

~~artificial intelligence; requirements~~  
(now: transportation tax; Maricopa county; election)

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
Second Regular Session  
2022

# HOUSE BILL 2685

## AN ACT

AMENDING SECTIONS 28-304, 28-6301, 28-6302, 28-6303, 28-6304, 28-6305 AND 28-6306, ARIZONA REVISED STATUTES; REPEALING SECTION 28-6307, ARIZONA REVISED STATUTES; AMENDING SECTION 28-6308, ARIZONA REVISED STATUTES; REPEALING SECTIONS 28-6309, 28-6310, 28-6311 AND 28-6312, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-6313 AND 28-6351, ARIZONA REVISED STATUTES; REPEALING SECTIONS 28-6352, 28-6353, 28-6354 AND 28-6355, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 17, ARTICLE 2, ARIZONA REVISED STATUTES; BY ADDING A NEW SECTION 28-6352; AMENDING SECTIONS 28-6538, 28-6954, 28-7562, 28-7671, 28-7691, 28-7695 AND 42-6105, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-6105.01; AMENDING SECTIONS 48-5102 AND 48-5103, ARIZONA REVISED STATUTES; REPEALING SECTIONS 48-5106 AND 48-5121, ARIZONA REVISED STATUTES; RELATING TO TRANSPORTATION FINANCE AND PLANNING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 28-304, Arizona Revised Statutes, is amended to  
3 read:  
4 28-304. Powers and duties of the board; transportation  
5 facilities  
6 A. The board shall:  
7 1. Develop and adopt a statewide transportation policy statement.  
8 The policy statement shall be adopted as described in section 28-306.  
9 2. Adopt a long-range statewide transportation plan. The plan  
10 shall be adopted as described in section 28-307.  
11 3. Adopt uniform transportation planning practices and performance  
12 based planning processes for use by the department. The practices and  
13 processes shall be developed as described in sections 28-502 and 28-503.  
14 4. Adopt transportation system performance measures and factors and  
15 data collection standards to be used by the department. The performance  
16 measures, factors and standards shall be developed as described in  
17 sections 28-504 and 28-505.  
18 B. With respect to highways, the board shall:  
19 1. Establish a complete system of state highway routes.  
20 2. Determine which state highway routes or portions of the routes  
21 are accepted into the state highway system and which state highway routes  
22 to improve.  
23 3. Establish, open, relocate or alter a portion of a state route or  
24 state highway.  
25 4. Vacate or abandon a portion of a state route or state highway as  
26 prescribed in section 28-7209.  
27 5. Sell board funding obligations to the state treasurer as  
28 provided in section 28-7678.  
29 C. The board shall:  
30 1. Establish policies to guide the development or modification of  
31 the five year transportation facilities construction program that are  
32 consistent with the principles of ~~performance-based~~ PERFORMANCE-BASED  
33 planning developed pursuant to article 7 of this chapter. The percentage  
34 of department discretionary monies allocated to the region in the ~~regional~~  
35 ~~transportation~~ plan approved pursuant to chapter 17, article 1 of this  
36 title shall not increase or decrease unless the board, in cooperation with  
37 the regional planning agency, agrees to change the percentage of the  
38 discretionary monies.  
39 2. Award all construction contracts for transportation facilities.  
40 3. Monitor the status of these construction projects.  
41 D. The board shall determine priority program planning with respect  
42 to transportation facilities using the ~~performance-based~~ PERFORMANCE-BASED  
43 methods developed pursuant to article 7 of this chapter.

1 E. With respect to transportation facilities other than highways,  
2 the board shall establish, open, relocate, alter, vacate or abandon all or  
3 portions of the facilities.

4 F. With respect to aeronautics, the board shall perform the  
5 functions prescribed in chapter 25 of this title.

6 G. The board shall not spend any monies, adopt any rules or  
7 implement any policies or programs to convert signs to the metric system  
8 or to require the use of the metric system with respect to designing or  
9 preparing plans, specifications, estimates or other documents for any  
10 highway project before the conversion or use is required by federal law,  
11 except that the board may:

12 1. Spend monies and require the use of the metric system with  
13 respect to designing or preparing plans, specifications, estimates or  
14 other documents for a highway project that is awarded before October 1,  
15 1997 and that is exclusively metric from its inception.

16 2. Prepare for conversion to and use of the metric system not more  
17 than six months before the conversion or use is required by federal law.

18 Sec. 2. Section 28-6301, Arizona Revised Statutes, is amended to  
19 read:

20 28-6301. Definitions

21 In this article, unless the context otherwise requires:

22 1. "~~Bond related~~ BOND-RELATED expenses" means:

23 (a) Printing, publication or advertising expenses with respect to  
24 the sale and issuance of any bonds.

25 (b) Fees, expenses and costs of registrars, paying agents and  
26 transfer agents retained by the board.

27 (c) Fees, expenses and costs of attorneys, accountants, actuaries,  
28 feasibility consultants, computer programmers or other experts employed to  
29 aid in the sale and issuance of the bonds.

30 (d) Other costs, fees and expenses incurred or reasonably related  
31 to the issuance, sale and administration of the bonds.

32 2. "~~Bond related~~ BOND-RELATED obligation" means any agreement or  
33 contractual relationship between the board and any bank, trust company,  
34 insurance company, surety bonding company, pension fund or other financial  
35 institution providing increased credit on, or security for, the bonds or  
36 liquidity for secondary market transactions.

37 3. "Bonds" means any bonds that are payable from the regional area  
38 road fund as provided in chapter 21, article 2 of this title.

39 4. "Construction interest" means a company whose primary function  
40 consists of building freeways, highways or major arterial streets.

41 5. "Controlled access highway" has the same meaning prescribed in  
42 section 28-601.

43 6. "Freight interest" means a company that derives a substantial  
44 portion of its revenue from transporting goods.

45 ~~7. "Major amendment" means either:~~

1 ~~(a) The addition or deletion of a freeway, route on the state~~  
2 ~~highway system or a fixed guideway transit system.~~

3 ~~(b) The addition or deletion of a portion of a freeway, route on~~  
4 ~~the state highway system or a fixed guideway transit system that either~~  
5 ~~exceeds one mile in length or exceeds an estimated cost of forty million~~  
6 ~~dollars as provided in the regional transportation plan.~~

7 ~~(c) The modification of a transportation project in a manner that~~  
8 ~~eliminates a connection between freeway facilities or fixed guideway~~  
9 ~~facilities.~~

10 7. "MAJOR ARTERIAL" MEANS AN INTERCONNECTED THOROUGHFARE WHOSE  
11 PRIMARY FUNCTION IS TO LINK AREAS IN THE REGION AND TO DISTRIBUTE TRAFFIC  
12 TO AND FROM CONTROLLED ACCESS HIGHWAYS, GENERALLY OF REGIONWIDE  
13 SIGNIFICANCE AND OF VARYING CAPACITY DEPENDING ON THE TRAVEL DEMAND FOR  
14 THE SPECIFIC DIRECTION AND ADJACENT LAND USES.

15 8. "PLAN" HAS THE SAME MEANING PRESCRIBED IN SECTION 28-6351.

16 ~~8.~~ 9. "Population" means the population determined in the most  
17 recent United States decennial census or the most recent special census as  
18 provided in section 28-6532 and revisions to the decennial or special  
19 census certified by the United States bureau of the census.

20 ~~9.~~ 10. "Public transportation" means moving passengers by means of  
21 a conveyance operated by or for a political subdivision of this state,  
22 including dial-a-ride transportation, special needs transportation and van  
23 pool transportation but excluding school buses.

24 ~~10.~~ 11. "Public transportation system" means the combination of  
25 individuals, vehicles, physical facilities, structures and equipment that  
26 together provide, or facilitate providing, public transportation,  
27 including buses, high occupancy vehicle roadway lanes and ramps, bus  
28 pull-out lanes, bus and light rail waiting facilities, park and ride  
29 parking lots, intelligent transportation systems and ridesharing  
30 promotion.

31 12. "REGIONAL PROGRAMS" MEANS TRANSPORTATION PROJECTS THAT ARE  
32 SELECTED THROUGH A PERFORMANCE-BASED PROCESS FOR ARTERIAL IMPROVEMENTS,  
33 ACTIVE TRANSPORTATION, AIR QUALITY, EMERGING TECHNOLOGIES, INTELLIGENT  
34 TRANSPORTATION SYSTEMS, SAFETY AND TRANSPORTATION DEMAND MANAGEMENT.

35 ~~11.~~ 13. "Regionwide business" means a company that provides goods  
36 or services throughout the county.

37 ~~12.~~ 14. "Transit interest" means an individual with demonstrated  
38 interest and experience with public transportation.

39 Sec. 3. Section 28-6302, Arizona Revised Statutes, is amended to  
40 read:

41 28-6302. Transportation excise tax distribution; counties  
42 with three million or more persons; regional area  
43 road fund

44 A. In a county with a population of ~~one~~ THREE million ~~two hundred~~  
45 ~~thousand~~ or more persons, the officer collecting transportation excise tax

1 monies pursuant to section 42-6105 OR 42-6105.01 that are designated for  
2 deposit in the regional area road fund shall immediately transfer the  
3 monies to the state treasurer. The state treasurer shall deposit the  
4 monies in a fund designated for the county as the regional area road  
5 fund. The state treasurer shall hold monies in the regional area road  
6 fund as a trustee for the county.

7 B. Except as provided in this article, the county in which the  
8 transportation excise taxes are levied has the beneficial interest in the  
9 regional area road fund. This state has no beneficial interest in the  
10 regional area road fund except as an obligee for reimbursement of state  
11 monies that are advanced as salaries or expenses by this state or the  
12 department and that are to be repaid by the regional area road fund.

13 C. Monies and investments within the regional area road fund may be  
14 used and spent only as provided in this chapter. An appropriation of any  
15 nature shall not be required before the expenditure of monies from the  
16 regional area road fund. Monies in the bond proceeds account or  
17 construction account of a regional area road fund may be obligated for  
18 payment in future years for the purpose of right-of-way acquisition  
19 subject to the limitations prescribed in sections 28-7001 and 28-7002, ~~and~~  
20 section 42-6105, subsection D, paragraphs 1 and 2 AND SECTION 42-6105.01,  
21 SUBSECTION D, PARAGRAPHS 1 AND 2. The state treasurer shall make payments  
22 from the regional area road fund by check, and a warrant or voucher is not  
23 necessary. Subject to the powers granted to the board in chapter 21,  
24 article 2 of this title, the director shall administer monies deposited in  
25 the regional area road fund.

26 Sec. 4. Section 28-6303, Arizona Revised Statutes, is amended to  
27 read:

28 28-6303. Regional area road fund; separate accounts

29 A. The regional area road fund is divided into three separate  
30 accounts designated as the bond account, the construction account and the  
31 bond proceeds account.

32 B. The state treasurer shall:

33 1. Account separately for each account.

34 2. Make transfers between accounts only as provided in this article  
35 or chapter 21, article 2 of this title.

36 3. Before any bonds are issued, deposit transportation excise tax  
37 revenues transferred to the state treasurer in the construction account.  
38 These revenues shall be expended as provided in this article.

39 4. After any bonds are issued, deposit transportation excise tax  
40 revenues transferred to the state treasurer in the bond account first  
41 until the bond account contains monies sufficient to meet all principal,  
42 interest or redemption requirements for the current period as required by  
43 any resolution of the board pertaining to the issuance of bonds.

1           5. After all current period requirements for all of the bonds are  
2 deposited in the bond account, deposit the balance of transportation  
3 excise tax revenues transferred to the state treasurer for the current  
4 period in the construction account.

5           C. The state treasurer may:

6           1. Invest monies in any account of the regional area road fund in  
7 any securities or obligations authorized by title 35, chapter 2,  
8 article 2.

9           2. For the purpose of investments, commingle monies within the  
10 regional area road fund with state monies if all interest earned on the  
11 monies in the regional area road fund of a county is credited to the  
12 respective account of the regional area road fund in which the investment  
13 was made.

14           D. The department shall separately account for the uses of  
15 transportation excise tax revenues deposited into the bond account and the  
16 construction account in order to identify how the transportation excise  
17 tax revenues are used pursuant to section 42-6105, subsection D,  
18 paragraphs 1 and 2, for:

19           1. Freeways and other routes in the state highway system.

20           2. Major arterial streets and ~~intersection improvements~~ REGIONAL  
21 PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND  
22 IMPLEMENTATION STUDIES.

23           E. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE USES OF  
24 TRANSPORTATION EXCISE TAX REVENUES DEPOSITED IN THE BOND ACCOUNT AND THE  
25 CONSTRUCTION ACCOUNT IN ORDER TO IDENTIFY HOW THE TRANSPORTATION EXCISE  
26 TAX REVENUES ARE USED PURSUANT TO SECTION 42-6105.01, SUBSECTION D,  
27 PARAGRAPHS 1 AND 2 FOR:

28           1. FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM.

29           2. MAJOR ARTERIAL STREETS AND REGIONAL PROGRAMS IDENTIFIED IN THE  
30 PLAN, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.

31           Sec. 5. Section 28-6304, Arizona Revised Statutes, is amended to  
32 read:

33           28-6304. Bond account; expenditures

34           A. The state treasurer shall:

35           1. Hold monies in the bond account in trust for the owners of the  
36 bonds.

37           2. Pay monies in the bond account to the county, to paying agents  
38 or to the owners of the bonds directly in accordance with a resolution of  
39 the board authorizing the issuance of the bonds.

40           B. Monies in the bond account may be used:

41           1. To pay ~~bond-related~~ BOND-RELATED expenses or recurring expenses  
42 pertaining to administration and payment of the bonds.

43           2. For funding reserves for the payment of the bonds.

44           3. For payment of fees, charges and expenses incurred with respect  
45 to ~~bond-related~~ BOND-RELATED obligations.

1 C. Monies in the bond proceeds account may be obligated or spent as  
2 directed by the board, ACCORDING TO THE PLAN, for the:

3 1. Payment of all ~~bond related~~ BOND-RELATED expenses.  
4 2. Establishment and funding of reserve monies or to pay interest  
5 on bonds during the expected period of construction.

6 3. Payment of fees, charges and expenses incurred with respect to  
7 ~~bond related~~ BOND-RELATED obligations.

8 4. Design, right-of-way purchase or construction related to new, or  
9 improvements to, freeways and other routes in the state highway system  
10 that are included in the ~~regional transportation~~ plan ~~of the county~~ and  
11 that are accepted into the state highway system.

12 5. Design, right-of-way purchase or construction related to new, or  
13 improvements to, major arterial streets and intersections that are  
14 included in the ~~regional transportation~~ plan ~~of the county~~. ~~For the~~  
15 ~~purposes of this paragraph, "major arterial" means an interconnected~~  
16 ~~thoroughfare whose primary function is to link areas in the region and to~~  
17 ~~distribute traffic to and from controlled access highways, generally of~~  
18 ~~regionwide significance and of varying capacity depending on the travel~~  
19 ~~demand for the specific direction and adjacent land uses.~~

20 ~~6. Design and construction of interim roadways within the adopted~~  
21 ~~corridors of the regional transportation plan of the county pursuant to~~  
22 ~~section 28-6309.~~

23 ~~7. Right-of-way costs associated with the construction of interim~~  
24 ~~roadways pursuant to section 28-6310.~~

25 ~~8.~~ 6. Payment of principal and interest on the bonds.

26 7. DESIGN, CONSTRUCTION AND IMPLEMENTATION OF REGIONAL PROGRAMS AS  
27 DEFINED BY THE PLAN.

28 Sec. 6. Section 28-6305, Arizona Revised Statutes, is amended to  
29 read:

30 28-6305. Construction account; expenditures; construction  
31 contracts

32 A. Except as provided in subsection B of this section, monies in  
33 the construction account of the regional area road fund shall be spent,  
34 pledged or accumulated for the purposes provided in section 28-6304,  
35 subsection C, paragraphs 4 and 5, including payment of interest on and  
36 repayment of bonds and obligations issued pursuant to chapter 21 of this  
37 title if the proceeds of the bonds or obligations are used for the  
38 purposes provided in section 28-6304, subsection C, paragraphs 4 and 5.

39 B. Of the monies deposited in the construction account of the  
40 regional area road fund under section 28-6303, the state treasurer shall:

41 1. In each fiscal year, divide and equally distribute ~~five million~~  
42 ~~dollars~~ \$5,000,000 to:

43 (a) The public transportation fund established in that county under  
44 section 48-5103.

1 (b) The regional planning agency in that county for planning and  
2 ~~administration of~~ ADMINISTERING the ~~regional transportation~~ plan approved  
3 pursuant to section 28-6308. The state treasurer shall distribute monies  
4 under this subdivision through the department on or before June 30 of each  
5 year.

6 2. Beginning with fiscal year 1987-1988, adjust the monies  
7 distributed under paragraph 1 OF THIS SUBSECTION by the annual percentage  
8 change for the previous calendar year in the GDP price deflator as defined  
9 in section 41-563.

10 C. The monies distributed under subsection B of this section shall  
11 only be spent for planning and administering the ~~regional transportation~~  
12 plan approved pursuant to section 28-6308 and the costs incurred by the  
13 auditor general relating to performance audits under section 28-6313.  
14 Before the beginning of each fiscal year, the respective governing bodies  
15 of the members of the regional planning agency and the board of directors  
16 of the regional public transportation authority shall explicitly identify  
17 and approve in ~~the annual~~ budgets the monies to be spent under subsection  
18 B of this section for the purposes allowed under this subsection. These  
19 expenditures are subject to the annual audit of the governing bodies'  
20 financial transactions.

21 D. The director may enter into construction contracts or contracts  
22 incidental to construction contracts payable from monies in either the  
23 bond proceeds account or the construction account or both the bond  
24 proceeds and construction accounts.

25 Sec. 7. Section 28-6306, Arizona Revised Statutes, is amended to  
26 read:

27 28-6306. Account expenditures; elections

28 A. Except as provided in subsection B OF THIS SECTION, monies from  
29 any account in the regional area road fund shall not be spent to promote  
30 or advocate a position, alternative or outcome of an election, to  
31 influence public opinion or to pay or contract for consultants or advisors  
32 to influence public opinion with respect to an election regarding taxes or  
33 other sources of revenue for the fund or regarding the ~~regional~~  
34 ~~transportation~~ plan.

35 B. Monies from any account in the regional area road fund may be  
36 spent:

37 1. As authorized by this article to determine public opinion before  
38 the election is called.

39 2. For costs specifically incurred with respect to a ballot issue  
40 relating to a county transportation excise tax in a county with a  
41 population of ~~one~~ THREE million ~~two hundred thousand~~ or more persons.

42 Sec. 8. Repeal

43 Section 28-6307, Arizona Revised Statutes, is repealed.





1 ~~board of transportation, by majority vote of the members of each entity~~  
2 ~~within thirty days after receiving the plan, shall submit a written~~  
3 ~~recommendation to the transportation policy committee that the plan be~~  
4 ~~approved, modified or disapproved. Within thirty days after receiving the~~  
5 ~~plan, Indian communities and cities and towns in the county may submit a~~  
6 ~~written recommendation to the transportation policy committee that the~~  
7 ~~plan be approved, modified or disapproved.~~

8 ~~4. Consider plan modifications proposed by any of the entities as~~  
9 ~~prescribed in paragraph 3 of this subsection.~~

10 ~~5. By majority vote, approve, disapprove or further modify each~~  
11 ~~proposed plan modification.~~

12 ~~6. Provide a written response to the regional public transportation~~  
13 ~~authority, the state board of transportation, the county board of~~  
14 ~~supervisors and the entity that submitted the proposed modification within~~  
15 ~~thirty days after the vote on the proposed modification explaining the~~  
16 ~~affirmation, rejection or further modification of each proposed~~  
17 ~~modification.~~

18 ~~7. Recommend the plan to the regional planning agency for approval~~  
19 ~~for an air quality conformity analysis.~~

20 ~~C. The regional transportation plan:~~

21 ~~1. Shall include the following transportation mode classifications~~  
22 ~~with a revenue allocation to each classification consistent with section~~  
23 ~~42-6105, subsection D:~~

24 ~~(a) Freeways and other routes in the state highway system.~~

25 ~~(b) Major arterial streets and intersection improvements.~~

26 ~~(c) Public transportation systems.~~

27 ~~2. Shall provide a suggested construction schedule for the~~  
28 ~~transportation projects contained in the plan.~~

29 ~~3. May be annually updated to introduce new controlled access~~  
30 ~~highways, related grade separations and transportation projects or to~~  
31 ~~modify the existing plan.~~

32 ~~4. Shall be developed to meet federal air quality requirements~~  
33 ~~established for the region in which it is located.~~

34 ~~D. Transportation excise tax revenues that are distributed pursuant~~  
35 ~~to section 42-6105, subsection D shall not be redistributed or used for~~  
36 ~~other transportation modes. Except as provided by section 28-6353,~~  
37 ~~subsections D, E and F, transportation excise tax revenues that are~~  
38 ~~dedicated in the plan to a specific project or transportation system may~~  
39 ~~only be redistributed to or otherwise used for another project within the~~  
40 ~~same transportation mode if approved by a majority vote of the~~  
41 ~~transportation policy committee.~~

42 **3. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF CHANGES TO**  
43 **THE ALLOCATIONS OF TRANSPORTATION EXCISE TAX REVENUES BETWEEN SECTION**  
44 **28-6352, SUBSECTION B, PARAGRAPHS 1, 2 AND 3, INCLUDING INVESTMENT CHANGES**  
45 **AS DESCRIBED IN SECTION 28-6352, SUBSECTIONS C AND H.**

1           4. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF THE BUDGET  
2 PROCESSES IDENTIFIED BY SECTION 28-6352, SUBSECTION D.

3           5. RECOMMEND APPROVAL, DISAPPROVAL, OR MODIFICATION OF FUNDING  
4 AWARDED THROUGH THE REGIONAL PROGRAMS PROCESS.

5           Sec. 10. Repeal

6           Sections 28-6309, 28-6310, 28-6311 and 28-6312, Arizona Revised  
7 Statutes, are repealed.

8           Sec. 11. Section 28-6313, Arizona Revised Statutes, is amended to  
9 read:

10          28-6313. Performance audits of proposed transportation  
11 projects and systems

12           A. Beginning in 2010 and every fifth year thereafter, the auditor  
13 general shall ~~contract with a nationally recognized independent auditor~~  
14 ~~with expertise in evaluating multimodal transportation systems and in~~  
15 ~~regional transportation planning to~~ conduct a performance audit, as  
16 defined in section 41-1278, of the ~~regional transportation~~ plan and  
17 projects scheduled for funding during the next five years.

18           B. With respect to light rail systems, the audit shall consider the  
19 criteria used by the federal transit administration pursuant to 49 United  
20 States Code section 5309(e)(1)(B) and the interrelationship among the  
21 criteria to provide federal funding for light rail systems. For light  
22 rail systems, the audit shall also consider:

- 23           1. Service levels.
- 24           2. Capital costs.
- 25           3. Operation and maintenance costs.
- 26           4. Transit ridership.
- 27           5. Farebox revenues.

28           C. The audit shall:

29           1. Examine the ~~regional transportation~~ plan and projects scheduled  
30 for funding within each transportation mode based on the performance  
31 factors established in section 28-505, subsection A, in the context of the  
32 transportation system.

33           2. Review past expenditures of the ~~regional transportation~~ plan and  
34 examine the performance of the system in relieving congestion and  
35 improving mobility.

36           3. Make recommendations regarding whether further implementation of  
37 a project or transportation system is warranted, warranted with  
38 modifications or not warranted.

39           D. The auditor general or the auditors contracted to conduct the  
40 audit shall periodically update the transportation policy committee  
41 regarding the progress of the audit.

42           E. Within forty-five days after the release of the audit, the  
43 regional public transportation authority, the state transportation board  
44 and the county board of supervisors, by a majority vote of each entity,  
45 shall submit written recommendations to the transportation policy

1 committee that the findings are agreed to or disagreed with and the  
2 recommendations should be implemented, be implemented with modification or  
3 not be implemented.

4 F. Within forty-five days after the audit's release, the regional  
5 planning agency shall hold a public hearing on the audit findings and  
6 recommendations.

7 G. The auditor general shall distribute copies of the audit to:

8 1. The regional planning agency.

9 2. The transportation policy committee.

10 3. The regional public transportation authority in the county.

11 4. The county board of supervisors.

12 5. The state transportation board.

13 6. The governor, secretary of state, president of the senate and  
14 speaker of the house of representatives.

15 7. The Arizona state library, archives and public records.

16 8. Any other person who requests a copy pursuant to title 39,  
17 chapter 1, article 2.

18 H. The state transportation board, regional planning agency,  
19 regional public transportation authority and county board of supervisors  
20 shall cooperate with and submit to the auditor general and the auditors  
21 contracted to conduct the audit information necessary to conduct the  
22 audits under this section.

23 I. The cost incurred by the auditor general in contracting with  
24 independent auditors for conducting performance audits under subsection A  
25 of this section shall be paid from revenues of the county transportation  
26 excise tax under ~~section~~ SECTIONS 42-6105 AND 42-6105.01. When due, the  
27 payments have priority over any other distribution authorized by section  
28 42-6105 OR 42-6105.01. The auditor general shall deposit the payments in  
29 the audit services revolving fund established by section 41-1279.06.

30 Sec. 12. Heading change

31 The article heading of title 28, chapter 17, article 2, Arizona  
32 Revised Statutes, is changed from "REGIONAL TRANSPORTATION PLAN" to  
33 "COUNTY TRANSPORTATION EXCISE TAX PLAN".

34 Sec. 13. Section 28-6351, Arizona Revised Statutes, is amended to  
35 read:

36 28-6351. Definitions

37 In this article, unless the context otherwise requires:

38 ~~1. "Controlled access highway" has the same meaning prescribed in~~  
39 ~~section 28-601.~~

40 ~~2.~~ 1. "Enhancement" means an addition that exceeds generally  
41 accepted engineering or design standards for the specific type of  
42 facility.

1           ~~3.~~ 2. "~~Regional transportation~~ Plan" means the ~~twenty year~~  
2 comprehensive, ~~performance based~~ PERFORMANCE-BASED, multimodal and  
3 coordinated regional STRATEGIC transportation INFRASTRUCTURE INVESTMENT  
4 plan approved for the county pursuant to section 28-6308, as amended or  
5 otherwise modified.

6           Sec. 14. Repeal

7           Sections ~~28-6352~~, ~~28-6353~~, ~~28-6354~~ and ~~28-6355~~, Arizona Revised  
8 Statutes, are repealed.

9           Sec. 15. Title 28, chapter 17, article 2, Arizona Revised Statutes,  
10 is amended by adding a new section 28-6352, to read:

11           ~~28-6352.~~ County transportation excise tax; budget process

12           A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND  
13 ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN  
14 COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND  
15 OPERATORS AND IN COORDINATION WITH THE DEPARTMENT. THE REGIONAL PLANNING  
16 AGENCY SHALL CONSIDER TRUCK PARKING AVAILABILITY WHEN CONSIDERING THE  
17 CONSTRUCTION, EXPANSION OR MODIFICATION OF FREEWAYS OR OTHER ROUTES IN THE  
18 STATE HIGHWAY SYSTEM. ON OR BEFORE DECEMBER 31, 2049, THE REGIONAL  
19 PLANNING AGENCY SHALL ALLOCATE AT LEAST \$90,000,000 FOR THE IMPLEMENTATION  
20 OF COMMERCIAL MOTOR VEHICLE PARKING THAT IS CONSISTENT WITH A REGIONALLY  
21 ADOPTED TRUCK PARKING PLAN, INCLUDING FUNDING FOR CONSTRUCTION, LAND  
22 ACQUISITION, LEASE, MAINTENANCE OR OPERATIONS OR ENTRY INTO A  
23 PUBLIC-PRIVATE PARTNERSHIP AGREEMENT.

24           B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION  
25 42-6105.01 AS FOLLOWS:

26           1. IN THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND OTHER ROUTES IN  
27 THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND MAINTENANCE.

28           2. IN THE REGIONAL AREA ROAD FUND FOR MAJOR ARTERIAL STREETS AND  
29 REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.

30           3. IN THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103  
31 FOR:

32           (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC  
33 TRANSPORTATION MODE CLASSIFICATIONS.

34           (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE  
35 LIGHT RAIL SYSTEM.

36           C. TRANSPORTATION EXCISE TAX REVENUES THAT ARE ALLOCATED PURSUANT  
37 TO SUBSECTION B, PARAGRAPH 1, 2 OR 3 OF THIS SECTION MAY ONLY BE  
38 REALLOCATED TO ANOTHER PARAGRAPH UNDER SUBSECTION B OF THIS SECTION IF THE  
39 REALLOCATION IS RECOMMENDED FOR APPROVAL BY THE TRANSPORTATION POLICY  
40 COMMITTEE AND APPROVED BY THE REGIONAL PLANNING AGENCY BOARD. NOT MORE  
41 THAN TWO AND ONE-HALF PERCENT OF THE REVENUES COLLECTED UNDER SECTION  
42 42-6105.01 MAY BE TRANSFERRED ANNUALLY BETWEEN SUBSECTION B, PARAGRAPHS 1,  
43 2 AND 3 OF THIS SECTION WITHOUT GOING THROUGH THE MAJOR INVESTMENT CHANGE  
44 PROCESS AS PRESCRIBED IN SUBSECTION H OF THIS SECTION.

1 D. BEGINNING FISCAL YEAR 2022-2023, THE REGIONAL PLANNING AGENCY  
2 SHALL ADOPT A BUDGET PROCESS THAT ENSURES:

3 1. THE ESTIMATED COST OF THE FREEWAYS AND OTHER ROUTES IN THE  
4 REGION'S STATE HIGHWAY SYSTEM DOES NOT EXCEED THE TOTAL AMOUNT OF REVENUES  
5 ESTIMATED TO BE AVAILABLE OVER THE TERM OF THE TRANSPORTATION EXCISE TAX  
6 AS PRESCRIBED BY SECTION 42-6105, SUBSECTION C AND SECTION 42-6105.01,  
7 SUBSECTION C.

8 2. THE ESTIMATED COST OF THE PUBLIC TRANSPORTATION SYSTEM DOES NOT  
9 EXCEED THE TOTAL AMOUNT OF REVENUES ESTIMATED TO BE AVAILABLE OVER THE  
10 TERM OF THE TRANSPORTATION EXCISE TAX AS PRESCRIBED BY SECTION 42-6105,  
11 SUBSECTION C AND SECTION 42-6105.01, SUBSECTION C.

12 3. THE ESTIMATED COST OF MAJOR ARTERIAL STREETS AND REGIONAL  
13 PROGRAMS DOES NOT EXCEED THE TOTAL AMOUNT OF REVENUES ESTIMATED TO BE  
14 AVAILABLE OVER THE TERM OF THE TRANSPORTATION EXCISE TAX AS PRESCRIBED BY  
15 SECTION 42-6105, SUBSECTION C AND SECTION 42-6105.01, SUBSECTION C.

16 E. THE REGIONAL PLANNING AGENCY SHALL COORDINATE WITH IMPLEMENTING  
17 PARTNERS ON THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION,  
18 INCLUDING THE DEPARTMENT FOR FREEWAYS AND OTHER ROUTES IN THE STATE  
19 HIGHWAY SYSTEM AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE  
20 COUNTY FOR THE PUBLIC TRANSPORTATION SYSTEM.

21 F. THE REGIONAL PLANNING AGENCY SHALL DETERMINE THE USE OF THE  
22 REVENUES COLLECTED UNDER SECTIONS 42-6105 AND 42-6105.01 FOR CAPITAL  
23 PROJECTS THROUGH THE TRANSPORTATION IMPROVEMENT PROGRAM.

24 G. ANY BONDS ISSUED AGAINST PROCEEDS COLLECTED PURSUANT TO SECTIONS  
25 42-6105 AND 42-6105.01 REQUIRE CONSULTATION WITH THE REGIONAL PLANNING  
26 AGENCY.

27 H. THE MAJOR INVESTMENT CHANGE PROCESS REQUIRES THE FOLLOWING:

28 1. CONSIDERATION BY THE TRANSPORTATION POLICY COMMITTEE.

29 2. IDENTIFICATION OF THE PROJECTS AND PROGRAMS THAT WOULD BE  
30 IMPACTED BY THE FUNDING TRANSFER.

31 3. A DETAILED, PERFORMANCE-BASED ASSESSMENT OF THE IMPACTED  
32 PROJECTS AND PROGRAMS. THE PERFORMANCE-BASED ASSESSMENT MUST SUPPORT THE  
33 PROPOSED MAJOR INVESTMENT CHANGE. THE ASSESSMENT SHALL ALSO SEEK,  
34 CONSIDER AND DOCUMENT PUBLIC INPUT ON THE PROPOSED MAJOR INVESTMENT  
35 CHANGE.

36 4. A ONE HUNDRED EIGHTY-DAY PUBLIC COMMENT PERIOD.

37 5. SUBMISSION OF THE PROPOSED MAJOR INVESTMENT CHANGE FOR REVIEW BY  
38 THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE  
39 BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS. AFTER  
40 REVIEW, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE  
41 STATE BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS, BY A  
42 MAJORITY VOTE OF THE MEMBERS OF EACH BOARD AND WITHIN THIRTY DAYS AFTER  
43 RECEIVING THE PROPOSED MAJOR INVESTMENT CHANGE, SHALL SUBMIT A WRITTEN  
44 RECOMMENDATION TO THE REGIONAL PLANNING AGENCY THAT THE PROPOSED MAJOR  
45 INVESTMENT CHANGE BE APPROVED, MODIFIED OR DISAPPROVED. IF THE REGIONAL

1 PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF  
2 TRANSPORTATION OR THE COUNTY BOARD OF SUPERVISORS FAILS TO APPROVE THE  
3 PROPOSED MAJOR INVESTMENT CHANGE, AN AFFIRMATIVE VOTE OF AT LEAST  
4 SEVENTEEN MEMBERS OF THE TRANSPORTATION POLICY COMMITTEE IS REQUIRED TO  
5 RECOMMEND APPROVAL AND PROCEED WITH THE MAJOR INVESTMENT CHANGE.

6 I. THE REGIONAL PLANNING AGENCY SHALL ANNUALLY REPORT ON THE STATUS  
7 OF THE PROJECTS FUNDED PURSUANT TO SECTION 42-6105 OR 42-6105.01 AND SHALL  
8 POST THE REPORT ON ITS WEBSITE.

9 J. REQUESTS FOR CHANGES TO TRANSPORTATION PROJECTS FUNDED IN THE  
10 PLAN THAT WOULD MATERIALLY INCREASE COSTS SHALL BE SUBMITTED TO THE  
11 REGIONAL PLANNING AGENCY FOR APPROVAL AND SUBMITTED BY THE REGIONAL  
12 PLANNING AGENCY TO THE TRANSPORTATION POLICY COMMITTEE AND THE BOARD FOR  
13 CONSIDERATION AND APPROVAL.

14 K. IF A LOCAL AUTHORITY REQUESTS AN ENHANCEMENT TO A TRANSPORTATION  
15 PROJECT FUNDED IN THE PLAN, THE LOCAL AUTHORITY SHALL PAY ALL COSTS  
16 ASSOCIATED WITH THE ENHANCEMENT.

17 L. THE PLAN SHALL REFLECT THE ALLOCATION OF REVENUES COLLECTED  
18 UNDER SECTION 42-6105, SUBSECTION D THROUGH DECEMBER 31, 2025.

19 M. THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION  
20 DOES NOT APPLY TO THE ANNUAL OPERATING BUDGET OF THE REGIONAL PUBLIC  
21 TRANSPORTATION AUTHORITY IN THE COUNTY.

22 N. IF MONIES ARE APPROPRIATED BY THE LEGISLATURE FOR A PROJECT THAT  
23 IS IDENTIFIED IN THE PLAN, THE USE OF THE MONIES FOR CONSTRUCTION REQUIRES  
24 BOTH OF THE FOLLOWING:

25 1. THE PROJECT MUST BE ADVANCED AS APPROPRIATE TO REFLECT THE  
26 ESTIMATED CONSTRUCTION START DATE.

27 2. THE MONIES MUST BE USED IN THE SAME MODAL CLASSIFICATION  
28 SPECIFIED IN SUBSECTION B OF THIS SECTION.

29 O. IF A MUNICIPALITY PAYS FOR PUBLIC TRANSPORTATION SERVICE IN AN  
30 ADJACENT MUNICIPALITY OR UNINCORPORATED AREA OF A COUNTY, THE COST OF THE  
31 SERVICE SHALL BE ELIGIBLE FOR REIMBURSEMENT FROM MONIES COLLECTED UNDER  
32 SECTION 42-6105 OR 42-6105.01. FOR THE PURPOSES OF THIS SUBSECTION:

33 1. "MUNICIPALITY" MEANS A CITY OR TOWN.

34 2. "PUBLIC TRANSPORTATION SERVICE" INCLUDES CIRCULATOR SERVICE.

35 Sec. 16. Section 28-6538, Arizona Revised Statutes, is amended to  
36 read:

37 28-6538. Arizona highway user revenue fund distribution;  
38 remaining monies; highway fund distribution;  
39 contract authorization; plan requirements

40 A. Each fiscal year the department shall allocate and the state  
41 treasurer shall distribute revenues of the Arizona highway user revenue  
42 fund remaining after the distribution provided in sections 28-6534 and  
43 28-6537 as follows:

44 1. To the state highway fund, fifty and one-half ~~per cent~~ PERCENT.

45 2. To the counties, nineteen ~~per cent~~ PERCENT.

1           3. To the incorporated cities and towns, twenty-seven and one-half  
2 ~~per cent~~ PERCENT.

3           4. To incorporated cities with a population of three hundred  
4 thousand or more persons, three ~~per cent~~ PERCENT.

5           B. At least twelve and six-tenths ~~per cent~~ PERCENT of the revenues  
6 allocated each year to the state highway fund pursuant to subsection A of  
7 this section shall be further distributed in the following proportions and  
8 for the following purposes:

9           1. Seventy-five ~~per cent~~ PERCENT of the revenues shall be spent,  
10 pledged or accumulated in counties with a population of one million five  
11 hundred thousand or more persons for the design, right-of-way purchase or  
12 construction of controlled access highways that are included in the  
13 ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION 28-6351  
14 and that are accepted into the state highway system either as a state  
15 route or as a state highway.

16           2. Twenty-five ~~per cent~~ PERCENT of the revenues shall be spent,  
17 pledged or accumulated in counties with a population of more than eight  
18 hundred thousand but less than one million five hundred thousand persons  
19 for:

20           (a) The design, right-of-way purchase or construction of controlled  
21 access highways that are included in the ~~regional transportation~~ plan ~~of~~  
22 ~~the county~~ AS DEFINED IN SECTION 28-6351 and that are accepted into the  
23 state highway system either as a state route or as a state highway or  
24 related grade separations of controlled access highways that are included  
25 in the ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION  
26 28-6351.

27           (b) Notwithstanding sections 28-6993 and 28-6995, the design,  
28 right-of-way purchase, construction, standard and reduced clearance grade  
29 separation, extension and widening of arterial streets and highways that  
30 are included in the ~~regional transportation~~ plan ~~of the county~~ AS DEFINED  
31 IN SECTION 28-6351.

32           C. Of the monies allocated to the state highway fund pursuant to  
33 subsection A of this section, not more than ~~five million dollars~~  
34 \$5,000,000 annually shall be spent for the acquisition, construction or  
35 improvement of entry roads to state parks or roads in state parks.

36           D. Expenditures for state matching monies for the federal  
37 interstate system shall be in addition to the amount provided in  
38 subsection B of this section.

39           E. The department may contract with a county, city or town to allow  
40 the county, city or town to construct the streets or highways prescribed  
41 in subsection B of this section.

42           F. A county described in subsection B of this section and the  
43 cities and towns in the county, through their regional planning agency,  
44 shall list transportation corridors by priority in the ~~regional~~  
45 ~~transportation~~ plan AS DEFINED IN SECTION 28-6351. The ~~regional~~



1 ~~transportation~~ plan AS DEFINED IN SECTION 28-6351 may also provide a  
2 suggested construction schedule for the transportation corridors contained  
3 in the plan.

4 Sec. 17. Section 28-6954, Arizona Revised Statutes, is amended to  
5 read:

6 28-6954. Program requirements

7 A. The five year transportation facilities construction program  
8 shall:

9 1. Set forth estimated expenditures by project for engineering,  
10 rights-of-way and construction.

11 2. Include detailed information by project as to location,  
12 description and the reasons for the project's assigned priority.

13 3. List projects by priority and group them in the fiscal year  
14 during which it is estimated construction can begin.

15 4. For the first year of the program, consist of projects that can  
16 with reasonable certainty be advertised for public bidding.

17 5. Include a plan for the use of monies expected to be deposited in  
18 a county's regional area road fund as provided in chapter 17, article 1 of  
19 this title THAT IS ALL OF THE FOLLOWING:

20 (a) CONSISTENT WITH THE PLAN AS DEFINED IN SECTION 28-6351.

21 (b) CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION  
22 28-6352, SUBSECTION D, PARAGRAPH 1.

23 (c) ANNUALLY UPDATED.

24 6. Include a plan for the use of monies that are expected to accrue  
25 in a county's regional transportation fund as provided in section 48-5310,  
26 that are dedicated for street and highway purposes and that are in the  
27 state highway system.

28 B. The department shall develop and use detailed criteria designed  
29 to meet the transportation system performance measures adopted by the  
30 board pursuant to section 28-304 in identifying projects for the five year  
31 transportation facilities construction program. The project selection  
32 process shall also conform to state and regional growth policies.

33 Sec. 18. Section 28-7562, Arizona Revised Statutes, is amended to  
34 read:

35 28-7562. Bond requirements

36 A. The bonds authorized by this article shall:

37 1. Be authorized by resolution of the board.

38 2. Bear such date or dates and mature at such time or times, not  
39 exceeding the earlier of ~~twenty~~ TWENTY-FIVE years from their respective  
40 dates or the date the transportation excise taxes securing the bonds  
41 cease, as the resolution or resolutions may provide.

42 3. Bear interest at such rate or rates, including rates that may  
43 vary from time to time pursuant to parameters set by the board in the  
44 authorizing resolution.

1           4. Be in the denomination, be in the form, either coupon or  
2 registered, be executed in the manner and be payable as to principal,  
3 interest or premium in the medium of payment at the office of the state  
4 treasurer of this state or at such other place or places as the board  
5 provides either by automatic deposit, wire transfer or mail, as the  
6 resolution or resolutions may provide.

7           5. Be subject to the terms of redemption, at the option of either  
8 the board or the owner of the bond, as the resolution or resolutions may  
9 provide.

10          B. The bonds may be sold at either public or private sale, above,  
11 at or below par and on terms the board determines. Bonds to fund or  
12 refund other bonds may be exchanged with the holders of bonds being funded  
13 or refunded on terms the board determines.

14          Sec. 19. Section 28-7671, Arizona Revised Statutes, is amended to  
15 read:

16           28-7671. Definitions

17           In this article, unless the context otherwise requires:

18           1. "Eligible highway project" means a highway project that is both:

19           (a) On the federal aid system, national highway system or state  
20 route or state highway system.

21           (b) Included in either:

22           (i) The department's state highway construction plan.

23           (ii) The transportation improvement plan of a regional association  
24 of governments.

25           2. "Eligible transit capital project" means land, buildings or  
26 motor vehicles or a combination of land, buildings and motor vehicles that  
27 is included in the transportation improvement plan of a regional  
28 association of governments and that is part of the federal transit  
29 administration's rural public transportation program for entities that are  
30 eligible pursuant to section 28-7676 and that have populations of less  
31 than fifty thousand persons.

32           3. "Eligible transportation project" means a transportation project  
33 that is eligible pursuant to section 28-7676.

34           4. "Federal SIB act" means section 350 of the national highway  
35 system designation act of 1995 (P.L. 104-59; 109 Stat. 618), any  
36 regulations adopted pursuant to that section and any other provisions of  
37 federal law providing for state infrastructure banks, infrastructure  
38 credit programs and other grant programs for highway purposes and any  
39 regulations adopted pursuant to those laws.

40           5. "Fund" means the highway expansion and extension loan program  
41 fund established by section 28-7674.

42           6. "Indian tribe" means any Indian tribe, band, group or community  
43 that is recognized by the United States secretary of the interior and that  
44 exercises governmental authority within the limits of any Indian  
45 reservation under the jurisdiction of the United States government,

1 notwithstanding the issuance of any patent and including rights-of-way  
2 running through the reservation.

3 7. "Loan repayment agreement" means one or more loan agreements,  
4 instruments or other agreements providing for repayment of a loan or other  
5 financial assistance and entered into by this state or its agencies,  
6 including the department, or a political subdivision or Indian tribe.

7 8. "Political subdivision" means a county, city, town or special  
8 taxing district authorized by law to construct or assist in the  
9 construction of an eligible highway project or a county, city, town or  
10 special taxing district established pursuant to section 48-5102 to  
11 construct or assist in the construction of a transportation project.

12 9. "SIB cooperative agreement" means a cooperative agreement or  
13 agreements entered into by the Arizona department of transportation with  
14 the United States department of transportation pursuant to this article  
15 and the federal SIB act.

16 10. "Transportation project" means all or a portion of a project  
17 that is included in the state's transportation improvement program or a  
18 ~~regional transportation~~ plan, as defined in section 28-6351, including the  
19 project planning, environmental work, design, right-of-way acquisition or  
20 construction for the transportation project and associated rolling stock  
21 and operating systems but not including an eligible highway project.

22 Sec. 20. Section 28-7691, Arizona Revised Statutes, is amended to  
23 read:

24 28-7691. Definitions

25 In this article, unless the context otherwise requires:

26 1. "Excise taxes" means all unrestricted excise, transaction,  
27 franchise, privilege and business taxes, state shared ~~sales~~ TRANSACTION  
28 PRIVILEGE and income taxes, fees for licenses and permits and state  
29 revenue sharing that are levied and paid by a political subdivision or  
30 contributed, levied or paid to the political subdivision and not earmarked  
31 by the contributor or the political subdivision for a contrary or  
32 inconsistent purpose.

33 2. "Political subdivision" means a county, city, town or special  
34 taxing district established pursuant to section 48-5102 to construct or  
35 assist in the construction of a transportation project.

36 3. "Transportation project" means all or a portion of a project  
37 that is included in the state's transportation improvement program or a  
38 ~~regional transportation~~ plan, as defined in section 28-6351, including the  
39 project planning, environmental work, design, right-of-way acquisition or  
40 construction for the transportation project and associated rolling stock  
41 and operating systems.

42 4. "Transportation project advance agreement" means a written  
43 agreement, entered into in accordance with section 28-7677 and section  
44 9-500.17, 11-269.03 or 48-5122, between one or more political subdivisions  
45 and the department, a regional planning agency, metropolitan planning

1 organization or council of governments or a designated grant recipient  
2 under which the political subdivision advances monies to the department,  
3 the regional planning agency, metropolitan planning organization or  
4 council of governments or the designated grant recipient to accelerate a  
5 transportation project and under which the recipient of the advanced  
6 monies repays the advance.

7 5. "Transportation project advance revenues" means any revenues a  
8 political subdivision receives under a transportation project advance  
9 agreement, or as proceeds of transportation project advancement notes,  
10 together with any earnings from the investment of the revenues.

11 6. "Transportation project advancement notes" means notes  
12 authorized by this article.

13 Sec. 21. Section 28-7695, Arizona Revised Statutes, is amended to  
14 read:

15 28-7695. Use of proceeds

16 A political subdivision shall use the proceeds from the sale of  
17 transportation project advancement notes for payment of any of the  
18 following:

19 1. Advances for a transportation project included in the state's  
20 transportation improvement program or a ~~regional transportation~~ plan, as  
21 defined in section 28-6351, under the transportation project advance  
22 agreement that relates to the transportation project advancement notes.

23 2. Legal and financial costs and expenses incurred in issuing and  
24 administering the notes.

25 3. Reimbursement to the political subdivision for monies previously  
26 advanced to the department, a regional planning agency, metropolitan  
27 planning organization or council of governments, a regional public  
28 transportation authority or a designated grant recipient under the  
29 transportation project advance agreement that relates to the  
30 transportation project advancement notes.

31 4. If authorized by the political subdivision, payment of interest  
32 that accrues on the notes before maturity.

33 5. Payment of the principal, premium or interest on other  
34 obligations of the political subdivision to the extent that proceeds of  
35 those obligations are applied to the financing of the transportation  
36 project that relates to the transportation project advance agreement.

37 Sec. 22. Section 42-6105, Arizona Revised Statutes, is amended to  
38 read:

39 42-6105. County transportation excise tax; counties with  
40 population of one million two hundred thousand or  
41 more persons

42 A. If approved by the qualified electors voting at a countywide  
43 election, a county with a population of one million two hundred thousand  
44 or more persons shall levy and the department shall collect a tax as  
45 provided by this section, in addition to all other taxes.



1           2. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE RATE PRESCRIBED BY  
2 SECTION 42-5352, SUBSECTION A.

3           3. ON THE USE OR CONSUMPTION OF ELECTRICITY OR NATURAL GAS BY  
4 RETAIL ELECTRIC OR NATURAL GAS CUSTOMERS IN THE COUNTY WHO ARE SUBJECT TO  
5 USE TAX UNDER SECTION 42-5155, AT A RATE EQUAL TO THE TRANSACTION  
6 PRIVILEGE TAX RATE UNDER PARAGRAPH 1 OF THIS SUBSECTION THAT APPLIES TO  
7 PERSONS ENGAGING OR CONTINUING IN THE COUNTY IN THE UTILITIES TRANSACTION  
8 PRIVILEGE TAX CLASSIFICATION.

9           C. THE TAX LEVIED UNDER THIS SECTION SHALL BE IN EFFECT FOR A TERM  
10 OF TWENTY-FIVE YEARS.

11           D. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL  
12 SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION INTO THE  
13 REGIONAL AREA ROAD FUND ESTABLISHED PURSUANT TO SECTION 28-6302 OR THE  
14 PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103. EXCEPT AS  
15 PROVIDED IN SUBSECTIONS E AND F OF THIS SECTION, THE PLAN SHALL  
16 DISTRIBUTE:

17           1. 37.4 PERCENT TO THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND  
18 OTHER ROUTES IN THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND  
19 MAINTENANCE.

20           2. 22.2 PERCENT TO THE REGIONAL AREA ROAD FUND FOR MAJOR ARTERIAL  
21 STREETS AND REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND  
22 IMPLEMENTATION STUDIES.

23           3. 40.4 PERCENT TO THE PUBLIC TRANSPORTATION FUND FOR BOTH:

24           (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC  
25 TRANSPORTATION MODE CLASSIFICATIONS.

26           (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE  
27 LIGHT RAIL SYSTEM.

28           E. NOT MORE THAN FIVE PERCENT OF THE REVENUES COLLECTED UNDER THIS  
29 SECTION MAY BE TRANSFERRED ANNUALLY BETWEEN SUBSECTION D, PARAGRAPHS 1, 2  
30 AND 3 OF THIS SECTION.

31           F. NOT MORE THAN FOURTEEN PERCENT OF THE REVENUES COLLECTED  
32 ANNUALLY UNDER THIS SECTION MAY BE SPENT ON LIGHT RAIL SYSTEMS IN A MANNER  
33 DESCRIBED IN SUBSECTION D, PARAGRAPH 3, SUBDIVISION (b) OF THIS SECTION.

34           G. THE DISTRIBUTION SPECIFIED IN SUBSECTION D, PARAGRAPH 1 OF THIS  
35 SECTION MAY NOT BE DECREASED.

36           H. MONIES COLLECTED PURSUANT TO THIS SECTION MAY NOT BE USED TO  
37 INFLUENCE THE OUTCOME OF AN ELECTION.

38           I. THIS SECTION BECOMES EFFECTIVE ONLY IF THE QUALIFIED ELECTORS  
39 APPROVE AN EXTENSION OF A COUNTY TRANSPORTATION EXCISE TAX.

1           Sec. 24. Section 48-5102, Arizona Revised Statutes, is amended to  
2 read:

3           48-5102. Regional public transportation authority in counties  
4           with population of three million or more persons;  
5           establishment

6           ~~A. Beginning January 1, 1986, a regional public transportation~~  
7 ~~authority is established in a county that has a population of one million~~  
8 ~~two hundred thousand or more persons and that approves a transportation~~  
9 ~~excise tax.~~

10           A. BEGINNING JANUARY 1, 2026, A REGIONAL PUBLIC TRANSPORTATION  
11 AUTHORITY IS ESTABLISHED IN A COUNTY THAT HAS A POPULATION OF THREE  
12 MILLION OR MORE PERSONS AND THAT APPROVES A COUNTY TRANSPORTATION EXCISE  
13 TAX.

14           B. An authority is a tax levying public improvement district for  
15 all purposes of article XIII, section 7, Constitution of Arizona, and has  
16 the powers, privileges and immunities specifically granted by law. The  
17 authority's property, bonds, debts and other obligations and interest on  
18 and transfer of its bonds and obligations are free from taxation.

19           C. The authority may operate both within and outside the corporate  
20 limits of the member municipalities.

21           Sec. 25. Section 48-5103, Arizona Revised Statutes, is amended to  
22 read:

23           48-5103. Public transportation fund

24           A. A public transportation fund is established for the authority.  
25 The fund consists of:

26           1. Monies appropriated by each municipality that is a member of the  
27 authority or the county, if it elected to enter into the authority. Each  
28 member municipality and member county shall appropriate monies to the  
29 public transportation fund in an amount determined by the board.

30           2. Monies appropriated by a county that has not elected to enter  
31 into the authority in an amount determined by the county board of  
32 supervisors.

33           3. Transportation excise tax revenues that are allocated to the  
34 fund pursuant to ~~section~~ SECTIONS 42-6105 AND 42-6105.01. The board shall  
35 separately account for monies from transportation excise tax revenues  
36 allocated pursuant to section 42-6105, subsection D, paragraph 3 OR  
37 SECTION 42-6105.01, SUBSECTION D, PARAGRAPH 3, SUBDIVISION (b) for:

38           (a) A light rail public transit system.

39           (b) Capital costs for other public transportation.

40           (c) Operation and maintenance costs for other public  
41 transportation.

42           4. Monies distributed under title 28, chapter 17, ~~article~~ ARTICLES  
43 1 AND 2.

44           5. Grants, gifts or donations from public or private sources.

1           6. Monies granted by the federal government or appropriated by the  
2 legislature.

3           7. Fares or other revenues collected in operating a public  
4 transportation system.

5           B. On behalf of the authority, the fiscal agent shall administer  
6 monies paid into the public transportation fund. Monies in the fund may  
7 be spent pursuant to or to implement the public transportation element of  
8 the ~~regional transportation~~ plan AS DEFINED IN SECTION 28-6351 developed  
9 and approved by the regional planning agency, including reimbursement for  
10 utility relocation costs as prescribed in section 48-5107, ~~adopted~~  
11 ~~pursuant to section 48-5121~~ and for projects identified in the ~~regional~~  
12 ~~transportation~~ plan adopted by the regional planning agency pursuant to  
13 section ~~28-6308~~ 28-6352.

14           C. Monies in the fund shall not be spent to promote or advocate a  
15 position, alternative or outcome of an election, to influence public  
16 opinion or to pay or contract for consultants or advisors to influence  
17 public opinion with respect to an election regarding taxes or other  
18 sources of revenue for the fund or regarding the ~~regional transportation~~  
19 plan AS DEFINED IN SECTION 28-6351.

20           Sec. 26. Repeal

21           Sections 48-5106 and 48-5121, Arizona Revised Statutes, are  
22 repealed.

23           Sec. 27. Election on transportation excise tax

24           A. During the period beginning four years before the date on which  
25 an existing county transportation excise tax would otherwise be  
26 discontinued and ending three years before the date on which an existing  
27 county transportation excise tax would otherwise be discontinued, the  
28 board of supervisors of any county with a population of three million or  
29 more persons shall call a countywide election for the continuation of the  
30 county transportation excise tax as described in section 42-6105.01,  
31 Arizona Revised Statutes, as added by this act. Notwithstanding any other  
32 law, the county shall conduct the election on the earlier of the first  
33 Tuesday in March or the third Tuesday in May following the call of the  
34 election.

35           B. In addition to any other requirements prescribed by law, the  
36 board of supervisors shall prepare and print an 8½" x 11" publicity  
37 pamphlet concerning the ballot question and mail one copy of the pamphlet  
38 to each household containing a registered voter in the county. The  
39 mailings may be made over a period of days but shall be mailed for  
40 delivery before the earliest date registered voters may receive early  
41 ballots for the election. The publicity pamphlet shall contain:

42           1. A summary of the principal provisions of the issue presented to  
43 the voters, including the rate of the transportation excise tax, the  
44 number of years the tax will be in effect and the projected annual and  
45 cumulative amount of revenues to be raised.



1           2. A statement describing the purposes for which the transportation  
2 excise tax monies may be spent as provided by law, including:

3           (a) A summary of the regional strategic transportation  
4 infrastructure investment plan adopted pursuant to section 28-6308,  
5 Arizona Revised Statutes, as amended by this act.

6           (b) A map of proposed routes and transportation corridors of all  
7 major transportation projects.

8           (c) The estimated amount of transportation excise tax revenues,  
9 together with other identified revenues, dedicated for each transportation  
10 mode.

11           (d) The county elections department website address for additional  
12 information on the regional strategic transportation infrastructure  
13 investment plan.

14           3. The form of the ballot.

15           4. Any arguments for or against the ballot measure. Affirmative  
16 arguments, arranged in the order in which the elections director received  
17 them, shall be placed before the negative arguments, also arranged in the  
18 order in which they were received.

19           C. At a time determined by the county, a person may file with the  
20 county elections director an argument, not more than three hundred words  
21 in length, advocating or opposing the ballot measure. The person who  
22 files the argument shall also pay to the elections director a publication  
23 fee prescribed by the board of supervisors. If the argument is sponsored  
24 by one or more individuals, the argument shall be signed by each  
25 sponsoring individual. If the argument is sponsored by one or more  
26 organizations, the argument shall be signed by two executive officers of  
27 each organization. If the argument is sponsored by one or more political  
28 committees, the argument shall be signed by each committee's chairperson  
29 or treasurer. Payment of the fee required by this subsection, or  
30 reimbursement of the payor, constitutes sponsorship of the argument. The  
31 names of persons who have signed arguments and the names of sponsoring  
32 organizations shall appear with the argument in the pamphlet. The person  
33 or persons signing the argument shall also give their residence or post  
34 office box address and a telephone number, which may not appear in the  
35 pamphlet.

36           D. In addition to any other ballot requirements prescribed by law,  
37 the elections director shall cause the following to be printed on the  
38 official ballot:

39           1. The designation of the measure as follows: "Relating to county  
40 transportation excise (sales) taxes".

41           2. The title: Regional Strategic Transportation Infrastructure  
42 Investment Plan.



- 1           1. Costs of mailing, publishing, posting and printing ballots,  
2           publicity pamphlets, notices, election materials and other matters  
3           concerning the election.
- 4           2. Legal and other consulting fees and costs relating to the  
5           election.
- 6           3. Telecommunications costs.
- 7           4. Compensation of the election board, county election officers and  
8           employees and other labor costs incurred to administer, hold, canvass and  
9           announce the results of the election.
- 10          5. Any other costs attributable to the election.
- 11          F. This section does not constitute a submission of any provision  
12          of law to the people for approval under the power of the referendum.
- 13          G. Except as specifically provided in this section, the general  
14          laws relating to elections apply to the election prescribed by this  
15          section.
- 16          Sec. 28. Regional public transportation authority
- 17          This act does not invalidate an action by a regional public  
18          transportation authority formed pursuant to law before the effective date  
19          of this act.
- 20          Sec. 29. Severability
- 21          If a provision of this act or its application to any person or  
22          circumstance is held invalid, the invalidity does not affect other  
23          provisions or applications of the act that can be given effect without the  
24          invalid provision or application, and to this end the provisions of this  
25          act are severable.