

REFERENCE TITLE: special plate; small business advocate

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2254

Introduced by
Representative Weninger

AN ACT

AMENDING SECTIONS 28-2351 AND 28-2403, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 12, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2470.40; AMENDING SECTIONS 28-6501, 28-6991 AND 28-6993, ARIZONA REVISED STATUTES; RELATING TO SPECIAL PLATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-2351, Arizona Revised Statutes, is amended to
3 read:

4 28-2351. License plate provided; design

5 A. Notwithstanding any other law, the department shall provide to
6 every owner one license plate for each vehicle registered. At the request
7 of the owner and on payment of a fee in an amount prescribed by the
8 director by rule, the department shall provide one additional license
9 plate for a vehicle for which a special plate is requested pursuant to
10 this chapter.

11 B. The license plate shall display the number assigned to the
12 vehicle and to the owner of the vehicle and the name of this state, which
13 may be abbreviated. The director shall coat the license plate with a
14 reflective material that is consistent with the determination of the
15 department regarding the color and design of license plates and special
16 plates. The director shall design the license plate and the letters and
17 numerals on the license plate to be of sufficient size to be plainly
18 readable during daylight from a distance of one hundred feet. In addition
19 to the standard license plate issued for a trailer before August 12, 2005,
20 the director shall issue a license plate for trailers that has a design
21 that is similar to the standard size license plate for trailers but that
22 is the same size as the license plate for motorcycles. The trailer owner
23 shall notify the department which size license plate the owner wants for
24 the trailer.

25 C. In addition to the requirements prescribed in subsection B of
26 this section, for all license plates, including all special plates, that
27 are designed or redesigned on or after September 24, 2022:

28 1. The background color of the license plate shall contrast
29 significantly with the color of the letters and numerals on the license
30 plate and with the name of this state on the license plate.

31 2. The name of this state shall appear on the license plate in
32 capital letters in sans serif font and be three-fourths of an inch in
33 height.

34 D. Notwithstanding any other law, the department shall not contract
35 with a nongovernmental entity to purchase or secure reflective material
36 for the plates issued by the department unless the department has made a
37 reasonable effort to secure qualified bids or proposals from as many
38 individual responsible respondents as possible.

39 E. The department shall determine the color and design of the
40 license plate subject to the requirements prescribed by subsections B and
41 C of this section. All plates issued by the department, except the plates
42 that are issued pursuant to sections 28-2404, 28-2412, 28-2413, 28-2414,
43 28-2416, 28-2416.01, 28-2417 through ~~28-2470.39~~ 28-2470.40, 28-2472,
44 28-2473, 28-2474, 28-2475, 28-2476 and 28-4533 and article 14 of this

chapter, shall be the same color as and similar in design to the license plate as determined by the department.

F. A passenger motor vehicle that is rented without a driver shall receive the same type of license plate as is issued for a private passenger motor vehicle.

Sec. 2. Section 28-2403, Arizona Revised Statutes, is amended to read:

28-2403. Special plates; transfers; violation; classification

A. Except as otherwise provided in this article, the department shall issue or renew special plates in lieu of the regular license plates pursuant to the following conditions and procedures and only if the requirements prescribed by this article for the requested special plates are met:

1. Except as provided in sections 28-2416 and 28-2416.01, a person who is the registered owner of a vehicle registered with the department or who applies for an original or renewal registration of a vehicle may submit to the department a completed application form as prescribed by the department with the fee prescribed by section 28-2402 for special plates in addition to the registration fee prescribed by section 28-2003.

2. Except for plates issued pursuant to sections 28-2404, 28-2412, 28-2413, 28-2414, 28-2416, 28-2416.01, 28-2417 through ~~28-2470.39~~ 28-2470.40, 28-2472, 28-2473, 28-2474, 28-2475 and 28-2476 and article 14 of this chapter, the special plates shall be the same color as and similar to the design of the regular license plates that is determined by the department.

3. Except as provided in section 28-2416, the department shall issue special plates only to the owner or lessee of a vehicle that is currently registered, including any vehicle that has a declared gross weight, as defined in section 28-5431, of twenty-six thousand pounds or less.

4. Except as provided in sections 28-2416 and 28-2416.01, the department shall charge the fee prescribed by section 28-2402 for each annual renewal of special plates in addition to the registration fee prescribed by section 28-2003.

B. Except as provided in sections 28-2416 and 28-2416.01, on notification to the department and on payment of the transfer fee prescribed by section 28-2402, a person who is issued special plates may transfer the special plates to another vehicle the person owns or leases. Persons who are issued special plates for hearing impaired persons pursuant to section 28-2408 and international symbol of access special plates pursuant to section 28-2409 are exempt from the transfer fee. If a person who is issued special plates sells, trades or otherwise releases ownership of the vehicle on which the plates have been displayed, the person shall immediately report the transfer of the plates to the department or the person shall surrender the plates to the department as

1 prescribed by the director. It is unlawful for a person to whom the
2 plates have been issued to knowingly allow them to be displayed on a
3 vehicle except the vehicle authorized by the department.

4 C. The special plates shall be affixed to the vehicle for which
5 registration is sought in lieu of the regular license plates.

6 D. A person is guilty of a class 3 misdemeanor who:

7 1. Violates subsection B of this section.

8 2. Fraudulently gives false or fictitious information in the
9 application for or renewal of special plates or placards issued pursuant
10 to this article.

11 3. Conceals a material fact or otherwise commits fraud in the
12 application for or renewal of special plates or placards issued pursuant
13 to this article.

14 Sec. 3. Title 28, chapter 7, article 12, Arizona Revised Statutes,
15 is amended by adding section 28-2470.40, to read:

16 28-2470.40. Small business advocate special plates; fund

17 A. IF, BY DECEMBER 31, 2026, A PERSON PAYS \$32,000 TO THE
18 DEPARTMENT FOR THE IMPLEMENTATION OF THIS SECTION, THE DEPARTMENT SHALL
19 ISSUE SMALL BUSINESS ADVOCATE SPECIAL PLATES. THE PERSON THAT PROVIDES
20 THE \$32,000 SHALL DESIGN THE SMALL BUSINESS ADVOCATE SPECIAL PLATES. THE
21 DESIGN AND COLOR OF THE SMALL BUSINESS ADVOCATE SPECIAL PLATES ARE SUBJECT
22 TO APPROVAL OF THE DEPARTMENT. THE DIRECTOR MAY ALLOW A REQUEST FOR SMALL
23 BUSINESS ADVOCATE SPECIAL PLATES TO BE COMBINED WITH A REQUEST FOR
24 PERSONALIZED SPECIAL PLATES. IF THE DIRECTOR ALLOWS SUCH A COMBINATION,
25 THE REQUEST SHALL BE IN A FORM PRESCRIBED BY THE DIRECTOR AND IS SUBJECT
26 TO THE FEES FOR THE PERSONALIZED SPECIAL PLATES IN ADDITION TO THE FEES
27 REQUIRED FOR THE SMALL BUSINESS ADVOCATE SPECIAL PLATES.

28 B. OF THE \$25 FEE REQUIRED BY SECTION 28-2402 FOR THE ORIGINAL
29 SPECIAL PLATES AND FOR THE RENEWAL OF THE SPECIAL PLATES, \$8 IS A SPECIAL
30 PLATE ADMINISTRATION FEE AND \$17 IS AN ANNUAL DONATION.

31 C. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND
32 35-147, ALL SPECIAL PLATE ADMINISTRATION FEES IN THE STATE HIGHWAY FUND
33 ESTABLISHED BY SECTION 28-6991 AND SHALL TRANSMIT ALL DONATIONS COLLECTED
34 PURSUANT TO THIS SECTION TO THE SMALL BUSINESS ADVOCATE SPECIAL PLATE FUND
35 ESTABLISHED BY THIS SECTION.

36 D. THE SMALL BUSINESS ADVOCATE SPECIAL PLATE FUND IS ESTABLISHED
37 CONSISTING OF MONIES DEPOSITED PURSUANT TO THIS SECTION. THE DIRECTOR
38 SHALL ADMINISTER THE FUND. THE FIRST \$32,000 IN THE FUND SHALL BE
39 REIMBURSED TO THE PERSON THAT PAID THE IMPLEMENTATION FEE TO THE
40 DEPARTMENT PURSUANT TO SUBSECTION A OF THIS SECTION. NOT MORE THAN TEN
41 PERCENT OF THE MONIES DEPOSITED IN THE FUND ANNUALLY SHALL BE USED FOR THE
42 COST OF ADMINISTERING THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY
43 APPROPRIATED.

E. THE DIRECTOR SHALL ANNUALLY ALLOCATE MONIES FROM THE FUND TO AN ENTITY THAT IS QUALIFIED UNDER SECTION 501(c)(6) OF THE UNITED STATES INTERNAL REVENUE CODE FOR FEDERAL INCOME TAX PURPOSES. THE ENTITY MUST:

1. BE HEADQUARTERED IN THIS STATE.
2. HAVE BEEN IN EXISTENCE FOR AT LEAST FIFTY YEARS.
3. SERVE AS A STATEWIDE NONPARTISAN ADVOCATE AND RESOURCE HUB FOR SMALL BUSINESSES IN THIS STATE.
4. PROVIDE EDUCATION RESOURCES TO ENTREPRENEURS, INCLUDING WORKSHOPS, MENTORSHIP PROGRAMS AND EVENTS THAT ARE DESIGNED TO PROVIDE RELEVANT KNOWLEDGE AND SKILLS.

F. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

Sec. 4. Section 28-6501, Arizona Revised Statutes, is amended to read:

28-6501. Definition of highway user revenues

In this article, unless the context otherwise requires or except as otherwise provided by statute, "highway user revenues" means all monies received in this state from licenses, taxes, penalties, interest and fees authorized by the following:

1. Chapters 2, 7, 8 and 15 of this title, except for:
 - (a) The special plate administration fees prescribed in sections 28-2404, 28-2407, 28-2412 through ~~28-2470.39~~ 28-2470.40 and 28-2514.
 - (b) The donations prescribed in sections 28-2404, 28-2407, 28-2412 through 28-2415, 28-2417 through ~~28-2470.39~~ 28-2470.40, 28-2473, 28-2474, 28-2475 and 28-2476.
2. Section 28-1177.
3. Chapters 10 and 11 of this title.
4. Chapter 16, articles 1, 2 and 4 of this title, except as provided in sections 28-5926 and 28-5927.

Sec. 5. Section 28-6991, Arizona Revised Statutes, is amended to read:

28-6991. State highway fund; sources

The state highway fund is established that consists of:

1. Monies distributed from the Arizona highway user revenue fund pursuant to chapter 18 of this title.
2. Monies appropriated by the legislature.
3. Monies received from donations for the construction, improvement or maintenance of state highways or bridges. These monies shall be credited to a special account and shall be spent only for the purpose indicated by the donor.

1 4. Monies received from counties or cities under cooperative
2 agreements, including proceeds from bond issues. The state treasurer
3 shall deposit these monies to the credit of the fund in a special account
4 on delivery to the treasurer of a concise written agreement between the
5 department and the county or city stating the purposes for which the
6 monies are surrendered by the county or city, and these monies shall be
7 spent only as stated in the agreement.

8 5. Monies received from the United States under an act of Congress
9 to provide aid for the construction of rural post roads, but monies
10 received on projects for which the monies necessary to be provided by this
11 state are wholly derived from sources mentioned in paragraphs 2 and 3 of
12 this section shall be allotted by the department and deposited by the
13 state treasurer in the special account within the fund established for
14 each project. On completion of the project, on the satisfaction and
15 discharge in full of all obligations of any kind created and on request of
16 the department, the treasurer shall transfer the unexpended balance in the
17 special account for the project into the state highway fund, and the
18 unexpended balance and any further federal aid thereafter received on
19 account of the project may be spent under the general provisions of this
20 title.

21 6. Monies in the custody of an officer or agent of this state from
22 any source that is to be used for the construction, improvement or
23 maintenance of state highways or bridges.

24 7. Monies deposited in the state general fund and arising from the
25 disposal of state personal property belonging to the department.

26 8. Receipts from the sale or disposal of any or all other property
27 held by the department and purchased with state highway monies.

28 9. Monies generated pursuant to section 28-410.

29 10. Monies distributed pursuant to section 28-5808, subsection B,
30 paragraph 2, subdivision (d).

31 11. Monies deposited pursuant to sections 28-1143, 28-2353 and
32 28-3003.

33 12. Except as provided in section 28-5101, the following monies:

34 (a) Monies deposited pursuant to section 28-2206 and section
35 28-5808, subsection B, paragraph 2, subdivision (e).

36 (b) \$1 of each registration fee and \$1 of each title fee collected
37 pursuant to section 28-2003.

38 (c) \$2 of each late registration penalty collected by the director
39 pursuant to section 28-2162.

40 (d) The air quality compliance fee collected pursuant to section
41 49-542.

42 (e) The special plate administration fees collected pursuant to
43 sections 28-2404, 28-2407, 28-2412 through 28-2416, 28-2416.01, 28-2417
44 through ~~28-2470.39~~ 28-2470.40 and 28-2514.

1 (f) Monies collected pursuant to sections 28-372, 28-2155 and
2 28-2156 if the director is the registering officer.

3 13. Monies deposited pursuant to chapter 5, article 5 of this
4 title.

5 14. Donations received pursuant to section 28-2269.

6 15. Dealer and registration monies collected pursuant to section
7 28-4304.

8 16. Abandoned vehicle administration monies deposited pursuant to
9 section 28-4804.

10 17. Monies deposited pursuant to section 28-710, subsection D,
11 paragraph 2.

12 18. Monies deposited pursuant to section 28-2065.

13 19. Monies deposited pursuant to section 28-7311.

14 20. Monies deposited pursuant to section 28-7059.

15 21. Monies deposited pursuant to section 28-1105.

16 22. Monies deposited pursuant to section 28-2448, subsection D.

17 23. Monies deposited pursuant to section 28-3415.

18 24. Monies deposited pursuant to section 28-3002, subsection A,
19 paragraph 14.

20 25. Monies deposited pursuant to section 28-7316.

21 26. Monies deposited pursuant to section 28-4302.

22 27. Monies deposited pursuant to section 28-3416.

23 28. Monies deposited pursuant to section 28-4504.

24 29. Monies deposited pursuant to section 28-2098.

25 30. Monies deposited pursuant to sections 28-2321, 28-2324,
26 28-2325, 28-5474, 28-5739, 28-5863 and 28-5864.

27 Sec. 6. Section 28-6993, Arizona Revised Statutes, is amended to
28 read:

29 28-6993. State highway fund; authorized uses

30 A. Except as provided in subsection B of this section and section
31 28-6538, the state highway fund shall be used for any of the following
32 purposes in strict conformity with and subject to the budget as provided
33 by this section and by sections 28-6997 through 28-7003:

34 1. To pay salaries, wages, necessary travel expenses and other
35 expenses of officers and employees of the department and the incidental
36 office expenses, including telegraph, telephone, postal and express
37 charges and printing, stationery and advertising expenses.

38 2. To pay for both:

39 (a) Equipment, supplies, machines, tools, department offices and
40 laboratories established by the department.

41 (b) The construction and repair of buildings or yards of the
42 department.

43 3. To pay the cost of both:

44 (a) Engineering, construction, improvement and maintenance of state
45 highways and parts of highways forming state routes.

1 (b) Highways under cooperative agreements with the United States
2 that are entered into pursuant to this chapter and an act of Congress
3 providing for the construction of rural post roads.

4 4. To pay land damages incurred by reason of establishing, opening,
5 altering, relocating, widening or abandoning portions of a state route or
6 state highway.

7 5. To reimburse the department revolving account.

8 6. To pay premiums on authorized indemnity bonds and on
9 compensation insurance under the workers' compensation act.

10 7. To defray lawful expenses and costs required to administer and
11 carry out the intent, purposes and provisions of this title, including
12 repayment of obligations entered into pursuant to this title, payment of
13 interest on obligations entered into pursuant to this title, repayment of
14 loans and other financial assistance, including repayment of advances and
15 interest on advances made to the department pursuant to section 28-7677,
16 and payment of all other obligations and expenses of the board and
17 department pursuant to chapter 21 of this title.

18 8. To pay lawful bills and charges incurred by the state engineer.

19 9. To acquire, construct or improve entry roads to state parks or
20 roads within state parks.

21 10. To acquire, construct or improve entry roads to state prisons.

22 11. To pay the cost of relocating a utility facility pursuant to
23 section 28-7156.

24 12. For the purposes provided in subsections C, D and E of this
25 section and sections 28-1143, 28-2353 and 28-3003.

26 13. To pay the cost of issuing an Arizona centennial special plate
27 pursuant to section 28-2448.

28 14. To pay for all of the following:

29 (a) The enforcement by the department of public safety and the
30 department of transportation of vehicle safety requirements within
31 twenty-five miles of the border between this state and Mexico.

32 (b) Costs related to procuring electronic equipment, automated
33 systems or improvements to existing electronic equipment or automated
34 systems for relieving vehicle congestion at ports of entry on the border
35 between this state and Mexico.

36 (c) Constructing, maintaining and upgrading transportation
37 facilities, including roads, streets and highways, approved by the board
38 within twenty-five miles of the border between this state and Mexico.

39 (d) As approved by the board, constructing and maintaining
40 transportation facilities in the CANAMEX high priority corridor as defined
41 in section 332 of the national highway system designation act of 1995
42 (P.L. 104-59; 109 Stat. 568).

1 (e) Activities of the department that include collecting
2 transportation and trade data in the United States and Mexico for the
3 purposes of constructing transportation facilities, improving public
4 safety, improving truck processing time and relieving congestion at ports
5 of entry on the border between this state and Mexico. The department may
6 enter into an agreement with the Arizona-Mexico commission and provide
7 funding to the commission for the purposes of this subdivision.

8 (f) A commitment or investment necessary for the department or
9 another agency of this state to obtain federal monies that are designated
10 for expenditure pursuant to this section.

11 B. For each fiscal year, the department of transportation shall
12 allocate and transfer monies in the state highway fund to the department
13 of public safety for funding a portion of highway patrol costs in eight
14 installments in each of the first eight months of a fiscal year that do
15 not exceed \$10,000,000.

16 C. Subject to legislative appropriation, the department may use the
17 monies in the state highway fund as prescribed in section 28-6991,
18 paragraph 12 to carry out the duties imposed by this title for
19 registration or titling of vehicles, to operate joint title, registration
20 and driver licensing offices, to cover the administrative costs of issuing
21 the air quality compliance sticker, modifying the year validating tab and
22 issuing the windshield sticker and to cover expenses and costs in issuing
23 special plates pursuant to sections 28-2404, 28-2407, 28-2412 through
24 ~~28-2470.39~~ 28-2470.40 and 28-2514.

25 D. The department shall use monies deposited in the state highway
26 fund pursuant to chapter 5, article 5 of this title only as prescribed by
27 that article.

28 E. Monies deposited in the state highway fund pursuant to section
29 28-2269 shall be used only as prescribed by that section.

30 F. Monies deposited in the state highway fund pursuant to section
31 28-710, subsection D, paragraph 2 shall only be used for state highway
32 work zone traffic control devices.

33 G. The department may exchange monies distributed to the state
34 highway fund pursuant to section 28-6538, subsection A, paragraph 1 for
35 local government surface transportation program federal monies
36 suballocated to councils of government and metropolitan planning
37 organizations if the local government scheduled to receive the federal
38 monies concurs. An exchange of state highway fund monies pursuant to this
39 subsection shall be in an amount that is at least equal to ninety percent
40 of the federal obligation authority that exists in the project for which
41 the exchange is proposed.

42 H. The department shall use monies deposited in the state highway
43 fund pursuant to section 28-1105, subsection A, paragraph 2, subdivision
44 (a) only for a transportation facility that is located within twenty
45 drivable miles of the international port of entry and shall spend the

1 monies proportionally based on the amount of total monies collected
2 pursuant to section 28-1105, subsection A, paragraph 2, subdivision (a).
3 For the purposes of this subsection, "transportation facility" means a
4 highway or a state route or a county, city or town road that is used by a
5 commercial vehicle or a commercial vehicle combination for which an axle
6 fee is paid pursuant to section 28-5474.