House Engrossed

neighborhood electric vehicles; VLT; exemption

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

HOUSE BILL 2367

AN ACT

AMENDING SECTION 28-5805, ARIZONA REVISED STATUTES; RELATING TO NEIGHBORHOOD ELECTRIC VEHICLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. 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 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":

(a) Has the same meaning prescribed in section 1-215.

2. "Motor vehicle":

(a) Means a vehicle that meets the safety standards of the national highway traffic safety administration. ~~and~~

(b) Includes~~:~~ A NEIGHBORHOOD ELECTRIC SHUTTLE.

~~(a)~~ (c) DOES NOT INCLUDE:

(i) A neighborhood electric ~~vehicles~~ VEHICLE that ~~meet~~ MEETS 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.~~

(ii) A GOLF CART.