

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2400  
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.  
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.  
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.  
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.  
<<Green carets>> indicate a section added to the bill.  
<<Green strikeout in carets>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 28-5606, Arizona Revised Statutes, is amended to  
3 read:

4 28-5606. Imposition of motor fuel taxes; tax holiday

5 A. In addition to all other taxes provided by law, a tax of  
6 ~~eighteen cents~~ \$.18 per gallon is imposed on motor vehicle fuel possessed,  
7 used or consumed in this state.

8 B. To partially compensate this state for the use of its highways:

9 1. A use fuel tax is imposed on use fuel used in the propulsion of  
10 a light class motor vehicle on a highway in this state at the same rate  
11 per gallon as the motor vehicle fuel tax prescribed in subsection A of  
12 this section, except that there is no use fuel tax on alternative fuels.

13 2. A use fuel tax is imposed on use fuel used in the propulsion of  
14 a use class motor vehicle on a highway in this state at the rate of  
15 ~~twenty-six cents~~ \$.26 for each gallon, except that there is no use fuel  
16 tax on alternative fuels and use class vehicles that are exempt pursuant  
17 to section 28-5432 from the weight fee prescribed in section 28-5433 are  
18 subject to the use fuel tax imposed by paragraph 1 of this subsection.

19 3. Through December 31, 2024, a use fuel tax is imposed on use fuel  
20 used in the propulsion of a motor vehicle transporting forest products in  
21 compliance with the requirements of section 41-1516 on a highway in this  
22 state at the rate of ~~nine cents~~ \$.09 for each gallon, except that there is  
23 no use fuel tax on alternative fuels.

24 C. The motor vehicle fuel and use fuel taxes imposed pursuant to  
25 this section and the aviation fuel taxes imposed pursuant to section  
26 28-8344 are conclusively presumed to be direct taxes on the consumer or  
27 user but shall be collected and remitted to the department by suppliers

1 for the purpose of convenience and facility only. Motor vehicle fuel, use  
2 fuel and aviation fuel taxes that are collected and paid to the department  
3 by a supplier are considered to be advance payments, shall be added to the  
4 price of motor vehicle fuel, use fuel or aviation fuel and shall be  
5 recovered from the consumer or user.

6 D. Motor vehicle fuel and use fuel taxes imposed pursuant to this  
7 section on the use of motor vehicle fuel and use fuel and the aviation  
8 fuel taxes imposed pursuant to section 28-8344 on the use of aviation  
9 fuel, other than by bulk transfer, arise at the time the motor vehicle,  
10 use or aviation fuel either:

11 1. Is imported into this state and is measured by invoiced gallons  
12 received outside this state at a refinery, terminal or bulk plant for  
13 delivery to a destination in this state.

14 2. Is removed, as measured by invoiced gallons, from the bulk  
15 transfer terminal system or from a qualified terminal in this state.

16 3. Is removed, as measured by invoiced gallons, from the bulk  
17 transfer terminal system or from a qualified terminal or refinery outside  
18 this state for delivery to a destination in this state as represented on  
19 the shipping papers if a supplier imports the motor vehicle, use or  
20 aviation fuel for the account of the supplier or the supplier has made a  
21 tax precollection election pursuant to section 28-5636.

22 E. If motor fuel is removed from the bulk transfer terminal system  
23 or from a qualified terminal or is imported into this state, the original  
24 removal, transfer or importation of the motor fuel is subject to the  
25 collection of the tax. If this motor fuel is transported to another  
26 qualified terminal or reenters the bulk transfer terminal system, the  
27 subsequent sale of the motor fuel on which tax has been collected is not  
28 subject to collection of an additional tax if proper documentation is  
29 retained to support the transaction.

30 F. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A MOTOR VEHICLE  
31 FUEL TAX IS NOT IMPOSED BEGINNING AT 12:00 A.M. ON MAY 1 AND ENDING AT  
32 11:59 P.M. ON SEPTEMBER 30 OF EACH YEAR FOR MOTOR VEHICLE FUEL THAT IS  
33 PURCHASED, SOLD, POSSESSED, USED OR CONSUMED IN AREA A AS DEFINED IN  
34 SECTION 49-541 OR AREA C AS DEFINED IN SECTION 3-3401. A VENDOR SHALL NOT  
35 ADD TO THE PRICE OF MOTOR VEHICLE FUEL AND SHALL NOT RECOVER FROM THE  
36 CONSUMER OR USER AN AMOUNT TO COVER, OR DESIGNATED AS, MOTOR VEHICLE FUEL  
37 TAX DURING THE TIME PERIOD AND IN THE AREAS PRESCRIBED BY THIS  
38 SUBSECTION. ANY AMOUNTS ERRONEOUSLY OR IMPROPERLY COLLECTED AS MOTOR  
39 VEHICLE FUEL TAX MUST BE REMITTED TO THE DEPARTMENT. THE REPORTING  
40 REQUIREMENTS FOR SUPPLIERS OF MOTOR VEHICLE FUEL, INCLUDING THE  
41 REQUIREMENTS IN CHAPTER 16, ARTICLE 1 OF THIS TITLE, REMAIN IN EFFECT FOR  
42 ALL VENDORS IN ALL LOCATIONS IN THIS STATE AT ALL TIMES.

1 <<Sec. 2. Section 28-6951, Arizona Revised Statutes, is amended to  
2 read:

3 28-6951. Five year transportation facilities construction  
4 program: departmental committee

5 A. The director shall develop a five year transportation facilities  
6 construction program according to the policies established by the board.

7 B. To aid in the development of the five year transportation  
8 facilities construction program, the director shall appoint a departmental  
9 committee that is responsible to the director. The departmental committee  
10 is subject to title 38, chapter 3, article 3.1. [THE DEPARTMENT OR THE  
11 DEPARTMENTAL COMMITTEE MAY NOT RECOMMEND A PRIORITY FOR A TRANSPORTATION  
12 CONSTRUCTION PROJECT BASED ON THE AMOUNT OF MOTOR VEHICLE FUEL TAX OR USE  
13 FUEL TAX THAT A COUNTY CONTRIBUTES TOWARD DEPOSIT IN THE STATE HIGHWAY  
14 FUND.]

15 C. The departmental committee shall:

16 1. Recommend priorities on transportation facilities construction  
17 projects to be constructed by this state that may include any relevant  
18 criteria for the development of priority recommendations for the  
19 construction and development of transportation facilities to be  
20 constructed by this state.

21 2. Update and prepare annually a long-range statewide  
22 transportation facilities construction program covering the following five  
23 fiscal years for submission to the board as follows:

24 (a) The first year of the five year program shall consist of the  
25 highest priority transportation facilities construction projects that with  
26 reasonable certainty can be advertised for public bidding.

27 (b) The committee shall group proposed projects for the four  
28 remaining years of the five year program by the year it is estimated  
29 construction will begin and in order of their priorities.

30 (c) The committee shall provide the estimated cost of the program  
31 for each year that is approximately equal to the revenues estimated to be  
32 available for transportation facilities construction purposes during that  
33 year.

34 3. Review priority changes in or introduction of new projects to a  
35 proposed or an adopted five year program that the board has requested and  
36 make recommendations in a written report to the board on the requested  
37 priority changes or introduction of new projects based on a study of the  
38 criteria and policy that establish the priorities of projects.

39 4. Review the adopted five year transportation facilities  
40 construction program from time to time during the fiscal year and make  
41 recommendations in a written report to the board for priority changes in  
42 or introduction of new projects to the program based on a study of the  
43 criteria and policy that establish the priorities of projects.

44 5. Review and make recommendations to the board for applications  
45 submitted pursuant to section 28-339.

46 6. Fully document its recommendations in the written reports  
47 required by this section.>>

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3 Sec. 3. Title 28, chapter ~~[18]~~[20], article ~~[2]~~[4], Arizona Revised  
4 Statutes, is amended by adding section ~~[28-6535]~~[28-7012], to read:

5 ~~[28-6535.]~~[28-7012.] State highway user revenue fund  
6 distribution: local government

7 FOR EACH FISCAL YEAR, THE DEPARTMENT SHALL ALLOCATE AND TRANSFER  
8 \$72,600,000 IN THE ~~[ARIZONA HIGHWAY USER REVENUE]~~[STATE HIGHWAY] FUND AS  
9 FOLLOWS:

- 10 1. \$27,588,000 TO THE COUNTIES.  
11 2. \$39,930,000 TO THE CITIES AND TOWNS.  
12 3. \$5,082,000 TO CITIES AND TOWNS WITH A POPULATION OF THREE  
13 HUNDRED THOUSAND OR MORE PERSONS.

14 Sec. 4. Exemption from rulemaking

15 The department of transportation is exempt from the rulemaking  
16 requirements of title 41, chapter 6, Arizona Revised Statutes, for one  
17 year after the effective date of this act to adopt administrative rules  
18 regarding the implementation of this act.

19 Sec. 5. Emergency

20 This act is an emergency measure that is necessary to preserve the  
21 public peace, health or safety and is operative immediately as provided by  
22 law.

23 Enroll and engross to conform  
24 Amend title to conform  
And, as so amended, it do pass

GAIL GRIFFIN  
CHAIRMAN

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