

REFERENCE TITLE: transportation tax; election; Maricopa county

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

## **SB 1356**

Introduced by  
Senator Pace: Representative Carroll

### 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 PLANNING AND FINANCE.

(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.

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

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

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

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

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

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

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

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

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

~~11.~~ 12. "Regionwide business" means a company that provides goods or services throughout the county.

~~12.~~ 13. "Transit interest" means an individual with demonstrated interest and experience with public transportation.

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

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

A. In a county with a population of ~~one~~ THREE million ~~two hundred thousand~~ or more persons, the officer collecting transportation excise tax monies pursuant to section 42-6105 OR 42-6105.01 that are designated for deposit in the regional area road fund shall immediately transfer the monies to the state treasurer. The state treasurer shall deposit the

1 monies in a fund designated for the county as the regional area road  
2 fund. The state treasurer shall hold monies in the regional area road  
3 fund as a trustee for the county.

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

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

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

25 **28-6303. Regional area road fund; separate accounts**

26 A. The regional area road fund is divided into three separate  
27 accounts designated as the bond account, the construction account and the  
28 bond proceeds account.

29 B. The state treasurer shall:

30 1. Account separately for each account.

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

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

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

41 5. After all current period requirements for all of the bonds are  
42 deposited in the bond account, deposit the balance of transportation  
43 excise tax revenues transferred to the state treasurer for the current  
44 period in the construction account.

1 C. The state treasurer may:

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

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

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

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

16 2. Major arterial streets and ~~intersection improvements~~ REGIONAL  
17 PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND  
18 IMPLEMENTATION STUDIES.

19 E. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE USES OF  
20 TRANSPORTATION EXCISE TAX REVENUES DEPOSITED IN THE BOND ACCOUNT AND THE  
21 CONSTRUCTION ACCOUNT IN ORDER TO IDENTIFY HOW THE TRANSPORTATION EXCISE  
22 TAX REVENUES ARE USED PURSUANT TO SECTION 42-6105.01, SUBSECTION D,  
23 PARAGRAPH 1 FOR:

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

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

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

29 ~~28-6304.~~ Bond account; expenditures

30 A. The state treasurer shall:

31 1. Hold monies in the bond account in trust for the owners of the  
32 bonds.

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

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

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

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

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

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

44 1. Payment of all ~~bond-related~~ BOND-RELATED expenses.

1           2. Establishment and funding of reserve monies or to pay interest  
2 on bonds during the expected period of construction.

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

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

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

17           ~~6. Design and construction of interim roadways within the adopted~~  
18 ~~corridors of the regional transportation plan of the county pursuant to~~  
19 ~~section 28-6309.~~

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

22           ~~8.~~ 6. Payment of principal and interest on the bonds.

23           7. DESIGN, CONSTRUCTION AND IMPLEMENTATION OF REGIONAL PROGRAMS AS  
24 DEFINED BY THE PLAN.

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

27           28-6305. Construction account; expenditures; construction  
28 contracts

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

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

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

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

42           (b) The regional planning agency in that county for planning and  
43 ~~administration of~~ ADMINISTERING the ~~regional transportation~~ plan approved  
44 pursuant to section 28-6308. The state treasurer shall distribute monies

1 under this subdivision through the department on or before June 30 of each  
2 year.

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

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

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

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

24 28-6306. Account expenditures; elections

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

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

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

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

39 Sec. 8. Repeal

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



1 Sec. 9. Section 28-6308, Arizona Revised Statutes, is amended to  
2 read:

3 28-6308. Regional planning agency transportation policy  
4 committee

5 A. The regional planning agency in the county shall establish a  
6 transportation policy committee consisting of ~~twenty-three~~ THE FOLLOWING  
7 members ~~as follows~~:

8 1. Seventeen members of the regional planning agency, including one  
9 member of the state transportation board who represents the county, one  
10 member of the county board of supervisors and one member ~~representing~~ WHO  
11 REPRESENTS Indian communities in the county.

12 2. Six members who represent regionwide business interests, one of  
13 whom must represent transit interests, one of whom must represent freight  
14 interests and one of whom must represent construction interests. The  
15 president of the senate and the speaker of the house of representatives  
16 shall each appoint three members to the committee pursuant to this  
17 paragraph. Members who are appointed pursuant to this paragraph serve  
18 six-year terms. The chairperson of the regional planning agency may  
19 submit names to the president of the senate and the speaker of the house  
20 of representatives for consideration for appointment to the transportation  
21 policy committee.

22 3. BEGINNING FISCAL YEAR 2023-2024, TWO MEMBERS WHO REPRESENT  
23 UNINCORPORATED AREAS OF A COUNTY THAT HAS A POPULATION OF THREE MILLION OR  
24 MORE PERSONS. THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
25 REPRESENTATIVES SHALL EACH APPOINT ONE MEMBER PURSUANT TO THIS SUBSECTION.  
26 MEMBERS WHO ARE APPOINTED PURSUANT TO THIS SUBSECTION SERVE SIX-YEAR  
27 TERMS.

28 B. Through the regional planning agency, the transportation policy  
29 committee BY A MAJORITY VOTE OF THE MEMBERS shall DO ALL OF THE FOLLOWING:

30 1. ~~By a majority vote of the members,~~ Recommend approval,  
31 DISAPPROVAL OR MODIFICATION of ~~a twenty-year comprehensive,~~  
32 ~~performance-based, multimodal and coordinated regional transportation plan~~  
33 ~~in the county, including transportation corridors by priority and a~~  
34 ~~schedule indicating the dates that construction will commence for projects~~  
35 ~~contained in~~ the plan.

36 2. Develop the plan in cooperation with the regional public  
37 transportation authority in the county and the department of  
38 ~~transportation~~ and in consultation with the county board of supervisors,  
39 Indian communities and cities and towns in the county.

40 ~~3. Submit the plan for review by the regional public transportation~~  
41 ~~authority in the county, the state board of transportation, the county~~  
42 ~~board of supervisors, Indian communities and cities and towns in the~~  
43 ~~county at the alternatives stage of the plan and the final draft stage of~~  
44 ~~the plan. After reviewing the plan, the regional public transportation~~  
45 ~~authority in the county, the county board of supervisors and the state~~

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~~ MAY contract with a nationally recognized independent  
14 auditor with expertise in evaluating multimodal transportation systems and  
15 in 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.

43 ~~3.~~ 2. "Regional transportation Plan" means the ~~twenty-year~~  
44 comprehensive, ~~performance-based~~ PERFORMANCE-BASED, multimodal and  
45 coordinated regional STRATEGIC transportation INFRASTRUCTURE INVESTMENT

1 plan approved for the county pursuant to section 28-6308, as amended or  
2 otherwise modified.

3 Sec. 14. Repeal

4 Sections 28-6352, 28-6353, 28-6354 and 28-6355, Arizona Revised  
5 Statutes, are repealed.

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

8 28-6352. County transportation excise tax; budget process

9 A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND  
10 ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN  
11 COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND  
12 OPERATORS AND IN COORDINATION WITH THE DEPARTMENT.

13 B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION  
14 42-6105.01 AS FOLLOWS:

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

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

19 3. IN THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103  
20 FOR:

21 (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC  
22 TRANSPORTATION MODE CLASSIFICATIONS.

23 (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE  
24 LIGHT RAIL SYSTEM.

25 C. TRANSPORTATION EXCISE TAX REVENUES THAT ARE ALLOCATED PURSUANT  
26 TO SUBSECTION B, PARAGRAPH 1, 2 OR 3 OF THIS SECTION MAY ONLY BE  
27 REALLOCATED TO ANOTHER PARAGRAPH UNDER SUBSECTION B OF THIS SECTION IF THE  
28 REALLOCATION IS RECOMMENDED FOR APPROVAL BY THE TRANSPORTATION POLICY  
29 COMMITTEE AND APPROVED BY THE REGIONAL PLANNING AGENCY BOARD. NOT MORE  
30 THAN TWO AND ONE-HALF PERCENT OF THE REVENUES COLLECTED UNDER SECTION  
31 42-6105.01 MAY BE TRANSFERRED ANNUALLY BETWEEN SUBSECTION B, PARAGRAPHS 1,  
32 2 AND 3 OF THIS SECTION WITHOUT GOING THROUGH THE MAJOR INVESTMENT CHANGE  
33 PROCESS AS PRESCRIBED IN SUBSECTION H OF THIS SECTION.

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

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

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

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

5           E. THE REGIONAL PLANNING AGENCY SHALL COORDINATE WITH IMPLEMENTING  
6 PARTNERS ON THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION,  
7 INCLUDING THE DEPARTMENT FOR FREEWAYS AND OTHER ROUTES IN THE STATE  
8 HIGHWAY SYSTEM AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE  
9 COUNTY FOR THE PUBLIC TRANSPORTATION SYSTEM.

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

13          G. ANY BONDS ISSUED AGAINST PROCEEDS COLLECTED PURSUANT TO SECTIONS  
14 42-6105 AND 42-6105.01 REQUIRE CONSULTATION WITH THE REGIONAL PLANNING  
15 AGENCY.

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

17           1. CONSIDERATION BY THE TRANSPORTATION POLICY COMMITTEE.

18           2. IDENTIFICATION OF THE PROJECTS AND PROGRAMS THAT WOULD BE  
19 IMPACTED BY THE FUNDING TRANSFER.

20           3. A DETAILED, PERFORMANCE-BASED ASSESSMENT OF THE IMPACTED  
21 PROJECTS AND PROGRAMS. THE PERFORMANCE-BASED ASSESSMENT MUST SUPPORT THE  
22 PROPOSED MAJOR INVESTMENT CHANGE. THE ASSESSMENT SHALL ALSO SEEK,  
23 CONSIDER AND DOCUMENT PUBLIC INPUT ON THE PROPOSED MAJOR INVESTMENT  
24 CHANGE.

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

26           5. SUBMISSION OF THE PROPOSED MAJOR INVESTMENT CHANGE FOR REVIEW BY  
27 THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE  
28 BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS. AFTER  
29 REVIEW, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE  
30 STATE BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS, BY A  
31 MAJORITY VOTE OF THE MEMBERS OF EACH BOARD AND WITHIN THIRTY DAYS AFTER  
32 RECEIVING THE PROPOSED MAJOR INVESTMENT CHANGE, SHALL SUBMIT A WRITTEN  
33 RECOMMENDATION TO THE REGIONAL PLANNING AGENCY THAT THE PROPOSED MAJOR  
34 INVESTMENT CHANGE BE APPROVED, MODIFIED OR DISAPPROVED. IF THE REGIONAL  
35 PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF  
36 TRANSPORTATION OR THE COUNTY BOARD OF SUPERVISORS FAILS TO APPROVE THE  
37 PROPOSED MAJOR INVESTMENT CHANGE, AN AFFIRMATIVE VOTE OF SEVENTEEN MEMBERS  
38 OF THE TRANSPORTATION POLICY COMMITTEE IS REQUIRED TO RECOMMEND APPROVAL  
39 AND PROCEED WITH THE MAJOR INVESTMENT CHANGE.

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

43           J. REQUESTS FOR CHANGES TO TRANSPORTATION PROJECTS FUNDED IN THE  
44 PLAN THAT WOULD MATERIALLY INCREASE COSTS SHALL BE SUBMITTED TO THE  
45 REGIONAL PLANNING AGENCY FOR APPROVAL AND SUBMITTED BY THE REGIONAL

1 PLANNING AGENCY TO THE TRANSPORTATION POLICY COMMITTEE AND THE BOARD FOR  
2 CONSIDERATION AND APPROVAL.

3 K. IF A LOCAL AUTHORITY REQUESTS AN ENHANCEMENT TO A TRANSPORTATION  
4 PROJECT FUNDED IN THE PLAN, THE LOCAL AUTHORITY SHALL PAY ALL COSTS  
5 ASSOCIATED WITH THE ENHANCEMENT.

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

8 M. THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION  
9 DOES NOT APPLY TO THE ANNUAL OPERATING BUDGET OF THE REGIONAL PUBLIC  
10 TRANSPORTATION AUTHORITY IN THE COUNTY.

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

14 1. THE PROJECT MUST BE ADVANCED AS APPROPRIATE TO REFLECT THE  
15 ESTIMATED CONSTRUCTION START DATE.

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

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

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

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

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

26 28-6538. Arizona highway user revenue fund distribution;  
27 remaining monies; highway fund distribution;  
28 contract authorization; plan requirements

29 A. Each fiscal year the department shall allocate and the state  
30 treasurer shall distribute revenues of the Arizona highway user revenue  
31 fund remaining after the distribution provided in sections 28-6534 and  
32 28-6537 as follows:

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

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

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

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

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

43 1. Seventy-five ~~per cent~~ PERCENT of the revenues shall be spent,  
44 pledged or accumulated in counties with a population of one million five  
45 hundred thousand or more persons for the design, right-of-way purchase or

1 construction of controlled access highways that are included in the  
2 ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION 28-6351  
3 and that are accepted into the state highway system either as a state  
4 route or as a state highway.

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

9 (a) The design, right-of-way purchase or construction of controlled  
10 access highways that are included in the ~~regional transportation~~ plan ~~of~~  
11 ~~the county~~ AS DEFINED IN SECTION 28-6351 and that are accepted into the  
12 state highway system either as a state route or as a state highway or  
13 related grade separations of controlled access highways that are included  
14 in the ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION  
15 28-6351.

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

21 C. Of the monies allocated to the state highway fund pursuant to  
22 subsection A of this section, not more than ~~five million dollars~~  
23 \$5,000,000 annually shall be spent for the acquisition, construction or  
24 improvement of entry roads to state parks or roads in state parks.

25 D. Expenditures for state matching monies for the federal  
26 interstate system shall be in addition to the amount provided in  
27 subsection B of this section.

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

31 F. A county described in subsection B of this section and the  
32 cities and towns in the county, through their regional planning agency,  
33 shall list transportation corridors by priority in the ~~regional~~  
34 ~~transportation~~ plan AS DEFINED IN SECTION 28-6351. The ~~regional~~  
35 ~~transportation~~ plan AS DEFINED IN SECTION 28-6351 may also provide a  
36 suggested construction schedule for the transportation corridors contained  
37 in the plan.

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

40 28-6954. Program requirements

41 A. The five year transportation facilities construction program  
42 shall:

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



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

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

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

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

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

11           (b) **CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION**  
12 **28-6352, SUBSECTION D, PARAGRAPH 1.**

13           (c) **ANNUALLY UPDATED.**

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

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

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

25           28-7562. **Bond requirements**

26           A. The bonds authorized by this article shall:

27           1. Be authorized by resolution of the board.

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

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

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

41           5. Be subject to the terms of redemption, at the option of either  
42 the board or the owner of the bond, as the resolution or resolutions may  
43 provide.

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

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

7 28-7671. Definitions

8 In this article, unless the context otherwise requires:

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

10 (a) On the federal aid system, national highway system or state  
11 route or state highway system.

12 (b) Included in either:

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

14 (ii) The transportation improvement plan of a regional association  
15 of governments.

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

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

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

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

33 6. "Indian tribe" means any Indian tribe, band, group or community  
34 that is recognized by the United States secretary of the interior and that  
35 exercises governmental authority within the limits of any Indian  
36 reservation under the jurisdiction of the United States government,  
37 notwithstanding the issuance of any patent and including rights-of-way  
38 running through the reservation.

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

43 8. "Political subdivision" means a county, city, town or special  
44 taxing district authorized by law to construct or assist in the  
45 construction of an eligible highway project or a county, city, town or

1 special taxing district established pursuant to section 48-5102 to  
2 construct or assist in the construction of a transportation project.

3 9. "SIB cooperative agreement" means a cooperative agreement or  
4 agreements entered into by the Arizona department of transportation with  
5 the United States department of transportation pursuant to this article  
6 and the federal SIB act.

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

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

15 28-7691. Definitions

16 In this article, unless the context otherwise requires:

17 1. "Excise taxes" means all unrestricted excise, transaction,  
18 franchise, privilege and business taxes, state shared ~~sales~~ TRANSACTION  
19 PRIVILEGE and income taxes, fees for licenses and permits and state  
20 revenue sharing that are levied and paid by a political subdivision or  
21 contributed, levied or paid to the political subdivision and not earmarked  
22 by the contributor or the political subdivision for a contrary or  
23 inconsistent purpose.

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

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

33 4. "Transportation project advance agreement" means a written  
34 agreement, entered into in accordance with section 28-7677 and section  
35 9-500.17, 11-269.03 or 48-5122, between one or more political subdivisions  
36 and the department, a regional planning agency, metropolitan planning  
37 organization or council of governments or a designated grant recipient  
38 under which the political subdivision advances monies to the department,  
39 the regional planning agency, metropolitan planning organization or  
40 council of governments or the designated grant recipient to accelerate a  
41 transportation project and under which the recipient of the advanced  
42 monies repays the advance.

43 5. "Transportation project advance revenues" means any revenues a  
44 political subdivision receives under a transportation project advance

1 agreement, or as proceeds of transportation project advancement notes,  
2 together with any earnings from the investment of the revenues.

3 6. "Transportation project advancement notes" means notes  
4 authorized by this article.

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

7 28-7695. Use of proceeds

8 A political subdivision shall use the proceeds from the sale of  
9 transportation project advancement notes for payment of any of the  
10 following:

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

15 2. Legal and financial costs and expenses incurred in issuing and  
16 administering the notes.

17 3. Reimbursement to the political subdivision for monies previously  
18 advanced to the department, a regional planning agency, metropolitan  
19 planning organization or council of governments, a regional public  
20 transportation authority or a designated grant recipient under the  
21 transportation project advance agreement that relates to the  
22 transportation project advancement notes.

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

25 5. Payment of the principal, premium or interest on other  
26 obligations of the political subdivision to the extent that proceeds of  
27 those obligations are applied to the financing of the transportation  
28 project that relates to the transportation project advance agreement.

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

31 42-6105. County transportation excise tax; counties with  
32 population of one million two hundred thousand or  
33 more persons

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

38 B. The tax shall be levied and collected:

39 1. At a rate of not more than ten ~~per cent~~ PERCENT of the  
40 transaction privilege tax rate prescribed by section 42-5010, subsection A  
41 applying, as of January 1, 1990, to each person engaging or continuing in  
42 the county in a business taxed under chapter 5, article 1 of this title.

43 2. At a rate of not more than ten ~~per cent~~ PERCENT of the rate  
44 prescribed by section 42-5352, subsection A.

1           3. On the use or consumption of electricity or natural gas by  
2 retail electric or natural gas customers in the county who are subject to  
3 use tax under section 42-5155, at a rate equal to the transaction  
4 privilege tax rate under paragraph 1 of this subsection applying to  
5 persons engaging or continuing in the county in the utilities transaction  
6 privilege tax classification.

7           C. The tax levied under this section shall be in effect for a term  
8 of twenty years.

9           D. The net revenues collected under this section shall be  
10 distributed and deposited as follows for use consistent with the ~~regional~~  
11 ~~transportation~~ plan adopted under title 28, chapter 17, article ~~1~~ 2:

12           1. 56.2 ~~per cent~~ PERCENT to the regional area road fund pursuant to  
13 section 28-6303 for freeways and other routes in the state highway system,  
14 including capital expense and maintenance.

15           2. 10.5 ~~per cent~~ PERCENT to the regional area road fund pursuant to  
16 section 28-6303 for major arterial streets and ~~intersection improvements~~  
17 REGIONAL PROGRAMS, including capital expense and implementation studies.

18           3. 33.3 ~~per cent~~ PERCENT to the public transportation fund pursuant  
19 to section 48-5103 for:

20           (a) Capital costs, maintenance and operation of public  
21 transportation classifications.

22           (b) Capital costs and utility relocation costs associated with a  
23 light rail public transit system.

24           Sec. 23. Title 42, chapter 6, article 3, Arizona Revised Statutes,  
25 is amended by adding section 42-6105.01, to read:

26           42-6105.01. County transportation excise tax; counties with  
27 population of three million or more persons;  
28 conditional enactment

29           A. IF APPROVED BY THE QUALIFIED ELECTORS VOTING AT A COUNTYWIDE  
30 ELECTION, FROM AND AFTER DECEMBER 31, 2025, A COUNTY WITH A POPULATION OF  
31 THREE MILLION OR MORE PERSONS SHALL LEVY AND THE DEPARTMENT SHALL COLLECT  
32 A TAX AS PROVIDED BY THIS SECTION, IN ADDITION TO ALL OTHER TAXES.

33           B. THE TAX SHALL BE LEVIED AND COLLECTED:

34           1. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE TRANSACTION  
35 PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A THAT  
36 APPLIES, AS OF JANUARY 1, 2026, TO EACH PERSON ENGAGING OR CONTINUING IN  
37 THE COUNTY IN A BUSINESS TAXED UNDER CHAPTER 5, ARTICLE 1 OF THIS TITLE.

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

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

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

3 D. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL  
4 SPECIFY WHERE THE ENTIRETY OF NET REVENUES COLLECTED UNDER THIS SECTION  
5 ARE DISTRIBUTED AND DEPOSITED. THE DISTRIBUTIONS SHALL MEET THE MINIMUM  
6 THRESHOLDS ESTABLISHED IN SUBSECTION E OF THIS SECTION. THE REGIONAL  
7 PLANNING AGENCY SHALL SUBMIT THE PLAN DISTRIBUTIONS TO THE DEPARTMENT ON  
8 OR BEFORE MARCH 31 FOR THE FOLLOWING FISCAL YEAR. THE PLAN DISTRIBUTIONS  
9 SHALL BE BASED ON WHEN THE NET REVENUES ARE RECEIVED BY THE DEPARTMENT.

10 E. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL  
11 SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION INTO THE  
12 REGIONAL AREA ROAD FUND ESTABLISHED PURSUANT TO SECTION 28-6302 OR THE  
13 PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103. THE PLAN SHALL  
14 DISTRIBUTE AT LEAST:

15 1. 52.5 PERCENT OF THE REVENUES COLLECTED ANNUALLY UNDER THIS  
16 SECTION TO THE REGIONAL AREA ROAD FUND.

17 2. 32.5 PERCENT OF THE REVENUES COLLECTED ANNUALLY UNDER THIS  
18 SECTION TO THE PUBLIC TRANSPORTATION FUND.

19 F. NOT MORE THAN FOURTEEN PERCENT OF THE REVENUES COLLECTED  
20 ANNUALLY UNDER THIS SECTION MAY BE SPENT ON LIGHT RAIL SYSTEMS IN A MANNER  
21 DESCRIBED IN SECTION 28-6352, SUBSECTION B, PARAGRAPH 3, SUBDIVISION (b).

22 G. THIS SECTION DOES NOT BECOME EFFECTIVE UNLESS AT AN ELECTION  
23 HELD NOVEMBER 8, 2022 THE COUNTY TRANSPORTATION EXCISE TAX IS APPROVED BY  
24 THE QUALIFIED ELECTORS.

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

27 48-5102. Regional public transportation authority in counties  
28 with population of three million or more persons;  
29 establishment

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

34 A. BEGINNING JANUARY 1, 2026, A REGIONAL PUBLIC TRANSPORTATION  
35 AUTHORITY IS ESTABLISHED IN A COUNTY THAT HAS A POPULATION OF THREE  
36 MILLION OR MORE PERSONS AND THAT APPROVES A COUNTY TRANSPORTATION EXCISE  
37 TAX.

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

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

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

3           48-5103. Public transportation fund

4           A. A public transportation fund is established for the authority.  
5 The fund consists of:

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

10           2. Monies appropriated by a county that has not elected to enter  
11 into the authority in an amount determined by the county board of  
12 supervisors.

13           3. Transportation excise tax revenues that are allocated to the  
14 fund pursuant to ~~section~~ SECTIONS 42-6105 AND 42-6105.01. The board shall  
15 separately account for monies from transportation excise tax revenues  
16 allocated pursuant to section 42-6105, subsection D, paragraph 3 OR  
17 SECTION 42-6105.01, SUBSECTION D, PARAGRAPH 2 for:

18           (a) A light rail public transit system.

19           (b) Capital costs for other public transportation.

20           (c) Operation and maintenance costs for other public  
21 transportation.

22           4. Monies distributed under title 28, chapter 17, ~~article~~ ARTICLES  
23 1 AND 2.

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

25           6. Monies granted by the federal government or appropriated by the  
26 legislature.

27           7. Fares or other revenues collected in operating a public  
28 transportation system.

29           B. On behalf of the authority, the fiscal agent shall administer  
30 monies paid into the public transportation fund. Monies in the fund may  
31 be spent pursuant to or to implement the public transportation element of  
32 the ~~regional transportation~~ plan AS DEFINED IN SECTION 28-6351 developed  
33 and approved by the regional planning agency, including reimbursement for  
34 utility relocation costs as prescribed in section 48-5107, ~~adopted~~  
35 ~~pursuant to section 48-5121~~ and for projects identified in the ~~regional~~  
36 ~~transportation~~ plan adopted by the regional planning agency pursuant to  
37 section ~~28-6308~~ 28-6352.

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

1           Sec. 26. Repeal  
2           Sections 48-5106 and 48-5121, Arizona Revised Statutes, are  
3 repealed.

4           Sec. 27. Election on transportation excise tax

5           A. Before November 8, 2022, the board of supervisors of any county  
6 with a population of three million or more persons shall call a countywide  
7 election for the extension and levy of a county transportation excise tax  
8 as provided by section 42-6105.01, Arizona Revised Statutes, as added by  
9 this act, and on November 8, 2022, the board of supervisors shall conduct  
10 the election.

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

18           1. A summary of the principal provisions of the issue presented to  
19 the voters, including the rate of the transportation excise tax, the  
20 number of years the tax will be in effect and the projected annual and  
21 cumulative amount of revenues to be raised.

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

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

27           (b) A map of proposed routes and transportation corridors of all  
28 major transportation projects.

29           (c) The estimated amount of transportation excise tax revenues,  
30 together with other identified revenues, dedicated for each transportation  
31 mode.

32           (d) The Maricopa county elections department website address for  
33 additional information on the regional strategic transportation  
34 infrastructure investment plan.

35           3. The form of the ballot.

36           4. Any arguments for or against the ballot measure. Affirmative  
37 arguments, arranged in the order in which the elections director received  
38 them, shall be placed before the negative arguments, also arranged in the  
39 order in which they were received.

40           C. On or before June 15, 2022, a person may file with the county  
41 elections director an argument, not more than three hundred words in  
42 length, advocating or opposing the ballot measure. The person who files  
43 the argument shall also pay to the elections director a publication fee  
44 prescribed by the board of supervisors. If the argument is sponsored by  
45 one or more individuals, the argument shall be signed by each sponsoring



1 individual. If the argument is sponsored by one or more organizations,  
2 the argument shall be signed by two executive officers of each  
3 organization. If the argument is sponsored by one or more political  
4 committees, the argument shall be signed by each committee's chairperson  
5 or treasurer. Payment of the fee required by this subsection, or  
6 reimbursement of the payor, constitutes sponsorship of the argument. The  
7 names of persons who have signed arguments and the names of sponsoring  
8 organizations shall appear with the argument in the pamphlet. The person  
9 or persons signing the argument shall also give their residence or post  
10 office box address and a telephone number, which may not appear in the  
11 pamphlet.

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

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

17 2. The title: Regional Strategic Transportation Infrastructure  
18 Investment Plan.

19 3. A description of the ballot measure, which shall read as  
20 follows:

21 An economic development measure continuing the existing  
22 transportation excise tax to improve travel times and choices,  
23 reduce congestion, aid public safety, improve air quality and  
24 address the regional transportation system by building,  
25 modernizing and expanding new and existing freeways, streets  
26 and intersections, investing in future transportation  
27 technology and innovations, addressing transportation safety  
28 issues, extending the light rail system, improving and  
29 expanding regional bus transit and providing additional  
30 dial-a-ride services for the elderly and persons with  
31 disabilities, vanpool services and pedestrian paths and  
32 bikeways.

33 4. Instructions directing the voter to the full text of the  
34 official and descriptive titles containing the summary as printed in the  
35 sample ballot and posted in the polling place. The ballot may include the  
36 summary of the regional strategic transportation infrastructure investment  
37 plan.

38 5. The question submitted to the voters as follows:

39 Do you favor the continuation of a county transaction  
40 privilege (sales) tax for regional transportation purposes in  
41 \_\_\_\_\_ county? YES \_\_\_\_\_ NO \_\_\_\_\_

42 (A "YES" vote has the effect of continuing the transaction  
43 privilege (sales) tax in \_\_\_\_\_ county for twenty-five  
44 years to provide funding for transportation projects as

1 contained in the regional strategic transportation  
2 infrastructure investment plan.)

3 (A "NO" vote has the effect of rejecting the transaction  
4 privilege (sales) tax for transportation purposes in  
5 \_\_\_\_\_ county.)

6 E. Except as otherwise provided by this section, the election under  
7 this section shall be conducted as nearly as practicable in the manner  
8 prescribed for general elections in title 16, Arizona Revised Statutes.  
9 The county election officer shall account for costs specifically incurred  
10 with respect to the ballot issue under this section. Regardless of the  
11 outcome of the election, and notwithstanding any other law, the state  
12 treasurer shall pay the costs listed in this subsection specifically  
13 incurred with respect to the ballot issue under this section from monies  
14 paid into the county's regional area road fund on submission of the bill  
15 by the county election officer. Costs specifically incurred with respect  
16 to the ballot issue under this section include the following:

17 1. Costs of mailing, publishing, posting and printing ballots,  
18 publicity pamphlets, notices, election materials and other matters  
19 concerning the election.

20 2. Legal and other consulting fees and costs relating to the  
21 election.

22 3. Telecommunications costs.

23 4. Compensation of the election board, county election officers and  
24 employees and other labor costs incurred to administer, hold, canvass and  
25 announce the results of the election.

26 5. Any other costs attributable to the election.

27 F. This section does not constitute a submission of any provision  
28 of law to the people for approval under the power of the referendum.

29 G. Except as specifically provided in this section, the general  
30 laws relating to elections apply to the election prescribed by this  
31 section.

32 Sec. 28. Regional public transportation authority

33 This act does not invalidate an action by a regional public  
34 transportation authority formed pursuant to law before the effective date  
35 of this act.

36 Sec. 29. Emergency

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