the charge of driving under a suspended license.

Sec. 6. Section 28-3512, Arizona Revised Statutes, is amended to read:

28-3512. Release of vehicle; civil penalties; definition
A. An immobilizing or impounding agency shall release a vehicle before the end of the immobilization or impoundment period as follows:
1. To the registered owner, if the vehicle is a stolen vehicle.
2. To the registered owner, if the vehicle is subject to bailment and is driven by an employee of a business establishment, including a parking service or repair garage, who is subject to section 28-3511, subsection A, B or C.
3. To the registered owner, if the owner was operating the vehicle at the time of removal and either immobilization or impoundment and presents proof satisfactory to the immobilizing or impounding agency that...
the owner has a valid driver license or the owner's driving privilege has been reinstated.

4. To the registered owner, if all of the following apply:
   (a) The owner or the owner's agent was not the person driving the vehicle pursuant to section 28-3511, subsection A.
   (b) The owner or the owner's agent is in the business of renting motor vehicles without drivers.
   (c) The vehicle is registered pursuant to section 28-2166.
   (d) There was a rental agreement in effect at the time of the immobilization or impoundment.

5. Except as provided in paragraph 7 of this subsection, to the spouse of the registered owner or any person who is identified as an owner of the vehicle on the records of the department at the time of removal and either immobilization or impoundment, if the spouse or person was not the driver of the vehicle at the time of removal and either immobilization or impoundment and the spouse or person enters into an agreement with the immobilizing or impounding agency that stipulates that if the spouse or person allows a driver who does not have a valid driving privilege or a driver who commits a violation that causes the spouse's or person's vehicle to be removed and either immobilized or impounded pursuant to this article within one year after any agreement is signed by an immobilizing or impounding agency, the spouse or person will not be eligible to obtain release of the spouse's or person's vehicle before the end of the immobilization or impoundment period.

6. To the motor vehicle dealer, if the vehicle is owned by a motor vehicle dealer who has paid fees pursuant to section 28-4302 and is driven by a customer, potential customer or employee of the motor vehicle dealer and the motor vehicle dealer has provided to the immobilizing or impounding agency indicia of the motor vehicle dealer's ownership of the vehicle, including a certificate of title or a manufacturer-issued certificate or statement of origin.

7. To any person who is identified as an owner of the vehicle on the records of the department at the time of removal and either immobilization or impoundment, if the vehicle is a commercial motor vehicle, a street sweeper or heavy equipment as defined in section 28-854 and the person was not the driver of the vehicle at the time of removal and either immobilization or impoundment.

B. A vehicle shall not be released pursuant to subsection A of this section except pursuant to an immobilization or a poststorage hearing under section 28-3514 or if all of the following are presented to the immobilizing or impounding agency:
   1. The owner's or owner's spouse's currently valid driver license issued by this state or the owner's or owner's spouse's state of domicile.
   2. Proof of current vehicle registration or a valid salvage or dismantle certificate of title.
3. Proof that the vehicle is in compliance with the financial responsibility requirements of chapter 9, article 4 of this title.

4. If the person is required by the department to install a certified ignition interlock device on the vehicle, proof of installation of a functioning certified ignition interlock device in the vehicle. The impounding agency, storage yard, facility, person or agency having physical possession of the vehicle shall allow access during normal business hours to the impounded vehicle for the purpose of installing a certified ignition interlock device. The impounding agency, storage yard, facility, person or agency having physical possession of the vehicle shall not charge any fee or require compensation for providing access to the vehicle or for the installation of the certified ignition interlock device.

C. The owner or the owner's spouse if the vehicle is released to the owner's spouse is responsible for paying all immobilization, towing and storage charges related to the immobilization or impoundment of the vehicle and any administrative charges established pursuant to section 28-3513, unless the vehicle is stolen and the theft was reported to the appropriate law enforcement agency. If the vehicle is stolen and the theft was reported to the appropriate law enforcement agency, the operator of the vehicle at the time of immobilization or impoundment is responsible for all immobilization, towing, storage and administrative charges.

D. Before the end of the immobilization or impoundment period, the immobilizing or impounding agency shall release a vehicle to a person, other than the owner, identified on the department's record as having an interest in the vehicle immediately before the immobilization or impoundment if all of the following conditions are met:

1. The person is either of the following:
   (a) In the business of renting motor vehicles without drivers and the vehicle is registered pursuant to section 28-2166.
   (b) A motor vehicle dealer, bank, credit union or acceptance corporation or any other licensed financial institution legally operating in this state or is another person who is not the owner and who holds a security interest in the vehicle immediately before the immobilization or impoundment.

2. The person pays all immobilization, towing and storage charges related to the immobilization or impoundment of the vehicle and any administrative charges established pursuant to section 28-3513 unless the vehicle is stolen and the theft was reported to the appropriate law enforcement agency. If the vehicle is stolen and the theft was reported to the appropriate law enforcement agency, the operator of the vehicle at the time of immobilization or impoundment is responsible for all immobilization, towing, storage and administrative charges.

3. The person presents foreclosure documents or an affidavit of repossession of the vehicle.
4. The person requesting release of the vehicle was not the person
driving the vehicle at the time of removal and immobilization or
impoundment.

E. Before a person described in subsection D of this section
releases the vehicle to the owner who was operating the vehicle at the
time of removal and immobilization or impoundment, the person described in
subsection D of this section shall require the owner to present and shall
retain for a period of at least three years from the date of releasing the
vehicle a copy of all of the following:
   1. A driver license issued by this state or the owner's or owner's
      agent's state of domicile.
   2. A current vehicle registration or a valid salvage or dismantle
      certificate of title.
   3. Evidence that the vehicle is in compliance with the financial
      responsibility requirements of chapter 9, article 4 of this title.

F. The person described in subsection D of this section may require
the owner to pay charges that the person incurred in connection with
obtaining custody of the vehicle, including all immobilization, towing and
storage charges that are related to the immobilization or impoundment of
the vehicle and any administrative charges that are established pursuant
to section 28-3513.

G. A vehicle shall not be released after the end of the
immobilization or impoundment period unless the owner or owner's agent
presents all of the following to the impounding or immobilizing agency:
   1. A valid driver license issued by this state or by the owner's or
      owner's agent's state of domicile.
   2. A current vehicle registration or a valid salvage or dismantle
      certificate of title.
   3. Evidence that the vehicle is in compliance with the financial
      responsibility requirements of chapter 9, article 4 of this title.
   4. If the person is required by the department to install a
      certified ignition interlock device on the vehicle, proof of installation
      of a functioning certified ignition interlock device in the vehicle. The
      impounding agency, storage yard, facility, person or agency having
      physical possession of the vehicle shall allow access during normal
      business hours to the impounded vehicle for the purpose of installing a
      certified ignition interlock device. The impounding agency, storage yard,
      facility, person or agency having physical possession of the vehicle shall
      not charge any fee or require compensation for providing access to the
      vehicle or for the installation of the certified ignition interlock
device.

H. The storage charges relating to the impoundment of a vehicle
pursuant to this section shall be subject to a contractual agreement
between the impounding agency and a towing firm for storage services
pursuant to section 41-1830.51 and shall be $25 for each day of storage,
including any time the vehicle remains in storage after the end of the impoundment period.

I. The immobilizing or impounding agency shall have no lien or possessory interest in a stolen vehicle if the theft was reported to the appropriate law enforcement agency. The immobilizing or impounding agency shall release the vehicle to the owner or person other than the owner as identified in subsection D of this section even if the operator at the time of immobilization or impoundment has not paid all immobilization, towing, storage and administrative charges.

J. A person who enters into an agreement pursuant to subsection A, paragraph 5 of this section and who allows another person to operate the vehicle in violation of the agreement is responsible for a civil traffic violation and shall pay a civil penalty of at least $250.

K. A person described in subsection D, paragraph 1 of this section who violates subsection E of this section is responsible for a civil traffic violation and shall pay a civil penalty of at least $250.

L. For the purposes of this section, "certified ignition interlock device" has the same meaning prescribed in section 28-1301.

Sec. 7. Section 28-4841, Arizona Revised Statutes, is amended to read:

28-4841. Abandoned vehicle; notice of intent to transfer vehicle

A. On receipt of a report as required by this chapter, the director shall determine the name and address of the owner and lienholder, if any, or any other person identified on the department's record by either:

1. Searching the department records.

2. Asking the vehicle registration agency of another state if the vehicle is registered in that state.

B. On receipt of information from reports pursuant to section 28-4838 or 28-4839 and after determining the name and address of the owner and lienholder, if any, or any other person identified on the department's record who may have an interest in the vehicle, the director shall notify all interested persons by mail within five days for a vehicle with a record in this state or within thirty days for all other vehicles. The director shall make the notice on a form prescribed by the director. The notice shall include:

1. A complete description of the vehicle.

2. A notice of intent to transfer ownership of the vehicle to the person in possession of the vehicle if, within thirty days from the date placed on the notification by the department, the owner or lienholder or a person who has an interest in the vehicle does not notify the department of the owner's, lienholder's or person's interest in the vehicle or claim the vehicle.

3. The vehicle identification number.
4. The place and date the vehicle was found, seized or taken into possession.
5. The storage location of the vehicle.
6. A statement that the owner is liable to the department for the amounts provided in section 28-4802 if the vehicle was abandoned and removed pursuant to section 28-4802 and that the cost will be collected if the owner subsequently registers another vehicle in this state or subsequently applies for or renews a driver license issued by this state.

C. If the records of the department or out of state jurisdiction do not disclose the name and address of the owner and lienholder, if any, or any other person identified on the department's record who may have an interest in the vehicle, or if the notice is returned marked unclaimed or addressee unknown, the department shall publish the notice of the intent of the director to transfer ownership of abandoned vehicles pursuant to this chapter once in a newspaper of general circulation in the county in which the vehicle was found or seized ON THE DEPARTMENT'S WEBSITE FOR AT LEAST THIRTY DAYS. The published notice shall include a statement of the intent of the director to transfer ownership of abandoned vehicles after ten days of the published notice and that the department will make available to the public a complete vehicle description of abandoned vehicles subject to transfer of ownership.

D. A person who has filed a report of an abandoned vehicle pursuant to section 28-4838, 28-4839 or 28-4840 shall notify the director within twenty-four hours and in the manner prescribed by the director if the vehicle is released or returned to or redeemed or repossessed by the lawful owner or lienholder, if any, or any other person who is identified on the department's record and who may have an interest in the vehicle.

Sec. 8. Section 28-5801, Arizona Revised Statutes, is amended to read:

28-5801. Vehicle license tax rate
A. At the time of application for and before registration each year of a vehicle, the registering officer shall collect the vehicle license tax imposed by article IX, section 11, Constitution of Arizona. On the taxpayer's vehicle license tax bill, the registering officer shall provide the taxpayer with the following:
1. Information showing the amount of the vehicle license tax that each category of recipient will receive and the amount that is owed by the taxpayer.
2. The amount of vehicle license tax the taxpayer would pay pursuant to section 28-5805 if the taxpayer's motor vehicle was powered by alternative fuel.

B. Except as provided in subsections C, D and E of this section:
1. During the first twelve months of the life of a vehicle as determined by its initial registration, the vehicle license tax is based on each $100 in value, the value of the vehicle is
sixty percent of the manufacturer's base retail price of the vehicle and the vehicle license tax rate for each of the recipients is as follows:

(a) The rate for the Arizona highway user revenue fund is one dollar twenty-six cents $1.26.
(b) The rate for the county general fund is sixty-nine cents $.69.
(c) The rate for counties for any purposes related to transportation, as determined by the board of supervisors, is sixteen cents $.16.
(d) The rate for incorporated cities and towns is sixty-nine cents $.69.

2. During each succeeding twelve-month TWELVE-MONTH period, the vehicle license tax is based on each one-hundred dollars $100 in value, the value of the vehicle is 16.25 percent PERCENT less than the value for the preceding twelve-month TWELVE-MONTH period and the vehicle license tax rate for each of the recipients is as follows:

(a) The rate for the Arizona highway user revenue fund is one dollar thirty cents $1.30.
(b) The rate for the county general fund is seventy-one cents $.71.
(c) The rate for counties for the same use as highway user revenue fund monies is seventeen cents $.17.
(d) The rate for incorporated cities and towns is seventy-one cents $.71.

3. The minimum amount of the vehicle license tax computed under this section is ten dollars $10 per year for each vehicle that is subject to the tax. If the product of all of the rates prescribed in paragraph 1 or 2 of this subsection is less than ten dollars $10, the vehicle license tax is ten dollars $10. The vehicle license tax collected pursuant to this paragraph shall be distributed to the recipients prescribed in this subsection based on the percentage of each recipient's rate to the sum of all of the rates.

C. The vehicle license tax is as follows for noncommercial trailers that are not travel trailers and that are ten thousand pounds or less gross vehicle weight:

1. On initial registration, a one-time ONETIME vehicle license tax of one hundred five dollars $105.
2. On renewal of registration, a one-time ONETIME vehicle license tax of seventy dollars $70.

D. The vehicle license tax is as follows for a trailer or semitrailer that is not a travel trailer and that exceeds ten thousand pounds gross vehicle weight:

1. On initial registration, a one-time ONETIME vehicle license tax of five hundred fifty-five dollars $555.
2. On renewal of registration or if previously registered in another state, a one-time ONETIME vehicle license tax of:
(a) If the trailer's or semitrailer's model year is less than six years old, three hundred fifty-five dollars $355.
(b) If the trailer's or semitrailer's model year is at least six years old, one hundred dollars $100.

E. The vehicle license tax for an all-terrain vehicle or off-highway vehicle as defined in section 28-1171 is three dollars $3 if the all-terrain vehicle or off-highway vehicle meets both of the following criteria:
   1. Is designed by the manufacturer primarily for travel over unimproved terrain.
   2. Has an unladen weight of eighteen two thousand five hundred pounds or less.

F. The vehicle license tax collected pursuant to subsection C, D or E of this section shall be distributed to the recipients prescribed in subsection B of this section based on the percentage of each recipient's rate to the sum of all of the rates.

G. For the purposes of subsection SUBSECTIONS C and D of this section, "travel trailer" has the same meaning prescribed in section 28-2003.

Sec. 9. Section 28-5805, Arizona Revised Statutes, is amended to read:

28-5805. Motor vehicle powered by alternative fuel; classification; vehicle license tax; definitions

A. A separate classification of motor vehicles is established for purposes of taxation pursuant to article IX, section 11, Constitution of Arizona, that consists of motor vehicles that are powered by alternative fuel and for which the department issues an alternative fuel vehicle special plate or sticker pursuant to section 28-2416.

B. Notwithstanding section 28-5801, the registering officer shall collect at the time of application for and before registration of the motor vehicle that is classified under this section an annual license tax of $4 for each $100 in value. The motor vehicle value is determined as follows:
   1. For a motor vehicle that is registered in this state before January 1, 2022, the value of the motor vehicle is one percent of the manufacturer's base retail price of the motor vehicle. After the first twelve months of the life of the motor vehicle as determined by its initial registration, the value of the motor vehicle is fifteen percent less for each twelve-month period than the value for the preceding twelve-month period.
   2. For a motor vehicle that is initially registered in this state during a period beginning January 1, 2022 and ending December 31, 2022, during the first twelve months of the life of the motor vehicle as determined by its initial registration, the value of the motor vehicle is twenty percent of the manufacturer's base retail price of the motor
vehicle. During each succeeding twelve-month period, the value of the
motor vehicle is fifteen percent less than the value for the preceding
twelve-month period.

C. The registering officer shall collect the vehicle license tax on
a motor vehicle that is powered by alternative fuel and that is purchased
INITIALLY REGISTERED from and after December 31, 2022 in accordance with
section 28-5801. THE MINIMUM AMOUNT OF THE VEHICLE LICENSE TAX COLLECTED
PURSUANT TO THIS SUBSECTION MUST BE IN ACCORDANCE WITH SECTION 28-5801 AND
SHALL BE DISTRIBUTED PURSUANT TO SECTION 28-5808, SUBSECTION B.

D. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION, the minimum
amount of the license tax computed under this section is $5 per year for
each motor vehicle subject to the tax.

E. Except as specifically provided in this section, the vehicle license tax on a motor vehicle classified under this section is governed by this article.

F. For the purposes of this section:
   1. "Alternative fuel" has the same meaning prescribed in section
   1-215.
   2. "Motor vehicle" means a vehicle that meets the safety standards
      of the national highway traffic safety administration and includes:
         (a) Neighborhood electric vehicles that meet the standards
             prescribed in 49 Code of Federal Regulations section 571.500, except that,
             if a vehicle is designed to be operated at speeds of twenty miles per hour
             or less, the vehicle is not required to have a seventeen digit vehicle
             identification number.
         (b) Neighborhood electric shuttles.

Sec. 10. Section 28-6392, Arizona Revised Statutes, is amended to
read:

28-6392. County regional area road fund; distribution; repayment of misused monies; investment

A. Each month the state treasurer shall distribute the monies in
the county's regional area road fund to the individual county and to the
individual cities and towns in the county in the manner that is determined
by the board of supervisors before the election and that is described in
the publicity pamphlet for the election.

B. The jurisdiction receiving the revenues may only use the
revenues ONLY for street and highway purposes or for transportation
projects included in the regional transportation plan of the county as
prepared by the county regional planning agency. If the auditor general
reports to the department STATE TREASURER after conducting a performance
audit pursuant to section 41-1279.03, subsection A, paragraph 6 that a
jurisdiction has not used revenues as provided in this subsection:
   1. The department STATE TREASURER shall require the jurisdiction to
directly repay the fund the full amount of the misused monies beginning
immediately as a lump sum or in consecutive annual payments of at least ten percent of the full amount each fiscal year.

2. If the jurisdiction fails to timely and fully repay the fund as required by paragraph 1 of this subsection, the department shall notify the state treasurer who shall withhold the noncomplying jurisdiction's revenues until the noncomplying jurisdiction presents evidence that is satisfactory to the auditor general and that shows that the jurisdiction has spent monies for purposes prescribed in this subsection from another general revenue source equal to the amount of the revenues diverted from the uses prescribed in this subsection.

C. The state treasurer shall invest and divest monies in the county's regional area road fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

Sec. 11. Section 28-8322, Arizona Revised Statutes, is amended to read:

28-8322. Registration; exceptions; definition

A. Aircraft based in this state shall be registered with the department.

B. A person or governmental entity shall register an aircraft by applying to the department on a form provided by the department within sixty days after the aircraft is brought into this state. A person who registers an aircraft shall renew the registration annually for each calendar year on or before the last day of February AS PRESCRIBED BY SECTION 28-8322.01.

C. The department shall not issue a registration certificate for an aircraft to a person who is subject to the use tax paid pursuant to title 42, chapter 5, article 4 unless the applicable tax has been paid as shown by a receipt from the collecting officer.

D. Subsections A and B OF THIS SECTION do not apply to aircraft that is ANY OF THE FOLLOWING:

1. Operated by an airline company and regularly scheduled for the primary purpose of carrying persons or property for hire in interstate, intrastate or international transportation.

2. Owned by a nonresident who bases the aircraft in this state for a period of not more than ninety consecutive days or ninety days in any one calendar year, if the aircraft is not engaged in intrastate commercial activity.

3. A BALLOON

E. Aircraft, except aircraft included in subsection D, paragraph 1 OF THIS SECTION, entering the state to engage in intrastate commercial operations shall be registered before commencing these operations.

F. FOR THE PURPOSES OF THIS SECTION, "BALLOON" MEANS EITHER:

1. AN AIRCRAFT THAT IS A FLEXIBLE, NONPOROUS BAG INFLATED WITH A GAS THAT IS LIGHTER THAN AIR.

2. A HOT AIR BALLOON.
Sec. 12. Title 28, chapter 25, article 4, Arizona Revised Statutes, is amended by adding sections 28-8322.01 and 28-8322.02, to read:

28-8322.01.  Staggered aircraft registration: rules
A. The Director shall establish a system of staggered registration on a monthly basis to distribute the work of registering aircraft as uniformly as practicable throughout the twelve months of the calendar year.
B. All aircraft registrations under this article expire pursuant to schedules established by the Director. The Director may set the number of renewal periods within a month.
C. If adoption of the staggered system results in the expiration of any registration more than one year after its issuance, the Department shall charge a prorated license tax that is one-twelfth of the full annual amount for each full month of the registration cycle and shall charge a full registration fee.
D. In order to initiate a system of registering or reregistering aircraft during any month of the calendar year, the Director may register or reregister an aircraft for more or less than a twelve-month period, but for not more than an eighteen-month period, and may prorate the license tax by one-twelfth of the full annual amount for each full month of the registration cycle and shall charge a full registration fee.
E. The Director or a registering officer may allow a person who owns two or more aircraft to register or reregister the aircraft for less than one year so that the aircraft’s registrations expire on the same date.
F. The Director shall adopt rules necessary to implement this section.

28-8322.02.  Fleet registration requirements
A. In lieu of the staggered aircraft registration requirements under section 28-8322.01, a person may register a fleet of two or more aircraft on an annual basis so that the registrations for all aircraft in the fleet expire in the same month.
B. The Director shall approve the request for fleet registration if, at least thirty days before the registration date, the applicant provides both of the following:
1. An application containing information necessary for qualification as a fleet registrant.
2. A list of all aircraft to be included in the fleet.
C. To establish a new fleet registration and a uniform month of expiration, all of the following apply:
1. The Department shall maintain the valuation for aircraft determined pursuant to section 28-8335 at the current valuation if it is necessary to calculate a prorated license tax.
2. The license tax for that year on the aircraft shall be prorated by one-twelfth of the full annual amount for each full month of the registration cycle.

3. The aircraft owner shall pay the full registration fee. The registration may not be prorated.

Sec. 13. Section 28-8324, Arizona Revised Statutes, is amended to read:

28-8324. Registration; license tax
A. Aircraft on which a license tax is due under section 28-8335 shall not be registered until the license tax is paid.
B. If an aircraft that was not previously subject to registration in this state becomes subject to registration, after the beginning of the calendar year:
   1. The license tax for that year on the aircraft shall be reduced by one-twelfth for each full month of the calendar year that has expired.
   2. The aircraft owner shall pay the full registration fee. The registration fee shall not be prorated. THE AIRCRAFT SHALL BE REGISTERED PURSUANT TO SECTION 28-8322.01.

Sec. 14. Section 28-8325, Arizona Revised Statutes, is amended to read:

28-8325. Registration fee; certificate
A. On payment of a registration fee of five dollars $5, the license tax and the penalty, if any, the department shall issue a REGISTRATION certificate and license decal THAT MUST BE KEPT WITH THE AIRCRAFT AT ALL TIMES.
B. The license decal shall be displayed on the aircraft at all times in the manner prescribed by the department.
C. On satisfactory proof of the loss or destruction of the license decal, the department shall issue a duplicate of the license decal to the owner on payment of a four dollar fee.

Sec. 15. Section 28-8329, Arizona Revised Statutes, is amended to read:

28-8329. Late registration; penalty; abatement
A. If an aircraft required to be registered under this article is not registered within sixty days after its entry into this state and renewed annually on or before the last day of February PURSUANT TO SECTION 28-8322.01, a penalty of twenty-five dollars $25 for the first month and five dollars $5 for each succeeding month of delinquency shall be added to the registration fee and collected unless an exemption for the aircraft is established pursuant to this article.
B. Registration of the aircraft for the year immediately preceding the year for which the application for registration is made is prima facie evidence that the aircraft has been based in this state during the year for which the application for registration is made.
C. The director may abate all or a part of any penalty assessed for failure to register an aircraft within the time periods prescribed in this article if the director believes that reasonable cause exists for the failure to register the aircraft as provided by this article. For the purposes of this subsection, "reasonable cause" means a reasonable basis for the person responsible for registration of the aircraft to believe that the aircraft was exempt from registration requirements.

Sec. 16. Section 28-8335, Arizona Revised Statutes, is amended to read:

28-8335. License tax; tax rate
A. An annual license tax is imposed on all aircraft based in this state and required to be registered pursuant to this article, unless an exemption for the aircraft is established pursuant to this article. The license tax is payable to the department on initial registration and annually on or before the last day of February PURSUANT TO SECTION 28-8322.01.

B. Except as provided in sections 28-8336, through 28-8337, 28-8338, 28-8339, 28-8340 AND 28-8341, the department shall determine and assess the license tax prescribed by subsection A of this section on the basis of one-half percent of the average fair market value of the particular make, model and year of aircraft. The tax assessed under this subsection shall not be less than twenty dollars AT LEAST $20 for a full year of registration.

Sec. 17. Section 28-8337, Arizona Revised Statutes, is amended to read:

28-8337. Stored or repaired aircraft; license tax rate
A. The annual license tax for aircraft that is in storage or that is being repaired is twenty dollars $20 for each aircraft, except for an aircraft taxed under section 28-8341.

B. To qualify for the tax under this section, the aircraft owner shall annually file a sworn affidavit on a form provided by the department with the department not later than the last day of February THE REGISTRATION CYCLE or within sixty days after the aircraft is placed in storage or under repair on entry into this state.

C. The owner of an aircraft that is subject to the tax under this section shall notify the department within ten days AFTER the date the aircraft is returned to use and shall pay the appropriate license tax, if any, prorated on the basis of one-twelfth for each month remaining in the calendar-year REGISTRATION CYCLE beginning with the first month the aircraft is restored to use.
Sec. 18. Section 28-8338, Arizona Revised Statutes, is amended to read:

28-8338. Salvage aircraft; license tax rate; definition
A. The annual license tax for a salvage aircraft that is in storage or that is being restored is **five dollars $5** for each aircraft, and the tax shall not be prorated.

B. To qualify for the tax under this section, the salvage aircraft owner shall annually file a sworn affidavit on a form provided by the department with the department not later than the last day of **February THE REGISTRATION CYCLE** or within sixty days after the aircraft is placed in storage or under restoration on entry into this state.

C. The salvage aircraft owner who is subject to the tax under this section shall notify the department within ten days of **AFTER the date the aircraft is returned to use** and shall pay the appropriate license tax, if any, prorated on the basis of one-twelfth for each month remaining in the **calendar year REGISTRATION CYCLE** beginning with the first month the aircraft is returned to use.

D. For the purposes of this section, "salvage aircraft" means an aircraft that is being restored and that is not meant to be flown.

Sec. 19. Section 28-8339, Arizona Revised Statutes, is amended to read:

28-8339. Special aircraft; license tax rate; definitions
A. The annual license tax for an antique AIRCRAFT, classic AIRCRAFT, warbird AIRCRAFT, glider AIRCRAFT, experimental AIRCRAFT OR homebuilt or balloon aircraft is **twenty dollars $20** for each aircraft.

B. To qualify for the tax under this section, the aircraft owner shall annually apply on a form provided by the department to the department not later than the last day of **February THE REGISTRATION CYCLE** or within sixty days after entry into this state.

C. For the purposes of this section:
1. "Antique aircraft" means an aircraft that has a year of original manufacture and federal certification that is fifty years old or older.

2. "Balloon" means either:
   (a) An aircraft that is a flexible, nonporous bag inflated with a gas lighter than air.
   (b) A hot air balloon.

3. "Classic aircraft" means an aircraft that has a year of original manufacture and federal certification that is at least forty years old but not more than forty-nine years old.

4. "Experimental aircraft" means an aircraft that is designated as experimental on its federal aviation administration airworthiness certificate.

5. "Glider aircraft" means a light, engineless aircraft that is designed to glide after being towed aloft or launched from a catapult.
6. "Homebuilt aircraft" means an aircraft that is constructed primarily by an individual for the individual's personal use, excluding an aircraft that is constructed primarily by a for profit aircraft manufacturing business.

7. "Warbird aircraft" means an aircraft that is built before January 1, 1948 expressly for the purpose of military service.

Sec. 20. Section 28-8340, Arizona Revised Statutes, is amended to read:

28-8340. Manufacturer's aircraft; definition
A. The annual license tax for a manufacturer's aircraft is twenty dollars $20 for each aircraft.
B. To qualify for the tax under this section, the manufacturer's aircraft owner shall annually file a sworn affidavit on a form provided by the department with the department not later than the last day of February THE REGISTRATION CYCLE or within sixty days after entry into this state.
C. For the purposes of this section, "manufacturer's aircraft" means an aircraft that is both:
   1. Manufactured under a production certificate issued by the federal aviation administration under federal air regulations part 21.
   2. Owned by the manufacturer for purposes of completing manufacture or sale.

Sec. 21. Section 28-8341, Arizona Revised Statutes, is amended to read:

28-8341. Maintenance aircraft; license tax rate; definition
A. The annual license tax for a maintenance aircraft owned by a nonresident is twenty dollars $20 for each aircraft, unless an exemption is established pursuant to this article. The tax shall not be prorated.
B. To qualify for the tax under this section, the nonresident owner or representative of the owner shall annually file a sworn affidavit on a form provided by the department with the department not later than the last day of February THE REGISTRATION CYCLE or within ninety days after the maintenance aircraft enters this state.
C. For the purposes of this section, "maintenance aircraft" means an aircraft that is not based in this state but that is present in this state solely for the purpose of maintenance, repair or servicing at a federal certified maintenance facility.

Sec. 22. Section 28-8342, Arizona Revised Statutes, is amended to read:

28-8342. Fair market value determination
A. For the calendar-year REGISTRATION CYCLE, the department shall annually determine the fair market value required by sections 28-8335 and 28-8336 as established by the dealer price guides or other recognized reliable source of information.
APPROVED BY THE GOVERNOR MAY 27, 2022.