

JLBC Fiscal Note

BILL # HB 2367

SPONSOR: Keshel

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TITLE: neighborhood electric vehicles; VLT; exemption

STATUS: As Introduced

Description

HB 2367, As Introduced, would exclude alternative fuel golf carts and neighborhood electric vehicles (NEV's) from paying the Vehicle License Tax (VLT).

Estimated Impact

We estimate that this bill would result in an ongoing decrease of \$(72,300) in VLT revenue collections, starting in FY 2027, that are distributed as follows: \$(27,200) to the Highway User Revenue Fund (HURF), \$(14,800) to county general funds, \$(3,600) to counties for transportation purposes, \$(14,800) to cities and towns, \$(4,100) to the State Highway Fund, and \$(7,800) to the General Fund for school financial assistance.

Analysis

Our estimate assumes the following:

- 1) There are 24,100 electric golf carts and NEV's that are registered in the state of Arizona, according to 2025 data from the Arizona Department of Transportation.
- 2) All 24,100 golf carts weigh less than 2,500 pounds.
- 3) All 24,100 golf carts will be designated primarily for off-highway use and therefore currently pay an annual VLT of \$3, of which 37.61% is deposited into HURF, 20.45% to county general funds, 4.91% to counties for transportation-related purposes, 20.45% to incorporated cities and towns, 5.73% to the State Highway Fund, and 10.85% to the General Fund for school financial assistance.
- 4) As long as certain conditions are met, golf carts and NEV's, if designated primarily for use on improved roads and highways, would be subject to the full VLT formula. In the instance that alternative fuel golf carts and NEV's currently choose this designation, the bill would result in a larger decrease in VLT revenue collections.

2/12/26