

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

# **SENATE BILL 1146**

## **AN ACT**

AMENDING SECTION 28-2003, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-5606.01; AMENDING SECTION 28-5801, ARIZONA REVISED STATUTES; REPEALING SECTION 28-5805, ARIZONA REVISED STATUTES; AMENDING SECTION 28-5808, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 19, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 5; AMENDING TITLE 41, CHAPTER 12, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1752.01; RELATING TO VEHICLE FEES AND TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-2003, Arizona Revised Statutes, is amended to

3 read:

4       28-2003. Fees; vehicle title and registration; identification

5               plate; definition

6       A. The following fees are required:

7       1. For each certificate of title, salvage certificate of title,

8       restored salvage certificate of title or nonrepairable vehicle certificate

9       of title, four dollars.

10      2. For each certificate of title for a mobile home, seven

11      dollars. The director shall deposit three dollars of each fee imposed by

12      this paragraph in the state highway fund established by section 28-6991.

13      3. Except as provided in section 28-1177, for the registration of a

14      motor vehicle, eight dollars, except that the fee for motorcycles is nine

15      dollars.

16      4. For a duplicate registration card or any duplicate permit, four

17      dollars.

18      5. For each special ninety day nonresident registration issued

19      under section 28-2154, fifteen dollars.

20      6. For the registration of a trailer or semitrailer that is not a

21      travel trailer, ~~and~~ that is ten thousand pounds or less gross vehicle

22      weight and that is used in the furtherance of a commercial enterprise,

23      eight dollars.

24      7. For the registration of a trailer or semitrailer that is not a

25      travel trailer and that exceeds ten thousand pounds gross vehicle weight:

26       (a) On initial registration, a ~~one-time~~ ONETIME fee of two hundred

27      forty-five dollars.

28       (b) On renewal of registration or if previously registered in

29      another state, a ~~one-time~~ ONETIME fee of:

30          (i) If the trailer's or semitrailer's model year is less than six

31      years old, one hundred forty-five dollars.

32          (ii) If the trailer's or semitrailer's model year is at least six

33      years old, ninety-five dollars.

34      8. For the registration of a noncommercial trailer that is not a

35      travel trailer and that is ten thousand pounds or less gross vehicle

36      weight:

37       (a) On initial registration, a ~~one-time~~ ONETIME fee of twenty

38      dollars.

39       (b) On renewal of registration, a ~~one-time~~ ONETIME fee of five

40      dollars.

41      9. For a transfer of a noncommercial trailer that is not a travel

42      trailer and that is ten thousand pounds or less gross vehicle weight,

43      twelve dollars.

44      10. For each special ninety day resident registration issued under

45      section 28-2154, fifteen dollars.

1       11. For each one trip registration permit issued under section  
2 28-2155, one dollar.

3       12. For each temporary general use registration issued under  
4 section 28-2156, fifteen dollars.

5       13. For each identification plate bearing a serial or  
6 identification number to be affixed to any vehicle, five dollars.

7       14. IN ADDITION TO THE FEES IMPOSED BY PARAGRAPH 3 OF THIS  
8 SUBSECTION, A FEE ON ANY VEHICLE THAT DOES NOT RELY EXCLUSIVELY FOR  
9 PROPULSION ON A SOURCE OF FUEL SUBJECT TO A TAX PURSUANT TO CHAPTER 16,  
10 ARTICLE 1 OF THIS TITLE AND THAT IS EQUAL TO AN AMOUNT THAT THE DIRECTOR,  
11 ON OR BEFORE FEBRUARY 1 EACH YEAR, ESTIMATES IS THE AVERAGE AMOUNT OF  
12 TAXES PAID BY AN AVERAGE VEHICLE PURSUANT TO CHAPTER 16, ARTICLE 1 OF THIS  
13 TITLE DURING THE CURRENT FISCAL YEAR.

14       B. For the purposes of this section, "travel trailer" means a  
15 trailer that is:

16       1. Mounted on wheels.

17       2. Designed to provide temporary living quarters for recreational,  
18 camping or travel use.

19       3. Less than eight feet in width and less than forty feet in  
20 length.

21       Sec. 2. Title 28, chapter 16, article 1, Arizona Revised Statutes,  
22 is amended by adding section 28-5606.01, to read:

23       28-5606.01. Imposition of natural gas motor fuel taxes

24       A. IN ADDITION TO ALL OTHER TAXES PROVIDED BY LAW, A TAX IS IMPOSED  
25 ON NATURAL GAS IN ANY FORM THAT IS USED IN THE PROPULSION OF VEHICLES ON  
26 PUBLIC STREETS, ROADS AND HIGHWAYS IN THIS STATE.

27       B. THE TAX SHALL BE IMPOSED, COLLECTED AND DISTRIBUTED IN THE SAME  
28 MANNER AS THE TAXES IMPOSED BY SECTION 28-5606.

29       C. ON OR BEFORE FEBRUARY 1 EACH YEAR, THE DIRECTOR SHALL ESTABLISH  
30 A RATE FOR THE NEXT FISCAL YEAR FOR THE TAX IMPOSED BY THIS SECTION AS  
31 FOLLOWS:

32       1. THE DIRECTOR SHALL DETERMINE THE QUANTITY OF NATURAL GAS, IN  
33 EACH FORM, THAT CONTAINS THE ENERGY EQUIVALENT TO A GALLON OF MOTOR FUEL  
34 AND A GALLON OF USE FUEL WHEN USED IN THE PROPULSION OF VEHICLES.

35       2. FOR EACH FORM OF NATURAL GAS USED IN THE PROPULSION OF VEHICLES,  
36 THE DIRECTOR SHALL ESTABLISH A UNIT OF MEASUREMENT AND A TAX RATE, ROUNDED  
37 UP TO THE NEXT FULL CENT, SO THAT THE AMOUNT OF THE TAX PAID IS AS NEARLY  
38 AS EQUIVALENT AS POSSIBLE TO THE TAX THAT WOULD OTHERWISE BE PAID IF THE  
39 VEHICLE USED MOTOR FUEL OR USE FUEL FOR PROPULSION.

40       Sec. 3. Section 28-5801, Arizona Revised Statutes, is amended to  
41 read:

42       28-5801. Vehicle license tax rate

43       A. At the time of application for and before registration each year  
44 of a vehicle, the registering officer shall collect the vehicle license  
45 tax imposed by article IX, section 11, Constitution of Arizona. On the

1 taxpayer's vehicle license tax bill, the registering officer shall provide  
2 the taxpayer with ~~the following:~~

3 ~~1.~~ information showing the amount of the vehicle license tax that  
4 each category of recipient will receive and the amount that is owed by the  
5 taxpayer.

6 ~~2. The amount of vehicle license tax the taxpayer would pay  
7 pursuant to section 28-5805 if the taxpayer's motor vehicle was powered by  
8 alternative fuel.~~

9 B. Except as provided in subsections C, D and E of this section:

10 1. During the first twelve months of the life of a vehicle as  
11 determined by its initial registration, the vehicle license tax is based  
12 on each one hundred dollars in value, the value of the vehicle is sixty  
13 ~~percent~~ PERCENT of the manufacturer's base retail price of the vehicle  
14 and the vehicle license tax rate for each of the recipients is as follows:

15 (a) The rate for the Arizona highway user revenue fund is one  
16 dollar twenty-six cents.

17 (b) The rate for the county general fund is sixty-nine cents.

18 (c) The rate for counties for any purposes related to  
19 transportation, as determined by the board of supervisors, is sixteen  
20 cents.

21 (d) The rate for incorporated cities and towns is sixty-nine cents.

22 (e) THE RATE FOR THE ARIZONA HIGHWAY PATROL TRUST FUND ESTABLISHED  
23 BY SECTION 41-1752.01 IS THE RATE ESTABLISHED BY THE DIRECTOR.

24 2. During each succeeding twelve month period, the vehicle license  
25 tax is based on each one hundred dollars in value, the value of the  
26 vehicle is 16.25 ~~percent~~ PERCENT less than the value for the preceding  
27 twelve month period and the vehicle license tax rate for each of the  
28 recipients is as follows:

29 (a) The rate for the Arizona highway user revenue fund is one  
30 dollar thirty cents.

31 (b) The rate for the county general fund is seventy-one cents.

32 (c) The rate for counties for the same use as highway user revenue  
33 fund monies is seventeen cents.

34 (d) The rate for incorporated cities and towns is seventy-one  
35 cents.

36 (e) THE RATE FOR THE ARIZONA HIGHWAY PATROL TRUST FUND ESTABLISHED  
37 BY SECTION 41-1752.01 IS THE RATE ESTABLISHED BY THE DIRECTOR.

38 3. The minimum amount of the vehicle license tax computed under  
39 this section is ten dollars per year for each vehicle that is subject to  
40 the tax. If the product of all of the rates prescribed in paragraph 1  
41 or 2 of this subsection is less than ten dollars, the vehicle license tax  
42 is ten dollars. The vehicle license tax collected pursuant to this  
43 paragraph shall be distributed to the recipients prescribed in this  
44 subsection based on the percentage of each recipient's rate to the sum of  
45 all of the rates.

1       C. The vehicle license tax is as follows for noncommercial trailers  
2 that are not travel trailers and that are ten thousand pounds or less  
3 gross vehicle weight:

4           1. On initial registration, **BOTH OF THE FOLLOWING:**

5            (a) A ~~one-time~~ ONETIME vehicle license tax of one hundred five  
6 dollars.

7            (b) A ONETIME VEHICLE LICENSE TAX ESTABLISHED BY THE DIRECTOR. THE  
8 DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES  
9 RECEIVED PURSUANT TO THIS SUBDIVISION IN THE ARIZONA HIGHWAY PATROL TRUST  
10 FUND ESTABLISHED BY SECTION 41-1752.01.

11           2. On renewal of registration, **BOTH OF THE FOLLOWING:**

12            (a) A ~~one-time~~ ONETIME vehicle license tax of seventy dollars.

13            (b) A ONETIME VEHICLE LICENSE TAX ESTABLISHED BY THE DIRECTOR. THE  
14 DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES  
15 RECEIVED PURSUANT TO THIS SUBDIVISION IN THE ARIZONA HIGHWAY PATROL TRUST  
16 FUND ESTABLISHED BY SECTION 41-1752.01.

17       D. The vehicle license tax is as follows for a trailer or  
18 semitrailer that is not a travel trailer and that exceeds ten thousand  
19 pounds gross vehicle weight:

20           1. On initial registration, **BOTH OF THE FOLLOWING:**

21            (a) A ~~one-time~~ ONETIME vehicle license tax of five hundred  
22 fifty-five dollars.

23            (b) A ONETIME VEHICLE LICENSE TAX ESTABLISHED BY THE DIRECTOR. THE  
24 DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES  
25 RECEIVED PURSUANT TO THIS SUBDIVISION IN THE ARIZONA HIGHWAY PATROL TRUST  
26 FUND ESTABLISHED BY SECTION 41-1752.01.

27           2. On renewal of registration or if previously registered in  
28 another state, a ~~one-time~~ ONETIME vehicle license tax of:

29            (a) If the trailer's or semitrailer's model year is less than six  
30 years old, **BOTH OF THE FOLLOWING:**

31              (i) Three hundred fifty-five dollars.

32              (ii) AN AMOUNT ESTABLISHED BY THE DIRECTOR. THE DIRECTOR SHALL  
33 DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES RECEIVED PURSUANT  
34 TO THIS ITEM IN THE ARIZONA HIGHWAY PATROL TRUST FUND ESTABLISHED BY  
35 SECTION 41-1752.01.

36            (b) If the trailer's or semitrailer's model year is at least six  
37 years old, **BOTH OF THE FOLLOWING:**

38              (i) One hundred dollars.

39              (ii) AN AMOUNT ESTABLISHED BY THE DIRECTOR. THE DIRECTOR SHALL  
40 DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES RECEIVED PURSUANT  
41 TO THIS ITEM IN THE ARIZONA HIGHWAY PATROL TRUST FUND ESTABLISHED BY  
42 SECTION 41-1752.01.

43       E. The vehicle license tax for an all-terrain vehicle or  
44 off-highway vehicle as defined in section 28-1171 is three dollars if the

1 all-terrain vehicle or off-highway vehicle meets both of the following  
2 criteria:

3       1. Is designed by the manufacturer primarily for travel over  
4 unimproved terrain.

5       2. Has an unladen weight of eighteen hundred pounds or less.

6       F. The vehicle license tax collected pursuant to subsection C, D  
7 or E of this section shall be distributed to the recipients prescribed in  
8 subsection B of this section based on the percentage of each recipient's  
9 rate to the sum of all of the rates.

10     G. For the purposes of ~~subsection~~ **SUBSECTIONS** C and D of this  
11 section, "travel trailer" has the same meaning prescribed in section  
12 28-2003.

13     Sec. 4. **Repeal**

14     Section 28-5805, Arizona Revised Statutes, is repealed.

15     Sec. 5. Section 28-5808, Arizona Revised Statutes, is amended to  
16 read:

17      28-5808. **Vehicle license tax distribution**

18      A. Except as provided in **SECTION 28-5801 AND** subsection D of this  
19 section, the director shall distribute monies collected by the director  
20 pursuant to section 28-5801, except monies deposited in the state general  
21 fund, on the first and fifteenth calendar day of each month as follows:

22       1. On the first calendar day, the director shall deposit, pursuant  
23 to sections 35-146 and 35-147, all of the Arizona highway user revenue  
24 fund monies received from the first through the fifteenth calendar day of  
25 the preceding month in the Arizona highway user revenue fund, except that  
26 on the first calendar day the director shall deposit, pursuant to sections  
27 35-146 and 35-147, in the parity compensation fund established by section  
28 41-1720, 1.51 ~~per cent~~ PERCENT of the portion of vehicle license tax  
29 revenues that otherwise would be deposited in the state highway fund from  
30 the first through the fifteenth calendar day of the preceding month.

31       2. On the fifteenth calendar day, the director shall deposit,  
32 pursuant to sections 35-146 and 35-147, all of the Arizona highway user  
33 revenue fund monies received from the sixteenth through the last day of  
34 the preceding month in the Arizona highway user revenue fund, except that  
35 on the fifteenth calendar day, the director shall deposit, pursuant to  
36 sections 35-146 and 35-147, in the parity compensation fund established by  
37 section 41-1720, 1.51 ~~per cent~~ PERCENT of the portion of vehicle license  
38 tax revenues that otherwise would be deposited in the state highway fund  
39 from the sixteenth through the last day of the preceding month. On the  
40 fifteenth calendar day, the director shall distribute or deposit all other  
41 monies received during the entire preceding month as follows:

42       (a) The county general fund monies to the county general fund.

43       (b) The county transportation monies to the state treasurer to be  
44 apportioned among the counties for any purposes related to transportation,  
45 as determined by the board of supervisors, on the basis that the

1 population of the unincorporated area of each county bears to the  
2 population of the unincorporated areas of all counties in this state.

3 (c) The incorporated cities and towns monies to the incorporated  
4 cities and towns of the county in proportion to the population of each.

5 3. The deposit of the monies in the parity compensation fund  
6 pursuant to paragraphs 1 and 2 of this subsection shall not impact the  
7 distribution of vehicle license tax revenues to the state general fund and  
8 to cities, towns and counties pursuant to this section.

9 B. The director shall distribute monies collected by the director  
10 pursuant to sections 28-5804, ~~28-5805~~, 28-5806 and 28-5810, except monies  
11 deposited in the state general fund, on the first and fifteenth calendar  
12 day of each month as follows:

13 1. On the first calendar day, the director shall deposit, pursuant  
14 to sections 35-146 and 35-147, 37.61 ~~per cent~~ PERCENT of all monies  
15 received from the first through the fifteenth calendar day of the  
16 preceding month in the highway user revenue fund.

17 2. On the fifteenth calendar day, the director shall deposit,  
18 pursuant to sections 35-146 and 35-147, 37.61 ~~per cent~~ PERCENT of all  
19 monies received from the sixteenth through the last day of the preceding  
20 month in the highway user revenue fund and distribute or deposit the  
21 following amounts as a percentage of all monies received pursuant to  
22 sections 28-5804, ~~28-5805~~, 28-5806 and 28-5810 during the entire preceding  
23 month as follows:

24 (a) 20.45 ~~per cent~~ PERCENT to the county general fund.

25 (b) 4.91 ~~per cent~~ PERCENT to the state treasurer to be apportioned  
26 among the counties for any purposes related to transportation, as  
27 determined by the board of supervisors, on the basis that the population  
28 of the unincorporated area of each county bears to the population of the  
29 unincorporated areas of all counties in this state.

30 (c) 20.45 ~~per cent~~ PERCENT to the incorporated cities and towns of  
31 the county in proportion to the population of each.

32 (d) 1.64 ~~per cent~~ PERCENT, pursuant to sections 35-146 and 35-147,  
33 in the state highway fund established by section 28-6991.

34 (e) 4.09 ~~per cent~~ PERCENT in the state highway fund established by  
35 section 28-6991.

36 (f) 10.85 ~~per cent~~ PERCENT, pursuant to sections 35-146 and 35-147,  
37 in the state general fund to aid school financial assistance.

38 C. For purposes of this section the population of a county, city or  
39 town shall be determined as provided by section 28-6532 or 42-5033.01. If  
40 an incorporated city or town has had no federal enumeration of population,  
41 the supervisors shall both:

42 1. Appoint a qualified person to take an accurate census of the  
43 incorporated city or town.

1       2. Certify the results to the county treasurer, and the  
2 incorporated city or town shall share in the distribution as provided by  
3 this section.

4       D. On the fifteenth calendar day of each month, the director shall  
5 transfer to the state general fund from the portion of vehicle license tax  
6 revenues that otherwise would be deposited in the state highway fund  
7 pursuant to section 28-6538, subsection A, paragraph 1 the following  
8 amounts:

9       1. An amount equal to ninety ~~per cent~~ PERCENT of the fees collected  
10 pursuant to section 28-4802, subsection A in the preceding month.

11       2. An amount equal to sixty ~~per cent~~ PERCENT of the fees collected  
12 pursuant to section 28-4802, subsection B in the preceding month.

13       E. On the fifteenth calendar day of each month, the director shall  
14 transfer to the state general fund from the portion of vehicle license tax  
15 revenues that otherwise would be deposited in the state highway fund  
16 pursuant to section 28-6538, subsection A, paragraph 1 the difference  
17 between the actual amount of the vehicle license tax revenue collected as  
18 a result of registration of vehicles pursuant to section 28-2159 in the  
19 preceding month for a five-year registration period and the amount that  
20 would have been collected if those same vehicles had been registered for a  
21 two-year vehicle registration period.

22       Sec. 6. Title 28, chapter 19, Arizona Revised Statutes, is amended  
23 by adding article 5, to read:

24           ARTICLE 5. TRANSPORTATION REINVESTMENT ZONES

25           28-6841. Definitions

26           IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

27       1. "CAPTURED FULL CASH VALUE" MEANS THE TOTAL FULL CASH VALUE OF  
28 ALL REAL PROPERTY THAT IS TAXABLE BY A COUNTY, CITY OR TOWN AND THAT IS  
29 LOCATED IN A TRANSPORTATION REINVESTMENT ZONE MINUS THE TAX INCREMENT BASE  
30 OF THE COUNTY, CITY OR TOWN.

31       2. "FULL CASH VALUE" HAS THE SAME MEANING PRESCRIBED IN SECTION  
32 42-11001.

33       3. "GOVERNING BODY" MEANS THE BOARD OF SUPERVISORS OF A COUNTY, THE  
34 CITY OR TOWN COUNCIL OR ANOTHER ELECTED GOVERNING BOARD OF A CITY OR TOWN.

35       4. "TAX INCREMENT" MEANS THE AMOUNT OF TAX REVENUE COLLECTED FROM  
36 ALL AD VALOREM PROPERTY TAXES LEVIED BY ALL TAXING JURISDICTIONS, EXCEPT  
37 SCHOOL DISTRICTS, ON THE CAPTURED FULL CASH VALUE.

38       5. "TAX INCREMENT BASE" MEANS THE TOTAL FULL CASH VALUE OF ALL REAL  
39 PROPERTY THAT IS TAXABLE BY A COUNTY, CITY OR TOWN AND LOCATED IN A  
40 TRANSPORTATION REINVESTMENT ZONE FOR THE TAX YEAR IN WHICH THE ZONE WAS  
41 DESIGNATED UNDER THIS ARTICLE.

42       6. "ZONE" MEANS A TRANSPORTATION REINVESTMENT ZONE ESTABLISHED  
43 PURSUANT TO THIS ARTICLE.

1           28-6842. Designation of transportation reinvestment zone

2           A. THE GOVERNING BODY OF A COUNTY, CITY OR TOWN, BY ORDINANCE, MAY  
3 DESIGNATE A CONTIGUOUS GEOGRAPHICAL AREA IN THE JURISDICTION OF THE  
4 COUNTY, CITY OR TOWN TO BE A TRANSPORTATION REINVESTMENT ZONE TO PROMOTE  
5 ONE OR MORE TRANSPORTATION PROJECTS ON A FINDING THAT:

6           1. THE AREA IS UNPRODUCTIVE AND UNDEVELOPED.

7           2. ACTION UNDER THIS ARTICLE WILL FURTHER THE FOLLOWING PURPOSES:

8           (a) PROMOTE PUBLIC SAFETY.

9           (b) FACILITATE THE IMPROVEMENT, DEVELOPMENT OR REDEVELOPMENT OF

10 PROPERTY.

11           (c) FACILITATE THE MOVEMENT OF TRAFFIC.

12           (d) ENHANCE A LOCAL ENTITY'S ABILITY TO SPONSOR A TRANSPORTATION  
13 PROJECT.

14           B. THE GOVERNING BODY MUST HOLD A PUBLIC HEARING ON THE DESIGNATION  
15 OF THE ZONE AND ITS BENEFITS TO THE COUNTY, CITY OR TOWN AND TO PROPERTY  
16 IN THE PROPOSED ZONE. THE HEARING MUST BE HELD AT LEAST THIRTY DAYS  
17 BEFORE THE DATE THE COUNTY, CITY OR TOWN PROPOSES TO ADOPT AN ORDINANCE  
18 DESIGNATING THE TRANSPORTATION REINVESTMENT ZONE. NOTICE OF THE HEARING  
19 MUST BE GIVEN AT LEAST SEVEN DAYS BEFORE THE DATE OF THE HEARING BY  
20 PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY, CITY OR  
21 TOWN AND BY POSTING ON THE COUNTY'S, CITY'S OR TOWN'S WEBSITE. AT THE  
22 HEARING ANY INTERESTED PERSON MAY SPEAK OR SUBMIT WRITTEN COMMENTS FOR OR  
23 AGAINST THE CREATION OF THE ZONE OR ITS BOUNDARIES.

24           C. THE ORDINANCE DESIGNATING AN AREA AS A TRANSPORTATION  
25 REINVESTMENT ZONE MUST:

26           1. DESCRIBE THE BOUNDARIES OF THE ZONE WITH SUFFICIENT DEFINITENESS  
27 TO IDENTIFY WITH ORDINARY AND REASONABLE CERTAINTY THE TERRITORY INCLUDED  
28 IN THE ZONE.

29           2. PROVIDE THAT THE ZONE TAKES EFFECT IMMEDIATELY ON PASSAGE OF THE  
30 ORDINANCE AND THAT THE BASE YEAR IS THE YEAR OF PASSAGE OF THE ORDINANCE  
31 OR ANOTHER YEAR IN THE FUTURE.

32           3. DESIGNATE WHETHER ALL OR A SPECIFIED PERCENTAGE OF EACH TAXING  
33 JURISDICTION'S TAX INCREMENT WILL BE PAID INTO THE TAX INCREMENT ACCOUNT  
34 ESTABLISHED PURSUANT TO PARAGRAPH 6 OF THIS SUBSECTION.

35           4. ASSIGN A NAME TO THE ZONE FOR IDENTIFICATION, WITH THE FIRST  
36 ZONE DESIGNATED AS "TRANSPORTATION REINVESTMENT ZONE NUMBER ONE, NAME OF  
37 COUNTY, CITY OR TOWN", AND SUBSEQUENTLY DESIGNATED ZONES ASSIGNED NAMES  
38 IN THE SAME FORMAT, NUMBERED CONSECUTIVELY IN THE ORDER OF THEIR  
39 DESIGNATION.

40           5. DESIGNATE THE BASE YEAR FOR THE PURPOSES OF ESTABLISHING THE TAX  
41 INCREMENT BASE.

42           6. ESTABLISH A TAX INCREMENT ACCOUNT FOR THE ZONE.

43           7. CONTAIN FINDINGS THAT PROMOTION OF THE TRANSPORTATION PROJECT OR  
44 PROJECTS WILL CULTIVATE THE IMPROVEMENT, DEVELOPMENT OR REDEVELOPMENT OF  
45 THE ZONE.

1       D. COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION CONSTITUTES  
2 DESIGNATION OF THE AREA AS A TRANSPORTATION REINVESTMENT ZONE WITHOUT  
3 FURTHER HEARINGS OR OTHER PROCEDURAL FORMALITIES.

4       E. THE GOVERNING BODY MAY AMEND THE BOUNDARIES OF A ZONE AT ANY  
5 TIME TO ACCOMMODATE CHANGES IN THE LIMITS OF A PROJECT FOR WHICH THE ZONE  
6 WAS DESIGNATED, EXCEPT THAT PROPERTY MAY NOT BE ADDED TO A DESIGNATED ZONE  
7 UNLESS THE GOVERNING BODY COMPLIES WITH THIS SECTION.

8       28-6843. Exclusion of school district tax increment

9       A. A SCHOOL DISTRICT IS NOT REQUIRED TO PAY INTO A TAX INCREMENT  
10 ACCOUNT ANY OF ITS TAX INCREMENT PRODUCED FROM PROPERTY LOCATED IN A ZONE  
11 UNLESS THE GOVERNING BODY OF THE SCHOOL DISTRICT ENTERS INTO AN AGREEMENT  
12 TO DO SO WITH THE GOVERNING BODY OF THE COUNTY, CITY OR TOWN THAT CREATED  
13 THE ZONE.

14       B. THE GOVERNING BODY OF A SCHOOL DISTRICT MAY ENTER INTO AN  
15 AGREEMENT UNDER THIS SECTION AT ANY TIME BEFORE OR AFTER THE ZONE IS  
16 CREATED OR ENLARGED. THE AGREEMENT MAY INCLUDE CONDITIONS FOR PAYMENT OF  
17 THE SCHOOL DISTRICT'S TAX INCREMENT BUT MUST SPECIFY THE PORTION OF THE  
18 TAX INCREMENT TO BE PAID AND THE YEAR OR YEARS FOR WHICH THAT TAX  
19 INCREMENT IS TO BE PAID. THE AGREEMENT AND THE CONDITIONS IN THE  
20 AGREEMENT ARE BINDING ON THE SCHOOL DISTRICT AND THE COUNTY, CITY OR TOWN.

21       28-6844. Use of tax increment revenues for transportation  
22                    projects

23       A. FROM TAXES COLLECTED ON PROPERTY IN A TRANSPORTATION  
24 REINVESTMENT ZONE, THE GOVERNING BODY SHALL PAY INTO THE TAX INCREMENT  
25 ACCOUNT FOR THE ZONE THE TAX INCREMENT PRODUCED BY THE COUNTY, CITY OR  
26 TOWN.

27       B. ALL OR A PORTION, AS SPECIFIED BY THE GOVERNING BODY, OF THE  
28 MONIES DEPOSITED IN A TAX INCREMENT ACCOUNT MUST BE USED TO FUND THE  
29 TRANSPORTATION PROJECT OR PROJECTS FOR WHICH THE ZONE WAS DESIGNATED, AS  
30 WELL AS AESTHETIC IMPROVEMENTS WITHIN THE ZONE. ANY REMAINING MONIES  
31 DEPOSITED IN THE TAX INCREMENT ACCOUNT MAY BE USED FOR OTHER PURPOSES AS  
32 DETERMINED BY THE GOVERNING BODY.

33       C. THE GOVERNING BODY MAY CONTRACT WITH A PUBLIC OR PRIVATE ENTITY  
34 TO DEVELOP, REDEVELOP OR IMPROVE A TRANSPORTATION PROJECT IN THE ZONE AND  
35 MAY PLEDGE AND ASSIGN ALL OR A SPECIFIED AMOUNT OF MONIES IN THE TAX  
36 INCREMENT ACCOUNT TO THAT ENTITY. AFTER A PLEDGE OR ASSIGNMENT IS MADE,  
37 THE GOVERNING BODY MAY NOT RESCIND ITS PLEDGE OR ASSIGNMENT UNTIL THE  
38 CONTRACTUAL COMMITMENTS THAT ARE THE SUBJECT OF THE PLEDGE OR ASSIGNMENT  
39 HAVE BEEN SATISFIED.

40       28-6845. Termination of transportation reinvestment zone

41       A. A TRANSPORTATION REINVESTMENT ZONE TERMINATES ON THE LATER OF  
42 THE FOLLOWING:

43       1. DECEMBER 31 OF THE YEAR IN WHICH THE COUNTY, CITY OR TOWN  
44 COMPLETES ALL CONTRACTUAL REQUIREMENTS OR THE REPAYMENT OF MONIES OWED

1 UNDER ANY AGREEMENT FOR DEVELOPMENT, REDEVELOPMENT OR IMPROVEMENT OF THE  
2 PROJECT OR PROJECTS FOR WHICH THE ZONE WAS DESIGNATED.

3 2. DECEMBER 31 OF THE TENTH YEAR AFTER THE YEAR THE ZONE WAS  
4 DESIGNATED IF, BEFORE THAT DATE, THE COUNTY, CITY OR TOWN HAS NOT ENTERED  
5 INTO A CONTRACT DESCRIBED IN SECTION 28-6844, SUBSECTION C OR HAS  
6 OTHERWISE NOT USED THE ZONE FOR THE PURPOSE FOR WHICH IT WAS DESIGNATED.

7 B. ANY SURPLUS REMAINING IN A TAX INCREMENT ACCOUNT ON TERMINATION  
8 OF A ZONE MAY BE USED FOR OTHER PURPOSES AS DETERMINED BY THE GOVERNING  
9 BODY.

10 Sec. 7. Title 41, chapter 12, article 3, Arizona Revised Statutes,  
11 is amended by adding section 41-1752.01, to read:

12 **41-1752.01. Arizona highway patrol trust fund**

13 A. THE ARIZONA HIGHWAY PATROL TRUST FUND IS ESTABLISHED CONSISTING  
14 OF MONIES DEPOSITED PURSUANT TO SECTION 28-5801. THE TRUST FUND SHALL BE  
15 USED EXCLUSIVELY FOR THE PURPOSE OF IMPLEMENTING, CONTINUING AND  
16 SUPPORTING THE HIGHWAY PATROL AND THE ARIZONA HIGHWAY PATROL RESERVE AND  
17 ADMINISTERING THE PROVISIONS OF LAW RELATING TO THE HIGHWAY PATROL AND THE  
18 ARIZONA HIGHWAY PATROL RESERVE.

19 B. THE DIRECTOR SHALL ADMINISTER THE TRUST FUND AS TRUSTEE. THE  
20 STATE TREASURER SHALL ACCEPT, SEPARATELY ACCOUNT FOR AND HOLD IN TRUST ANY  
21 MONIES DEPOSITED IN THE STATE TREASURY, WHICH ARE CONSIDERED TO BE TRUST  
22 MONIES AS DEFINED IN SECTION 35-310 AND WHICH MAY NOT BE COMMINGLED WITH  
23 ANY OTHER MONIES IN THE STATE TREASURY EXCEPT FOR INVESTMENT PURPOSES. ON  
24 NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST ANY TRUST FUND  
25 MONIES DEPOSITED IN THE STATE TREASURY PURSUANT TO SECTIONS 35-313 AND  
26 35-314.03, AND ALL INTEREST EARNED ON THESE MONIES SHALL BE CREDITED TO  
27 THE TRUST FUND.

28 C. THE BENEFICIARIES OF THE TRUST ARE THE HIGHWAY PATROL AND THE  
29 ARIZONA HIGHWAY PATROL RESERVE.

30 D. MONIES IN THE TRUST FUND ARE EXEMPT FROM THE PROVISIONS OF  
31 SECTION 35-190 RELATING TO LAPSLING OF APPROPRIATIONS. SURPLUS MONIES,  
32 INCLUDING ANY UNEXPENDED AND UNENCUMBERED BALANCE AT THE END OF THE FISCAL  
33 YEAR, DO NOT REVERT TO THE STATE GENERAL FUND.