

COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE  
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1246  
(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 28-304, Arizona Revised Statutes, is amended to  
3 read:

4 28-304. Powers and duties of the board; transportation facilities

5 A. The board shall:

6 1. Develop and adopt a statewide transportation policy statement.  
7 The policy statement shall be adopted as described in section 28-306.

8 2. Adopt a long-range statewide transportation plan. The plan shall  
9 be adopted as described in section 28-307.

10 3. Adopt uniform transportation planning practices and performance  
11 based planning processes for use by the department. The practices and  
12 processes shall be developed as described in sections 28-502 and 28-503.

13 4. Adopt transportation system performance measures and factors and  
14 data collection standards to be used by the department. The performance  
15 measures, factors and standards shall be developed as described in sections  
16 28-504 and 28-505.

17 B. With respect to highways, the board shall:

18 1. Establish a complete system of state highway routes.

19 2. Determine which state highway routes or portions of the routes  
20 are accepted into the state highway system and which state highway routes  
21 to improve.

22 3. Establish, open, relocate or alter a portion of a state route or  
23 state highway.

1           4. Vacate or abandon a portion of a state route or state highway as  
2 prescribed in section 28-7209.

3           5. Sell board funding obligations to the state treasurer as provided  
4 in section 28-7678.

5           C. The board shall:

6           1. Establish policies to guide the development or modification of  
7 the five year transportation facilities construction program that are  
8 consistent with the principles of ~~performance-based~~ PERFORMANCE-BASED  
9 planning developed pursuant to article 7 of this chapter. The percentage  
10 of department discretionary monies allocated to the region in the ~~regional~~  
11 ~~transportation~~ plan approved pursuant to chapter 17, article 1 of this  
12 title shall not increase or decrease unless the board, in cooperation with  
13 the regional planning agency, agrees to change the percentage of the  
14 discretionary monies.

15           2. Award all construction contracts for transportation facilities.

16           3. Monitor the status of these construction projects.

17           D. The board shall determine priority program planning with respect  
18 to transportation facilities using the ~~performance-based~~ PERFORMANCE-BASED  
19 methods developed pursuant to article 7 of this chapter.

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

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

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

31           1. Spend monies and require the use of the metric system with  
32 respect to designing or preparing plans, specifications, estimates or other

1 documents for a highway project that is awarded before October 1, 1997 and  
2 that is exclusively metric from its inception.

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

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

7 28-6301. Definitions

8 In this article, unless the context otherwise requires:

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

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

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

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

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

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

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

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

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

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

32 ~~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 the~~  
4 ~~state highway system or a fixed guideway transit system that either exceeds~~  
5 ~~one mile in length or exceeds an estimated cost of forty million dollars as~~  
6 ~~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 THE  
14 SPECIFIC DIRECTION AND ADJACENT LAND USES.

15           8. "PERFORMANCE-BASED" MEANS REGIONAL PLANNING AGENCY PROCESSES AND  
16 PRACTICES THAT ARE CONSISTENT WITH FEDERAL LAW, INCLUDING REQUIREMENTS  
17 PRESCRIBED IN 23 UNITED STATES CODE SECTION 134 AND 49 UNITED STATES CODE  
18 SECTION 5303, AND STATE LAW, INCLUDING SYSTEM PERFORMANCE FACTORS SET FORTH  
19 IN SECTION 28-505.

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

21           ~~8.~~ 10. "Population" means the population determined in the most  
22 recent United States decennial census or the most recent special census as  
23 provided in section 28-6532 and revisions to the decennial or special  
24 census certified by the United States bureau of the census.

25           ~~9.~~ 11. "Public transportation" means moving passengers by means of  
26 a conveyance operated by or for a political subdivision of this state,  
27 including dial-a-ride transportation, special needs transportation and van  
28 pool transportation but excluding school buses.

29           ~~10.~~ 12. "Public transportation system" means the combination of  
30 individuals, vehicles, physical facilities, structures and equipment that  
31 together provide, or facilitate providing, public transportation, including  
32 buses, high occupancy vehicle roadway lanes and ramps, bus pull-out lanes,

1 bus and light rail waiting facilities, park and ride parking lots,  
2 intelligent transportation systems and ridesharing promotion.

3 13. "REGIONAL PROGRAMS" MEANS TRANSPORTATION PROJECTS THAT ARE  
4 SELECTED THROUGH A PERFORMANCE-BASED PROCESS FOR ARTERIAL IMPROVEMENTS,  
5 ACTIVE TRANSPORTATION, AIR QUALITY, EMERGING TECHNOLOGIES, INTELLIGENT  
6 TRANSPORTATION SYSTEMS, SAFETY AND TRANSPORTATION DEMAND MANAGEMENT.

7 ~~11.~~ 14. "Regionwide business" means a company that provides goods  
8 or services throughout the county.

9 ~~12.~~ 15. "Transit interest" means an individual with demonstrated  
10 interest and experience with public transportation.

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

13 28-6302. Transportation excise tax distribution; counties with  
14 three million or more persons; regional area road  
15 fund

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

24 B. Except as provided in this article, the county in which the  
25 transportation excise taxes are levied has the beneficial interest in the  
26 regional area road fund. This state has no beneficial interest in the  
27 regional area road fund except as an obligee for reimbursement of state  
28 monies that are advanced as salaries or expenses by this state or the  
29 department and that are to be repaid by the regional area road fund.

30 C. Monies and investments within the regional area road fund may be  
31 used and spent only as provided in this chapter. An appropriation of any  
32 nature shall not be required before the expenditure of monies from the

1 regional area road fund. Monies in the bond proceeds account or  
2 construction account of a regional area road fund may be obligated for  
3 payment in future years for the purpose of right-of-way acquisition subject  
4 to the limitations prescribed in sections 28-7001 and 28-7002, ~~and~~ section  
5 42-6105, subsection D, paragraphs 1 and 2 **AND SECTION 42-6105.01,**  
6 **SUBSECTION D, PARAGRAPHS 1 AND 2.** The state treasurer shall make payments  
7 from the regional area road fund by check, and a warrant or voucher is not  
8 necessary. Subject to the powers granted to the board in chapter 21,  
9 article 2 of this title, the director shall administer monies deposited in  
10 the regional area road fund.

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

13 **28-6303. Regional area road fund; separate accounts**

14 A. The regional area road fund is divided into three separate  
15 accounts designated as the bond account, the construction account and the  
16 bond proceeds account.

17 B. The state treasurer shall:

18 1. Account separately for each account.

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

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

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

29 5. After all current period requirements for all of the bonds are  
30 deposited in the bond account, deposit the balance of transportation excise  
31 tax revenues transferred to the state treasurer for the current period in  
32 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, article 2.

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

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

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

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

18 E. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE USES OF  
19 TRANSPORTATION EXCISE TAX REVENUES DEPOSITED IN THE BOND ACCOUNT AND THE  
20 CONSTRUCTION ACCOUNT IN ORDER TO IDENTIFY HOW THE TRANSPORTATION EXCISE TAX  
21 REVENUES ARE USED PURSUANT TO SECTION 42-6105.01, SUBSECTION D, PARAGRAPHS  
22 1 AND 2 FOR:

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

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

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

28 28-6304. Bond account: expenditures

29 A. The state treasurer shall:

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

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

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

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

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

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

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

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

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

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

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

21          5. Design, right-of-way purchase or construction related to new, or  
22 improvements to, major arterial streets and ~~intersections~~ REGIONAL PROGRAMS  
23 that are included in the ~~regional transportation~~ plan ~~of the county~~. ~~For~~  
24 ~~the purposes of this paragraph, "major arterial" means an interconnected~~  
25 ~~thoroughfare whose primary function is to link areas in the region and to~~  
26 ~~distribute traffic to and from controlled access highways, generally of~~  
27 ~~regionwide significance and of varying capacity depending on the travel~~  
28 ~~demand for the specific direction and adjacent land uses.~~

29          ~~6. Design and construction of interim roadways within the adopted~~  
30 ~~corridors of the regional transportation plan of the county pursuant to~~  
31 ~~section 28-6309.~~





1 auditor general relating to performance audits under section 28-6313.  
2 Before the beginning of each fiscal year, the respective governing bodies  
3 of the members of the regional planning agency and the board of directors  
4 of the regional public transportation authority shall explicitly identify  
5 and approve in ~~the annual~~ budgets the monies to be spent under subsection B  
6 of this section for the purposes allowed under this subsection. These  
7 expenditures are subject to the annual audit of the governing bodies'  
8 financial transactions.

9 D. The director may enter into construction contracts or contracts  
10 incidental to construction contracts payable from monies in either the bond  
11 proceeds account or the construction account or both the bond proceeds and  
12 construction accounts.

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

15 28-6306. Account expenditures: elections

16 A. Except as provided in subsection B **OF THIS SECTION**, monies from  
17 any account in the regional area road fund shall not be spent to promote or  
18 advocate a position, alternative or outcome of an election, to influence  
19 public opinion or to pay or contract for consultants or advisors to  
20 influence public opinion with respect to an election regarding taxes or  
21 other sources of revenue for the fund or regarding the ~~regional~~  
22 ~~transportation~~ plan.

23 B. Monies from any account in the regional area road fund may be  
24 spent:—

25 ~~1. As authorized by this article to determine public opinion before~~  
26 ~~the election is called.~~

27 ~~2.~~ for costs specifically incurred with respect to a ballot issue  
28 relating to a county transportation excise tax in a county with a  
29 population of ~~one~~ **THREE** million ~~two hundred thousand~~ or more persons.

30 Sec. 8. Repeal

31 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 submit  
19 names to the president of the senate and the speaker of the house of  
20 representatives for consideration for appointment to the transportation  
21 policy committee.

22           3. BEGINNING FISCAL YEAR 2024-2025, 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 PARAGRAPH.  
26 MEMBERS WHO ARE APPOINTED PURSUANT TO THIS PARAGRAPH SERVE SIX-YEAR TERMS.

27           4. BEGINNING FISCAL YEAR 2024-2025, ONE MEMBER WHO REPRESENTS A  
28 TAXPAYER ORGANIZATION AND WHO IS APPOINTED JOINTLY BY THE PRESIDENT OF THE  
29 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE MEMBER WHO IS  
30 APPOINTED PURSUANT TO THIS PARAGRAPH SERVES A SIX-YEAR TERM.

31           5. BEGINNING FISCAL YEAR 2024-2025, ONE MEMBER WHO REPRESENTS  
32 HOUSING INTERESTS AND WHO IS APPOINTED JOINTLY BY THE PRESIDENT OF THE

1 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE MEMBER WHO IS  
2 APPOINTED PURSUANT TO THIS PARAGRAPH SERVES A SIX-YEAR TERM.

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

5 ~~2.~~ 1. Develop the plan in cooperation with the regional public  
6 transportation authority in the county and the department ~~of transportation~~  
7 and in consultation with the county board of supervisors, Indian  
8 communities and cities and towns in the county.

9 ~~1.~~ 2. ~~By a majority vote of the members,~~ Recommend approval,  
10 DISAPPROVAL OR MODIFICATION of ~~a twenty-year comprehensive,~~  
11 ~~performance-based, multimodal and coordinated regional transportation plan~~  
12 ~~in the county, including transportation corridors by priority and a~~  
13 ~~schedule indicating the dates that construction will commence for projects~~  
14 ~~contained in the plan.~~

15 ~~3.~~ ~~Submit the plan for review by the regional public transportation~~  
16 ~~authority in the county, the state board of transportation, the county~~  
17 ~~board of supervisors, Indian communities and cities and towns in the county~~  
18 ~~at the alternatives stage of the plan and the final draft stage of the~~  
19 ~~plan. After reviewing the plan, the regional public transportation~~  
20 ~~authority in the county, the county board of supervisors and the state~~  
21 ~~board of transportation, by majority vote of the members of each entity~~  
22 ~~within thirty days after receiving the plan, shall submit a written~~  
23 ~~recommendation to the transportation policy committee that the plan be~~  
24 ~~approved, modified or disapproved. Within thirty days after receiving the~~  
25 ~~plan, Indian communities and cities and towns in the county may submit a~~  
26 ~~written recommendation to the transportation policy committee that the plan~~  
27 ~~be approved, modified or disapproved.~~

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

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

1           ~~6. Provide a written response to the regional public transportation~~  
2 ~~authority, the state board of transportation, the county board of~~  
3 ~~supervisors and the entity that submitted the proposed modification within~~  
4 ~~thirty days after the vote on the proposed modification explaining the~~  
5 ~~affirmation, rejection or further modification of each proposed~~  
6 ~~modification.~~

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

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

10           ~~1. Shall include the following transportation mode classifications~~  
11 ~~with a revenue allocation to each classification consistent with section~~  
12 ~~42-6105, subsection D:~~

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

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

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

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

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

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

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

31           3. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF CHANGES TO THE  
32 ALLOCATIONS OF TRANSPORTATION EXCISE TAX REVENUES BETWEEN SECTION 28-6352,

1 SUBSECTION B, PARAGRAPHS 1, 2 AND 3, INCLUDING MAJOR INVESTMENT CHANGES AS  
2 DESCRIBED IN SECTION 28-6352, SUBSECTION H.

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

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

7 Sec. 10. Repeal

8 Sections 28-6309, 28-6310, 28-6311 and 28-6312, Arizona Revised  
9 Statutes, are repealed.

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

12 28-6313. Performance audits of proposed transportation  
13 projects and systems

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

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

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

30 C. The audit shall:

31 1. Examine the ~~regional transportation~~ plan and projects scheduled  
32 for funding within each transportation mode based on the performance

1 factors established in section 28-505, subsection A, in the context of the  
2 transportation system.

3 2. Review past expenditures of the ~~regional transportation~~ plan and  
4 examine the performance of the system in relieving congestion and improving  
5 mobility.

6 3. Make recommendations regarding whether further implementation of  
7 a project or transportation system is warranted, warranted with  
8 modifications or not warranted.

9 D. The auditor general or the auditors contracted to conduct the  
10 audit shall periodically update the transportation policy committee  
11 regarding the progress of the audit.

12 E. Within forty-five days after the release of the audit, the  
13 regional public transportation authority, the state transportation board  
14 and the county board of supervisors, by a majority vote of each entity,  
15 shall submit written recommendations to the transportation policy committee  
16 that the findings are agreed to or disagreed with and the recommendations  
17 should be implemented, be implemented with modification or not be  
18 implemented.

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

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

- 23 1. The regional planning agency.
- 24 2. The transportation policy committee.
- 25 3. The regional public transportation authority in the county.
- 26 4. The county board of supervisors.
- 27 5. The state transportation board.
- 28 6. The governor, secretary of state, president of the senate and

29 speaker of the house of representatives.

30 ~~7. The Arizona state library, archives and public records.~~

31 ~~8.~~ 7. Any other person who requests a copy pursuant to title 39,  
32 chapter 1, article 2.

1 H. The state transportation board, regional planning agency,  
2 regional public transportation authority and county board of supervisors  
3 shall cooperate with and submit to the auditor general and the auditors  
4 contracted to conduct the audit information necessary to conduct the audits  
5 under this section.

6 I. The cost incurred by the auditor general in contracting with  
7 independent auditors for conducting performance audits under subsection A  
8 of this section shall be paid from revenues of the county transportation  
9 excise tax under ~~section~~ SECTIONS 42-6105 AND 42-6105.01. When due, the  
10 payments have priority over any other distribution authorized by section  
11 42-6105 OR 42-6105.01. The auditor general shall deposit the payments in  
12 the audit services revolving fund established by section 41-1279.06.

13 Sec. 12. Heading change

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

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

19 28-6351. Definitions

20 In this article, unless the context otherwise requires:

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

23 ~~2.~~ 1. "Enhancement" means an addition that exceeds generally  
24 accepted engineering or design standards for the specific type of facility.

25 2. "PERFORMANCE-BASED" MEANS REGIONAL PLANNING AGENCY PROCESSES AND  
26 PRACTICES THAT ARE CONSISTENT WITH FEDERAL LAW, INCLUDING REQUIREMENTS  
27 PRESCRIBED IN 23 UNITED STATES CODE SECTION 134 AND 49 UNITED STATES CODE  
28 SECTION 5303, AND STATE LAW, INCLUDING SYSTEM PERFORMANCE FACTORS SET FORTH  
29 IN SECTION 28-505.

30 3. ~~"Regional transportation~~ Plan" means the ~~twenty~~ year  
31 comprehensive, ~~performance based~~ PERFORMANCE-BASED, multimodal and  
32 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 Section 28-6352, Arizona Revised Statutes, is repealed.

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

7 28-6352. County transportation excise tax; budget process

8 A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND  
9 ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN  
10 COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND  
11 OPERATORS AND IN COORDINATION WITH THE DEPARTMENT. THE REGIONAL PLANNING  
12 AGENCY SHALL CONSIDER TRUCK PARKING AVAILABILITY WHEN CONSIDERING THE  
13 CONSTRUCTION, EXPANSION OR MODIFICATION OF FREEWAYS OR OTHER ROUTES IN THE  
14 STATE HIGHWAY SYSTEM. ON OR BEFORE DECEMBER 31, 2050, THE REGIONAL  
15 PLANNING AGENCY SHALL ALLOCATE AT LEAST \$90,000,000 FOR THE IMPLEMENTATION  
16 OF COMMERCIAL MOTOR VEHICLE PARKING THAT IS CONSISTENT WITH A REGIONALLY  
17 ADOPTED TRUCK PARKING PLAN, INCLUDING FUNDING FOR CONSTRUCTION, LAND  
18 ACQUISITION, LEASE, MAINTENANCE OR OPERATIONS OR ENTRY INTO A  
19 PUBLIC-PRIVATE PARTNERSHIP AGREEMENT.

20 B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION  
21 42-6105.01 AS FOLLOWS:

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

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

26 3. IN THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103  
27 FOR:

28 (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC  
29 TRANSPORTATION MODE CLASSIFICATIONS.

30 (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE  
31 LIGHT RAIL SYSTEM.

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

10 D. BEGINNING FISCAL YEAR 2023-2024, THE REGIONAL PLANNING AGENCY  
11 SHALL ADOPT A BUDGET PROCESS THAT ENSURES:

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

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

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

25 E. THE REGIONAL PLANNING AGENCY SHALL COORDINATE WITH IMPLEMENTING  
26 PARTNERS ON THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION,  
27 INCLUDING THE DEPARTMENT FOR FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY  
28 SYSTEM AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY FOR  
29 THE PUBLIC TRANSPORTATION SYSTEM.

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

1           G. ANY BONDS ISSUED AGAINST PROCEEDS COLLECTED PURSUANT TO SECTIONS  
2           42-6105 AND 42-6105.01 REQUIRE CONSULTATION WITH THE REGIONAL PLANNING  
3           AGENCY.

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

5           1. CONSIDERATION BY THE TRANSPORTATION POLICY COMMITTEE.

6           2. IDENTIFICATION OF THE PROJECTS AND PROGRAMS THAT WOULD BE  
7           IMPACTED BY THE FUNDING TRANSFER.

8           3. A DETAILED, PERFORMANCE-BASED ASSESSMENT OF THE IMPACTED PROJECTS  
9           AND PROGRAMS. THE PERFORMANCE-BASED ASSESSMENT MUST SUPPORT THE PROPOSED  
10           MAJOR INVESTMENT CHANGE. THE ASSESSMENT SHALL ALSO SEEK, CONSIDER AND  
11           DOCUMENT PUBLIC INPUT ON THE PROPOSED MAJOR INVESTMENT CHANGE.

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

13           5. SUBMISSION OF THE PROPOSED MAJOR INVESTMENT CHANGE FOR REVIEW BY  
14           THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD  
15           OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS. AFTER REVIEW, THE  
16           REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF  
17           TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS, BY A MAJORITY VOTE OF  
18           THE MEMBERS OF EACH BOARD AND WITHIN THIRTY DAYS AFTER RECEIVING THE  
19           PROPOSED MAJOR INVESTMENT CHANGE, SHALL SUBMIT A WRITTEN RECOMMENDATION TO  
20           THE REGIONAL PLANNING AGENCY THAT THE PROPOSED MAJOR INVESTMENT CHANGE BE  
21           APPROVED, MODIFIED OR DISAPPROVED. IF THE REGIONAL PUBLIC TRANSPORTATION  
22           AUTHORITY IN THE COUNTY, THE STATE BOARD OF TRANSPORTATION OR THE COUNTY  
23           BOARD OF SUPERVISORS FAILS TO APPROVE THE PROPOSED MAJOR INVESTMENT CHANGE,  
24           AN AFFIRMATIVE VOTE OF AT LEAST SEVENTEEN MEMBERS OF THE TRANSPORTATION  
25           POLICY COMMITTEE IS REQUIRED TO RECOMMEND APPROVAL AND PROCEED WITH THE  
26           MAJOR INVESTMENT CHANGE.

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

30           J. REQUESTS FOR CHANGES TO TRANSPORTATION PROJECTS FUNDED IN THE  
31           PLAN THAT WOULD MATERIALLY INCREASE COSTS SHALL BE SUBMITTED TO THE  
32           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 UNDER  
7 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 P. THE REGIONAL PLANNING AGENCY SHALL POST ON THE REGIONAL PLANNING  
25 AGENCY'S WEBSITE A PUBLIC NOTICE ON ANY PROPOSED AMENDMENTS TO THE PLAN  
26 THAT REQUIRES A NEW AIR QUALITY CONFORMITY DETERMINATION AND SHALL MAKE THE  
27 RESULTS OF THE AIR QUALITY CONFORMITY ANALYSIS PUBLICLY AVAILABLE.

28 Sec. 16. Repeal

29 Sections 28-6353, 28-6354 and 28-6355, Arizona Revised Statutes, are  
30 repealed.

1           Sec. 17. Section 28-6538, Arizona Revised Statutes, is amended to  
2 read:

3           28-6538. Arizona highway user revenue fund distribution;  
4                           remaining monies; highway fund distribution;  
5                           contract authorization; plan requirements

6           A. Each fiscal year the department shall allocate and the state  
7 treasurer shall distribute revenues of the Arizona highway user revenue  
8 fund remaining after the distribution provided in sections 28-6534 and  
9 28-6537 as follows:

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

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

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

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

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

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

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

31           (a) The design, right-of-way purchase or construction of controlled  
32 access highways that are included in the ~~regional transportation~~ plan ~~of~~

1 ~~the county~~ AS DEFINED IN SECTION 28-6351 and that are accepted into the  
2 state highway system either as a state route or as a state highway or  
3 related grade separations of controlled access highways that are included  
4 in the ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION  
5 28-6351.

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

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

15 D. Expenditures for state matching monies for the federal interstate  
16 system shall be in addition to the amount provided in subsection B of this  
17 section.

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

21 F. A county described in subsection B of this section and the cities  
22 and towns in the county, through their regional planning agency, shall list  
23 transportation corridors by priority in the ~~regional transportation~~ plan AS  
24 DEFINED IN SECTION 28-6351. The ~~regional transportation~~ plan AS DEFINED IN  
25 SECTION 28-6351 may also provide a suggested construction schedule for the  
26 transportation corridors contained in the plan.

27 Sec. 18. Section 28-6954, Arizona Revised Statutes, is amended to  
28 read:

29 28-6954. Program requirements

30 A. The five year transportation facilities construction program  
31 shall:

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

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

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

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

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

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

13           (b) **CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION**  
14 **28-6352, SUBSECTION D, PARAGRAPH 1.**

15           (c) **ANNUALLY UPDATED.**

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

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

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

27           **28-7671. Definitions**

28           In this article, unless the context otherwise requires:

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

30           (a) On the federal aid system, national highway system or state  
31 route or state highway system.

32           (b) Included in either:

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

2 (ii) The transportation improvement plan of a regional association  
3 of governments.

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

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

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

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

21 6. "Indian tribe" means any Indian tribe, band, group or community  
22 that is recognized by the United States secretary of the interior and that  
23 exercises governmental authority within the limits of any Indian  
24 reservation under the jurisdiction of the United States government,  
25 notwithstanding the issuance of any patent and including rights-of-way  
26 running through the reservation.

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

31 8. "Political subdivision" means a county, city, town or special  
32 taxing district authorized by law to construct or assist in the



1 construction of an eligible highway project or a county, city, town or  
2 special taxing district established pursuant to section 48-5102 to  
3 construct or assist in the construction of a transportation project.

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

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

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

16 28-7691. Definitions

17 In this article, unless the context otherwise requires:

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

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

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

1 construction for the transportation project and associated rolling stock  
2 and operating systems.

3 4. "Transportation project advance agreement" means a written  
4 agreement, entered into in accordance with section 28-7677 and section  
5 9-500.17, 11-269.03 or 48-5122, between one or more political subdivisions  
6 and the department, a regional planning agency, metropolitan planning  
7 organization or council of governments or a designated grant recipient  
8 under which the political subdivision advances monies to the department,  
9 the regional planning agency, metropolitan planning organization or council  
10 of governments or the designated grant recipient to accelerate a  
11 transportation project and under which the recipient of the advanced monies  
12 repays the advance.

13 5. "Transportation project advance revenues" means any revenues a  
14 political subdivision receives under a transportation project advance  
15 agreement, or as proceeds of transportation project advancement notes,  
16 together with any earnings from the investment of the revenues.

17 6. "Transportation project advancement notes" means notes authorized  
18 by this article.

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

21 28-7695. Use of proceeds

22 A political subdivision shall use the proceeds from the sale of  
23 transportation project advancement notes for payment of any of the  
24 following:

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

29 2. Legal and financial costs and expenses incurred in issuing and  
30 administering the notes.

31 3. Reimbursement to the political subdivision for monies previously  
32 advanced to the department, a regional planning agency, metropolitan

1 planning organization or council of governments, a regional public  
2 transportation authority or a designated grant recipient under the  
3 transportation project advance agreement that relates to the transportation  
4 project advancement notes.

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

7 5. Payment of the principal, premium or interest on other  
8 obligations of the political subdivision to the extent that proceeds of  
9 those obligations are applied to the financing of the transportation  
10 project that relates to the transportation project advance agreement.

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

13 42-6105. County transportation excise tax; counties with  
14 population of one million two hundred thousand or  
15 more persons

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

20 B. The tax shall be levied and collected:

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

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

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

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

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

6 1. 56.2 ~~per cent~~ PERCENT to the regional area road fund pursuant to  
7 section 28-6303 for freeways and other routes in the state highway system,  
8 including capital expense and maintenance.

9 2. 10.5 ~~per cent~~ PERCENT to the regional area road fund pursuant to  
10 section 28-6303 for major arterial streets and ~~intersection improvements~~  
11 REGIONAL PROGRAMS, including capital expense and implementation studies.

12 3. 33.3 ~~per cent~~ PERCENT to the public transportation fund pursuant  
13 to section 48-5103 for:

14 (a) Capital costs, maintenance and operation of public  
15 transportation classifications.

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

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

20 42-6105.01. County transportation excise tax; counties with  
21 population of three million or more persons;  
22 conditional enactment

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

27 B. THE TAX SHALL BE LEVIED AND COLLECTED:

28 1. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE TRANSACTION  
29 PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A THAT  
30 APPLIES, AS OF JANUARY 1, 1990, TO EACH PERSON ENGAGING OR CONTINUING IN  
31 THE COUNTY IN A BUSINESS TAXED UNDER CHAPTER 5, ARTICLE 1 OF THIS TITLE.

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

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

11           D. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL  
12 SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION IN 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 DISTRIBUTE:

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

19           2. TWENTY-TWO PERCENT TO THE REGIONAL AREA ROAD FUND FOR MAJOR  
20 ARTERIAL STREETS AND REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND  
21 IMPLEMENTATION STUDIES.

22           3. TWENTY-SIX PERCENT TO THE PUBLIC TRANSPORTATION FUND FOR BOTH:

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

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

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

30           F. SALES TAX REVENUES COLLECTED UNDER THIS SECTION MAY NOT BE USED  
31 FOR ANY LIGHT RAIL EXTENSION.

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

3 H. MONIES COLLECTED PURSUANT TO THIS SECTION:

4 1. MAY NOT BE USED TO INFLUENCE THE OUTCOME OF AN ELECTION.

5 2. MAY ONLY BE SPENT ON POLLING FOR PURPOSES OF TRANSPORTATION  
6 PLANNING AND PROJECT IMPLEMENTATION.

7 3. MAY NOT BE SPENT ON ANY PROJECT THAT WILL RESULT IN A REDUCTION  
8 IN EXISTING LANE MILES ON A STREET OR HIGHWAY AS DEFINED IN SECTION 28-101  
9 OR A ROADWAY AS DEFINED IN SECTION 28-601.

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

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

14 48-5102. Regional public transportation authority in counties  
15 with population of three million or more persons:  
16 establishment

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

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

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

29 C. The authority may operate both within and outside the corporate  
30 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 fund  
14 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 SECTION  
17 42-6105.01, SUBSECTION D, PARAGRAPH 3, SUBDIVISION (b) 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 transportation.

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

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

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

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

28           B. On behalf of the authority, the fiscal agent shall administer  
29 monies paid into the public transportation fund. Monies in the fund may be  
30 spent pursuant to or to implement the public transportation element of the  
31 ~~regional transportation~~ plan AS DEFINED IN SECTION 28-6351 developed and  
32 approved by the regional planning agency, including reimbursement for

1 utility relocation costs as prescribed in section 48-5107, ~~adopted pursuant~~  
2 ~~to section 48-5121~~ and for projects identified in the ~~regional~~  
3 ~~transportation~~ plan adopted by the regional planning agency pursuant to  
4 section ~~28-6308~~ 28-6352.

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

11 Sec. 26. Repeal

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

13 Sec. 27. Election on transportation excise tax

14 A. During the period beginning four years before the date on which  
15 an existing county transportation excise tax would otherwise be  
16 discontinued and ending two years before the date on which an existing  
17 county transportation excise tax would be discontinued, the board of  
18 supervisors of any county with a population of three million or more  
19 persons shall call a countywide election for the continuation of the county  
20 transportation excise tax as described in section 42-6105.01, Arizona  
21 Revised Statutes, as added by this act. Notwithstanding any other law, the  
22 county shall conduct an election on a consolidated election date at least  
23 one year before the date on which an existing county excise tax would  
24 otherwise be discontinued following the call of the election.

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



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

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

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

10           (b) A map of proposed routes and transportation corridors of all  
11 major transportation projects.

12           (c) The estimated amount of transportation excise tax revenues,  
13 together with other identified revenues, dedicated for each transportation  
14 mode.

15           (d) The county elections department website address for additional  
16 information on the regional strategic transportation infrastructure  
17 investment plan.

18           3. The form of the ballot.

19           4. Any arguments for or against the ballot measure. Affirmative  
20 arguments, arranged in the order in which the elections director received  
21 them, shall be placed before the negative arguments, also arranged in the  
22 order in which they were received.

23           C. At a time determined by the county, a person may file with the  
24 county elections director an argument, not more than three hundred words in  
25 length, advocating or opposing the ballot measure. The person who files  
26 the argument shall also pay to the elections director a publication fee  
27 prescribed by the board of supervisors. If the argument is sponsored by  
28 one or more individuals, the argument shall be signed by each sponsoring  
29 individual. If the argument is sponsored by one or more organizations, the  
30 argument shall be signed by two executive officers of each  
31 organization. If the argument is sponsored by one or more political  
32 committees, the argument shall be signed by each committee's chairperson or

1 treasurer. Payment of the fee required by this subsection, or  
2 reimbursement of the payor, constitutes sponsorship of the argument. The  
3 names of persons who have signed arguments and the names of sponsoring  
4 organizations shall appear with the argument in the pamphlet. The person  
5 or persons signing the argument shall also give their residence or post  
6 office box address and a telephone number, which may not appear in the  
7 pamphlet.

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

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

13 2. The title: Regional Strategic Transportation Infrastructure  
14 Investment Plan.

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

16 A measure continuing the current transportation excise  
17 (sales) tax to address the regional transportation system by  
18 building new freeways, expanding existing freeways with  
19 additional access and capacity, constructing streets and  
20 intersections, expanding transit by increasing the frequency of  
21 bus service and providing additional bus, dial-a-ride and  
22 vanpool services.

23 4. Instructions directing the voter to the full text of the official  
24 and descriptive titles containing the summary as printed in the sample  
25 ballot and posted in the polling place. The ballot may include the summary  
26 of the regional strategic transportation infrastructure investment plan.

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

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

31 (A "YES" vote has the effect of continuing the  
32 transaction privilege (sales) tax in \_\_\_\_\_ county for

1           twenty years to provide funding for transportation projects as  
2           contained in the regional strategic transportation  
3           infrastructure investment plan.)

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

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

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

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

23           3. Telecommunications costs.

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

27           5. Any other costs attributable to the election.

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

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

1           Sec. 28. Regional public transportation authority

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

5           Sec. 29. Legislative intent

6           The legislature intends for the regional public transportation  
7 authority established by section 48-5102, Arizona Revised Statutes, as  
8 amended by this act, to extend fixed-route bus service on Bell Road from  
9 75<sup>th</sup> Avenue to Reems Road beginning in fiscal year 2024-2025.

10          Sec. 30. Severability

11          If a provision of this act or its application to any person or  
12 circumstance is held invalid, the invalidity does not affect other  
13 provisions or applications of the act that can be given effect without the  
14 invalid provision or application, and to this end the provisions of this  
15 act are severable."

16 Amend title to conform

DAVID L. COOK  
CHAIRMAN

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