

REFERENCE TITLE: local transportation assistance fund; restoration

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

HB 2208

Introduced by
Representatives Farley, Burges, Jones, Tovar: Barton, Crandell, Fann,
Goodale, Judd, McLain

AN ACT

AMENDING SECTIONS 5-554, 5-572, 9-626 AND 28-6543, ARIZONA REVISED STATUTES;
AMENDING TITLE 28, CHAPTER 24, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 1;
AMENDING TITLE 41, CHAPTER 1, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING
SECTION 41-175; AMENDING TITLE 41, CHAPTER 3, ARIZONA REVISED STATUTES, BY
ADDING ARTICLE 1; AMENDING SECTIONS 48-5103, 48-5104 AND 48-5314, ARIZONA
REVISED STATUTES; RELATING TO LOCAL TRANSPORTATION ASSISTANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-554, Arizona Revised Statutes, is amended to
3 read:

4 5-554. Commission; director; powers and duties; definitions

5 A. The commission shall meet with the director not less than once each
6 quarter to make recommendations and set policy, receive reports from the
7 director and transact other business properly brought before the commission.

8 B. The commission shall oversee a state lottery to produce the maximum
9 amount of net revenue consonant with the dignity of the state. To achieve
10 these ends, the commission shall authorize the director to adopt rules in
11 accordance with title 41, chapter 6. Rules adopted by the director may
12 include provisions relating to the following:

13 1. Subject to the approval of the commission, the types of lottery
14 games and the types of game play-styles to be conducted.

15 2. The method of selecting the winning tickets or shares for
16 noncomputerized online games, except that no method may be used that, in
17 whole or in part, depends on the results of a dog race, a horse race or any
18 sporting event.

19 3. The manner of payment of prizes to the holders of winning tickets
20 or shares, including providing for payment by the purchase of annuities in
21 the case of prizes payable in installments, except that the commission staff
22 shall examine claims and may not pay any prize based on altered, stolen or
23 counterfeit tickets or based on any tickets that fail to meet established
24 validation requirements, including rules stated on the ticket or in the
25 published game rules, and confidential validation tests applied consistently
26 by the commission staff. No particular prize in a lottery game may be paid
27 more than once, and in the event of a binding determination that more than
28 one person is entitled to a particular prize, the sole remedy of the
29 claimants is the award to each of them of an equal portion of the single
30 prize.

31 4. The method to be used in selling tickets or shares, except that no
32 elected official's name may be printed on such tickets or shares. The
33 overall estimated odds of winning some prize or some cash prize, as
34 appropriate, in a given game shall be printed on each ticket or share.

35 5. The licensing of agents to sell tickets or shares, except that a
36 person who is under eighteen years of age shall not be licensed as an agent.

37 6. The manner and amount of compensation to be paid licensed sales
38 agents necessary to provide for the adequate availability of tickets or
39 shares to prospective buyers and for the convenience of the public, including
40 provision for variable compensation based on sales volume.

41 7. Matters necessary or desirable for the efficient and economical
42 operation and administration of the lottery and for the convenience of the
43 purchasers of tickets or shares and the holders of winning tickets or shares.

44 C. The commission shall authorize the director to issue orders and
45 shall approve orders issued by the director for the necessary operation of

1 the lottery. Orders issued under this subsection may include provisions
2 relating to the following:

- 3 1. The prices of tickets or shares in lottery games.
- 4 2. The themes, game play-styles, and names of lottery games and
5 definitions of symbols and other characters used in lottery games, except
6 that each ticket or share in a lottery game shall bear a unique
7 distinguishable serial number.
- 8 3. The sale of tickets or shares at a discount for promotional
9 purposes.
- 10 4. The prize structure of lottery games, including the number and size
11 of prizes available. Available prizes may include free tickets in lottery
12 games and merchandise prizes.
- 13 5. The frequency of drawings, if any, or other selections of winning
14 tickets or shares, except that:
 - 15 (a) All drawings shall be open to the public.
 - 16 (b) The actual selection of winning tickets or shares may not be
17 performed by an employee or member of the commission.
 - 18 (c) Noncomputerized online game drawings shall be witnessed by an
19 independent observer.
- 20 6. Requirements for eligibility for participation in grand drawings or
21 other runoff drawings, including requirements for the submission of evidence
22 of eligibility within a shorter period than that provided for claims by
23 section 5-568.
- 24 7. Incentive and bonus programs designed to increase sales of lottery
25 tickets or shares and to produce the maximum amount of net revenue for this
26 state.
- 27 D. Notwithstanding title 41, chapter 6 and subsection B of this
28 section, the director, subject to the approval of the commission, may
29 establish a policy, procedure or practice that relates to an existing online
30 game or a new online game that is the same type and has the same type of game
31 play-style as an online game currently being conducted by the lottery or may
32 modify an existing rule for an existing online game or a new online game that
33 is the same type and has the same type of game play-style as an online game
34 currently being conducted by the lottery, including establishing or modifying
35 the matrix for an online game by giving notice of the establishment or
36 modification at least thirty days before the effective date of the
37 establishment or modification.
- 38 E. The commission shall maintain and make the following information
39 available for public inspection at its offices during regular business hours:
 - 40 1. A detailed listing of the estimated number of prizes of each
41 particular denomination expected to be awarded in any instant game currently
42 on sale.
 - 43 2. After the end of the claim period prescribed by section 5-568, a
44 listing of the total number of tickets or shares sold and the number of
45 prizes of each particular denomination awarded in each lottery game.

1 3. Definitions of all play symbols and other characters used in each
2 lottery game and instructions on how to play and how to win each lottery
3 game.

4 F. Any information that is maintained by the commission and that would
5 assist a person in locating or identifying a winning ticket or share or that
6 would otherwise compromise the integrity of any lottery game is deemed
7 confidential and is not subject to public inspection.

8 G. The commission, in addition to other games authorized by this
9 article, shall establish two special games for each year to be conducted
10 concurrently with other lottery games authorized under subsection B of this
11 section. The monies for prizes, for operating expenses and for payment to
12 the Arizona competes fund, as provided in section 5-572, subsection B, shall
13 be accounted for separately as nearly as practicable in the lottery
14 commission's general accounting system. The monies shall be derived from the
15 revenues of the special games, and monies for prizes do not become an expense
16 to the lottery commission's annual appropriation as provided in section
17 5-555, subsection D and section 5-572, subsection ~~F~~ L. Monies saved from
18 the revenues of the special games, by reason of operating efficiencies, shall
19 become other revenue of the lottery commission and revert to the state
20 general fund.

21 H. The commission, in addition to other games authorized by this
22 article, may establish multistate lottery games to be conducted concurrently
23 with other lottery games authorized under subsections B and G of this
24 section. The monies for prizes, for operating expenses and for payment to
25 [THE LOCAL TRANSPORTATION ASSISTANCE FUND, AS PROVIDED IN SECTION 28-8101, AND](#)
26 the state general fund shall be accounted for separately as nearly as
27 practicable in the lottery commission's general accounting system. The
28 monies shall be derived from the revenues of multistate lottery games.

29 I. The commission, in addition to other games authorized by this
30 article, shall establish special instant ticket games with play areas
31 protected by paper tabs designated for use by charitable organizations. The
32 monies for prizes and for operating expenses shall be accounted for
33 separately as nearly as practicable in the lottery commission's general
34 accounting system. Monies saved from the revenues of the special games, by
35 reason of operating efficiencies, shall become other revenue of the lottery
36 commission and revert to the state general fund.

37 J. The commission or director shall not establish or operate any
38 online or electronic keno game or any game played on the internet.

39 K. The commission or director shall not establish or operate any
40 lottery game or any type of game play-style, either individually or in
41 combination, that uses gaming devices or video lottery terminals as those
42 terms are used in section 5-601.02, including monitor games that produce or
43 display outcomes or results more than once per hour.

44 L. The director shall print, in a prominent location on each lottery
45 ticket or share, a statement that help is available if a person has a problem

1 with gambling and a toll-free telephone number where problem gambling
2 assistance is available. The director shall require all licensed agents to
3 post a sign with the statement that help is available if a person has a
4 problem with gambling and the toll-free telephone number at the point of sale
5 as prescribed and supplied by the director. The requirements of this
6 subsection apply to tickets and shares printed after July 18, 2000.

7 M. For the purposes of this section:

8 1. "Charitable organization" means any nonprofit organization,
9 including not more than one auxiliary of that organization, that has operated
10 for charitable purposes in this state for at least two years before
11 submitting a license application under this article.

12 2. "Game play-style" means the process or procedure that a player must
13 follow to determine if a lottery ticket or share is a winning ticket or
14 share.

15 3. "Matrix" means the odds of winning a prize and the prize payout
16 amounts in a given game.

17 Sec. 2. Section 5-572, Arizona Revised Statutes, is amended to read:
18 5-572. Use of monies in state lottery fund; report

19 A. If there are any bonds or bond related obligations payable from the
20 state lottery revenue bond debt service fund, the state lottery revenue bond
21 debt service fund shall be secured by a first lien on the monies in the state
22 lottery fund after the payment of operating costs of the lottery, as
23 prescribed in section 5-555, subsection A, paragraph 1, until the state
24 lottery bond debt service fund contains sufficient monies to meet all the
25 requirements for the current period as required by the bond documents. Debt
26 service for revenue bonds issued pursuant to this chapter shall be paid first
27 from monies that would have otherwise been deposited pursuant to this section
28 in the state general fund. After the requirements for the current period
29 have been satisfied as required by the bond documents, the monies in the
30 state lottery fund shall be expended for the expenses of the commission
31 incurred in carrying out its powers and duties and in the operation of the
32 lottery.

33 B. Of the monies remaining in the state lottery fund each fiscal year
34 after appropriations and deposits authorized in subsection A of this section,
35 three million five hundred thousand dollars shall be deposited in the Arizona
36 competes fund established by section 41-1545.01.

37 C. EXCEPT AS PROVIDED IN SUBSECTION H OF THIS SECTION, STATE LOTTERY
38 FUND MONIES SHALL BE USED FOR PAYMENT TO THE LOCAL TRANSPORTATION ASSISTANCE
39 FUND ESTABLISHED BY SECTION 28-8101 OF NOT LESS THAN NINE MILLION DOLLARS,
40 INCREASING EACH YEAR THAT TOTAL REVENUES TO THE STATE LOTTERY FUND INCREASE
41 UP TO A MAXIMUM OF EIGHTEEN MILLION DOLLARS EACH FISCAL YEAR, EXCEPT THAT
42 PAYMENTS PURSUANT TO THIS SUBSECTION SHALL NOT INCREASE BY MORE THAN TEN PER
43 CENT PER YEAR.

44 D. OF THE MONIES REMAINING IN THE STATE LOTTERY FUND AFTER THE
45 APPROPRIATIONS AUTHORIZED IN SUBSECTIONS A, B AND C OF THIS SECTION, UP TO A

1 MAXIMUM OF TWENTY-THREE MILLION DOLLARS EACH FISCAL YEAR SHALL BE DEPOSITED
2 IN THE LOCAL TRANSPORTATION ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101
3 AND UP TO A MAXIMUM OF SEVEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS EACH
4 FISCAL YEAR SHALL BE DEPOSITED IN THE COUNTY ASSISTANCE FUND ESTABLISHED BY
5 SECTION 41-175. MONIES DISTRIBUTED PURSUANT TO THIS SUBSECTION SHALL BE IN
6 ADDITION TO MONIES DISTRIBUTED PURSUANT TO SUBSECTION C OF THIS SECTION.

7 E. NOTWITHSTANDING SUBSECTION D OF THIS SECTION, IF THE STATE LOTTERY
8 DIRECTOR DETERMINES AT THE BEGINNING OF ANY FISCAL YEAR THAT MONIES AVAILABLE
9 TO CITIES, TOWNS AND COUNTIES UNDER THIS SECTION MAY NOT EQUAL THIRTY MILLION
10 SIX HUNDRED FIFTY THOUSAND DOLLARS, THE DIRECTOR SHALL NOT AUTHORIZE DEPOSITS
11 TO THE COUNTY ASSISTANCE FUND UNTIL THE DEPOSITS TO THE LOCAL TRANSPORTATION
12 ASSISTANCE FUND EQUAL TWENTY-THREE MILLION DOLLARS.

13 ~~C.~~ F. Of the monies remaining in the state lottery fund each fiscal
14 year after appropriations and deposits authorized in subsections A, ~~and~~ B, C,
15 D AND E of this section, TEN MILLION DOLLARS SHALL BE DEPOSITED IN THE
16 ARIZONA STATE PARKS BOARD HERITAGE FUND ESTABLISHED BY SECTION 41-502 AND ten
17 million dollars shall be deposited in the Arizona game and fish commission
18 heritage fund established by section 17-297.

19 ~~D.~~ G. Of the monies remaining in the state lottery fund each fiscal
20 year after appropriations and deposits authorized in subsections A, B, ~~and~~ C,
21 D, E AND F of this section, AND APPROPRIATIONS AND DEPOSITS TO THE LOCAL
22 TRANSPORTATION ASSISTANCE FUND AUTHORIZED BY THIS SECTION, five million
23 dollars shall be allocated to the department of economic security for the
24 healthy families program established by section 8-701, four million dollars
25 shall be allocated to the Arizona board of regents for the Arizona area
26 health education system established by section 15-1643, three million dollars
27 shall be allocated to the department of health services to fund the teenage
28 pregnancy prevention programs established in Laws 1995, chapter 190, sections
29 2 and 3, two million dollars shall be allocated to the department of health
30 services for the health start program established by section 36-697, two
31 million dollars shall be deposited in the disease control research fund
32 established by section 36-274 and one million dollars shall be allocated to
33 the department of health services for the federal women, infants and children
34 food program. The allocations in this subsection shall be adjusted annually
35 according to changes in the GDP price deflator as defined in section 41-563
36 and the allocations are exempt from the provisions of section 35-190 relating
37 to lapsing of appropriations. If there are not sufficient monies available
38 pursuant to this subsection, the allocation of monies for each program shall
39 be reduced on a pro rata basis.

40 ~~E.~~ H. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, if the state
41 lottery director determines that monies available to the state general fund
42 may not equal ~~eighty million six hundred fifty thousand~~ THIRTY-ONE MILLION
43 dollars in a fiscal year, the director shall not authorize deposits to the
44 ~~Arizona game and fish commission heritage~~ LOCAL TRANSPORTATION ASSISTANCE
45 fund pursuant to subsection ~~B-~~ C of this section until the deposits to the

1 state general fund equal ~~eighty million six hundred fifty thousand~~ THIRTY-ONE
2 MILLION dollars in a fiscal year.

3 ~~F.~~ I. Of the monies remaining in the state lottery fund each fiscal
4 year after appropriations and deposits authorized in subsections A through ~~F-~~
5 H of this section, one million dollars or the remaining balance in the fund,
6 whichever is less, is appropriated to the department of economic security for
7 grants to nonprofit organizations, including faith based organizations, for
8 homeless emergency and transitional shelters and related support services.
9 The department of economic security shall submit a report on the amounts,
10 recipients, purposes and results of each grant to the governor, the speaker
11 of the house of representatives and the president of the senate on or before
12 December 31 of each year for the prior fiscal year and shall provide a copy
13 of this report to the secretary of state.

14 ~~G.~~ J. Of the monies remaining in the state lottery fund each fiscal
15 year after appropriations and deposits authorized in subsections A through ~~F-~~
16 I of this section, and after a total of at least ~~ninety-six million one~~
17 ~~hundred forty thousand~~ FORTY-SIX MILLION FOUR HUNDRED NINETY THOUSAND dollars
18 has been deposited in the state general fund, the remaining balance in the
19 state lottery fund shall be deposited in the university capital improvement
20 lease-to-own and bond fund established by section 15-1682.03, up to a maximum
21 of eighty per cent of the total annual payments of lease-to-own and bond
22 agreements entered into by the Arizona board of regents.

23 ~~H.~~ K. All monies remaining in the state lottery fund after the
24 appropriations and deposits authorized in this section shall be deposited in
25 the state general fund.

26 ~~I.~~ L. Except for monies expended for prizes as provided in section
27 5-554, subsection G and section 41-1545.01 and for debt service of revenue
28 bonds as provided in subsection A of this section, monies expended under
29 subsection A of this section are subject to legislative appropriation.

30 Sec. 3. Section 9-626, Arizona Revised Statutes, is amended to read:

31 9-626. Construction progress reports: auditor general
32 performance measures

33 A. The eligible city shall report progress on the development of any
34 eligible project to the joint committee on capital review twice annually
35 during construction of the eligible project.

36 B. Within five years after the filing of the certificate of completion
37 of construction of an eligible project pursuant to section 9-622, and after
38 consultation with the eligible city, the auditor general shall conduct or
39 contract for an economic and fiscal impact analysis of the eligible project
40 in its fifth year of operation following the filing of the certificate of
41 completion of construction. At a minimum, the analysis shall:

42 1. Estimate the effects of direct, indirect and induced economic
43 activity in this state associated with:

44 (a) Regional and national conventions and trade shows held at the site
45 of the eligible project, the total amount of state general fund revenues

1 derived from that economic activity and the estimated average annual
2 attendance at those events assuming:

3 (i) The eligible project had not been completed.

4 (ii) The eligible project has been completed.

5 (b) The construction of the eligible project and the total amount of
6 state general fund revenues derived from the construction activity.

7 2. Compute the total cumulative amount of distributions pursuant to
8 section 9-602 for the first through fifth years following the filing of the
9 certificate of completion of construction for the eligible project pursuant
10 to section 9-622 and from the first through each subsequent fifth year.

11 3. Compute the net cumulative distributions for the eligible project
12 by subtracting the amount determined pursuant to paragraph 1, subdivision (b)
13 of this subsection from either the amounts determined pursuant to paragraph 2
14 of this subsection or, if applicable, the amount of state monies paid under a
15 lease purchase agreement pursuant to section 41-791.04.

16 4. Based on the analysis conducted pursuant to this subsection,
17 estimate the minimum required attendance at the eligible project for the
18 fifth year following the filing of the certificate of completion of
19 construction of an eligible project pursuant to section 9-622 and each year
20 thereafter. The estimates shall be computed as follows:

21 (a) Divide the total state general fund revenues estimated pursuant to
22 paragraph 1, subdivision (a), item (ii) of this subsection by the attendance
23 estimated pursuant to paragraph 1, subdivision (a), item (ii) of this
24 subsection.

25 (b) Divide the net cumulative distribution amounts for the fifth year
26 following the filing of the certificate of completion of construction of an
27 eligible project pursuant to section 9-622 and each year thereafter computed
28 pursuant to paragraph 3 of this subsection by the quotient computed pursuant
29 to subdivision (a) of this paragraph.

30 (c) Add the average annual attendance estimated pursuant to paragraph
31 1, subdivision (a), item (i) of this subsection to each of the quotients
32 determined pursuant to subdivision (b) of this paragraph. The resulting sums
33 are the minimum required attendance amounts for each year.

34 C. Beginning in the fifth calendar year following the filing of the
35 certificate of completion of construction of an eligible project pursuant to
36 section 9-622 and each year thereafter, the auditor general shall:

37 1. Estimate the average annual attendance at regional and national
38 conventions and trade shows held at the site of the eligible project using
39 any appropriate method to estimate the attendance. The eligible city shall
40 cooperate with and assist the auditor general in developing the estimates.

41 2. Compute the ratio of the cumulative sum of the estimated attendance
42 amounts developed pursuant to paragraph 1 of this subsection for all years
43 through the current year to the cumulative sum of the minimum required
44 attendance amounts for those years computed pursuant to subsection B,
45 paragraph 4, subdivision (c) of this section.

1 3. Notify the president of the senate, the speaker of the house of
2 representatives and the governor of:

3 (a) The minimum required attendance amounts for those years computed
4 pursuant to subsection B, paragraph 4, subdivision (c) of this section.

5 (b) The attendance estimate developed pursuant to paragraph 1 of this
6 subsection.

7 (c) The ratio computed pursuant to paragraph 2 of this subsection.

8 D. Except as provided in paragraph 4 of this subsection, if the ratio
9 computed pursuant to subsection C, paragraph 2 of this section is less than
10 one:

11 1. The auditor general shall compute the difference between the
12 estimated state general fund revenues and the net cumulative distributions by
13 multiplying the net cumulative distributions computed pursuant to subsection
14 B, paragraph 3 of this section by the difference between the ratio computed
15 pursuant to subsection C, paragraph 2 of this section and one.

16 2. The auditor general shall notify the state treasurer of:

17 (a) The ratio computed pursuant to subsection C, paragraph 2 of this
18 section.

19 (b) The difference computed pursuant to paragraph 1 of this
20 subsection.

21 3. At the time of the next regularly scheduled distribution, the state
22 treasurer shall withhold from the amount that would otherwise be distributed
23 to the eligible city ~~FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND~~ pursuant
24 to section ~~42-5029~~ 28-8102 an amount equal to the amount stated in the notice
25 received pursuant to paragraph 2 of this subsection. If the amount available
26 for distribution is less than the amount to be withheld, the state treasurer
27 shall continue withholding from subsequent distributions until the full
28 amount stated in the notice has been withheld.

29 4. The eligible city may request and the auditor general shall conduct
30 or contract for a complete economic and fiscal impact analysis of the
31 eligible project. If an analysis is requested:

32 (a) The auditor general shall not notify the state treasurer pursuant
33 to paragraph 2 of this subsection, and the state treasurer shall not withhold
34 pursuant to paragraph 3 of this subsection, pending completion of the
35 analysis.

36 (b) The analysis shall be similar to the analysis described in
37 subsection B of this section, except that the analysis shall examine the
38 operations of the eligible project in the year for which the ratio is less
39 than one.

40 (c) The analysis, at a minimum, shall estimate the total cumulative
41 incremental revenues to the state general fund resulting from the completion
42 of the eligible project including the revenues resulting from the
43 construction activity associated with the completion of the eligible project.

44 (d) And the analysis demonstrates that the total cumulative
45 incremental revenues to the state general fund exceed the total cumulative

1 amount of distributions pursuant to section 9-602 as computed in subsection
2 B, paragraph 3 of this section, the auditor general shall not notify the
3 state treasurer pursuant to paragraph 2 of this subsection and the state
4 treasurer shall not withhold pursuant to paragraph 3 of this subsection.

5 (e) And the analysis demonstrates that the total cumulative
6 incremental revenues to the state general fund are less than the total
7 cumulative amount of distributions pursuant to section 9-602 as computed in
8 subsection B, paragraph 3 of this section:

9 (i) The auditor general shall subtract the amount of the total
10 cumulative incremental revenues to the state general fund from the amount of
11 the total cumulative distributions.

12 (ii) The auditor general shall notify the state treasurer of the
13 difference computed pursuant to item (i) of this subdivision.

14 (iii) At the time of the next regularly scheduled distribution, the
15 state treasurer shall withhold from the amount that would otherwise be
16 distributed to the eligible city pursuant to section 42-5029 an amount equal
17 to the amount stated in the notice received pursuant to item (ii) of this
18 subdivision. If the amount available for distribution is less than the
19 amount to be withheld, the state treasurer shall continue withholding from
20 subsequent distributions until the full amount stated in the notice has been
21 withheld.

22 E. The eligible city shall reimburse the auditor general for any costs
23 incurred in complying with the requirements of this section.

24 Sec. 4. Section 28-6543, Arizona Revised Statutes, is amended to read:
25 28-6543. Local revenues; requirements

26 A. Each fiscal year a county with a population of more than four
27 hundred thousand persons or an incorporated city or town with a population of
28 more than thirty thousand persons that is located in such a county shall:

29 1. Budget and spend local revenues as defined in article IX, section
30 20, Constitution of Arizona, for street and highway purposes in an amount at
31 least equal to the average amount of local revenues budgeted and spent for
32 these purposes in any four of the five fiscal years during the period
33 beginning with fiscal year 1981-1982 and ending with fiscal year 1985-1986.

34 2. Through its chief financial officer, certify in writing to the
35 department whether or not the county, city or town has complied with the
36 requirements of paragraph 1 of this subsection.

37 3. File the certification on or before December 31 after the
38 completion of each fiscal year.

39 B. Failure to certify as required by subsection A, paragraph 2 of this
40 section is a failure to comply with subsection A, paragraph 1 of this
41 section.

42 C. In determining the amount of local revenues budgeted and spent for
43 street and highway purposes during a fiscal year pursuant to subsection A of
44 this section, a county or incorporated city or town shall not consider any of
45 the following:

- 1 1. Monies distributed from the Arizona highway user revenue fund.
- 2 2. MONIES DISTRIBUTED FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND
- 3 ESTABLISHED BY SECTION 28-8101.
- 4 ~~2-~~ 3. Monies spent by the county or incorporated city or town for
- 5 street and highway purposes directly needed by an emergency declared by the
- 6 governor.

7 Sec. 5. Title 28, chapter 24, Arizona Revised Statutes, is amended by

8 adding article 1, to read:

9 ARTICLE 1. GENERAL PROVISIONS

10 28-8101. Local transportation assistance fund

11 A. A LOCAL TRANSPORTATION ASSISTANCE FUND IS ESTABLISHED CONSISTING

12 OF:

- 13 1. MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO SECTION
- 14 5-572.
- 15 2. MONIES APPROPRIATED PURSUANT TO SUBSECTION B OF THIS SECTION.
- 16 3. INTEREST EARNED ON LOCAL TRANSPORTATION ASSISTANCE MONIES AS
- 17 PROVIDED IN SUBSECTION C OF THIS SECTION.

18 B. THE LEGISLATURE SHALL APPROPRIATE AN AMOUNT THAT IS NECESSARY TO

19 PROVIDE THAT THE TOTAL MONIES AVAILABLE IN THE LOCAL TRANSPORTATION

20 ASSISTANCE FUND FOR EACH FISCAL YEAR EQUAL TWENTY MILLION FIVE HUNDRED

21 THOUSAND DOLLARS.

22 C. THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE LOCAL

23 TRANSPORTATION ASSISTANCE FUND AS PROVIDED BY SECTION 35-313, AND MONIES

24 EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

25 D. A MAXIMUM AMOUNT OF TWENTY-THREE MILLION DOLLARS MAY BE DEPOSITED

26 IN THE LOCAL TRANSPORTATION ASSISTANCE FUND EACH FISCAL YEAR FROM THE STATE

27 LOTTERY FUND AS PROVIDED IN SECTION 5-572, SUBSECTION D.

28 E. A MAXIMUM AMOUNT OF EIGHTEEN MILLION DOLLARS MAY BE DEPOSITED IN

29 THE LOCAL TRANSPORTATION ASSISTANCE FUND EACH FISCAL YEAR FROM THE STATE

30 LOTTERY FUND AS PROVIDED IN SECTION 5-572, SUBSECTION C.

31 28-8102. General lottery monies; fund distribution; definitions

32 A. THE STATE TREASURER SHALL PAY INCORPORATED CITIES AND TOWNS FROM

33 THE AVAILABLE MONIES IN THE LOCAL TRANSPORTATION ASSISTANCE FUND PURSUANT TO

34 SECTION 5-572, SUBSECTION D. A CITY OR TOWN SHALL RECEIVE MONIES IN THE

35 PROPORTION THAT THE POPULATION OF EACH CITY OR TOWN BEARS TO THE TOTAL

36 POPULATION OF ALL CITIES AND TOWNS IN THIS STATE, EXCEPT THAT A CITY OR TOWN

37 IS ENTITLED TO RECEIVE AT LEAST TEN THOUSAND DOLLARS.

38 B. THE STATE TREASURER SHALL PAY CITIES AND TOWNS AS PROVIDED IN

39 SUBSECTION A OF THIS SECTION A MAXIMUM AMOUNT OF TWENTY-THREE MILLION DOLLARS

40 IN ANY ONE FISCAL YEAR FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND.

41 C. A CITY OR TOWN WITH A POPULATION OF THREE HUNDRED THOUSAND PERSONS

42 OR LESS SHALL USE THE MONIES RECEIVED UNDER SUBSECTION A OF THIS SECTION FOR

43 TRANSPORTATION PURPOSES EXCEPT AS PROVIDED IN SECTION 28-8104 AND MAY USE THE

44 MONIES FOR PUBLIC TRANSPORTATION OPERATING AND RELATED CAPITAL PURPOSES. A

45 CITY OR TOWN WITH A POPULATION OF MORE THAN THREE HUNDRED THOUSAND PERSONS

1 SHALL USE THE MONIES RECEIVED UNDER SUBSECTION A OF THIS SECTION FOR PUBLIC
2 TRANSPORTATION OPERATING AND RELATED CAPITAL PURPOSES EXCEPT AS PROVIDED IN
3 SECTION 28-8104.

4 D. FOR THE PURPOSES OF THIS SECTION:

5 1. "POPULATION" MEANS THE POPULATION OF A CITY, TOWN OR COUNTY AS
6 DEFINED IN SECTION 41-563.

7 2. "PUBLIC TRANSPORTATION" MEANS LOCAL TRANSPORTATION OF PASSENGERS BY
8 MEANS OF A PUBLIC CONVEYANCE.

9 28-8103. Special lottery and vehicle license tax monies; fund
10 distribution; notice; proposals; annual financial
11 report; definitions

12 A. MONIES IN THE LOCAL TRANSPORTATION ASSISTANCE FUND PURSUANT TO
13 SECTION 5-572, SUBSECTION C SHALL BE AVAILABLE FOR DISTRIBUTION BY THE
14 DEPARTMENT TO THE FOLLOWING IN THE PROPORTION THAT THE POPULATION OF EACH
15 BEARS TO THE TOTAL POPULATION OF THIS STATE:

16 1. IN EACH COUNTY WITH A POPULATION OF ONE MILLION TWO HUNDRED
17 THOUSAND OR MORE PERSONS, TO THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY
18 SECTION 48-5103.

19 2. IN EACH COUNTY WITH A POPULATION OF FIVE HUNDRED THOUSAND OR MORE
20 PERSONS BUT LESS THAN ONE MILLION TWO HUNDRED THOUSAND PERSONS, TO THE
21 METROPOLITAN PLANNING ORGANIZATION IN THE COUNTY.

22 3. IN EACH COUNTY WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND
23 PERSONS, TO CITIES AND TOWNS LOCATED IN THE COUNTY AND TO THE COUNTY BOARD OF
24 SUPERVISORS. THE DISTRIBUTION TO THE COUNTY BOARD OF SUPERVISORS SHALL BE
25 BASED ON THE UNINCORPORATED POPULATION OF THE COUNTY.

26 B. THE DEPARTMENT SHALL NOT DISTRIBUTE MORE THAN EIGHTEEN MILLION
27 DOLLARS IN ANY ONE FISCAL YEAR AS PROVIDED IN THIS SECTION. MONIES
28 DISTRIBUTED PURSUANT TO THIS SECTION ARE EXEMPT FROM THE PROVISIONS OF
29 SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

30 C. THE DEPARTMENT SHALL DISTRIBUTE MONIES TO A PUBLIC TRANSPORTATION
31 FUND OR A METROPOLITAN PLANNING ORGANIZATION PURSUANT TO SUBSECTION A,
32 PARAGRAPHS 1 AND 2 OF THIS SECTION WHEN A REGIONAL PUBLIC TRANSPORTATION
33 AUTHORITY OR METROPOLITAN PLANNING ORGANIZATION CERTIFIES THAT ITS LOCAL
34 MONIES HAVE BEEN SPENT OR ARE IN THE PROCESS OF BEING SPENT. THE MONIES
35 DISTRIBUTED PURSUANT TO SUBSECTION A, PARAGRAPHS 1 AND 2 OF THIS SECTION
36 SHALL BE FURTHER DISTRIBUTED AS MATCHING GRANTS TO CITIES AND TOWNS LOCATED
37 IN THE COUNTY IN THE PROPORTION THAT THE POPULATION OF EACH CITY OR TOWN
38 BEARS TO THE TOTAL POPULATION IN THAT COUNTY AND TO THE BOARD OF SUPERVISORS
39 IN THE PROPORTION THAT THE UNINCORPORATED POPULATION OF THE COUNTY BEARS TO
40 THE TOTAL POPULATION IN THAT COUNTY. THE MONIES DISTRIBUTED PURSUANT TO
41 SUBSECTION A, PARAGRAPH 3 OF THIS SECTION SHALL BE DISTRIBUTED AS MATCHING
42 GRANTS TO CITIES, TOWNS AND BOARDS OF SUPERVISORS.

43 D. MONIES DISTRIBUTED PURSUANT TO SUBSECTION C OF THIS SECTION SHALL
44 ONLY BE DISTRIBUTED TO CITIES, TOWNS AND COUNTIES THAT SATISFY THE FOLLOWING
45 MATCH REQUIREMENTS:

- 1 1. FOR COUNTIES WITH A POPULATION OF FIVE HUNDRED THOUSAND OR MORE
2 PERSONS, A MATCH THAT IS AT LEAST EQUAL TO THE AMOUNT OF GRANT MONIES
3 REQUESTED BY A COUNTY.
- 4 2. FOR COUNTIES WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND
5 PERSONS, A MATCH THAT IS AT LEAST EQUAL TO ONE-FOURTH OF THE AMOUNT OF GRANT
6 MONIES REQUESTED BY A COUNTY.
- 7 3. FOR CITIES WITH A POPULATION OF FIFTY THOUSAND OR MORE PERSONS, A
8 MATCH THAT IS AT LEAST EQUAL TO THE AMOUNT OF GRANT MONIES REQUESTED BY A
9 CITY.
- 10 4. FOR CITIES OR TOWNS WITH A POPULATION OF LESS THAN FIFTY THOUSAND
11 PERSONS, A MATCH THAT IS AT LEAST EQUAL TO ONE-FOURTH OF THE AMOUNT OF THE
12 GRANT MONIES REQUESTED BY A CITY OR TOWN.
- 13 E. A REGIONAL PUBLIC TRANSPORTATION AUTHORITY, A METROPOLITAN PLANNING
14 ORGANIZATION AND THE DEPARTMENT SHALL NOTIFY CITIES, TOWNS AND BOARDS OF
15 SUPERVISORS WITHIN THEIR JURISDICTIONS OF THE MAXIMUM AMOUNT OF MATCHING
16 GRANT MONIES AVAILABLE TO THEM EACH YEAR PURSUANT TO THIS SECTION. EACH YEAR
17 CITIES, TOWNS AND COUNTIES MAY SUBMIT PROPOSALS TO A REGIONAL PUBLIC
18 TRANSPORTATION AUTHORITY, A METROPOLITAN PLANNING ORGANIZATION OR THE
19 DEPARTMENT REQUESTING SOME OR ALL OF THE MATCHING GRANT MONIES AVAILABLE TO
20 THEM IN THAT YEAR. FOR DISTRIBUTIONS PURSUANT TO SUBSECTION A, PARAGRAPH 1
21 OR 2 OF THIS SECTION, EACH PROPOSAL SHALL CERTIFY THAT THE CITY, TOWN OR
22 COUNTY WILL INVEST LOCAL MONIES IN AN AMOUNT THAT IS AT LEAST EQUAL TO THE
23 AMOUNT PRESCRIBED IN SUBSECTION D OF THIS SECTION AND SHALL DETAIL A PLAN FOR
24 SPENDING ALL MATCHING GRANT AND LOCAL MONIES, AND IF A CITY, TOWN OR COUNTY
25 COMPLIES WITH THIS SECTION, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR
26 METROPOLITAN PLANNING ORGANIZATION SHALL DISTRIBUTE MATCHING GRANT MONIES TO
27 THE CITY, TOWN OR COUNTY. FOR DISTRIBUTIONS PURSUANT TO SUBSECTION A,
28 PARAGRAPH 3 OF THIS SECTION, EACH PROPOSAL SHALL CERTIFY THAT THE CITY, TOWN
29 OR COUNTY WILL INVEST LOCAL MONIES IN AN AMOUNT THAT IS AT LEAST EQUAL TO THE
30 AMOUNT PRESCRIBED IN SUBSECTION D OF THIS SECTION AND SHALL DETAIL A PLAN FOR
31 SPENDING ALL MATCHING GRANT AND LOCAL MONIES.
- 32 F. EXCEPT AS PROVIDED IN SUBSECTION G OF THIS SECTION, MONIES
33 DISTRIBUTED PURSUANT TO THIS SECTION SHALL BE USED ONLY FOR PUBLIC TRANSIT
34 PURPOSES, INCLUDING OPERATING AND CAPITAL PURPOSES, THAT ARE DETERMINED BY
35 THE DISTRIBUTING AGENCY TO CONFORM WITH THE LONG-RANGE TRANSPORTATION PLAN OR
36 REGIONAL TRANSPORTATION PLAN.
- 37 G. A CITY, TOWN OR COUNTY MAY USE MONIES IT RECEIVES PURSUANT TO THIS
38 SECTION FOR OTHER TRANSPORTATION PURPOSES IF IT RECEIVES LESS THAN TWO
39 THOUSAND FIVE HUNDRED DOLLARS PURSUANT TO THIS SECTION IN A CALENDAR YEAR.
- 40 H. ON OR BEFORE NOVEMBER 1 OF EACH YEAR, A REGIONAL PUBLIC
41 TRANSPORTATION AUTHORITY OR METROPOLITAN PLANNING ORGANIZATION THAT RECEIVES
42 MONIES PURSUANT TO THIS SECTION SHALL SUBMIT AN ANNUAL REPORT TO THE DIRECTOR
43 THAT CONTAINS THE FOLLOWING INFORMATION THAT IS ATTESTED TO BY AN INDEPENDENT
44 CERTIFIED PUBLIC ACCOUNTANT:

- 1 1. A SCHEDULE OF BEGINNING AND ENDING FUND BALANCES.
- 2 2. ALL MONIES RECEIVED PURSUANT TO THIS SECTION AND THE SPECIFIC
- 3 PURPOSES FOR WHICH THEY ARE SPENT, INCLUDING WHETHER THEY ARE SPENT FOR
- 4 OPERATING OR CAPITAL PURPOSES.
- 5 3. ALL LOCAL MATCHING EXPENDITURES MADE PURSUANT TO THIS SECTION.
- 6 I. ON OR BEFORE JANUARY 1 OF EACH YEAR, THE DIRECTOR SHALL SUBMIT A
- 7 REPORT ON COMPLIANCE WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS
- 8 SECTION TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE
- 9 HOUSE OF REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE
- 10 DIRECTOR'S REPORT SHALL INCLUDE:
 - 11 1. A DETERMINATION OF WHETHER EACH REGIONAL PUBLIC TRANSPORTATION
 - 12 AUTHORITY AND METROPOLITAN PLANNING ORGANIZATION HAS COMPLIED WITH THE
 - 13 REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION.
 - 14 2. A SUMMARY OF THE MONIES ALLOCATED TO EACH REGIONAL PUBLIC
 - 15 TRANSPORTATION AUTHORITY AND METROPOLITAN PLANNING ORGANIZATION PURSUANT TO
 - 16 THIS SECTION IN THE PRECEDING FISCAL YEAR.
 - 17 3. A SUMMARY OF LOCAL MONIES SPENT ON PUBLIC TRANSIT PURSUANT TO THIS
 - 18 SECTION.
- 19 J. THE DIRECTOR SHALL NOTIFY BY CERTIFIED MAIL EACH REGIONAL PUBLIC
- 20 TRANSPORTATION AUTHORITY AND METROPOLITAN PLANNING ORGANIZATION THAT IS NOT
- 21 IN COMPLIANCE WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION OF
- 22 ITS NONCOMPLIANCE. A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR
- 23 METROPOLITAN PLANNING ORGANIZATION THAT RECEIVES THIS NOTICE SHALL COMPLY
- 24 WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION WITHIN THIRTY DAYS
- 25 AFTER RECEIPT OF THE NOTICE. IF A REGIONAL PUBLIC TRANSPORTATION AUTHORITY
- 26 OR METROPOLITAN PLANNING ORGANIZATION FAILS TO COMPLY WITH THE REPORTING
- 27 REQUIREMENTS PRESCRIBED IN THIS SECTION WITHIN THIRTY DAYS AFTER RECEIPT OF
- 28 THE NOTICE, IT IS NOT ELIGIBLE TO RECEIVE ANY MONIES PURSUANT TO THIS SECTION
- 29 IN THE NEXT FISCAL YEAR.
- 30 K. A METROPOLITAN PLANNING ORGANIZATION, CITY, TOWN OR COUNTY MAY
- 31 ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH A FEDERALLY RECOGNIZED INDIAN
- 32 TRIBE TO PROVIDE FINANCIAL ASSISTANCE PURSUANT TO THIS SECTION FOR
- 33 MAINTAINING OR OPERATING AN EXISTING PUBLIC TRANSIT SERVICE PROVIDED BY THE
- 34 INDIAN TRIBE.
- 35 L. FOR THE PURPOSES OF THIS SECTION:
 - 36 1. "LOCAL MONIES" MEANS:
 - 37 (a) REVENUE THAT IS GENERATED BY A CITY, TOWN OR COUNTY FROM
 - 38 NONFEDERAL SOURCES AND THAT WAS FIRST APPROPRIATED BY THE CITY, TOWN OR
 - 39 COUNTY FOR PUBLIC TRANSIT ACTIVITIES IN OR AFTER FISCAL YEAR 1993-1994.
 - 40 (b) DONATIONS THAT ARE RECEIVED BY A CITY, TOWN OR COUNTY FROM
 - 41 NONGOVERNMENTAL SOURCES AND THAT ARE IN THE FORM OF MONIES OR IN-KIND
 - 42 CONTRIBUTIONS.
 - 43 2. "POPULATION" MEANS THE POPULATION OF A CITY, TOWN OR COUNTY AS
 - 44 DEFINED IN SECTION 41-563.

1 3. "PUBLIC TRANSIT" MEANS LOCAL, REGIONAL OR INTERCITY TRANSPORTATION
2 OF PASSENGERS BY MEANS OF A PUBLIC CONVEYANCE, INCLUDING PARA-TRANSIT AND
3 LOCAL TRANSPORTATION OF PASSENGERS BY CAR POOL VEHICLE. FOR THE PURPOSES OF
4 THIS PARAGRAPH, "CAR POOL VEHICLE" MEANS ANY MOTOR VEHICLE WHEN OPERATED BY A
5 CAR POOL OPERATOR AS DEFINED IN SECTION 28-4032.

6 28-8104. Alternative uses: local transportation assistance fund
7 BY RESOLUTION, A CITY OR TOWN MAY AUTHORIZE THE USE OF UP TO TEN PER
8 CENT OF LOCAL TRANSPORTATION ASSISTANCE FUND MONIES RECEIVED PURSUANT TO
9 SECTION 28-8102 IN ANY ONE FISCAL YEAR FOR CULTURAL, EDUCATIONAL, HISTORICAL,
10 RECREATIONAL OR SCIENTIFIC FACILITIES OR PROGRAMS OR FOR NONRESIDENTIAL
11 OUTPATIENT PROGRAMS OR SERVICES FOR PERSONS WITH A DEVELOPMENTAL DISABILITY
12 AS DEFINED IN SECTION 36-551 WHO HAVE NEVER RESIDED WITHIN A FACILITY
13 IDENTIFIED IN OR ESTABLISHED PURSUANT TO SECTION 36-558, IF THE MONIES ARE
14 MATCHED EQUALLY BY NONPUBLIC MONIES RECEIVED BY THE CITY OR TOWN AND SPENT
15 FOR THE SAME PURPOSES, EXCEPT IN A FISCAL YEAR WHEN THE TOTAL DISTRIBUTED
16 FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND IS LESS THAN TWENTY-THREE
17 MILLION DOLLARS.

18 Sec. 6. Title 41, chapter 1, article 4, Arizona Revised Statutes, is
19 amended by adding section 41-175, to read:

20 41-175. County assistance fund
21 A. THE COUNTY ASSISTANCE FUND IS ESTABLISHED. THE FUND SHALL CONSIST
22 OF MONIES APPROPRIATED PURSUANT TO SECTION 5-572 AND SHALL BE ADMINISTERED BY
23 THE STATE TREASURER.

24 B. EACH MONTH IN WHICH MONIES ARE DEPOSITED IN THE FUND THE STATE
25 TREASURER SHALL DISTRIBUTE SUCH MONIES TO THE COUNTIES IN THIS STATE. IN NO
26 EVENT SHALL THE TOTAL AMOUNT DISTRIBUTED TO COUNTIES FROM THE FUND EXCEED
27 SEVEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS IN ANY FISCAL YEAR. MONIES
28 IN THE FUND SHALL BE DISTRIBUTED AS FOLLOWS:

29 1. NINETY-THREE AND FORTY-SEVEN ONE-HUNDREDTHS PER CENT OF SUCH MONIES
30 SHALL BE DISTRIBUTED EQUALLY AMONG COUNTIES WITH A POPULATION OF FIVE HUNDRED
31 THOUSAND OR FEWER PERSONS.

32 2. SIX AND FIFTY-THREE ONE-HUNDREDTHS PER CENT OF SUCH MONIES SHALL BE
33 DISTRIBUTED EQUALLY AMONG COUNTIES WITH A POPULATION OF MORE THAN FIVE
34 HUNDRED THOUSAND PERSONS.

35 Sec. 7. Title 41, chapter 3, Arizona Revised Statutes, is amended by
36 adding article 1, to read:

37 ARTICLE 1. ARIZONA STATE PARKS BOARD HERITAGE FUND

38 41-501. Definitions
39 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES THAT:

40 1. "ENVIRONMENTAL EDUCATION" MEANS EDUCATIONAL PROCESSES, PROGRAMS AND
41 ACTIVITIES THAT ARE SPECIFICALLY DESIGNED TO ENHANCE STUDENT ACQUISITION OF
42 KNOWLEDGE OF SCIENTIFIC AND ECONOMIC PRINCIPLES, CONCEPTS AND FACTS AS THEY
43 RELATE TO ENVIRONMENTAL TOPICS AND ISSUES AND THAT ARE TAUGHT IN AN UNBIASED,
44 FAIR AND BALANCED MANNER.

1 2. "HISTORIC PRESERVATION" MEANS ARCHAEOLOGICAL OR HISTORIC PROPERTIES
2 LISTED ON OR ELIGIBLE FOR LISTING ON THE ARIZONA REGISTER OF HISTORIC PLACES
3 THAT REQUIRE FUNDING FOR EASEMENTS, STABILIZATION, REHABILITATION, EDUCATION
4 AND PRESERVATION PROGRAM DEVELOPMENT, RECONSTRUCTION, RESTORATION,
5 INTERPRETIVE DEVELOPMENT, ACQUISITION AND MAINTENANCE.

6 3. "NATURAL AREAS" MEANS PARCELS OF LAND OR WATER THAT CONTAIN
7 EXAMPLES OF UNIQUE NATURAL TERRESTRIAL OR AQUATIC ECOSYSTEMS, RARE SPECIES OF
8 PLANTS AND ANIMALS OR UNUSUAL OR OUTSTANDING GEOLOGIC OR HYDROLOGIC FEATURES.

9 4. "TRAILS" MEANS THOSE TRAILS FOR NONMOTORIZED USE NOMINATED FOR
10 INCLUSION IN THE STATE TRAILS SYSTEM, INCLUDING URBAN, CROSS-STATE,
11 RECREATION, INTERPRETIVE OR HISTORIC TRAILS.

12 41-502. Establishment of fund

13 A. THE ARIZONA STATE PARKS BOARD HERITAGE FUND IS ESTABLISHED
14 CONSISTING OF MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO
15 SECTION 5-572 AND INTEREST EARNED ON THOSE MONIES.

16 B. THE FUND SHALL BE ADMINISTERED BY THE ARIZONA STATE PARKS BOARD AND
17 IS NOT SUBJECT TO APPROPRIATION. EXPENDITURES FROM THE FUND ARE NOT SUBJECT
18 TO ADDITIONAL APPROVAL NOTWITHSTANDING ANY PROVISION OF SECTION 41-511.05 OR
19 41-511.11 OR ANY OTHER STATUTORY PROVISION TO THE CONTRARY. MONIES RECEIVED
20 PURSUANT TO SECTION 5-572 SHALL BE DEPOSITED DIRECTLY WITH THE ARIZONA STATE
21 PARKS BOARD HERITAGE FUND. ON NOTICE FROM THE ARIZONA STATE PARKS BOARD, THE
22 STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY
23 SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE
24 FUND.

25 C. THE BOARD SHALL NOT USE ITS POWER OF EMINENT DOMAIN UNDER SECTION
26 41-511.06 TO ACQUIRE PROPERTY TO BE PAID FOR WITH MONIES FROM THE ARIZONA
27 STATE PARKS BOARD HERITAGE FUND.

28 D. ALL MONIES IN THE ARIZONA STATE PARKS BOARD HERITAGE FUND SHALL BE
29 SPENT BY THE ARIZONA STATE PARKS BOARD ONLY FOR THE PURPOSES AND IN THE
30 PERCENTAGES SET FORTH IN THIS ARTICLE. IN NO EVENT SHALL ANY MONIES IN THE
31 FUND REVERT TO THE STATE GENERAL FUND AND MONIES IN THE FUND ARE EXEMPT FROM
32 THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

33 41-503. Expenditures from fund; purpose and amounts

34 A. MONIES IN THE FUND FOR LOCAL, REGIONAL AND STATE TRAILS, PARKS,
35 OUTDOOR RECREATION AND OPEN SPACE SHALL CONSIST OF:

36 1. FIVE PER CENT OF MONIES RECEIVED PURSUANT TO SECTION 5-572 SHALL BE
37 SPENT ON LOCAL, REGIONAL AND STATE TRAILS.

38 2. THIRTY-FIVE PER CENT OF MONIES RECEIVED PURSUANT TO SECTION 5-572
39 SHALL BE SPENT ON LOCAL, REGIONAL OR STATE PARKS, FOR OUTDOOR RECREATION AND
40 OPEN SPACE.

41 B. ARIZONA STATE PARKS BOARD HERITAGE FUND MONIES ALLOCATED PURSUANT
42 TO SUBSECTION A, PARAGRAPHS 1 AND 2 OF THIS SECTION SHALL BE SPENT IN
43 ACCORDANCE WITH SECTION 41-511.25 AND SHALL BE AVAILABLE AS MATCHING FUNDS.

1 C. NO ENTITY RECEIVING MONIES UNDER SUBSECTIONS A AND B OF THIS
2 SECTION SHALL RECEIVE MORE THAN TWENTY PER CENT OF THE MONIES AVAILABLE IN
3 ANY FISCAL YEAR.

4 D. MONIES RECEIVED PURSUANT TO SECTION 5-572 SHALL BE SPENT AS
5 FOLLOWS:

6 1. SEVENTEEN PER CENT ON ACQUISITION OF NATURAL AREAS.

7 2. FOUR PER CENT ON MAINTENANCE, OPERATION AND MANAGEMENT OF NATURAL
8 AREAS ADMINISTERED BY THE ARIZONA STATE PARKS BOARD.

9 3. SEVENTEEN PER CENT ON LOCAL, REGIONAL AND STATE HISTORIC
10 PRESERVATION PROJECTS. MONIES PROVIDED UNDER THIS PARAGRAPH SHALL BE
11 ADMINISTERED BY THE ARIZONA STATE PARKS BOARD THROUGH THE STATE HISTORIC
12 PRESERVATION OFFICER.

13 4. SEVENTEEN PER CENT ON STATE PARK ACQUISITION OR DEVELOPMENT.

14 5. FIVE PER CENT ON ENVIRONMENTAL EDUCATION.

15 E. ALL MONIES EARNED AS INTEREST ON MONIES RECEIVED PURSUANT TO
16 SECTION 5-572 SHALL BE SPENT ONLY IN THE PERCENTAGES AND FOR THE PURPOSES
17 DESCRIBED IN SUBSECTIONS A THROUGH D OF THIS SECTION OR FOR COSTS OF
18 ADMINISTERING THE ARIZONA STATE PARKS BOARD HERITAGE FUND IN SUCH AMOUNTS AS
19 DETERMINED BY THE ARIZONA STATE PARKS BOARD.

20 F. ON OR BEFORE DECEMBER 31 EACH YEAR THE BOARD SHALL SUBMIT ITS
21 ANNUAL REPORT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF
22 REPRESENTATIVES AND THE CHAIRMEN OF THE SENATE AND HOUSE OF REPRESENTATIVES
23 COMMITTEES ON NATURAL RESOURCES AND AGRICULTURE, OR THEIR SUCCESSOR
24 COMMITTEES. THE ANNUAL REPORT SHALL INCLUDE INFORMATION ON:

25 1. THE AMOUNT OF MONIES SPENT OR ENCUMBERED IN THE FUND DURING THE
26 PRECEDING FISCAL YEAR AND A SUMMARY OF THE PROJECTS, ACTIVITIES AND
27 EXPENDITURES RELATING TO:

28 (a) LOCAL, REGIONAL AND STATE TRAILS.

29 (b) LOCAL, REGIONAL OR STATE PARKS FOR OUTDOOR RECREATION AND OPEN
30 SPACE.

31 (c) NATURAL AREAS, INCLUDING ACQUISITION AND MAINTENANCE, OPERATION
32 AND MANAGEMENT OF NATURAL AREAS.

33 (d) LOCAL, REGIONAL AND STATE HISTORIC PRESERVATION PROJECTS.

34 (e) STATE PARK ACQUISITION AND DEVELOPMENT.

35 (f) ENVIRONMENTAL EDUCATION.

36 2. THE NUMBER AND LOCATION OF PARCELS OF PROPERTY ACQUIRED DURING THE
37 PRECEDING FISCAL YEAR.

38 3. FOR PERSONAL AND REAL PROPERTIES ACQUIRED WITH FUND MONIES DURING
39 THE PRECEDING FISCAL YEAR, THE AMOUNT OF PROPERTY TAX REVENUE PAID TO EACH
40 TAXING JURISDICTION DURING THE LAST FULL TAX YEAR PRIOR TO ACQUISITION.

41 4. THE AMOUNT OF MONEY SPENT FROM THE FUND DURING THE PRECEDING FISCAL
42 YEAR FOR EMPLOYEE PERSONAL SERVICES.

43 5. THE NUMBER OF FULL-TIME EMPLOYEES EMPLOYED IN THE PRECEDING FISCAL
44 YEAR IN CONNECTION WITH PROPERTY ACQUISITION, INCLUDING SURVEY, APPRAISAL AND
45 OTHER RELATED ACTIVITIES.

1 41-504. Performance audit

2 THE AUDITOR GENERAL SHALL CONDUCT A PERFORMANCE AUDIT, AS DEFINED IN
3 SECTION 41-1278, OF THE PROGRAMS AND EXPENDITURES OF THE ARIZONA STATE PARKS
4 BOARD HERITAGE FUND PURSUANT TO THIS ARTICLE AT THE SAME TIME ANY AGENCY
5 PERFORMANCE AUDIT OF THE ARIZONA STATE PARKS BOARD IS CONDUCTED. THE AUDITOR
6 GENERAL SHALL SUBMIT COPIES OF THE PERFORMANCE AUDIT TO THE PRESIDENT OF THE
7 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSONS OF
8 THE SENATE COMMITTEE ON COMMERCE, AGRICULTURE AND NATURAL RESOURCES AND THE
9 HOUSE OF REPRESENTATIVES COMMITTEE ON NATURAL RESOURCES AND AGRICULTURE, OR
10 THEIR SUCCESSOR COMMITTEES.

11 Sec. 8. Section 48-5103, Arizona Revised Statutes, is amended to read:

12 48-5103. Public transportation fund

13 A. A public transportation fund is established for the authority. The
14 fund consists of:

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

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

21 3. Transportation excise tax revenues that are allocated to the fund
22 pursuant to section 42-6104 or 42-6105. The board shall separately account
23 for monies from transportation excise tax revenues allocated pursuant to
24 section 42-6105, subsection E, paragraph 3 for:

25 (a) A light rail public transit system.

26 (b) Capital costs for other public transportation.

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

28 4. Monies distributed under title 28, chapter 17, article 1.

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

30 6. Monies granted by the federal government or appropriated by the
31 legislature.

32 7. Fares or other revenues collected in operating a public
33 transportation system.

34 8. LOCAL TRANSPORTATION ASSISTANCE MONIES THAT ARE DISTRIBUTED TO EACH
35 MEMBER UNDER SECTION 28-8102 AND AS PROVIDED IN SECTION 48-5104.

36 9. LOCAL TRANSPORTATION ASSISTANCE MONIES THAT ARE DISTRIBUTED TO A
37 MEMBER PURSUANT TO SECTION 28-8102 AND THAT MUST BE USED FOR PUBLIC
38 TRANSPORTATION.

39 10. LOCAL TRANSPORTATION ASSISTANCE MONIES THAT ARE DISTRIBUTED
40 PURSUANT TO SECTION 28-8103, SUBSECTION A, PARAGRAPH 1.

41 B. On behalf of the authority, the fiscal agent shall administer
42 monies paid into the public transportation fund. Monies in the fund may be
43 spent pursuant to or to implement the public transportation element of the
44 regional transportation plan developed and approved by the regional planning
45 agency, including reimbursement for utility relocation costs as prescribed in

1 section 48-5107, adopted pursuant to section 48-5121 and for projects
2 identified in the regional transportation plan adopted by the regional
3 planning agency pursuant to section 28-6308.

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

9 Sec. 9. Section 48-5104, Arizona Revised Statutes, is amended to read:

10 ~~48-5104.~~ Municipality and county participation; withdrawal

11 A. A municipality located in a county eligible to establish an
12 authority may elect to enter into the authority by adopting an ordinance
13 declaring its participation. ~~IF AN ORDINANCE IS ADOPTED, THE MUNICIPALITY~~
14 ~~SHALL ANNUALLY APPLY FOR MONIES FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND~~
15 ~~AS PROVIDED IN:~~

16 1. ~~SECTION 28-8102 AND SHALL USE A PORTION OF THOSE LOCAL~~
17 ~~TRANSPORTATION ASSISTANCE FUND MONIES FOR PUBLIC TRANSPORTATION EACH FISCAL~~
18 ~~YEAR.~~

19 2. ~~SECTION 28-8103 AND SHALL USE THOSE LOCAL TRANSPORTATION ASSISTANCE~~
20 ~~FUND MONIES AS PROVIDED IN SECTION 28-8103.~~

21 B. ~~IF A MUNICIPALITY WITH A POPULATION OF LESS THAN SIXTY THOUSAND~~
22 ~~PERSONS IS UNABLE TO USE THREE-FOURTHS OF ITS LOCAL TRANSPORTATION ASSISTANCE~~
23 ~~FUND MONIES PROVIDED PURSUANT TO SECTION 28-8102 FOR PUBLIC TRANSPORTATION~~
24 ~~EACH FISCAL YEAR, IT SHALL APPROPRIATE ANY REMAINING AMOUNT OF THE~~
25 ~~THREE-FOURTHS OF ITS LOCAL TRANSPORTATION ASSISTANCE FUND MONIES TO THE~~
26 ~~PUBLIC TRANSPORTATION FUND AS PROVIDED IN SECTION 48-5103. IF A MUNICIPALITY~~
27 ~~WITH A POPULATION OF SIXTY THOUSAND PERSONS OR MORE IS UNABLE TO USE~~
28 ~~ONE-THIRD OF ITS LOCAL TRANSPORTATION ASSISTANCE FUND MONIES PROVIDED~~
29 ~~PURSUANT TO SECTION 28-8102 FOR PUBLIC TRANSPORTATION EACH FISCAL YEAR, IT~~
30 ~~SHALL APPROPRIATE ANY REMAINING AMOUNT OF THE ONE-THIRD OF ITS LOCAL~~
31 ~~TRANSPORTATION ASSISTANCE FUND MONIES TO THE PUBLIC TRANSPORTATION FUND AS~~
32 ~~PROVIDED IN SECTION 48-5103.~~

33 ~~B-~~ C. The county may elect to enter into the authority by adopting a
34 resolution declaring its participation. The county shall represent persons
35 residing in the unincorporated areas of the county.

36 ~~C-~~ D. A member municipality or member county may withdraw from the
37 authority at the end of a fiscal year by adopting an ordinance or resolution
38 not later than ninety days before the end of the fiscal year that states its
39 intention to withdraw. The withdrawal from the authority shall not result in
40 the cancellation of a contractual agreement entered into between the
41 withdrawing member and the authority.

1 transportation element, transportation project and public transportation
2 system, and conditions and limitations on the use of the money.

3 5. The form of the ballot.

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

8 D. Not later than ninety days before the date of the election, a
9 person may file with the county elections director an argument, not more than
10 three hundred words in length, advocating or opposing the ballot measure,
11 subject to the following requirements:

12 1. The person who files the argument shall also pay to the elections
13 director a publication fee prescribed by the board of supervisors. Payment
14 of the fee required by this paragraph, or reimbursement of the payor,
15 constitutes sponsorship of the argument.

16 2. If the argument is sponsored by one or more individuals, the
17 argument shall be signed by each sponsoring individual.

18 3. If the argument is sponsored by one or more organizations, the
19 argument shall be signed by two executive officers of each organization.

20 4. If the argument is sponsored by one or more political committees,
21 the argument shall be signed by each committee's chairperson or treasurer.

22 5. The names of persons who have signed arguments and the names of
23 sponsoring organizations shall appear with the argument in the pamphlet. The
24 person or persons signing the argument shall also give their residence or
25 post office address and a telephone number, which shall not appear in the
26 pamphlet.

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

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

32 2. Instructions directing the voter to the full text of the official
33 and descriptive titles containing the summary as printed in the sample ballot
34 and posted in the polling place. The ballot may include the summary of the
35 regional transportation plan.

36 3. The questions submitted to the voters as follows:

37 I. Do you approve the regional transportation plan for
38 _____ county? YES _____ NO _____

39 (A "YES" vote indicates your approval of the proposed regional
40 transportation plan as developed by the regional transportation
41 authority and described in the election materials.)

42 (A "NO" vote indicates your disapproval of the proposed regional
43 transportation plan.)

1 II. Do you favor the levy of a transaction privilege
2 (sales) tax for regional transportation purposes in _____
3 county? YES _____ NO _____
4 (A "YES" vote has the effect of imposing a transaction privilege
5 (sales) tax in _____ county for _____ years to provide
6 funding for the transportation projects contained in the
7 regional transportation plan.)
8 (A "NO" vote has the effect of rejecting the transaction
9 privilege (sales) tax for transportation purposes in _____
10 county.)

11 F. For either ballot question I or II to be approved, both the
12 proposed regional transportation plan and the proposed transaction privilege
13 tax must be approved by a majority of the qualified electors voting on the
14 measure. If either ballot question I or II fails to be approved by a
15 majority of the qualified electors voting on the measure, both fail.

16 G. Except as otherwise provided by this section, the election under
17 this section shall be conducted as nearly as practicable in the manner
18 prescribed for general elections in title 16.

19 H. The county election officer shall account for costs specifically
20 incurred with respect to the ballot issue under this section. **REGARDLESS OF**
21 **THE OUTCOME OF THE ELECTION, AND NOTWITHSTANDING ANY OTHER LAW, THE STATE**
22 **TREASURER SHALL PAY THE COSTS LISTED IN THIS SUBSECTION SPECIFICALLY INCURRED**
23 **WITH RESPECT TO THE BALLOT ISSUE. PAYMENT SHALL BE MADE UNDER THIS SECTION**
24 **FROM THE CITIES' SHARE OF LOCAL TRANSPORTATION ASSISTANCE FUND MONIES**
25 **DISTRIBUTED UNDER SECTION 28-8102 TO THE CITIES AND TOWNS WITHIN THE COUNTY,**
26 **AND FROM THE COUNTY'S SHARE OF THE COUNTY ASSISTANCE FUND UNDER SECTION**
27 **41-175. IF THE TRANSPORTATION EXCISE TAX IS APPROVED, THE REGIONAL**
28 **TRANSPORTATION AUTHORITY SHALL REIMBURSE THE LOCAL TRANSPORTATION ASSISTANCE**
29 **FUND AND THE COUNTY ASSISTANCE FUND FROM THE FIRST RECEIVED TRANSPORTATION**
30 **EXCISE TAX REVENUES. THE FOLLOWING COSTS INCURRED BY THE COUNTY ELECTIONS**
31 **OFFICER ARE AUTHORIZED FOR PAYMENT PURSUANT TO THIS SUBSECTION:**

- 32 1. COSTS OF MAILING, PUBLISHING, POSTING AND PRINTING BALLOTS,
33 PUBLICITY PAMPHLETS, NOTICES, ELECTION MATERIALS AND OTHER MATTERS CONCERNING
34 THE ELECTION.
35 2. LEGAL AND OTHER CONSULTING FEES AND COSTS RELATING TO THE ELECTION.
36 3. TELECOMMUNICATIONS COSTS.
37 4. COMPENSATION OF THE ELECTION BOARD, COUNTY ELECTION OFFICERS AND
38 EMPLOYEES AND OTHER LABOR COSTS INCURRED TO ADMINISTER, HOLD, CANVASS AND
39 ANNOUNCE THE RESULTS OF THE ELECTION.
40 5. ANY OTHER COSTS ATTRIBUTABLE TO THE ELECTION.