

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

# HOUSE BILL 2825

AN ACT

AMENDING SECTION 28-339, ARIZONA REVISED STATUTES; RELATING TO  
TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 28-339, Arizona Revised Statutes, is amended to  
3 read:  
4 28-339. State match advantage for rural transportation fund;  
5 allocation of monies; definitions  
6 A. The state match advantage for rural transportation fund is  
7 established. The department shall administer the fund. Monies in the  
8 fund are continuously appropriated. The fund consists of the following:  
9 1. Monies appropriated by the legislature.  
10 2. Any nonfederal gifts, grants, donations or other amounts  
11 received from any public or private source for transportation projects.  
12 B. On notice from the department, the state treasurer shall invest  
13 and divest monies in the fund as provided by section 35-313, and monies  
14 earned from investment shall be credited to the fund.  
15 C. The department may establish any subaccount in the fund that the  
16 department determines is necessary to carry out the purposes of this  
17 section.  
18 D. The board may not approve any expenditures from the fund unless  
19 the expenditure is made in accordance with this section.  
20 E. Monies in the fund shall be used only for the following:  
21 1. To reimburse up to fifty percent of the costs associated with  
22 developing and submitting an application for a federal grant.  
23 2. As a match for a federal grant.  
24 3. To reimburse design and other engineering services expenditures  
25 that meet federal standards for projects eligible for a federal grant.  
26 F. Except as provided in subsection G of this section, monies in  
27 the fund shall be allocated as follows:  
28 1. Twenty percent to counties with a population of one hundred  
29 thousand persons or more for uses described in subsection E, paragraphs 2  
30 and 3 of this section.  
31 2. Twenty percent to counties with a population of less than one  
32 hundred thousand persons for uses described in subsection E of this  
33 section.  
34 3. Twenty percent to municipalities with a population of ten  
35 thousand persons or more for uses described in subsection E, paragraphs 2  
36 and 3 of this section.  
37 4. Twenty percent to municipalities with a population of less than  
38 ten thousand persons for uses described in subsection E of this section.  
39 5. Except as provided in subsection L of this section, twenty  
40 percent to the department for uses described in subsection E, paragraphs 2  
41 and 3 of this section.  
42 G. A county with a population of more than one million persons is  
43 not eligible for funding pursuant to subsection F, paragraph 1 of this  
44 section. A municipality **THAT IS PARTIALLY OR** entirely located in an  
45 urbanized area of a county with a population of more than one million

1 persons is not eligible for funding pursuant to subsection F, paragraph 3  
2 or 4 of this section. The department may not use monies pursuant to  
3 subsection F, paragraph 5 of this section for projects that are located in  
4 an urbanized area of a county with a population of more than one million  
5 persons.

6 H. A political subdivision of this state shall submit an  
7 application to the department to be eligible for an award from the fund.  
8 A political subdivision of this state must first obtain the approval of  
9 the applicable metropolitan planning organization or council of  
10 governments before submitting an application to the department. The  
11 department may establish an application deadline for each federal grant  
12 match.

13 I. On receipt of an application, the department shall determine if  
14 the requirements of the notice of funding opportunity are met and if the  
15 approval required under subsection H of this section is granted. If the  
16 department determines that the application meets the requirements and is  
17 complete, the department shall forward the application to the departmental  
18 committee established pursuant to section 28-6951 for a recommendation.  
19 If a recommendation is made, the department shall notify the chairperson  
20 of the board that the application is ready for consideration and action by  
21 the board.

22 J. Once notified pursuant to subsection I of this section, the  
23 chairperson of the board shall place the application on an agenda for  
24 action within forty-five days after original receipt of the notification.  
25 The board may give preference to applicants that can demonstrate either or  
26 both of the following:

- 27 1. The percentage of matching monies provided by the applicant.
- 28 2. The extent that the applicant will partner with other entities  
29 to deliver the project.

30 K. The board may approve, deny, modify or request more information  
31 on the application. If the board approves an award, the department shall  
32 execute an intergovernmental agreement with the applicant regarding  
33 reimbursement and expenditures pursuant to subsection E of this section.

34 L. On the department's request, the board shall approve the use of  
35 monies as described in subsection F, paragraph 5 of this section. The  
36 department may use up to one percent of the monies allocated under  
37 subsection F, paragraph 5 of this section to administer the fund.

38 M. If an applicant receives an award pursuant to subsection E,  
39 paragraph 2 of this section but is not able to secure the federal grant,  
40 the applicant must notify the department within fifteen days after  
41 receiving notice that the applicant has not secured the federal grant.  
42 After receiving the applicant's notice pursuant to this subsection, the  
43 department shall make the award monies available for other applications.

1 N. For the purposes of this section:

2 1. "Federal grant" means a federal discretionary grant program  
3 administered by any federal agency for surface transportation purposes.

4 2. "Urbanized area" means an urbanized area as defined in the most  
5 recent decennial census certified by the United States ~~bureau of the~~  
6 census BUREAU.