

REFERENCE TITLE: Maricopa county transportation excise tax

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

## HB 2633

Introduced by  
Representative Livingston

### AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-462.10; AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-500.40; AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-269.06; AMENDING TITLE 11, CHAPTER 6, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-820.04; AMENDING SECTIONS 28-304, 28-702.04, 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 SECTION 28-6352, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 17, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 28-6352; REPEALING SECTIONS 28-6353, 28-6354 AND 28-6355, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-6538, 28-6954, 28-7671, 28-7691, 28-7695 AND 42-6105, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-6105.01; AMENDING SECTIONS 48-5102 AND 48-5103, ARIZONA REVISED STATUTES; REPEALING SECTIONS 48-5106 AND 48-5121, ARIZONA REVISED STATUTES; RELATING TO TRANSPORTATION FINANCE AND PLANNING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 4, article 6.1, Arizona Revised  
3 Statutes, is amended by adding section 9-462.10, to read:

4 9-462.10. Zoning; height; density; high-capacity transit  
5 route

6 A MUNICIPALITY SHALL ALLOW MAXIMUM HEIGHT AND DENSITY RESTRICTIONS  
7 IN AREAS ZONED FOR RESIDENTIAL AND COMMERCIAL MIXED USE FOR ALL PROPERTIES  
8 THAT ARE ADJACENT TO OR COMBINED ADJACENT TO HIGH-CAPACITY TRANSIT ROUTES.

9 Sec. 2. Title 9, chapter 4, article 8, Arizona Revised Statutes, is  
10 amended by adding section 9-500.40, to read:

11 9-500.40. Pocket shelters; religious organizations;  
12 definitions

13 A. A CITY OR TOWN MAY NOT PROHIBIT A RELIGIOUS ORGANIZATION FROM  
14 PROVIDING A POCKET SHELTER IF ALL OF THE FOLLOWING APPLY:

15 1. THE RELIGIOUS ORGANIZATION PROVIDES ONLY ONE POCKET SHELTER.

16 2. THE POCKET SHELTER HOUSES NOT MORE THAN TWELVE UNRELATED PERSONS  
17 EXCEPT THAT THE POCKET SHELTER MAY HOUSE UP TO TWENTY UNRELATED MINORS WHO  
18 ARE ACCOMPANIED BY A PARENT OR GUARDIAN. FOR THE PURPOSES OF THIS  
19 PARAGRAPH, MINORS WHO ARE ACCOMPANIED BY A PARENT OR GUARDIAN SHALL NOT BE  
20 COUNTED IN THE NUMBER OF UNRELATED PERSONS.

21 3. THE RELIGIOUS ORGANIZATION PROVIDES ON-SITE SUPERVISION OF  
22 POCKET SHELTER RESIDENTS AT ALL TIMES IF TWO OR MORE UNRELATED RESIDENTS  
23 ARE AT THE POCKET SHELTER.

24 4. POCKET SHELTER RESIDENTS DO NOT POSSESS ALCOHOL, ILLEGAL DRUGS  
25 OR WEAPONS AT THE POCKET SHELTER.

26 5. DRUG, ALCOHOL OR OTHER SUBSTANCE ABUSE OR MENTAL HEALTH  
27 REHABILITATION PROGRAMS ARE NOT ALLOWED AS PART OF THE POCKET SHELTER  
28 SERVICES. THIS PARAGRAPH DOES NOT PREVENT THE RELIGIOUS ORGANIZATION FROM  
29 REFERRING POCKET SHELTER RESIDENTS TO OTHER APPROPRIATE PROGRAMS PROVIDED  
30 BY THE RELIGIOUS ORGANIZATION OR BY OTHERS.

31 6. OPEN AREAS SURROUNDING THE POCKET SHELTER STRUCTURE ARE SCREENED  
32 AND THE POCKET SHELTER STRUCTURE IS SCREENED FROM VIEW FROM ANY ADJOINING  
33 PROPERTIES BY HEDGES, TREES, OTHER LANDSCAPING OR WALLS.

34 7. THE POCKET SHELTER DOES NOT HAVE DIRECT ACCESS TO ADJOINING  
35 PROPERTIES.

36 8. THE POCKET SHELTER IS HOUSED IN A PERMANENT STRUCTURE AND NOT IN  
37 A TEMPORARY STRUCTURE.

38 B. FOR THE PURPOSES OF THIS SECTION:

39 1. "POCKET SHELTER" MEANS A NONCONGREGATE HOMELESS SHELTER THAT IS  
40 AN ACCESSORY TO A RELIGIOUS ORGANIZATION AND THAT HOUSES THIRTY-TWO OR  
41 FEWER UNRELATED PERSONS.

42 2. "RELIGIOUS ORGANIZATION" MEANS A HOUSE OF WORSHIP, CHURCH,  
43 SYNAGOGUE, SHRINE, MOSQUE OR TEMPLE.



1           Sec. 5. Section 28-304, Arizona Revised Statutes, is amended to  
2 read:

3           28-304. Powers and duties of the board; transportation  
4                           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  
9 shall 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  
16 sections 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.

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

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

28          C. The board shall:

29          1. Establish policies to guide the development or modification of  
30 the five year transportation facilities construction program that are  
31 consistent with the principles of ~~performance-based~~ PERFORMANCE-BASED  
32 planning developed pursuant to article 7 of this chapter. The percentage  
33 of department discretionary monies allocated to the region in the ~~regional~~  
34 ~~transportation~~ plan approved pursuant to chapter 17, article 1 of this  
35 title shall not increase or decrease unless the board, in cooperation with  
36 the regional planning agency, agrees to change the percentage of the  
37 discretionary monies.

38          2. Award all construction contracts for transportation facilities.

39          3. Monitor the status of these construction projects.

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

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

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

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

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

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

15 Sec. 6. Section 28-702.04, Arizona Revised Statutes, is amended to  
16 read:

17 28-702.04. Maximum speed limit on interstate highways outside  
18 urbanized areas and within certain counties:  
19 definition

20 A. EXCEPT AS PROVIDED IN SUBSECTIONS C AND D OF THIS SECTION, the  
21 speed limit for all types of motor vehicles is sixty-five miles per hour  
22 on the interstate system highways located outside of an urbanized area  
23 with a population of fifty thousand or more persons, except that the  
24 director may declare a lower speed limit on the highways pursuant to  
25 section 28-702.

26 B. A person shall not drive a motor vehicle at a speed in excess of  
27 the maximum speed limit prescribed by this section.

28 C. The director may order the increase of the maximum speed limit  
29 prescribed in subsection A of this section to seventy-five miles per hour  
30 on an individual interstate system highway subject to this section or on  
31 all of the interstate system highways in this state as prescribed in  
32 section 28-702.

33 D. THE SPEED LIMIT FOR ALL TYPES OF MOTOR VEHICLES IS AT LEAST  
34 SIXTY-FIVE MILES PER HOUR ON THE INTERSTATE SYSTEM HIGHWAYS LOCATED IN A  
35 COUNTY THAT HAS A POPULATION OF THREE MILLION OR MORE PERSONS.

36 ~~D.~~ E. A violation of this section is a civil traffic violation,  
37 and the person is subject to a civil penalty that does not exceed the  
38 amount provided by section 28-1598.

39 ~~E.~~ F. For the purposes of this section, "urbanized area" means an  
40 urbanized area as defined in the decennial census by the United States  
41 bureau of the census.

42 Sec. 7. Section 28-6301, Arizona Revised Statutes, is amended to  
43 read:

44 28-6301. Definitions

45 In this article, unless the context otherwise requires:

- 1           1. "~~Bond related~~ BOND-RELATED expenses" means:
- 2           (a) Printing, publication or advertising expenses with respect to
- 3 the sale and issuance of any bonds.
- 4           (b) Fees, expenses and costs of registrars, paying agents and
- 5 transfer agents retained by the board.
- 6           (c) Fees, expenses and costs of attorneys, accountants, actuaries,
- 7 feasibility consultants, computer programmers or other experts employed to
- 8 aid in the sale and issuance of the bonds.
- 9           (d) Other costs, fees and expenses incurred or reasonably related
- 10 to the issuance, sale and administration of the bonds.
- 11           2. "~~Bond related~~ BOND-RELATED obligation" means any agreement or
- 12 contractual relationship between the board and any bank, trust company,
- 13 insurance company, surety bonding company, pension fund or other financial
- 14 institution providing increased credit on, or security for, the bonds or
- 15 liquidity for secondary market transactions.
- 16           3. "Bonds" means any bonds that are payable from the regional area
- 17 road fund as provided in chapter 21, article 2 of this title.
- 18           4. "Construction interest" means a company whose primary function
- 19 consists of building freeways, highways or major arterial streets.
- 20           5. "Controlled access highway" has the same meaning prescribed in
- 21 section 28-601.
- 22           6. "Freight interest" means a company that derives a substantial
- 23 portion of its revenue from transporting goods.
- 24           ~~7. "Major amendment" means either:~~
- 25           ~~(a) The addition or deletion of a freeway, route on the state~~
- 26 ~~highway system or a fixed guideway transit system.~~
- 27           ~~(b) The addition or deletion of a portion of a freeway, route on~~
- 28 ~~the state highway system or a fixed guideway transit system that either~~
- 29 ~~exceeds one mile in length or exceeds an estimated cost of forty million~~
- 30 ~~dollars as provided in the regional transportation plan.~~
- 31           ~~(c) The modification of a transportation project in a manner that~~
- 32 ~~eliminates a connection between freeway facilities or fixed guideway~~
- 33 ~~facilities.~~
- 34           7. "MAJOR ARTERIAL" MEANS AN INTERCONNECTED THOROUGHFARE WHOSE
- 35 PRIMARY FUNCTION IS TO LINK AREAS IN THE REGION AND TO DISTRIBUTE TRAFFIC
- 36 TO AND FROM CONTROLLED ACCESS HIGHWAYS, GENERALLY OF REGIONWIDE
- 37 SIGNIFICANCE AND OF VARYING CAPACITY DEPENDING ON THE TRAVEL DEMAND FOR
- 38 THE SPECIFIC DIRECTION AND ADJACENT LAND USES.
- 39           8. "PLAN" HAS THE SAME MEANING PRESCRIBED IN SECTION 28-6351.
- 40           ~~8:~~ 9. "Population" means the population determined in the most
- 41 recent United States decennial census or the most recent special census as
- 42 provided in section 28-6532 and revisions to the decennial or special
- 43 census certified by the United States bureau of the census.
- 44           ~~9:~~ 10. "Public transportation" means moving passengers by means of
- 45 a conveyance operated by or for a political subdivision of this state,

1 including dial-a-ride transportation, special needs transportation and van  
2 pool transportation but excluding school buses.

3 ~~10.~~ 11. "Public transportation system" means the combination of  
4 individuals, vehicles, physical facilities, structures and equipment that  
5 together provide, or facilitate providing, public transportation,  
6 including buses, high occupancy vehicle roadway lanes and ramps, bus  
7 pull-out lanes, bus and light rail waiting facilities, park and ride  
8 parking lots, intelligent transportation systems and ridesharing  
9 promotion.

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

14 ~~11.~~ 13. "Regionwide business" means a company that provides goods  
15 or services throughout the county.

16 ~~12.~~ 14. "Transit interest" means an individual with demonstrated  
17 interest and experience with public transportation.

18 Sec. 8. Section 28-6302, Arizona Revised Statutes, is amended to  
19 read:

20 28-6302. Transportation excise tax distribution; counties  
21 with three million or more persons; regional area  
22 road fund

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

31 B. Except as provided in this article, the county in which the  
32 transportation excise taxes are levied has the beneficial interest in the  
33 regional area road fund. This state has no beneficial interest in the  
34 regional area road fund except as an obligee for reimbursement of state  
35 monies that are advanced as salaries or expenses by this state or the  
36 department and that are to be repaid by the regional area road fund.

37 C. Monies and investments within the regional area road fund may be  
38 used and spent only as provided in this chapter. An appropriation of any  
39 nature shall not be required before the expenditure of monies from the  
40 regional area road fund. Monies in the bond proceeds account or  
41 construction account of a regional area road fund may be obligated for  
42 payment in future years for the purpose of right-of-way acquisition  
43 subject to the limitations prescribed in sections 28-7001 and 28-7002, ~~and~~  
44 section 42-6105, subsection D, paragraphs 1 and 2 AND SECTION 42-6105.01,  
45 SUBSECTION D, PARAGRAPHS 1 AND 2. The state treasurer shall make payments

1 from the regional area road fund by check, and a warrant or voucher is not  
2 necessary. Subject to the powers granted to the board in chapter 21,  
3 article 2 of this title, the director shall administer monies deposited in  
4 the regional area road fund.

5 Sec. 9. Section 28-6303, Arizona Revised Statutes, is amended to  
6 read:

7 28-6303. Regional area road fund; separate accounts

8 A. The regional area road fund is divided into three separate  
9 accounts designated as the bond account, the construction account and the  
10 bond proceeds account.

11 B. The state treasurer shall:

12 1. Account separately for each account.

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

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

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

23 5. After all current period requirements for all of the bonds are  
24 deposited in the bond account, deposit the balance of transportation  
25 excise tax revenues transferred to the state treasurer for the current  
26 period in the construction account.

27 C. The state treasurer may:

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

31 2. For the purpose of investments, commingle monies within the  
32 regional area road fund with state monies if all interest earned on the  
33 monies in the regional area road fund of a county is credited to the  
34 respective account of the regional area road fund in which the investment  
35 was made.

36 D. The department shall separately account for the uses of  
37 transportation excise tax revenues deposited into the bond account and the  
38 construction account in order to identify how the transportation excise  
39 tax revenues are used pursuant to section 42-6105, subsection D,  
40 paragraphs 1 and 2, for:

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

42 2. Major arterial streets and ~~intersection improvements~~ REGIONAL  
43 PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND  
44 IMPLEMENTATION STUDIES.



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

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

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

9 Sec. 10. Section 28-6304, Arizona Revised Statutes, is amended to  
10 read:

11 ~~28-6304.~~ Bond account; expenditures

12 A. The state treasurer shall:

13 1. Hold monies in the bond account in trust for the owners of the  
14 bonds.

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

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

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

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

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

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

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

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

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

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

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

43 ~~6. Design and construction of interim roadways within the adopted~~  
44 ~~corridors of the regional transportation plan of the county pursuant to~~  
45 ~~section 28-6309.~~

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

3 ~~8.~~ 6. Payment of principal and interest on the bonds.

4 Sec. 11. Section 28-6305, Arizona Revised Statutes, is amended to  
5 read:

6 28-6305. Construction account; expenditures; construction  
7 contracts

8 A. Except as provided in subsection B of this section, monies in  
9 the construction account of the regional area road fund shall be spent,  
10 pledged or accumulated for the purposes provided in section 28-6304,  
11 subsection C, paragraphs 4 and 5, including payment of interest on and  
12 repayment of bonds and obligations issued pursuant to chapter 21 of this  
13 title if the proceeds of the bonds or obligations are used for the  
14 purposes provided in section 28-6304, subsection C, paragraphs 4 and 5.

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

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

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

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

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

30 C. The monies distributed under subsection B of this section shall  
31 only be spent for planning and administering the ~~regional transportation~~  
32 plan approved pursuant to section 28-6308 and the costs incurred by the  
33 auditor general relating to performance audits under section 28-6313.  
34 Before the beginning of each fiscal year, the respective governing bodies  
35 of the members of the regional planning agency and the board of directors  
36 of the regional public transportation authority shall explicitly identify  
37 and approve in ~~the annual~~ budgets the monies to be spent under subsection  
38 B of this section for the purposes allowed under this subsection. These  
39 expenditures are subject to the annual audit of the governing bodies'  
40 financial transactions.

41 D. The director may enter into construction contracts or contracts  
42 incidental to construction contracts payable from monies in either the  
43 bond proceeds account or the construction account or both the bond  
44 proceeds and construction accounts.



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

3 ~~2.~~ 1. Develop the plan in cooperation with the regional public  
4 transportation authority in the county and the department ~~of~~  
5 ~~transportation~~ and in consultation with the county board of supervisors,  
6 Indian communities and cities and towns in the county.

7 ~~1.~~ 2. ~~By a majority vote of the members,~~ Recommend approval,  
8 **DISAPPROVAL OR MODIFICATION** of ~~a twenty-year comprehensive,~~  
9 ~~performance-based, multimodal and coordinated regional transportation plan~~  
10 ~~in the county, including transportation corridors by priority and a~~  
11 ~~schedule indicating the dates that construction will commence for projects~~  
12 ~~contained in the plan.~~

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

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

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

30 ~~6.~~ Provide a written response to the regional public transportation  
31 authority, the state board of transportation, the county board of  
32 supervisors and the entity that submitted the proposed modification within  
33 thirty days after the vote on the proposed modification explaining the  
34 affirmation, rejection or further modification of each proposed  
35 modification.

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

38 ~~6.~~ The regional transportation plan:

39 1. ~~Shall include the following transportation mode classifications~~  
40 ~~with a revenue allocation to each classification consistent with section~~  
41 ~~42-6105, subsection D:~~

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

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

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

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

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

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

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

16 3. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF CHANGES TO  
17 THE ALLOCATIONS OF TRANSPORTATION EXCISE TAX REVENUES BETWEEN SECTION  
18 28-6352, SUBSECTION B, PARAGRAPHS 1, 2 AND 3, INCLUDING MAJOR INVESTMENT  
19 CHANGES AS DESCRIBED IN SECTION 28-6352, SUBSECTION H.

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

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

24 Sec. 15. Repeal

25 Sections 28-6309, 28-6310, 28-6311 and 28-6312, Arizona Revised  
26 Statutes, are repealed.

27 Sec. 16. Section 28-6313, Arizona Revised Statutes, is amended to  
28 read:

29 28-6313. Performance audits of proposed transportation  
30 projects and systems

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

37 B. With respect to light rail systems, the audit shall consider the  
38 criteria used by the federal transit administration pursuant to 49 United  
39 States Code section 5309(e)(1)(B) and the interrelationship among the  
40 criteria to provide federal funding for light rail systems. For light  
41 rail systems, the audit shall also consider:

- 42 1. Service levels.
- 43 2. Capital costs.
- 44 3. Operation and maintenance costs.
- 45 4. Transit ridership.

- 1           5. Farebox revenues.
- 2           C. The audit shall:
- 3           1. Examine the ~~regional transportation~~ plan and projects scheduled
- 4 for funding within each transportation mode based on the performance
- 5 factors established in section 28-505, subsection A, in the context of the
- 6 transportation system.
- 7           2. Review past expenditures of the ~~regional transportation~~ plan and
- 8 examine the performance of the system in relieving congestion and
- 9 improving mobility.
- 10          3. Make recommendations regarding whether further implementation of
- 11 a project or transportation system is warranted, warranted with
- 12 modifications or not warranted.
- 13          D. The auditor general or the auditors contracted to conduct the
- 14 audit shall periodically update the transportation policy committee
- 15 regarding the progress of the audit.
- 16          E. Within forty-five days after the release of the audit, the
- 17 regional public transportation authority, the state transportation board
- 18 and the county board of supervisors, by a majority vote of each entity,
- 19 shall submit written recommendations to the transportation policy
- 20 committee that the findings are agreed to or disagreed with and the
- 21 recommendations should be implemented, be implemented with modification or
- 22 not be implemented.
- 23          F. Within forty-five days after the audit's release, the regional
- 24 planning agency shall hold a public hearing on the audit findings and
- 25 recommendations.
- 26          G. The auditor general shall distribute copies of the audit to:
- 27           1. The regional planning agency.
- 28           2. The transportation policy committee.
- 29           3. The regional public transportation authority in the county.
- 30           4. The county board of supervisors.
- 31           5. The state transportation board.
- 32           6. The governor, secretary of state, president of the senate and
- 33 speaker of the house of representatives.
- 34           ~~7. The Arizona state library, archives and public records.~~
- 35           ~~8.~~ 7. Any other person who requests a copy pursuant to title 39,
- 36 chapter 1, article 2.
- 37          H. The state transportation board, regional planning agency,
- 38 regional public transportation authority and county board of supervisors
- 39 shall cooperate with and submit to the auditor general and the auditors
- 40 contracted to conduct the audit information necessary to conduct the
- 41 audits under this section.
- 42          I. The cost incurred by the auditor general in contracting with
- 43 independent auditors for conducting performance audits under subsection A
- 44 of this section shall be paid from revenues of the county transportation
- 45 excise tax under ~~section~~ SECTIONS 42-6105 AND 42-6105.01. When due, the

1 payments have priority over any other distribution authorized by section  
2 42-6105 OR 42-6105.01. The auditor general shall deposit the payments in  
3 the audit services revolving fund established by section 41-1279.06.

4 Sec. 17. Heading change

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

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

10 28-6351. Definitions

11 In this article, unless the context otherwise requires:

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

14 ~~2.~~ 1. "Enhancement" means an addition that exceeds generally  
15 accepted engineering or design standards for the specific type of  
16 facility.

17 ~~3.~~ 2. "~~Regional transportation~~ Plan" means the ~~twenty-year~~  
18 comprehensive, ~~performance-based~~ PERFORMANCE-BASED, multimodal and  
19 coordinated regional STRATEGIC transportation INFRASTRUCTURE INVESTMENT  
20 plan approved for the county pursuant to section 28-6308, as amended or  
21 otherwise modified.

22 Sec. 19. Repeal

23 Section 28-6352, Arizona Revised Statutes, is repealed.

24 Sec. 20. Title 28, chapter 17, article 2, Arizona Revised Statutes,  
25 is amended by adding a new section 28-6352, to read:

26 28-6352. County transportation excise tax; budget process

27 A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND  
28 ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN  
29 COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND  
30 OPERATORS AND IN COORDINATION WITH THE DEPARTMENT. THE REGIONAL PLANNING  
31 AGENCY SHALL CONSIDER TRUCK PARKING AVAILABILITY WHEN CONSIDERING THE  
32 CONSTRUCTION, EXPANSION OR MODIFICATION OF FREEWAYS OR OTHER ROUTES IN THE  
33 STATE HIGHWAY SYSTEM. ON OR BEFORE DECEMBER 31, 2050, THE REGIONAL  
34 PLANNING AGENCY SHALL ALLOCATE AT LEAST \$90,000,000 FOR THE IMPLEMENTATION  
35 OF COMMERCIAL MOTOR VEHICLE PARKING THAT IS CONSISTENT WITH A REGIONALLY  
36 ADOPTED TRUCK PARKING PLAN, INCLUDING FUNDING FOR CONSTRUCTION, LAND  
37 ACQUISITION, LEASE, MAINTENANCE OR OPERATIONS OR ENTRY INTO A  
38 PUBLIC-PRIVATE PARTNERSHIP AGREEMENT.

39 B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION  
40 42-6105.01 AS FOLLOWS:

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

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

1           3. IN THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103  
2 FOR BOTH:

3           (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC  
4 TRANSPORTATION MODE CLASSIFICATIONS.

5           (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE  
6 LIGHT RAIL SYSTEM.

7           C. TRANSPORTATION EXCISE TAX REVENUES THAT ARE ALLOCATED PURSUANT  
8 TO SUBSECTION B, PARAGRAPH 1, 2 OR 3 OF THIS SECTION MAY ONLY BE  
9 REALLOCATED TO ANOTHER PARAGRAPH UNDER SUBSECTION B OF THIS SECTION IF THE  
10 REALLOCATION IS RECOMMENDED FOR APPROVAL BY THE TRANSPORTATION POLICY  
11 COMMITTEE AND APPROVED BY THE REGIONAL PLANNING AGENCY BOARD. NOT MORE  
12 THAN TWO AND ONE-HALF PERCENT OF THE REVENUES COLLECTED UNDER SECTION  
13 42-6105.01 MAY BE TRANSFERRED ANNUALLY BETWEEN SUBSECTION B, PARAGRAPHS 1,  
14 2 AND 3 OF THIS SECTION WITHOUT GOING THROUGH THE MAJOR INVESTMENT CHANGE  
15 PROCESS AS PRESCRIBED IN SUBSECTION H OF THIS SECTION.

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

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

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

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

31           E. THE REGIONAL PLANNING AGENCY SHALL COORDINATE WITH IMPLEMENTING  
32 PARTNERS ON THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION,  
33 INCLUDING THE DEPARTMENT FOR FREEWAYS AND OTHER ROUTES IN THE STATE  
34 HIGHWAY SYSTEM AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE  
35 COUNTY FOR THE PUBLIC TRANSPORTATION SYSTEM.

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

39           G. ANY BONDS ISSUED AGAINST PROCEEDS COLLECTED PURSUANT TO SECTIONS  
40 42-6105 AND 42-6105.01 REQUIRE CONSULTATION WITH THE REGIONAL PLANNING  
41 AGENCY.

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

43           1. CONSIDERATION BY THE TRANSPORTATION POLICY COMMITTEE.

44           2. IDENTIFICATION OF THE PROJECTS AND PROGRAMS THAT WOULD BE  
45 IMPACTED BY THE FUNDING TRANSFER.



1           3. A DETAILED, PERFORMANCE-BASED ASSESSMENT OF THE IMPACTED  
2 PROJECTS AND PROGRAMS. THE PERFORMANCE-BASED ASSESSMENT MUST SUPPORT THE  
3 PROPOSED MAJOR INVESTMENT CHANGE. THE ASSESSMENT SHALL ALSO SEEK,  
4 CONSIDER AND DOCUMENT PUBLIC INPUT ON THE PROPOSED MAJOR INVESTMENT  
5 CHANGE.

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

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

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

24           J. REQUESTS FOR CHANGES TO TRANSPORTATION PROJECTS FUNDED IN THE  
25 PLAN THAT WOULD MATERIALLY INCREASE COSTS SHALL BE SUBMITTED TO THE  
26 REGIONAL PLANNING AGENCY FOR APPROVAL AND SUBMITTED BY THE REGIONAL  
27 PLANNING AGENCY TO THE TRANSPORTATION POLICY COMMITTEE AND THE BOARD FOR  
28 CONSIDERATION AND APPROVAL.

29           K. IF A LOCAL AUTHORITY REQUESTS AN ENHANCEMENT TO A TRANSPORTATION  
30 PROJECT FUNDED IN THE PLAN, THE LOCAL AUTHORITY SHALL PAY ALL COSTS  
31 ASSOCIATED WITH THE ENHANCEMENT.

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

34           M. THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION  
35 DOES NOT APPLY TO THE ANNUAL OPERATING BUDGET OF THE REGIONAL PUBLIC  
36 TRANSPORTATION AUTHORITY IN THE COUNTY.

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

40           1. THE PROJECT MUST BE ADVANCED AS APPROPRIATE TO REFLECT THE  
41 ESTIMATED CONSTRUCTION START DATE.

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

1           0. IF A MUNICIPALITY PAYS FOR PUBLIC TRANSPORTATION SERVICE IN AN  
2 ADJACENT MUNICIPALITY OR UNINCORPORATED AREA OF A COUNTY, THE COST OF THE  
3 SERVICE SHALL BE ELIGIBLE FOR REIMBURSEMENT FROM MONIES COLLECTED UNDER  
4 SECTION 42-6105 OR 42-6105.01. FOR THE PURPOSES OF THIS SUBSECTION:

- 5           1. "MUNICIPALITY" MEANS A CITY OR TOWN.
- 6           2. "PUBLIC TRANSPORTATION SERVICE" INCLUDES CIRCULATOR SERVICE.

7           Sec. 21. Repeal

8           Sections 28-6353, 28-6354 and 28-6355, Arizona Revised Statutes, are  
9 repealed.

10          Sec. 22. Section 28-6538, Arizona Revised Statutes, is amended to  
11 read:

12          28-6538. Arizona highway user revenue fund distribution;  
13                 remaining monies; highway fund distribution;  
14                 contract authorization; plan requirements

15          A. Each fiscal year the department shall allocate and the state  
16 treasurer shall distribute revenues of the Arizona highway user revenue  
17 fund remaining after the distribution provided in sections 28-6534 and  
18 28-6537 as follows:

- 19           1. To the state highway fund, fifty and one-half ~~per cent~~ PERCENT.
- 20           2. To the counties, nineteen ~~per cent~~ PERCENT.
- 21           3. To the incorporated cities and towns, twenty-seven and one-half  
22 ~~per cent~~ PERCENT.
- 23           4. To incorporated cities with a population of three hundred  
24 thousand or more persons, three ~~per cent~~ PERCENT.

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

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

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

40           (a) The design, right-of-way purchase or construction of controlled  
41 access highways that are included in the ~~regional transportation~~ plan ~~of~~  
42 ~~the county~~ AS DEFINED IN SECTION 28-6351 and that are accepted into the  
43 state highway system either as a state route or as a state highway or  
44 related grade separations of controlled access highways that are included

1 in the ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION  
2 28-6351.

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

8 C. Of the monies allocated to the state highway fund pursuant to  
9 subsection A of this section, not more than ~~five million dollars~~  
10 \$5,000,000 annually shall be spent for the acquisition, construction or  
11 improvement of entry roads to state parks or roads in state parks.

12 D. Expenditures for state matching monies for the federal  
13 interstate system shall be in addition to the amount provided in  
14 subsection B of this section.

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

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

25 Sec. 23. Section 28-6954, Arizona Revised Statutes, is amended to  
26 read:

27 28-6954. Program requirements

28 A. The five year transportation facilities construction program  
29 shall:

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

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

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

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

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

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

42 (b) CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION  
43 28-6352, SUBSECTION D, PARAGRAPH 1.

44 (c) ANNUALLY UPDATED.

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

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

10          Sec. 24. Section 28-7671, Arizona Revised Statutes, is amended to  
11 read:

12           28-7671. Definitions

13           In this article, unless the context otherwise requires:

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

15           (a) On the federal aid system, national highway system or state  
16 route or state highway system.

17           (b) Included in either:

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

19           (ii) The transportation improvement plan of a regional association  
20 of governments.

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

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

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

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

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

44           7. "Loan repayment agreement" means one or more loan agreements,  
45 instruments or other agreements providing for repayment of a loan or other

1 financial assistance and entered into by this state or its agencies,  
2 including the department, or a political subdivision or Indian tribe.

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

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

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

18 Sec. 25. Section 28-7691, Arizona Revised Statutes, is amended to  
19 read:

20 28-7691. Definitions

21 In this article, unless the context otherwise requires:

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

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

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

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

1 transportation project and under which the recipient of the advanced  
2 monies repays the advance.

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

7 6. "Transportation project advancement notes" means notes  
8 authorized by this article.

9 Sec. 26. Section 28-7695, Arizona Revised Statutes, is amended to  
10 read:

11 28-7695. Use of proceeds

12 A political subdivision shall use the proceeds from the sale of  
13 transportation project advancement notes for payment of any of the  
14 following:

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

19 2. Legal and financial costs and expenses incurred in issuing and  
20 administering the notes.

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

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

29 5. Payment of the principal, premium or interest on other  
30 obligations of the political subdivision to the extent that proceeds of  
31 those obligations are applied to the financing of the transportation  
32 project that relates to the transportation project advance agreement.

33 Sec. 27. Section 42-6105, Arizona Revised Statutes, is amended to  
34 read:

35 42-6105. County transportation excise tax; counties with  
36 population of one million two hundred thousand or  
37 more persons

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

42 B. The tax shall be levied and collected:

43 1. At a rate of not more than ten ~~per cent~~ PERCENT of the  
44 transaction privilege tax rate prescribed by section 42-5010, subsection A

1 applying, as of January 1, 1990, to each person engaging or continuing in  
2 the county in a business taxed under chapter 5, article 1 of this title.

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

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

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

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

16 1. 56.2 ~~per cent~~ PERCENT to the regional area road fund pursuant to  
17 section 28-6303 for freeways and other routes in the state highway system,  
18 including capital expense and maintenance.

19 2. 10.5 ~~per cent~~ PERCENT to the regional area road fund pursuant to  
20 section 28-6303 for major arterial streets and ~~intersection improvements~~  
21 REGIONAL PROGRAMS, including capital expense and implementation studies.

22 3. 33.3 ~~per cent~~ PERCENT to the public transportation fund pursuant  
23 to section 48-5103 for:

24 (a) Capital costs, maintenance and operation of public  
25 transportation classifications.

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

28 Sec. 28. Title 42, chapter 6, article 3, Arizona Revised Statutes,  
29 is amended by adding section 42-6105.01, to read:

30 42-6105.01. County transportation excise tax; counties with  
31 population of three million or more persons;  
32 conditional enactment

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

37 B. THE TAX SHALL BE LEVIED AND COLLECTED:

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

42 2. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE RATE PRESCRIBED BY  
43 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 THAT APPLIES 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 PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL  
10 SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION IN THE  
11 REGIONAL AREA ROAD FUND ESTABLISHED PURSUANT TO SECTION 28-6302 OR THE  
12 PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103. EXCEPT AS  
13 PROVIDED IN SUBSECTIONS E AND F OF THIS SECTION, THE PLAN SHALL  
14 DISTRIBUTE:

15 1. 45 PERCENT TO THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND OTHER  
16 ROUTES IN THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND  
17 MAINTENANCE.

18 2. 35 PERCENT TO THE REGIONAL AREA ROAD FUND FOR MAJOR ARTERIAL  
19 STREETS AND REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND  
20 IMPLEMENTATION STUDIES.

21 3. 20 PERCENT TO THE PUBLIC TRANSPORTATION FUND FOR BOTH:

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

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

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

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

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

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

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

37 Sec. 29. Section 48-5102, Arizona Revised Statutes, is amended to  
38 read:

39 48-5102. Regional public transportation authority in counties  
40 with population of three million or more persons;  
41 establishment

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



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

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

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

12 Sec. 30. Section 48-5103, Arizona Revised Statutes, is amended to  
13 read:

14 48-5103. Public transportation fund

15 A. A public transportation fund is established for the authority.  
16 The fund consists of:

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

21 2. Monies appropriated by a county that has not elected to enter  
22 into the authority in an amount determined by the county board of  
23 supervisors.

24 3. Transportation excise tax revenues that are allocated to the  
25 fund pursuant to ~~section~~ SECTIONS 42-6105 AND 42-6105.01. The board shall  
26 separately account for monies from transportation excise tax revenues  
27 allocated pursuant to section 42-6105, subsection D, paragraph 3 for:

28 (a) A light rail public transit system.

29 (b) Capital costs for other public transportation.

30 (c) Operation and maintenance costs for other public  
31 transportation.

32 4. Monies distributed under title 28, chapter 17, ~~article~~ ARTICLES  
33 1 AND 2.

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

35 6. Monies granted by the federal government or appropriated by the  
36 legislature.

37 7. Fares or other revenues collected in operating a public  
38 transportation system.

39 B. On behalf of the authority, the fiscal agent shall administer  
40 monies paid into the public transportation fund. Monies in the fund may  
41 be spent pursuant to or to implement the public transportation element of  
42 the ~~regional transportation~~ plan AS DEFINED IN SECTION 28-6351 developed  
43 and approved by the regional planning agency, including reimbursement for  
44 utility relocation costs as prescribed in section 48-5107, ~~adopted~~  
45 ~~pursuant to section 48-5121~~ and for projects identified in the ~~regional~~

1 ~~transportation~~ plan adopted by the regional planning agency pursuant to  
2 section ~~28-6308~~ 28-6352.

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

9 Sec. 31. Repeal

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

12 Sec. 32. Election on transportation excise tax

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

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

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

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

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

40 (b) A map of proposed routes and transportation corridors of all  
41 major transportation projects.

42 (c) The estimated amount of transportation excise tax revenues,  
43 together with other identified revenues, dedicated for each transportation  
44 mode.

1 (d) The county elections department website address for additional  
2 information on the regional strategic transportation infrastructure  
3 investment plan.

4 3. The form of the ballot.

5 4. Any arguments for or against the ballot measure. Affirmative  
6 arguments, arranged in the order in which the elections director received  
7 them, shall be placed before the negative arguments, also arranged in the  
8 order in which they were received.

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

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

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

31 2. The title: Regional Strategic Transportation Infrastructure  
32 Investment Plan.

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

35 A measure continuing the current transportation excise  
36 (sales) tax to address the regional transportation system by  
37 building new freeways, expanding existing freeways with  
38 additional access and capacity, constructing streets and  
39 intersections, expanding transit by increasing the frequency  
40 of bus service and providing additional bus, dial-a-ride and  
41 vanpool services.

42 4. Instructions directing the voter to the full text of the  
43 official and descriptive titles containing the summary as printed in the  
44 sample ballot and posted in the polling place. The ballot may include the

1 summary of the regional strategic transportation infrastructure investment  
2 plan.

3 5. The question submitted to the voters as follows:  
4 Do you favor the continuation of a county transaction  
5 privilege (sales) tax for regional transportation  
6 purposes in \_\_\_\_\_ county? YES \_\_\_\_\_ NO \_\_\_\_\_  
7 (A "YES" vote has the effect of continuing the  
8 transaction privilege (sales) tax in \_\_\_\_\_ county  
9 for twenty years to provide funding for transportation  
10 projects as contained in the regional strategic  
11 transportation infrastructure investment plan.)  
12 (A "NO" vote has the effect of rejecting the transaction  
13 privilege (sales) tax for transportation purposes in  
14 \_\_\_\_\_ county.)

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

- 26 1. Costs of mailing, publishing, posting and printing ballots,  
27 publicity pamphlets, notices, election materials and other matters  
28 concerning the election.
- 29 2. Legal and other consulting fees and costs relating to the  
30 election.
- 31 3. Telecommunications costs.
- 32 4. Compensation of the election board, county election officers and  
33 employees and other labor costs incurred to administer, hold, canvass and  
34 announce the results of the election.
- 35 5. Any other costs attributable to the election.

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

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

41 Sec. 33. Regional public transportation authority

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

1           Sec. 34. Severability

2           If a provision of this act or its application to any person or  
3 circumstance is held invalid, the invalidity does not affect other  
4 provisions or applications of the act that can be given effect without the  
5 invalid provision or application, and to this end the provisions of this  
6 act are severable.