

Senate Engrossed

special plate; civic leadership development

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

SENATE BILL 1376

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

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

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

6 28-2403. Special plates; transfers; violation; classification

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

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

18 2. Except for plates issued pursuant to sections 28-2404, 28-2412,
19 28-2413, 28-2414, 28-2416, 28-2416.01, 28-2417 through ~~28-2470.39~~
20 28-2470.40, 28-2472, 28-2473, 28-2474, 28-2475 and 28-2476 and article 14
21 of this chapter, the special plates shall be the same color as and similar
22 to the design of the regular license plates that is determined by the
23 department.

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

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

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

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

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

4 1. Violates subsection B of this section.

5 2. Fraudulently gives false or fictitious information in the
6 application for or renewal of special plates or placards issued pursuant
7 to this article.

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

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

13 28-2470.40. Civic leadership development special plates; fund

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

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

29 C. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND
30 35-147, ALL SPECIAL PLATE ADMINISTRATION FEES IN THE STATE HIGHWAY FUND
31 ESTABLISHED BY SECTION 28-6991 AND SHALL TRANSMIT ALL DONATIONS COLLECTED
32 PURSUANT TO THIS SECTION TO THE CIVIC LEADERSHIP DEVELOPMENT SPECIAL PLATE
33 FUND ESTABLISHED BY THIS SECTION.

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

42 E. THE DIRECTOR SHALL ANNUALLY ALLOCATE MONIES FROM THE FUND TO AN
43 ENTITY THAT IS QUALIFIED UNDER SECTION 501(c)(3) OF THE UNITED STATES
44 INTERNAL REVENUE CODE FOR FEDERAL INCOME TAX PURPOSES. THE ENTITY MUST:

45 1. HAVE BEEN FOUNDED IN 2015.

1 2. PROVIDE LEADERSHIP DEVELOPMENT AND CIVIC EDUCATION FOR HIGH
2 SCHOOL AND COLLEGE STUDENTS IN THIS STATE.

3 3. ASSIST YOUNG ADULTS WITH VOTER EDUCATION.

4 4. PROMOTE TRADITIONAL VALUES OF THIS STATE, INCLUDING FAMILY
5 VALUES, FISCAL RESPONSIBILITY AND RESPECT FOR LIFE, LIBERTY AND JUSTICE.

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

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

11 28-6501. Definition of highway user revenues

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

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

17 (a) The special plate administration fees prescribed in sections
18 28-2404, 28-2407, 28-2412 through ~~28-2470.39~~ 28-2470.40 and 28-2514.

19 (b) The donations prescribed in sections 28-2404, 28-2407, 28-2412
20 through 28-2415, 28-2417 through ~~28-2470.39~~ 28-2470.40, 28-2473, 28-2474,
21 28-2475 and 28-2476.

22 2. Section 28-1177.

23 3. Chapters 10 and 11 of this title.

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

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

28 28-6991. State highway fund; sources

29 The state highway fund is established that consists of:

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

32 2. Monies appropriated by the legislature.

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

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

44 5. Monies received from the United States under an act of Congress
45 to provide aid for the construction of rural post roads, but monies
46 received on projects for which the monies necessary to be provided by this

1 state are wholly derived from sources mentioned in paragraphs 2 and 3 of
2 this section shall be allotted by the department and deposited by the
3 state treasurer in the special account within the fund established for
4 each project. On completion of the project, on the satisfaction and
5 discharge in full of all obligations of any kind created and on request of
6 the department, the treasurer shall transfer the unexpended balance in the
7 special account for the project into the state highway fund, and the
8 unexpended balance and any further federal aid thereafter received on
9 account of the project may be spent under the general provisions of this
10 title.

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

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

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

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

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

21 11. Monies deposited pursuant to sections 28-1143, 28-2353 and
22 28-3003.

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

24 (a) Monies deposited pursuant to section 28-2206 and section
25 28-5808, subsection B, paragraph 2, subdivision (e).

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

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

30 (d) The air quality compliance fee collected pursuant to section
31 49-542.

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

35 (f) Monies collected pursuant to sections 28-372, 28-2155 and
36 28-2156 if the director is the registering officer.

37 13. Monies deposited pursuant to chapter 5, article 5 of this
38 title.

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

40 15. Dealer and registration monies collected pursuant to section
41 28-4304.

42 16. Abandoned vehicle administration monies deposited pursuant to
43 section 28-4804.

44 17. Monies deposited pursuant to section 28-710, subsection D,
45 paragraph 2.

- 1 18. Monies deposited pursuant to section 28-2065.
- 2 19. Monies deposited pursuant to section 28-7311.
- 3 20. Monies deposited pursuant to section 28-7059.
- 4 21. Monies deposited pursuant to section 28-1105.
- 5 22. Monies deposited pursuant to section 28-2448, subsection D.
- 6 23. Monies deposited pursuant to section 28-3415.
- 7 24. Monies deposited pursuant to section 28-3002, subsection A,
- 8 paragraph 14.
- 9 25. Monies deposited pursuant to section 28-7316.
- 10 26. Monies deposited pursuant to section 28-4302.
- 11 27. Monies deposited pursuant to section 28-3416.
- 12 28. Monies deposited pursuant to section 28-4504.
- 13 29. Monies deposited pursuant to section 28-2098.
- 14 30. Monies deposited pursuant to sections 28-2321, 28-2324,
- 15 28-2325, 28-5474, 28-5739, 28-5863 and 28-5864.
- 16 Sec. 6. Section 28-6993, Arizona Revised Statutes, is amended to
- 17 read:
- 18 28-6993. State highway fund; authorized uses
- 19 A. Except as provided in subsection B of this section and section
- 20 28-6538, the state highway fund shall be used for any of the following
- 21 purposes in strict conformity with and subject to the budget as provided
- 22 by this section and by sections 28-6997 through 28-7003:
- 23 1. To pay salaries, wages, necessary travel expenses and other
- 24 expenses of officers and employees of the department and the incidental
- 25 office expenses, including telegraph, telephone, postal and express
- 26 charges and printing, stationery and advertising expenses.
- 27 2. To pay for both:
- 28 (a) Equipment, supplies, machines, tools, department offices and
- 29 laboratories established by the department.
- 30 (b) The construction and repair of buildings or yards of the
- 31 department.
- 32 3. To pay the cost of both:
- 33 (a) Engineering, construction, improvement and maintenance of state
- 34 highways and parts of highways forming state routes.
- 35 (b) Highways under cooperative agreements with the United States
- 36 that are entered into pursuant to this chapter and an act of Congress
- 37 providing for the construction of rural post roads.
- 38 4. To pay land damages incurred by reason of establishing, opening,
- 39 altering, relocating, widening or abandoning portions of a state route or
- 40 state highway.
- 41 5. To reimburse the department revolving account.
- 42 6. To pay premiums on authorized indemnity bonds and on
- 43 compensation insurance under the workers' compensation act.
- 44 7. To defray lawful expenses and costs required to administer and
- 45 carry out the intent, purposes and provisions of this title, including
- 46 repayment of obligations entered into pursuant to this title, payment of

1 interest on obligations entered into pursuant to this title, repayment of
2 loans and other financial assistance, including repayment of advances and
3 interest on advances made to the department pursuant to section 28-7677,
4 and payment of all other obligations and expenses of the board and
5 department pursuant to chapter 21 of this title.

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

7 9. To acquire, construct or improve entry roads to state parks or
8 roads within state parks.

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

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

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

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

16 14. To pay for all of the following:

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

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

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

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

31 (e) Activities of the department that include collecting
32 transportation and trade data in the United States and Mexico for the
33 purposes of constructing transportation facilities, improving public
34 safety, improving truck processing time and relieving congestion at ports
35 of entry on the border between this state and Mexico. The department may
36 enter into an agreement with the Arizona-Mexico commission and provide
37 funding to the commission for the purposes of this subdivision.

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

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

1 C. Subject to legislative appropriation, the department may use the
2 monies in the state highway fund as prescribed in section 28-6991,
3 paragraph 12 to carry out the duties imposed by this title for
4 registration or titling of vehicles, to operate joint title, registration
5 and driver licensing offices, to cover the administrative costs of issuing
6 the air quality compliance sticker, modifying the year validating tab and
7 issuing the windshield sticker and to cover expenses and costs in issuing
8 special plates pursuant to sections 28-2404, 28-2407, 28-2412 through
9 ~~28-2470.39~~ 28-2470.40 and 28-2514.

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

13 E. Monies deposited in the state highway fund pursuant to section
14 28-2269 shall be used only as prescribed by that section.

15 F. Monies deposited in the state highway fund pursuant to section
16 28-710, subsection D, paragraph 2 shall only be used for state highway
17 work zone traffic control devices.

18 G. The department may exchange monies distributed to the state
19 highway fund pursuant to section 28-6538, subsection A, paragraph 1 for
20 local government surface transportation program federal monies
21 suballocated to councils of government and metropolitan planning
22 organizations if the local government scheduled to receive the federal
23 monies concurs. An exchange of state highway fund monies pursuant to this
24 subsection shall be in an amount that is at least equal to ninety percent
25 of the federal obligation authority that exists in the project for which
26 the exchange is proposed.

27 H. The department shall use monies deposited in the state highway
28 fund pursuant to section 28-1105, subsection A, paragraph 2, subdivision
29 (a) only for a transportation facility that is located within twenty
30 drivable miles of the international port of entry and shall spend the
31 monies proportionally based on the amount of total monies collected
32 pursuant to section 28-1105, subsection A, paragraph 2, subdivision (a).
33 For the purposes of this subsection, "transportation facility" means a
34 highway or a state route or a county, city or town road that is used by a
35 commercial vehicle or a commercial vehicle combination for which an axle
36 fee is paid pursuant to section 28-5474.