

REFERENCE TITLE: **transportation; 2023-2024.**

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1535

Introduced by
Senators Kavanagh: Hoffman

AN ACT

**AMENDING TITLE 28, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY
ADDING SECTIONS 28-377, 28-378 AND 28-379; AMENDING SECTIONS 28-6533 AND
28-6538, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF
TRANSPORTATION.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 28, chapter 2, article 3, Arizona Revised
3 Statutes, is amended by adding sections 28-377, 28-378 and 28-379, to
4 read:

5 28-377. Report; motor vehicle division wait times; vehicle
6 registration by mail turnaround times

7 ON OR BEFORE JULY 31 OF EACH YEAR, THE DEPARTMENT SHALL REPORT TO
8 THE JOINT LEGISLATIVE BUDGET COMMITTEE ON THE PROGRESS IN IMPROVING MOTOR
9 VEHICLE DIVISION WAIT TIMES AND VEHICLE REGISTRATION RENEWAL BY MAIL
10 TURNAROUND TIMES. THE REPORT SHALL BE IN A FORMAT THAT IS SIMILAR TO
11 REPORTS THE DEPARTMENT SUBMITTED TO THE JOINT LEGISLATIVE BUDGET COMMITTEE
12 BEFORE THE EFFECTIVE DATE OF THIS SECTION.

13 28-378. Report; authorized third party electronic service
14 partners; fee retention; information technology
15 system; definition

16 A. ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE DEPARTMENT SHALL
17 REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF HOW THE DEPARTMENT
18 SPENT THE DEPARTMENT'S DEDICATED PORTION OF AN AUTHORIZED THIRD PARTY
19 ELECTRONIC SERVICE PARTNER'S FEE RETENTION ON AN INFORMATION TECHNOLOGY
20 SYSTEM IN THE PRIOR FISCAL YEAR. THE REPORT SHALL INCLUDE THE
21 DEPARTMENT'S USE OF THE INFORMATION TECHNOLOGY SYSTEM TO OPERATE AND
22 CONDUCT TRANSACTIONS WITH THE PUBLIC, INCLUDING MONIES FOR STABILIZATION,
23 MAINTENANCE, ONGOING OPERATIONS, SUPPORT AND ENHANCEMENTS FOR THE
24 INFORMATION TECHNOLOGY SYSTEM, MAINTENANCE OF LEGACY MAINFRAME PROCESSING
25 AND SUPPORT CAPABILITY AND OTHER SYSTEM PROJECTS OUTSIDE THE SCOPE OF THE
26 INFORMATION TECHNOLOGY SYSTEM.

27 B. FOR THE PURPOSES OF THIS SECTION, "AUTHORIZED THIRD PARTY
28 ELECTRONIC SERVICE PARTNER" HAS THE SAME MEANING PRESCRIBED IN SECTION
29 28-5100.

30 28-379. Report; department's share of fees; authorized third
31 party electronic service partners; projects;
32 definition

33 A. ON OR BEFORE AUGUST 1 OF EACH YEAR, THE DEPARTMENT SHALL REPORT
34 TO THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE THE DEPARTMENT'S
35 SHARE OF FEES RETAINED IN THE PRIOR FISCAL YEAR BY AN AUTHORIZED THIRD
36 PARTY ELECTRONIC SERVICE PARTNER THAT HAS AN AUTHORIZED SERVICE WEBSITE
37 FOR THE DEPARTMENT. THE REPORT SHALL INCLUDE THE AMOUNT THAT THE
38 AUTHORIZED THIRD PARTY ELECTRONIC SERVICE PARTNER SPENT ON BEHALF OF THE
39 DEPARTMENT IN THE PRIOR FISCAL YEAR AND A LIST OF THE PROJECTS FUNDED WITH
40 THE MONIES.

41 B. FOR THE PURPOSES OF THIS SECTION, "AUTHORIZED THIRD PARTY
42 ELECTRONIC SERVICE PARTNER" HAS THE SAME MEANING PRESCRIBED IN SECTION
43 28-5100.

1 Sec. 2. Section 28-6533, Arizona Revised Statutes, is amended to
2 read:

3 28-6533. Arizona highway user revenue fund; reports

4 A. The officer collecting all highway user revenues, as defined in
5 section 28-6501 and in article IX, section 14, Constitution of Arizona,
6 and all fees, penalties and fines collected under sections 28-1101,
7 28-1103, 28-1105 and 28-1521 shall transfer the revenues to the
8 department. After the deduction of all exemptions and refunds and after
9 taking actions required under subsection C of this section, the department
10 shall immediately deposit, pursuant to sections 35-146 and 35-147, the
11 revenues in a fund designated as the Arizona highway user revenue fund.

12 B. The revenues in the Arizona highway user revenue fund shall only
13 be spent for the purposes prescribed in article IX, section 14,
14 Constitution of Arizona. Counties and incorporated cities and towns shall
15 not spend highway user revenue fund monies distributed to them pursuant to
16 this article for enforcement of traffic laws, ~~or~~ FOR administration of
17 traffic safety programs OR FOR PROJECTS THAT REDUCE THE CAPACITY FOR MOTOR
18 VEHICLE TRAVEL. If the auditor general reports to the state treasurer
19 after conducting a performance audit pursuant to section 41-1279.03,
20 subsection A, paragraph 7 that a jurisdiction has not used revenues as
21 required by this subsection, the state treasurer shall withhold the
22 noncomplying jurisdiction's revenues until the noncomplying jurisdiction
23 presents evidence that is satisfactory to the auditor general and that
24 shows that the jurisdiction has spent monies for purposes prescribed in
25 this subsection from another general revenue source equal to the amount of
26 the revenues diverted from the uses prescribed in this subsection.

27 C. If there is any default, the department shall deduct all amounts
28 required by law or any resolution authorizing the issuance of bonds of the
29 board to be placed in the principal funds, interest funds, reserve funds
30 or sinking funds or any other funds established to service bonds issued or
31 to be issued by the board before the revenues are deposited in the Arizona
32 highway user revenue fund.

33 D. A county receiving monies pursuant to section 28-6538 shall
34 publish an annual financial report for the prior fiscal year of funds
35 received from motor vehicle fuel and use fuel taxes. The financial report
36 shall contain budgeted and actual expenditures for the preceding fiscal
37 year and shall be prepared and distributed by December 31 by the county.

38 Sec. 3. Section 28-6538, Arizona Revised Statutes, is amended to
39 read:

40 28-6538. Arizona highway user revenue fund distribution;
41 remaining monies; highway fund distribution;
42 contract authorization; regional transportation
43 plan requirements

44 A. Each fiscal year the department shall allocate and the state
45 treasurer shall distribute revenues of the Arizona highway user revenue

1 fund remaining after the distribution provided in sections 28-6534 and
2 28-6537 as follows:

- 3 1. To the state highway fund, fifty and one-half ~~per cent~~ PERCENT.
- 4 2. To the counties, nineteen ~~per cent~~ PERCENT.
- 5 3. To the incorporated cities and towns, twenty-seven and one-half
6 ~~per cent~~ PERCENT.

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

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

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

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

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

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

33 C. Of the monies allocated to the state highway fund pursuant to
34 subsection A of this section: ~~;~~

35 1. Not more than ~~five million dollars~~ \$5,000,000 annually shall be
36 spent for the acquisition, construction or improvement of entry roads to
37 state parks or roads in state parks.

38 2. NONE OF THE MONIES MAY BE SPENT ON PROJECTS THAT REDUCE THE
39 CAPACITY FOR MOTOR VEHICLE TRAVEL.

40 D. Expenditures for state matching monies for the federal
41 interstate system shall be in addition to the amount provided in
42 subsection B of this section.

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

4 F. A county described in subsection B of this section and the
5 cities and towns in the county, through their regional planning agency,
6 shall list transportation corridors by priority in the regional
7 transportation plan. The regional transportation plan may also provide a
8 suggested construction schedule for the transportation corridors contained
9 in the plan.