

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2031

(Reference to printed 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  
5 facilities

6 A. The board shall:

7 1. Develop and adopt a statewide transportation policy statement.

8 The policy statement shall be adopted as described in section 28-306.

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

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

14 4. Adopt transportation system performance measures and factors and  
15 data collection standards to be used by the department. The performance  
16 measures, factors and standards shall be developed as described in sections  
17 28-504 and 28-505.

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

12. "REGIONAL PROGRAMS" MEANS TRANSPORTATION PROJECTS THAT ARE SELECTED THROUGH A PERFORMANCE-BASED PROCESS FOR ARTERIAL IMPROVEMENTS,

1 ACTIVE TRANSPORTATION, AIR QUALITY, EMERGING TECHNOLOGIES, INTELLIGENT  
2 TRANSPORTATION SYSTEMS, SAFETY AND TRANSPORTATION DEMAND MANAGEMENT.

3 ~~11.~~ 13. "Regionwide business" means a company that provides goods  
4 or services throughout the county.

5 ~~12.~~ 14. "Transit interest" means an individual with demonstrated  
6 interest and experience with public transportation.

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

9 28-6302. Transportation excise tax distribution; counties with  
10 three million or more persons; regional area road  
11 fund

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

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

26 C. Monies and investments within the regional area road fund may be  
27 used and spent only as provided in this chapter. An appropriation of any  
28 nature shall not be required before the expenditure of monies from the  
29 regional area road fund. Monies in the bond proceeds account or  
30 construction account of a regional area road fund may be obligated for  
31 payment in future years for the purpose of right-of-way acquisition subject  
32 to the limitations prescribed in sections 28-7001 and 28-7002, ~~and~~ section

1 42-6105, subsection D, paragraphs 1 and 2 AND SECTION 42-6105.01,  
2 SUBSECTION D, PARAGRAPHS 1 AND 2. The state treasurer shall make payments  
3 from the regional area road fund by check, and a warrant or voucher is not  
4 necessary. Subject to the powers granted to the board in chapter 21,  
5 article 2 of this title, the director shall administer monies deposited in  
6 the regional area road fund.

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

9 28-6303. Regional area road fund; separate accounts

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

13 B. The state treasurer shall:

14 1. Account separately for each account.

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

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

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

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

29 C. The state treasurer may:

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

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

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

- 11           1. Freeways and other routes in the state highway system.
- 12           2. Major arterial streets and ~~intersection improvements~~ REGIONAL  
13 PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND  
14 IMPLEMENTATION STUDIES.

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

- 20           1. FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM.
- 21           2. MAJOR ARTERIAL STREETS AND REGIONAL PROGRAMS IDENTIFIED IN THE  
22 PLAN, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.

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

25           28-6304. Bond account; expenditures

- 26           A. The state treasurer shall:
  - 27           1. Hold monies in the bond account in trust for the owners of the  
28 bonds.
  - 29           2. Pay monies in the bond account to the county, to paying agents or  
30 to the owners of the bonds directly in accordance with a resolution of the  
31 board authorizing the issuance of the bonds.

- 1 B. Monies in the bond account may be used:
- 2 1. To pay ~~bond-related~~ BOND-RELATED expenses or recurring expenses
- 3 pertaining to administration and payment of the bonds.
- 4 2. For funding reserves for the payment of the bonds.
- 5 3. For payment of fees, charges and expenses incurred with respect
- 6 to ~~bond-related~~ BOND-RELATED obligations.
- 7 C. Monies in the bond proceeds account may be obligated or spent as
- 8 directed by the board, ACCORDING TO THE PLAN, for the:
- 9 1. Payment of all ~~bond-related~~ BOND-RELATED expenses.
- 10 2. Establishment and funding of reserve monies or to pay interest on
- 11 bonds during the expected period of construction.
- 12 3. Payment of fees, charges and expenses incurred with respect to
- 13 ~~bond-related~~ BOND-RELATED obligations.
- 14 4. Design, right-of-way purchase or construction related to new, or
- 15 improvements to, freeways and other routes in the state highway system that
- 16 are included in the ~~regional transportation~~ plan ~~of the county~~ and that are
- 17 accepted into the state highway system.
- 18 5. Design, right-of-way purchase or construction related to new, or
- 19 improvements to, major arterial streets and ~~intersections~~ REGIONAL PROGRAMS
- 20 that are included in the ~~regional transportation~~ plan ~~of the county~~. ~~For~~
- 21 ~~the purposes of this paragraph, "major arterial" means an interconnected~~
- 22 ~~thoroughfare whose primary function is to link areas in the region and to~~
- 23 ~~distribute traffic to and from controlled access highways, generally of~~
- 24 ~~regionwide significance and of varying capacity depending on the travel~~
- 25 ~~demand for the specific direction and adjacent land uses.~~
- 26 ~~6. Design and construction of interim roadways within the adopted~~
- 27 ~~corridors of the regional transportation plan of the county pursuant to~~
- 28 ~~section 28-6309.~~
- 29 ~~7. Right-of-way costs associated with the construction of interim~~
- 30 ~~roadways pursuant to section 28-6310.~~
- 31 ~~8.~~ 6. Payment of principal and interest on the bonds.





1 of the regional public transportation authority shall explicitly identify  
2 and approve in ~~the annual~~ budgets the monies to be spent under subsection B  
3 of this section for the purposes allowed under this subsection. These  
4 expenditures are subject to the annual audit of the governing bodies'  
5 financial transactions.

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

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

12 28-6306. Account expenditures; elections

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

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

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

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

27 Sec. 8. Repeal

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

29           ~~2.~~ 1. Develop the plan in cooperation with the regional public  
30 transportation authority in the county and the department ~~of transportation~~  
31 and in consultation with the county board of supervisors, Indian  
32 communities and cities and towns in the county.

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

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

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

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

24           ~~6. Provide a written response to the regional public transportation~~  
25           ~~authority, the state board of transportation, the county board of~~  
26           ~~supervisors and the entity that submitted the proposed modification within~~  
27           ~~thirty days after the vote on the proposed modification explaining the~~  
28           ~~affirmation, rejection or further modification of each proposed~~  
29           ~~modification.~~

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

~~C. The regional transportation plan:~~

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

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

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

~~(c) Public transportation systems.~~

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

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

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

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

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

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

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



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

4           D. The auditor general or the auditors contracted to conduct the  
5 audit shall periodically update the transportation policy committee  
6 regarding the progress of the audit.

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

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

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

- 18           1. The regional planning agency.
- 19           2. The transportation policy committee.
- 20           3. The regional public transportation authority in the county.
- 21           4. The county board of supervisors.
- 22           5. The state transportation board.
- 23           6. The governor, secretary of state, president of the senate and  
24 speaker of the house of representatives.

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

26           ~~8.~~ 7. Any other person who requests a copy pursuant to title 39,  
27 chapter 1, article 2.

28           H. The state transportation board, regional planning agency,  
29 regional public transportation authority and county board of supervisors  
30 shall cooperate with and submit to the auditor general and the auditors  
31 contracted to conduct the audit information necessary to conduct the audits  
32 under this section.

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

8 Sec. 12. Heading change

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

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

14 28-6351. Definitions

15 In this article, unless the context otherwise requires:

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

18 ~~2.~~ 1. "Enhancement" means an addition that exceeds generally  
19 accepted engineering or design standards for the specific type of facility.

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

25 Sec. 14. Repeal

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

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

29 28-6352. County transportation excise tax; budget process

30 A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND  
31 ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN  
32 COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND



1 OPERATORS AND IN COORDINATION WITH THE DEPARTMENT. THE REGIONAL PLANNING  
2 AGENCY SHALL CONSIDER TRUCK PARKING AVAILABILITY WHEN CONSIDERING THE  
3 CONSTRUCTION, EXPANSION OR MODIFICATION OF FREEWAYS OR OTHER ROUTES IN THE  
4 STATE HIGHWAY SYSTEM. ON OR BEFORE DECEMBER 31, 2050, THE REGIONAL  
5 PLANNING AGENCY SHALL ALLOCATE AT LEAST \$90,000,000 FOR THE IMPLEMENTATION  
6 OF COMMERCIAL MOTOR VEHICLE PARKING THAT IS CONSISTENT WITH A REGIONALLY  
7 ADOPTED TRUCK PARKING PLAN, INCLUDING FUNDING FOR CONSTRUCTION, LAND  
8 ACQUISITION, LEASE, MAINTENANCE OR OPERATIONS OR ENTRY INTO A  
9 PUBLIC-PRIVATE PARTNERSHIP AGREEMENT.

10 B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION  
11 42-6105.01 AS FOLLOWS:

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

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

16 3. IN THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103  
17 FOR:

18 (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC  
19 TRANSPORTATION MODE CLASSIFICATIONS.

20 (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE  
21 LIGHT RAIL SYSTEM.

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

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

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

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

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

16           E. THE REGIONAL PLANNING AGENCY SHALL COORDINATE WITH IMPLEMENTING  
17 PARTNERS ON THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION,  
18 INCLUDING THE DEPARTMENT FOR FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY  
19 SYSTEM AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY FOR  
20 THE PUBLIC TRANSPORTATION SYSTEM.

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

24           G. ANY BONDS ISSUED AGAINST PROCEEDS COLLECTED PURSUANT TO SECTIONS  
25 42-6105 AND 42-6105.01 REQUIRE CONSULTATION WITH THE REGIONAL PLANNING  
26 AGENCY.

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

28           1. CONSIDERATION BY THE TRANSPORTATION POLICY COMMITTEE.

29           2. IDENTIFICATION OF THE PROJECTS AND PROGRAMS THAT WOULD BE  
30 IMPACTED BY THE FUNDING TRANSFER.

31           3. A DETAILED, PERFORMANCE-BASED ASSESSMENT OF THE IMPACTED PROJECTS  
32 AND PROGRAMS. THE PERFORMANCE-BASED ASSESSMENT MUST SUPPORT THE PROPOSED

1 MAJOR INVESTMENT CHANGE. THE ASSESSMENT SHALL ALSO SEEK, CONSIDER AND  
2 DOCUMENT PUBLIC INPUT ON THE PROPOSED MAJOR INVESTMENT CHANGE.

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

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

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

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

26 K. IF A LOCAL AUTHORITY REQUESTS AN ENHANCEMENT TO A TRANSPORTATION  
27 PROJECT FUNDED IN THE PLAN, THE LOCAL AUTHORITY SHALL PAY ALL COSTS  
28 ASSOCIATED WITH THE ENHANCEMENT.

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

1 M. THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION  
2 DOES NOT APPLY TO THE ANNUAL OPERATING BUDGET OF THE REGIONAL PUBLIC  
3 TRANSPORTATION AUTHORITY IN THE COUNTY.

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

7 1. THE PROJECT MUST BE ADVANCED AS APPROPRIATE TO REFLECT THE  
8 ESTIMATED CONSTRUCTION START DATE.

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

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

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

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

17 Sec. 16. Repeal

18 Sections 28-6353, 28-6354 and 28-6355, Arizona Revised Statutes, are  
19 repealed.

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

22 28-6538. Arizona highway user revenue fund distribution;  
23 remaining monies; highway fund distribution;  
24 contract authorization; plan requirements

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

- 29 1. To the state highway fund, fifty and one-half ~~per cent~~ PERCENT.  
30 2. To the counties, nineteen ~~per cent~~ PERCENT.

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

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

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

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

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

20           (a) The design, right-of-way purchase or construction of controlled  
21 access highways that are included in the ~~regional transportation~~ plan ~~of~~  
22 ~~the county~~ AS DEFINED IN SECTION 28-6351 and that are accepted into the  
23 state highway system either as a state route or as a state highway or  
24 related grade separations of controlled access highways that are included  
25 in the ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION  
26 28-6351.

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

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

5 D. Expenditures for state matching monies for the federal interstate  
6 system shall be in addition to the amount provided in subsection B of this  
7 section.

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

11 F. A county described in subsection B of this section and the cities  
12 and towns in the county, through their regional planning agency, shall list  
13 transportation corridors by priority in the ~~regional transportation~~ plan AS  
14 DEFINED IN SECTION 28-6351. The ~~regional transportation~~ plan AS DEFINED IN  
15 SECTION 28-6351 may also provide a suggested construction schedule for the  
16 transportation corridors contained in the plan.

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

19 28-6954. Program requirements

20 A. The five year transportation facilities construction program  
21 shall:

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

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

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

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

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

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

2 (b) CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION  
3 28-6352, SUBSECTION D, PARAGRAPH 1.

4 (c) ANNUALLY UPDATED.

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

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

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

16 28-7671. Definitions

17 In this article, unless the context otherwise requires:

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

19 (a) On the federal aid system, national highway system or state  
20 route or state highway system.

21 (b) Included in either:

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

23 (ii) The transportation improvement plan of a regional association  
24 of governments.

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

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

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

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

11           6. "Indian tribe" means any Indian tribe, band, group or community  
12 that is recognized by the United States secretary of the interior and that  
13 exercises governmental authority within the limits of any Indian  
14 reservation under the jurisdiction of the United States government,  
15 notwithstanding the issuance of any patent and including rights-of-way  
16 running through the reservation.

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

21           8. "Political subdivision" means a county, city, town or special  
22 taxing district authorized by law to construct or assist in the  
23 construction of an eligible highway project or a county, city, town or  
24 special taxing district established pursuant to section 48-5102 to  
25 construct or assist in the construction of a transportation project.

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

30           10. "Transportation project" means all or a portion of a project  
31 that is included in the state's transportation improvement program or a  
32 ~~regional transportation~~ plan, as defined in section 28-6351, including the



1 project planning, environmental work, design, right-of-way acquisition or  
2 construction for the transportation project and associated rolling stock  
3 and operating systems but not including an eligible highway project.

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

6 28-7691. Definitions

7 In this article, unless the context otherwise requires:

8 1. "Excise taxes" means all unrestricted excise, transaction,  
9 franchise, privilege and business taxes, state shared ~~sales~~ TRANSACTION  
10 PRIVILEGE and income taxes, fees for licenses and permits and state revenue  
11 sharing that are levied and paid by a political subdivision or contributed,  
12 levied or paid to the political subdivision and not earmarked by the  
13 contributor or the political subdivision for a contrary or inconsistent  
14 purpose.

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

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

24 4. "Transportation project advance agreement" means a written  
25 agreement, entered into in accordance with section 28-7677 and section  
26 9-500.17, 11-269.03 or 48-5122, between one or more political subdivisions  
27 and the department, a regional planning agency, metropolitan planning  
28 organization or council of governments or a designated grant recipient  
29 under which the political subdivision advances monies to the department,  
30 the regional planning agency, metropolitan planning organization or council  
31 of governments or the designated grant recipient to accelerate a

1 transportation project and under which the recipient of the advanced monies  
2 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 authorized  
8 by this article.

9 Sec. 21. 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 transportation  
26 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.

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

3           42-6105. County transportation excise tax; counties with  
4                           population of one million two hundred thousand or  
5                           more persons

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

10           B. The tax shall be levied and collected:

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

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

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

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

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

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

1           2. 10.5 ~~per cent~~ PERCENT to the regional area road fund pursuant to  
2 section 28-6303 for major arterial streets and ~~intersection improvements~~  
3 REGIONAL PROGRAMS, including capital expense and implementation studies.

4           3. 33.3 ~~per cent~~ PERCENT to the public transportation fund pursuant  
5 to section 48-5103 for:

6           (a) Capital costs, maintenance and operation of public  
7 transportation classifications.

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

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

12           42-6105.01. County transportation excise tax; counties with  
13                                   population of three million or more persons;  
14                                   conditional enactment

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

19           B. THE TAX SHALL BE LEVIED AND COLLECTED:

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

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

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

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

3 D. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL  
4 SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION IN THE  
5 REGIONAL AREA ROAD FUND ESTABLISHED PURSUANT TO SECTION 28-6302 OR THE  
6 PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103. EXCEPT AS  
7 PROVIDED IN SUBSECTIONS E AND F OF THIS SECTION, THE PLAN SHALL DISTRIBUTE:

8 1. 37.4 PERCENT TO THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND  
9 OTHER ROUTES IN THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND  
10 MAINTENANCE.

11 2. 22.2 PERCENT TO THE REGIONAL AREA ROAD FUND FOR MAJOR ARTERIAL  
12 STREETS AND REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION  
13 STUDIES.

14 3. 40.4 PERCENT TO THE PUBLIC TRANSPORTATION FUND FOR BOTH:

15 (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC  
16 TRANSPORTATION MODE CLASSIFICATIONS.

17 (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE  
18 LIGHT RAIL SYSTEM.

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

22 F. NOT MORE THAN FOURTEEN PERCENT OF THE REVENUES COLLECTED ANNUALLY  
23 UNDER THIS SECTION MAY BE SPENT ON LIGHT RAIL SYSTEMS IN A MANNER DESCRIBED  
24 IN SUBSECTION D, PARAGRAPH 3, SUBDIVISION (b) OF THIS SECTION.

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

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

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

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

3           48-5102. Regional public transportation authority in counties  
4                   with population of three million or more persons;  
5                   establishment

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

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

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

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

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

22           48-5103. Public transportation fund

23           A. A public transportation fund is established for the authority.  
24 The fund consists of:

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

29           2. Monies appropriated by a county that has not elected to enter  
30 into the authority in an amount determined by the county board of  
31 supervisors.

1           3. Transportation excise tax revenues that are allocated to the fund  
2 pursuant to ~~section~~ SECTIONS 42-6105 AND 42-6105.01. The board shall  
3 separately account for monies from transportation excise tax revenues  
4 allocated pursuant to section 42-6105, subsection D, paragraph 3 OR SECTION  
5 42-6105.01, SUBSECTION D, PARAGRAPH 3, SUBDIVISION (b) for:

6           (a) A light rail public transit system.

7           (b) Capital costs for other public transportation.

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

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

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

12           6. Monies granted by the federal government or appropriated by the  
13 legislature.

14           7. Fares or other revenues collected in operating a public  
15 transportation system.

16           B. On behalf of the authority, the fiscal agent shall administer  
17 monies paid into the public transportation fund. Monies in the fund may be  
18 spent pursuant to or to implement the public transportation element of the  
19 ~~regional transportation~~ plan AS DEFINED IN SECTION 28-6351 developed and  
20 approved by the regional planning agency, including reimbursement for  
21 utility relocation costs as prescribed in section 48-5107, ~~adopted pursuant~~  
22 ~~to section 48-5121~~ and for projects identified in the ~~regional~~  
23 ~~transportation~~ plan adopted by the regional planning agency pursuant to  
24 section ~~28-6308~~ 28-6352.

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

1           Sec. 26. Repeal

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

3           Sec. 27. Election on transportation excise tax

4           A. During the period beginning four years before the date on which  
5           an existing county transportation excise tax would otherwise be  
6           discontinued and ending two years before the date on which an existing  
7           county transportation excise tax would be discontinued, the board of  
8           supervisors of any county with a population of three million or more  
9           persons shall call a countywide election for the continuation of the county  
10          transportation excise tax as described in section 42-6105.01, Arizona  
11          Revised Statutes, as added by this act. Notwithstanding any other law, the  
12          county shall conduct an election on a consolidated election date at least  
13          one year before the date on which an existing county excise tax would  
14          otherwise be discontinued following the call of the election.

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

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

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

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



1 (b) A map of proposed routes and transportation corridors of all  
2 major transportation projects.

3 (c) The estimated amount of transportation excise tax revenues,  
4 together with other identified revenues, dedicated for each transportation  
5 mode.

6 (d) The county elections department website address for additional  
7 information on the regional strategic transportation infrastructure  
8 investment plan.

9 3. The form of the ballot.

10 4. Any arguments for or against the ballot measure. Affirmative  
11 arguments, arranged in the order in which the elections director received  
12 them, shall be placed before the negative arguments, also arranged in the  
13 order in which they were received.

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

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

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

6           2. The title:   Regional Strategic Transportation Infrastructure  
7 Investment Plan.

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

9                   A measure continuing the current transportation excise  
10 (sales) tax to address the regional transportation system by  
11 building new freeways, expanding existing freeways with  
12 additional access and capacity, constructing streets and  
13 intersections, expanding transit by extending the light rail  
14 system, increasing the frequency of bus service and providing  
15 additional bus, dial-a-ride and vanpool services.

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

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

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

24                   (A "YES" vote has the effect of continuing the transaction  
25 privilege (sales) tax in \_\_\_\_\_ county for twenty years to  
26 provide funding for transportation projects as contained in the  
27 regional strategic transportation infrastructure investment  
28 plan.)

29                   (A "NO" vote has the effect of rejecting the transaction  
30 privilege (sales) tax for transportation purposes in \_\_\_\_\_  
31 county.)

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

12           1. Costs of mailing, publishing, posting and printing ballots,  
13 publicity pamphlets, notices, election materials and other matters  
14 concerning the election.

15           2. Legal and other consulting fees and costs relating to the  
16 election.

17           3. Telecommunications costs.

18           4. Compensation of the election board, county election officers and  
19 employees and other labor costs incurred to administer, hold, canvass and  
20 announce the results of the election.

21           5. Any other costs attributable to the election.

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

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

26           Sec. 28. Regional public transportation authority

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

1           Sec. 29. 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."

7 Amend title to conform

MARCELINO QUIÑONEZ

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