

Senate Engrossed

special plate; Arizona space commission

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# SENATE BILL 1020

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, 28-6993 AND 41-1551.02, 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

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

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

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

8 28-2403. Special plates; transfers; violation; classification

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

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

20 2. Except for plates issued pursuant to sections 28-2404, 28-2412,  
21 28-2413, 28-2414, 28-2416, 28-2416.01, 28-2417 through ~~28-2470.39~~  
22 28-2470.40, 28-2472, 28-2473, 28-2474, 28-2475 and 28-2476 and article 14  
23 of this chapter, the special plates shall be the same color as and similar  
24 to the design of the regular license plates that is determined by the  
25 department.

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

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

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

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 ARIZONA SPACE COMMISSION SPECIAL PLATES. THE PERSON THAT PROVIDES  
20 THE \$32,000 SHALL DESIGN THE ARIZONA SPACE COMMISSION SPECIAL PLATES. THE  
21 DESIGN AND COLOR OF THE ARIZONA SPACE COMMISSION SPECIAL PLATES ARE  
22 SUBJECT TO APPROVAL OF THE DEPARTMENT. THE DIRECTOR MAY ALLOW A REQUEST  
23 FOR ARIZONA SPACE COMMISSION SPECIAL PLATES TO BE COMBINED WITH A REQUEST  
24 FOR PERSONALIZED SPECIAL PLATES. IF THE DIRECTOR ALLOWS SUCH A  
25 COMBINATION, THE REQUEST SHALL BE IN A FORM PRESCRIBED BY THE DIRECTOR AND  
26 IS SUBJECT TO THE FEES FOR THE PERSONALIZED SPECIAL PLATES IN ADDITION TO  
27 THE FEES REQUIRED FOR THE ARIZONA SPACE COMMISSION 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 ALL DONATIONS COLLECTED PURSUANT TO  
34 THIS SECTION IN THE SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND  
35 ESTABLISHED BY SECTION 41-1551.02.

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

38 28-6501. Definition of highway user revenues

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

43 1. Chapters 2, 7, 8 and 15 of this title, except for:

44 (a) The special plate administration fees prescribed in sections  
45 28-2404, 28-2407, 28-2412 through ~~28-2470.39~~ 28-2470.40 and 28-2514.

1 (b) The donations prescribed in sections 28-2404, 28-2407, 28-2412  
2 through 28-2415, 28-2417 through ~~28-2470.39~~ 28-2470.40, 28-2473, 28-2474,  
3 28-2475 and 28-2476.

4 2. Section 28-1177.

5 3. Chapters 10 and 11 of this title.

6 4. Chapter 16, articles 1, 2 and 4 of this title, except as  
7 provided in sections 28-5926 and 28-5927.

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

10 ~~28-6991.~~ State highway fund; sources

11 The state highway fund is established that consists of:

12 1. Monies distributed from the Arizona highway user revenue fund  
13 pursuant to chapter 18 of this title.

14 2. Monies appropriated by the legislature.

15 3. Monies received from donations for the construction, improvement  
16 or maintenance of state highways or bridges. These monies shall be  
17 credited to a special account and shall be spent only for the purpose  
18 indicated by the donor.

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

26 5. Monies received from the United States under an act of Congress  
27 to provide aid for the construction of rural post roads, but monies  
28 received on projects for which the monies necessary to be provided by this  
29 state are wholly derived from sources mentioned in paragraphs 2 and 3 of  
30 this section shall be allotted by the department and deposited by the  
31 state treasurer in the special account within the fund established for  
32 each project. On completion of the project, on the satisfaction and  
33 discharge in full of all obligations of any kind created and on request of  
34 the department, the treasurer shall transfer the unexpended balance in the  
35 special account for the project into the state highway fund, and the  
36 unexpended balance and any further federal aid thereafter received on  
37 account of the project may be spent under the general provisions of this  
38 title.

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

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

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

- 1           9. Monies generated pursuant to section 28-410.
- 2           10. Monies distributed pursuant to section 28-5808, subsection B,
- 3 paragraph 2, subdivision (d).
- 4           11. Monies deposited pursuant to sections 28-1143, 28-2353 and
- 5 28-3003.
- 6           12. Except as provided in section 28-5101, the following monies:
- 7           (a) Monies deposited pursuant to section 28-2206 and section
- 8 28-5808, subsection B, paragraph 2, subdivision (e).
- 9           (b) \$1 of each registration fee and \$1 of each title fee collected
- 10 pursuant to section 28-2003.
- 11           (c) \$2 of each late registration penalty collected by the director
- 12 pursuant to section 28-2162.
- 13           (d) The air quality compliance fee collected pursuant to section
- 14 49-542.
- 15           (e) The special plate administration fees collected pursuant to
- 16 sections 28-2404, 28-2407, 28-2412 through 28-2416, 28-2416.01, 28-2417
- 17 through ~~28-2470.39~~ 28-2470.40 and 28-2514.
- 18           (f) Monies collected pursuant to sections 28-372, 28-2155 and
- 19 28-2156 if the director is the registering officer.
- 20           13. Monies deposited pursuant to chapter 5, article 5 of this
- 21 title.
- 22           14. Donations received pursuant to section 28-2269.
- 23           15. Dealer and registration monies collected pursuant to section
- 24 28-4304.
- 25           16. Abandoned vehicle administration monies deposited pursuant to
- 26 section 28-4804.
- 27           17. Monies deposited pursuant to section 28-710, subsection D,
- 28 paragraph 2.
- 29           18. Monies deposited pursuant to section 28-2065.
- 30           19. Monies deposited pursuant to section 28-7311.
- 31           20. Monies deposited pursuant to section 28-7059.
- 32           21. Monies deposited pursuant to section 28-1105.
- 33           22. Monies deposited pursuant to section 28-2448, subsection D.
- 34           23. Monies deposited pursuant to section 28-3415.
- 35           24. Monies deposited pursuant to section 28-3002, subsection A,
- 36 paragraph 14.
- 37           25. Monies deposited pursuant to section 28-7316.
- 38           26. Monies deposited pursuant to section 28-4302.
- 39           27. Monies deposited pursuant to section 28-3416.
- 40           28. Monies deposited pursuant to section 28-4504.
- 41           29. Monies deposited pursuant to section 28-2098.
- 42           30. Monies deposited pursuant to sections 28-2321, 28-2324,
- 43 28-2325, 28-5474, 28-5739, 28-5863 and 28-5864.

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

3           28-6993. State highway fund; authorized uses

4           A. Except as provided in subsection B of this section and section  
5 28-6538, the state highway fund shall be used for any of the following  
6 purposes in strict conformity with and subject to the budget as provided  
7 by this section and by sections 28-6997 through 28-7003:

8           1. To pay salaries, wages, necessary travel expenses and other  
9 expenses of officers and employees of the department and the incidental  
10 office expenses, including telegraph, telephone, postal and express  
11 charges and printing, stationery and advertising expenses.

12           2. To pay for both:

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

15           (b) The construction and repair of buildings or yards of the  
16 department.

17           3. To pay the cost of both:

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

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

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

26           5. To reimburse the department revolving account.

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

29           7. To defray lawful expenses and costs required to administer and  
30 carry out the intent, purposes and provisions of this title, including  
31 repayment of obligations entered into pursuant to this title, payment of  
32 interest on obligations entered into pursuant to this title, repayment of  
33 loans and other financial assistance, including repayment of advances and  
34 interest on advances made to the department pursuant to section 28-7677,  
35 and payment of all other obligations and expenses of the board and  
36 department pursuant to chapter 21 of this title.

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

38           9. To acquire, construct or improve entry roads to state parks or  
39 roads within state parks.

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

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

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

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

3           14. To pay for all of the following:

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

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

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

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

18           (e) Activities of the department that include collecting  
19 transportation and trade data in the United States and Mexico for the  
20 purposes of constructing transportation facilities, improving public  
21 safety, improving truck processing time and relieving congestion at ports  
22 of entry on the border between this state and Mexico. The department may  
23 enter into an agreement with the Arizona-Mexico commission and provide  
24 funding to the commission for the purposes of this subdivision.

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

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

33           C. Subject to legislative appropriation, the department may use the  
34 monies in the state highway fund as prescribed in section 28-6991,  
35 paragraph 12 to carry out the duties imposed by this title for  
36 registration or titling of vehicles, to operate joint title, registration  
37 and driver licensing offices, to cover the administrative costs of issuing  
38 the air quality compliance sticker, modifying the year validating tab and  
39 issuing the windshield sticker and to cover expenses and costs in issuing  
40 special plates pursuant to sections 28-2404, 28-2407, 28-2412 through  
41 ~~28-2470.39~~ 28-2470.40 and 28-2514.

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

1 E. Monies deposited in the state highway fund pursuant to section  
2 28-2269 shall be used only as prescribed by that section.

3 F. Monies deposited in the state highway fund pursuant to section  
4 28-710, subsection D, paragraph 2 shall only be used for state highway  
5 work zone traffic control devices.

6 G. The department may exchange monies distributed to the state  
7 highway fund pursuant to section 28-6538, subsection A, paragraph 1 for  
8 local government surface transportation program federal monies  
9 suballocated to councils of government and metropolitan planning  
10 organizations if the local government scheduled to receive the federal  
11 monies concurs. An exchange of state highway fund monies pursuant to this  
12 subsection shall be in an amount that is at least equal to ninety percent  
13 of the federal obligation authority that exists in the project for which  
14 the exchange is proposed.

15 H. The department shall use monies deposited in the state highway  
16 fund pursuant to section 28-1105, subsection A, paragraph 2, subdivision  
17 (a) only for a transportation facility that is located within twenty  
18 drivable miles of the international port of entry and shall spend the  
19 monies proportionally based on the amount of total monies collected  
20 pursuant to section 28-1105, subsection A, paragraph 2, subdivision (a).  
21 For the purposes of this subsection, "transportation facility" means a  
22 highway or a state route or a county, city or town road that is used by a  
23 commercial vehicle or a commercial vehicle combination for which an axle  
24 fee is paid pursuant to section 28-5474.

25 Sec. 7. Section 41-1551.02, Arizona Revised Statutes, is amended to  
26 read:

27 41-1551.02. Space exploration and aeronautics research fund:  
28 report

29 A. The space exploration and aeronautics research fund is  
30 established consisting of **MONIES DEPOSITED PURSUANT TO SECTION 28-2470.40,**  
31 legislative appropriations and gifts, grants and donations. Monies in the  
32 fund are continuously appropriated. The board shall administer the  
33 fund. The board may use up to ten percent of the monies for  
34 administrative costs. Monies in the fund may be used to provide grants to  
35 businesses or nonprofit organizations in this state that are involved in  
36 the space exploration or aeronautics industry or to a governmental entity  
37 with which the board has entered into an intergovernmental agreement.

38 B. The grant monies shall be used for any of the following  
39 purposes:

- 40 1. Developing emerging technologies that are required for any  
41 aspect of human space flight.
- 42 2. Research involving space exploration and space flight.
- 43 3. Workforce training to promote space exploration and space  
44 flight.

- 1           4. Curating postmission materials involved in space exploration and  
2 space flight.
- 3           5. Developing infrastructure that is necessary for establishing and  
4 maintaining a spaceport.
- 5           C. The board may also provide grants for multiyear projects. The  
6 board shall specify the total amount of monies approved to fund each  
7 multiyear project.
- 8           D. The board shall prioritize providing grants for projects that  
9 are any of the following:
- 10          1. Located within fifty miles of a federal aviation  
11 administration-licensed spaceport.
- 12          2. Space defense-related.
- 13          3. Space defense and commercial use-related.
- 14           E. The board shall establish standards to ensure that grant  
15 recipients pursuant to this section purchase goods and services from  
16 suppliers in this state to the extent reasonably possible.
- 17           F. Each grant recipient shall submit a report to the board that  
18 describes how grant monies were spent and a summary of any findings.
- 19           G. The board shall prescribe a simplified form and procedure to  
20 apply for grants pursuant to this section.