

REFERENCE TITLE: lottery; funding; LTAF; restoration

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

SB 1013

Introduced by
Senator Farley

AN ACT

AMENDING SECTIONS 5-554, 5-572, 9-626, 15-1682.03 AND 28-6543, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 24, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 1; AMENDING SECTIONS 36-108.01 AND 36-274, ARIZONA REVISED STATUTES; 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 THE STATE LOTTERY.

(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 8. The method used for the validation of a ticket, which may be by
28 physical or electronic presentation of a ticket.

29 D. Notwithstanding title 41, chapter 6 and subsection B of this
30 section, the director, subject to the approval of the commission, may
31 establish a policy, procedure or practice that relates to an existing online
32 game or a new online game that is the same type and has the same type of game
33 play-style as an online game currently being conducted by the lottery or may
34 modify an existing rule for an existing online game or a new online game that
35 is the same type and has the same type of game play-style as an online game
36 currently being conducted by the lottery, including establishing or modifying
37 the matrix for an online game by giving notice of the establishment or
38 modification at least thirty days before the effective date of the
39 establishment or modification.

40 E. The commission shall maintain and make the following information
41 available for public inspection at its offices during regular business hours:

42 1. A detailed listing of the estimated number of prizes of each
43 particular denomination expected to be awarded in any instant game currently
44 on sale.

2. After the end of the claim period prescribed by section 5-568, a listing of the total number of tickets or shares sold and the number of prizes of each particular denomination awarded in each lottery game.

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

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

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

H. The commission, in addition to other games authorized by this article, shall establish special instant ticket games with play areas protected by paper tabs designated for use by charitable organizations. The monies for prizes and for operating expenses shall be accounted for separately as nearly as practicable in the lottery commission's general accounting system. Monies saved from the revenues of the special games, by reason of operating efficiencies, shall become other revenue of the lottery commission and revert to the state general fund, except that the commission shall transfer the proceeds from any games that are sold from a vending machine in an age-restricted area to the state treasurer for deposit in the following amounts:

1. Nine hundred thousand dollars each fiscal year in the internet crimes against children enforcement fund established by section 41-199.

2. One hundred thousand dollars each fiscal year in the victims' rights enforcement fund established by section 41-1727.

3. Any monies in excess of the amounts listed in paragraphs 1 and 2 of this subsection, in the state lottery fund established by section 5-571.

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

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

K. The director shall print, in a prominent location on each lottery ticket or share, a statement that help is available if a person has a problem with gambling and a toll-free telephone number where problem gambling

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

6 L. For the purposes of this section:

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

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

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

16 Sec. 2. Section 5-572, Arizona Revised Statutes, is amended to read:

17 5-572. Use of monies in state lottery fund; report

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

32 B. Of the monies remaining in the state lottery fund each fiscal year
 33 after appropriations and deposits authorized in subsection A of this section,
 34 ten million dollars shall be deposited in the Arizona game and fish
 35 commission heritage fund established by section 17-297.

36 C. EXCEPT AS PROVIDED IN SUBSECTION G OF THIS SECTION, STATE LOTTERY
 37 FUND MONIES SHALL BE USED TO REIMBURSE THE STATE GENERAL FUND FOR PAYMENT OF
 38 EIGHTEEN MILLION DOLLARS TO THE LOCAL TRANSPORTATION ASSISTANCE FUND
 39 ESTABLISHED BY SECTION 28-8101 EACH FISCAL YEAR. EIGHTEEN MILLION DOLLARS
 40 SHALL BE TRANSFERRED FROM THE STATE GENERAL FUND TO THE LOCAL TRANSPORTATION
 41 ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 AT THE BEGINNING OF EACH
 42 FISCAL YEAR.

43 D. OF THE MONIES REMAINING IN THE STATE LOTTERY FUND AFTER THE
 44 APPROPRIATIONS AUTHORIZED IN SUBSECTIONS A, B AND C OF THIS SECTION, UP TO A
 45 MAXIMUM OF TWENTY-THREE MILLION DOLLARS EACH FISCAL YEAR SHALL BE DEPOSITED

1 IN THE STATE GENERAL FUND TO BE USED TO OFFSET REIMBURSEMENTS TO THE LOCAL
2 TRANSPORTATION ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 AND UP TO A
3 MAXIMUM OF SEVEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS EACH FISCAL YEAR
4 SHALL BE DEPOSITED IN THE STATE GENERAL FUND TO BE USED TO OFFSET
5 REIMBURSEMENTS TO THE COUNTY ASSISTANCE FUND ESTABLISHED BY SECTION 41-175.
6 MONIES DISTRIBUTED PURSUANT TO THIS SUBSECTION SHALL BE IN ADDITION TO MONIES
7 DISTRIBUTED PURSUANT TO SUBSECTION C OF THIS SECTION. MONIES EQUIVALENT TO
8 THE AMOUNT OF STATE LOTTERY FUND MONIES SPECIFIED PURSUANT TO THIS SUBSECTION
9 SHALL BE TRANSFERRED FROM THE STATE GENERAL FUND TO THE LOCAL TRANSPORTATION
10 ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 AND THE COUNTY ASSISTANCE FUND
11 ESTABLISHED BY SECTION 41-175 AT THE BEGINNING OF EACH FISCAL YEAR.

12 E. NOTWITHSTANDING SUBSECTION D OF THIS SECTION, IF THE DIRECTOR
13 DETERMINES AT THE BEGINNING OF ANY FISCAL YEAR THAT MONIES AVAILABLE IN THE
14 STATE GENERAL FUND TO BE USED TO OFFSET REIMBURSEMENTS TO CITIES, TOWNS AND
15 COUNTIES UNDER THIS SECTION MIGHT NOT EQUAL THIRTY MILLION SIX HUNDRED FIFTY
16 THOUSAND DOLLARS, THE DIRECTOR MAY NOT AUTHORIZE DEPOSITS TO THE STATE
17 GENERAL FUND TO BE USED TO OFFSET REIMBURSEMENTS TO THE COUNTY ASSISTANCE
18 FUND ESTABLISHED BY SECTION 41-175 UNTIL THE DEPOSITS TO THE STATE GENERAL
19 FUND TO BE USED TO OFFSET REIMBURSEMENTS TO THE LOCAL TRANSPORTATION
20 ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 EQUAL TWENTY-THREE MILLION
21 DOLLARS. MONIES EQUIVALENT TO THE AMOUNT OF STATE LOTTERY FUND MONIES
22 SPECIFIED PURSUANT TO THIS SUBSECTION SHALL BE TRANSFERRED FROM THE STATE
23 GENERAL FUND TO THE OTHER FUND OR FUNDS SPECIFIED IN THIS SUBSECTION AT THE
24 BEGINNING OF EACH FISCAL YEAR.

25 ~~E.~~ F. Of the monies remaining in the state lottery fund each fiscal
26 year after appropriations and deposits authorized in subsections A, ~~and~~ B, C,
27 D AND E of this section, AND APPROPRIATIONS AND DEPOSITS TO THE STATE GENERAL
28 FUND TO BE USED TO OFFSET REIMBURSEMENTS TO THE LOCAL TRANSPORTATION
29 ASSISTANCE FUND AUTHORIZED BY THIS SECTION, TEN MILLION DOLLARS SHALL BE
30 DEPOSITED IN THE ARIZONA STATE PARKS BOARD HERITAGE FUND ESTABLISHED BY
31 SECTION 41-502, five million dollars shall be allocated to the department of
32 child safety for the healthy families program established by section 8-481,
33 four million dollars shall be allocated to the Arizona board of regents for
34 the Arizona area health education system established by section 15-1643,
35 three million dollars shall be allocated to the department of health services
36 to fund the teenage pregnancy prevention programs established in Laws 1995,
37 chapter 190, sections 2 and 3, two million dollars shall be allocated to the
38 department of health services for the health start program established by
39 section 36-697, two million dollars shall be deposited in the disease control
40 research fund established by section 36-274 and one million dollars shall be
41 allocated to the department of health services for the federal women, infants
42 and children food program. The allocations in this subsection shall be
43 adjusted annually according to changes in the GDP price deflator as defined
44 in section 41-563 and the allocations are exempt from the provisions of
45 section 35-190 relating to lapsing of appropriations. If there are not

1 sufficient monies available pursuant to this subsection, the allocation of
 2 monies for each program shall be reduced on a pro rata basis.

3 ~~D.~~ G. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, if the ~~state~~
 4 ~~lottery~~ director determines that monies available to the state general fund
 5 ~~may~~ MIGHT not equal ~~eighty-four million one hundred fifty thousand~~ THIRTY-ONE
 6 MILLION dollars in a fiscal year, the director shall not authorize deposits
 7 to the ~~Arizona game and fish commission heritage~~ STATE GENERAL FUND TO BE
 8 USED TO OFFSET REIMBURSEMENTS TO THE LOCAL TRANSPORTATION ASSISTANCE fund
 9 ~~pursuant to subsection B of this section~~ ESTABLISHED BY SECTION 28-8101
 10 until the deposits to the state general fund equal ~~eighty-four million one~~
 11 ~~hundred fifty thousand~~ THIRTY-ONE MILLION dollars in a fiscal year. MONIES
 12 EQUIVALENT TO THE AMOUNT OF STATE LOTTERY FUND MONIES SPECIFIED PURSUANT TO
 13 THIS SUBSECTION SHALL BE TRANSFERRED FROM THE STATE GENERAL FUND TO THE OTHER
 14 FUND OR FUNDS SPECIFIED IN THIS SUBSECTION AT THE BEGINNING OF EACH FISCAL
 15 YEAR.

16 ~~E.~~ H. Of the monies remaining in the state lottery fund each fiscal
 17 year after appropriations and deposits authorized in subsections A through ~~D~~
 18 G of this section, one million dollars or the remaining balance in the fund,
 19 whichever is less, is appropriated to the department of economic security for
 20 grants to nonprofit organizations, including faith based organizations, for
 21 homeless emergency and transitional shelters and related support services.
 22 The department of economic security shall submit a report on the amounts,
 23 recipients, purposes and results of each grant to the governor, the speaker
 24 of the house of representatives and the president of the senate on or before
 25 December 31 of each year for the prior fiscal year and shall provide a copy
 26 of this report to the secretary of state.

27 ~~F.~~ I. Of the monies remaining in the state lottery fund each fiscal
 28 year after appropriations and deposits authorized in subsections A through ~~E~~
 29 H of this section, and after a total of at least ~~ninety-nine million six~~
 30 ~~hundred forty thousand~~ FORTY-SIX MILLION FOUR HUNDRED NINETY THOUSAND dollars
 31 has been deposited in the state general fund, three million five hundred
 32 thousand dollars shall be deposited in the Arizona competes fund established
 33 by section 41-1545.01. The balance in the state lottery fund remaining after
 34 deposits into the Arizona competes fund ESTABLISHED BY SECTION 41-1545.01
 35 shall be deposited in the university capital improvement lease-to-own and
 36 bond fund established by section 15-1682.03, up to a maximum of eighty
 37 percent of the total annual payments of lease-to-own and bond agreements
 38 entered into by the Arizona board of regents.

39 ~~G.~~ J. All monies remaining in the state lottery fund after the
 40 appropriations and deposits authorized in this section shall be deposited in
 41 the state general fund.

42 ~~H.~~ K. Except for monies expended for debt service of revenue bonds as
 43 provided in subsection A of this section, monies expended under subsection A
 44 of this section are subject to legislative appropriation.

1 ~~I.~~ L. The commission shall transfer monies prescribed in this section
2 on a quarterly basis.

3 Sec. 3. Section 9-626, Arizona Revised Statutes, is amended to read:
4 9-626. Construction progress reports: auditor general
5 performance measures

6 A. The eligible city shall report progress on the development of any
7 eligible project to the joint committee on capital review twice annually
8 during construction of the eligible project.

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

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

17 (a) Regional and national conventions and trade shows held at the site
18 of the eligible project, the total amount of state general fund revenues
19 derived from that economic activity and the estimated average annual
20 attendance at those events assuming:

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

22 (ii) The eligible project has been completed.

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

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

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

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

39 (a) Divide the total state general fund revenues estimated pursuant to
40 paragraph 1, subdivision (a), item (ii) of this subsection by the attendance
41 estimated pursuant to paragraph 1, subdivision (a), item (ii) of this
42 subsection.

43 (b) Divide the net cumulative distribution amounts for the fifth year
44 following the filing of the certificate of completion of construction of an
45 eligible project pursuant to section 9-622 and each year thereafter computed

pursuant to paragraph 3 of this subsection by the quotient computed pursuant to subdivision (a) of this paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

3. At the time of the next regularly scheduled distribution, the state treasurer shall withhold from the amount that would otherwise be distributed to the eligible city FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 pursuant to section ~~42-5029~~ 28-8102 an amount equal to the amount stated in the notice received pursuant to paragraph 2 of this subsection. If the amount available for distribution is less than the amount to be withheld, the state treasurer shall continue withholding from

subsequent distributions until the full amount stated in the notice has been withheld.

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

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

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

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

(d) And the analysis demonstrates that the total cumulative incremental revenues to the state general fund exceed the total cumulative amount of distributions pursuant to section 9-602 as computed in subsection B, paragraph 3 of this section, the auditor general shall not notify the state treasurer pursuant to paragraph 2 of this subsection and the state treasurer shall not withhold pursuant to paragraph 3 of this subsection.

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

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

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

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

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

1 Sec. 4. Section 15-1682.03, Arizona Revised Statutes, is amended to
2 read:

3 15-1682.03. University capital improvement lease-to-own and
4 bond fund: lease-to-own and bond capital
5 improvement agreements

6 A. The university capital improvement lease-to-own and bond fund is
7 established consisting of the monies provided by the Arizona board of regents
8 pursuant to this section, monies deposited pursuant to section 5-572 and
9 monies appropriated by the legislature. The board shall administer the fund.
10 On notice from the board, the state treasurer shall invest and divest monies
11 in the fund as provided by section 35-313, and monies earned from investment
12 shall be credited to the fund. Monies in the fund are exempt from the
13 provisions of section 35-190 relating to lapsing of appropriations.

14 B. Through revenues of the state university system, the board shall
15 annually provide monies to the fund of at least twenty ~~per-cent~~ PERCENT of
16 the aggregate annual payments of lease-to-own and bond agreements entered
17 into by the board pursuant to this section.

18 C. The board shall distribute monies in the fund to make payments
19 pursuant to lease-to-own and bond agreements entered into by the board
20 pursuant to this section. The board may enter into lease-to-own and bond
21 agreements for the purposes of building renewal projects and new facilities.
22 New lease-to-own and bond agreements entered into pursuant to this section
23 shall not exceed one hundred sixty-seven million six hundred seventy-one
24 thousand two hundred dollars in fiscal year 2008-2009 and four hundred
25 million dollars in fiscal year 2009-2010. The board may enter into
26 lease-to-own and bond transactions up to a maximum of eight hundred million
27 dollars.

28 D. Notwithstanding section 5-572, subsection ~~G~~ I, the amount of state
29 lottery revenues distributed to the university capital improvement
30 lease-to-own and bond fund in fiscal year 2009-2010 and fiscal year 2010-2011
31 shall not exceed an amount sufficient for up to eighty ~~per-cent~~ PERCENT of
32 the annual payments of the first one hundred sixty-seven million six hundred
33 seventy-one thousand two hundred dollars of new lease-to-own and bond
34 agreements entered into pursuant to this section. The full amount of state
35 lottery revenues distributed to the university capital improvement
36 lease-to-own and bond fund pursuant to section 5-572, subsection ~~G~~ I shall
37 be made available to the board for the remaining new lease-to-own and bond
38 agreements up to eight hundred million dollars beginning in fiscal year
39 2011-2012.

40 E. In entering into lease-to-own and bond agreements pursuant to this
41 section, the board shall not obligate this state to provide any additional
42 monies from the state lottery fund above the amounts authorized in this
43 section and section 5-572, subsection ~~G~~ I. In entering into lease-to-own
44 and bond agreements pursuant to this section, the board shall not obligate
45 any state general fund monies.

1 Sec. 5. Section 28-6543, Arizona Revised Statutes, is amended to read:
2 28-6543. Local revenues; requirements

3 A. Each fiscal year a county with a population of more than four
4 hundred thousand persons or an incorporated city or town with a population of
5 more than thirty thousand persons that is located in ~~such a~~ THAT county
6 shall:

7 1. Budget and spend local revenues as defined in article IX, section
8 20, Constitution of Arizona, for street and highway purposes in an amount at
9 least equal to the average amount of local revenues budgeted and spent for
10 these purposes in any four of the five fiscal years during the period
11 beginning with fiscal year 1981-1982 and ending with fiscal year 1985-1986.

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

15 3. File the certification on or before ~~December 31 after the~~
16 ~~completion of each~~ JUNE 30 OF THE FOLLOWING fiscal year.

17 B. Failure to certify as required by subsection A, paragraph 2 of this
18 section is a failure to comply with subsection A, paragraph 1 of this
19 section.

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

24 1. Monies distributed from the Arizona highway user revenue fund.

25 2. MONIES DISTRIBUTED FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND
26 ESTABLISHED BY SECTION 28-8101.

27 ~~2-~~ 3. Monies spent by the county or incorporated city or town for
28 street and highway purposes directly needed by an emergency declared by the
29 governor.

30 Sec. 6. Title 28, chapter 24, Arizona Revised Statutes, is amended by
31 adding article 1, to read:

32 ARTICLE 1. GENERAL PROVISIONS

33 28-8101. Local transportation assistance fund

34 A. THE LOCAL TRANSPORTATION ASSISTANCE FUND IS ESTABLISHED CONSISTING
35 OF:

36 1. MONIES TRANSFERRED FROM THE STATE GENERAL FUND PURSUANT TO SECTION
37 5-572.

38 2. MONIES APPROPRIATED PURSUANT TO SUBSECTION B OF THIS SECTION.

39 3. INTEREST EARNED ON LOCAL TRANSPORTATION ASSISTANCE FUND MONIES AS
40 PROVIDED IN SUBSECTION C OF THIS SECTION.

41 B. THE LEGISLATURE SHALL APPROPRIATE AN AMOUNT THAT IS NECESSARY TO
42 PROVIDE THAT THE TOTAL MONIES AVAILABLE IN THE LOCAL TRANSPORTATION
43 ASSISTANCE FUND FOR EACH FISCAL YEAR EQUAL TWENTY MILLION FIVE HUNDRED
44 THOUSAND DOLLARS.

C. THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE LOCAL TRANSPORTATION ASSISTANCE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

D. A MAXIMUM AMOUNT OF TWENTY-THREE MILLION DOLLARS MAY BE DEPOSITED IN THE LOCAL TRANSPORTATION ASSISTANCE FUND EACH FISCAL YEAR FROM THE STATE GENERAL FUND AS PROVIDED IN SECTION 5-572, SUBSECTION D.

E. A MAXIMUM AMOUNT OF EIGHTEEN MILLION DOLLARS MAY BE DEPOSITED IN THE LOCAL TRANSPORTATION ASSISTANCE FUND EACH FISCAL YEAR FROM THE STATE GENERAL FUND AS PROVIDED IN SECTION 5-572, SUBSECTION C.

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

A. THE STATE TREASURER SHALL PAY INCORPORATED CITIES AND TOWNS FROM THE AVAILABLE MONIES IN THE LOCAL TRANSPORTATION ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 PURSUANT TO SECTION 5-572, SUBSECTION D. EACH CITY OR TOWN SHALL RECEIVE TEN THOUSAND DOLLARS OR AN AMOUNT THAT IS EQUAL TO THE PROPORTION THAT THE POPULATION OF EACH CITY OR TOWN BEARS TO THE TOTAL POPULATION OF ALL CITIES AND TOWNS IN THIS STATE, WHICHEVER IS GREATER.

B. THE STATE TREASURER SHALL PAY CITIES AND TOWNS AS PROVIDED IN SUBSECTION A OF THIS SECTION A MAXIMUM AMOUNT OF TWENTY-THREE MILLION DOLLARS IN ANY ONE FISCAL YEAR FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101.

C. A CITY OR TOWN WITH A POPULATION OF THREE HUNDRED THOUSAND PERSONS OR LESS SHALL USE THE MONIES RECEIVED UNDER SUBSECTION A OF THIS SECTION FOR TRANSPORTATION PURPOSES EXCEPT AS PROVIDED IN SECTION 28-8104 AND MAY USE THE MONIES FOR PUBLIC TRANSPORTATION OPERATING AND RELATED CAPITAL PURPOSES. A CITY OR TOWN WITH A POPULATION OF MORE THAN THREE HUNDRED THOUSAND PERSONS SHALL USE THE MONIES RECEIVED UNDER SUBSECTION A OF THIS SECTION FOR PUBLIC TRANSPORTATION OPERATING AND RELATED CAPITAL PURPOSES EXCEPT AS PROVIDED IN SECTION 28-8104.

D. FOR THE PURPOSES OF THIS SECTION:

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

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

28-8103. Special lottery monies; fund distribution; notice; proposals; annual financial report; compliance report; definitions

A. PURSUANT TO SECTION 5-572, SUBSECTION C, MONIES IN THE LOCAL TRANSPORTATION ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 SHALL BE AVAILABLE FOR DISTRIBUTION BY THE STATE TREASURER TO THE FOLLOWING IN THE PROPORTION THAT THE POPULATION OF EACH BEARS TO THE TOTAL POPULATION OF THIS STATE:

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

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

4 3. IN EACH COUNTY WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND
5 PERSONS, TO CITIES AND TOWNS LOCATED IN THE COUNTY AND TO THE COUNTY BOARD OF
6 SUPERVISORS. THE DISTRIBUTION TO THE COUNTY BOARD OF SUPERVISORS SHALL BE
7 BASED ON THE UNINCORPORATED POPULATION OF THE COUNTY.

8 B. THE STATE TREASURER MAY NOT DISTRIBUTE MORE THAN EIGHTEEN MILLION
9 DOLLARS IN ANY ONE FISCAL YEAR AS PROVIDED IN THIS SECTION. MONIES
10 DISTRIBUTED PURSUANT TO THIS SECTION ARE EXEMPT FROM THE PROVISIONS OF
11 SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

12 C. THE STATE TREASURER SHALL DISTRIBUTE MONIES TO THE PUBLIC
13 TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103 OR A METROPOLITAN PLANNING
14 ORGANIZATION PURSUANT TO SUBSECTION A, PARAGRAPHS 1 AND 2 OF THIS SECTION
15 WHEN A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR METROPOLITAN PLANNING
16 ORGANIZATION CERTIFIES THAT ITS LOCAL MONIES HAVE BEEN SPENT OR ARE IN THE
17 PROCESS OF BEING SPENT. THE MONIES DISTRIBUTED PURSUANT TO SUBSECTION A,
18 PARAGRAPHS 1 AND 2 OF THIS SECTION SHALL BE FURTHER DISTRIBUTED AS MATCHING
19 GRANTS TO CITIES AND TOWNS LOCATED IN THE COUNTY IN THE PROPORTION THAT THE
20 POPULATION OF EACH CITY OR TOWN BEARS TO THE TOTAL POPULATION IN THAT COUNTY
21 AND TO THE COUNTY BOARD OF SUPERVISORS IN THE PROPORTION THAT THE
22 UNINCORPORATED POPULATION OF THE COUNTY BEARS TO THE TOTAL POPULATION IN THAT
23 COUNTY. THE MONIES DISTRIBUTED PURSUANT TO SUBSECTION A, PARAGRAPH 3 OF THIS
24 SECTION SHALL BE DISTRIBUTED AS MATCHING GRANTS TO CITIES, TOWNS AND COUNTY
25 BOARDS OF SUPERVISORS.

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

29 1. FOR COUNTIES WITH A POPULATION OF FIVE HUNDRED THOUSAND OR MORE
30 PERSONS, A MATCH THAT IS AT LEAST EQUAL TO THE AMOUNT OF GRANT MONIES
31 REQUESTED BY A COUNTY.

32 2. FOR COUNTIES WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND
33 PERSONS, A MATCH THAT IS AT LEAST EQUAL TO ONE-FOURTH OF THE AMOUNT OF GRANT
34 MONIES REQUESTED BY A COUNTY.

35 3. FOR CITIES OR TOWNS WITH A POPULATION OF FIFTY THOUSAND OR MORE
36 PERSONS, A MATCH THAT IS AT LEAST EQUAL TO THE AMOUNT OF GRANT MONIES
37 REQUESTED BY A CITY.

38 4. FOR CITIES OR TOWNS WITH A POPULATION OF LESS THAN FIFTY THOUSAND
39 PERSONS, A MATCH THAT IS AT LEAST EQUAL TO ONE-FOURTH OF THE AMOUNT OF THE
40 GRANT MONIES REQUESTED BY A CITY OR TOWN.

41 E. A REGIONAL PUBLIC TRANSPORTATION AUTHORITY, A METROPOLITAN PLANNING
42 ORGANIZATION AND THE DEPARTMENT SHALL NOTIFY CITIES, TOWNS AND COUNTY BOARDS
43 OF SUPERVISORS WITHIN THEIR JURISDICTIONS OF THE MAXIMUM AMOUNT OF MATCHING
44 GRANT MONIES AVAILABLE TO THEM EACH YEAR PURSUANT TO THIS SECTION. EACH YEAR
45 CITIES, TOWNS AND COUNTIES MAY SUBMIT PROPOSALS TO A REGIONAL PUBLIC

TRANSPORTATION AUTHORITY, A METROPOLITAN PLANNING ORGANIZATION OR THE DEPARTMENT REQUESTING SOME OR ALL OF THE MATCHING GRANT MONIES AVAILABLE TO THEM IN THAT YEAR. FOR DISTRIBUTIONS PURSUANT TO SUBSECTION A, PARAGRAPH 1 OR 2 OF THIS SECTION, EACH PROPOSAL SHALL CERTIFY THAT THE CITY, TOWN OR COUNTY WILL INVEST LOCAL MONIES IN AN AMOUNT THAT IS AT LEAST EQUAL TO THE AMOUNT PRESCRIBED IN SUBSECTION D OF THIS SECTION AND SHALL DETAIL A PLAN FOR SPENDING ALL MATCHING GRANT AND LOCAL MONIES, AND IF A CITY, TOWN OR COUNTY COMPLIES WITH THIS SECTION, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR METROPOLITAN PLANNING ORGANIZATION SHALL DISTRIBUTE MATCHING GRANT MONIES TO THE CITY, TOWN OR COUNTY. FOR DISTRIBUTIONS PURSUANT TO SUBSECTION A, PARAGRAPH 3 OF THIS SECTION, EACH PROPOSAL SHALL CERTIFY THAT THE CITY, TOWN OR COUNTY WILL INVEST LOCAL MONIES IN AN AMOUNT THAT IS AT LEAST EQUAL TO THE AMOUNT PRESCRIBED IN SUBSECTION D OF THIS SECTION AND SHALL DETAIL A PLAN FOR SPENDING ALL MATCHING GRANT AND LOCAL MONIES.

F. EXCEPT AS PROVIDED IN SUBSECTION G OF THIS SECTION, MONIES DISTRIBUTED PURSUANT TO THIS SECTION SHALL BE USED ONLY FOR PUBLIC TRANSIT PURPOSES, INCLUDING OPERATING AND CAPITAL PURPOSES, THAT ARE DETERMINED BY THE DISTRIBUTING AGENCY TO CONFORM WITH THE LONG-RANGE TRANSPORTATION PLAN OR REGIONAL TRANSPORTATION PLAN.

G. A CITY, TOWN OR COUNTY MAY USE MONIES IT RECEIVES PURSUANT TO THIS SECTION FOR OTHER TRANSPORTATION PURPOSES IF IT RECEIVES LESS THAN TWO THOUSAND FIVE HUNDRED DOLLARS PURSUANT TO THIS SECTION IN A CALENDAR YEAR.

H. ON OR BEFORE JUNE 30 OF THE FOLLOWING FISCAL YEAR, A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR METROPOLITAN PLANNING ORGANIZATION THAT RECEIVES MONIES PURSUANT TO THIS SECTION SHALL SUBMIT AN ANNUAL REPORT TO THE DIRECTOR THAT CONTAINS THE FOLLOWING INFORMATION THAT IS ATTESTED TO BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT:

1. A SCHEDULE OF BEGINNING AND ENDING FUND BALANCES.

2. ALL MONIES RECEIVED PURSUANT TO THIS SECTION AND THE SPECIFIC PURPOSES FOR WHICH THEY ARE SPENT, INCLUDING WHETHER THEY ARE SPENT FOR OPERATING OR CAPITAL PURPOSES.

3. ALL LOCAL MATCHING EXPENDITURES MADE PURSUANT TO THIS SECTION.

I. ON OR BEFORE JANUARY 1 OF EACH YEAR, THE DIRECTOR SHALL SUBMIT A REPORT ON COMPLIANCE WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE DIRECTOR'S REPORT SHALL INCLUDE:

1. A DETERMINATION OF WHETHER EACH REGIONAL PUBLIC TRANSPORTATION AUTHORITY AND METROPOLITAN PLANNING ORGANIZATION HAS COMPLIED WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION.

2. A SUMMARY OF THE MONIES ALLOCATED TO EACH REGIONAL PUBLIC TRANSPORTATION AUTHORITY AND METROPOLITAN PLANNING ORGANIZATION PURSUANT TO THIS SECTION IN THE PRECEDING FISCAL YEAR.

3. A SUMMARY OF LOCAL MONIES SPENT ON PUBLIC TRANSIT PURSUANT TO THIS SECTION.

J. THE DIRECTOR SHALL NOTIFY BY CERTIFIED MAIL EACH REGIONAL PUBLIC TRANSPORTATION AUTHORITY AND METROPOLITAN PLANNING ORGANIZATION THAT IS NOT IN COMPLIANCE WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION OF ITS NONCOMPLIANCE. A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR METROPOLITAN PLANNING ORGANIZATION THAT RECEIVES THIS NOTICE SHALL COMPLY WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION WITHIN THIRTY DAYS AFTER RECEIPT OF THE NOTICE. IF A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR METROPOLITAN PLANNING ORGANIZATION FAILS TO COMPLY WITH THE REPORTING REQUIREMENTS PRESCRIBED IN THIS SECTION WITHIN THIRTY DAYS AFTER RECEIPT OF THE NOTICE, IT IS NOT ELIGIBLE TO RECEIVE ANY MONIES PURSUANT TO THIS SECTION IN THE NEXT FISCAL YEAR.

K. A METROPOLITAN PLANNING ORGANIZATION, CITY, TOWN OR COUNTY MAY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH A FEDERALLY RECOGNIZED INDIAN TRIBE TO PROVIDE FINANCIAL ASSISTANCE PURSUANT TO THIS SECTION FOR MAINTAINING OR OPERATING AN EXISTING PUBLIC TRANSIT SERVICE PROVIDED BY THE INDIAN TRIBE.

L. FOR THE PURPOSES OF THIS SECTION:

1. "LOCAL MONIES" MEANS:

(a) REVENUE THAT IS GENERATED BY A CITY, TOWN OR COUNTY FROM NONFEDERAL SOURCES AND THAT WAS FIRST APPROPRIATED BY THE CITY, TOWN OR COUNTY FOR PUBLIC TRANSIT ACTIVITIES IN OR AFTER FISCAL YEAR 1993-1994.

(b) DONATIONS THAT ARE RECEIVED BY A CITY, TOWN OR COUNTY FROM NONGOVERNMENTAL SOURCES AND THAT ARE IN THE FORM OF MONIES OR IN-KIND CONTRIBUTIONS.

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

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

28-8104. Alternative uses: local transportation assistance fund

BY RESOLUTION, A CITY OR TOWN MAY AUTHORIZE THE USE OF UP TO TEN PERCENT OF LOCAL TRANSPORTATION ASSISTANCE FUND MONIES RECEIVED PURSUANT TO SECTION 28-8102 IN ANY ONE FISCAL YEAR FOR CULTURAL, EDUCATIONAL, HISTORICAL, RECREATIONAL OR SCIENTIFIC FACILITIES OR PROGRAMS OR FOR NONRESIDENTIAL OUTPATIENT PROGRAMS OR SERVICES FOR PERSONS WITH A DEVELOPMENTAL DISABILITY AS DEFINED IN SECTION 36-551 WHO HAVE NEVER RESIDED WITHIN A FACILITY IDENTIFIED IN OR ESTABLISHED PURSUANT TO SECTION 36-558 IF THE MONIES ARE MATCHED EQUALLY BY NONPUBLIC MONIES RECEIVED BY THE CITY OR TOWN AND SPENT FOR THE SAME PURPOSES, EXCEPT IN A FISCAL YEAR WHEN THE TOTAL DISTRIBUTED FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND IS LESS THAN TWENTY-THREE MILLION DOLLARS.

1 Sec. 7. Section 36-108.01, Arizona Revised Statutes, is amended to
2 read:

3 36-108.01. Department of health services funds; purposes;
4 annual report

5 A. The interagency service agreement for behavioral health services
6 fund is established consisting of state and federal monies received by the
7 department to provide behavioral health services, except for monies for
8 non-title XIX behavioral health services. The department shall administer
9 the fund. Monies in the fund are continuously appropriated.

10 B. The intergovernmental agreements for county behavioral health
11 services fund is established consisting of county monies received by the
12 department to provide behavioral health services to persons identified
13 through agreements with the counties. The department shall administer the
14 fund. Monies in the fund are continuously appropriated.

15 C. The health services lottery monies fund is established consisting
16 of monies transferred pursuant to section 5-572, subsection ~~E~~ F for teenage
17 pregnancy prevention programs established by Laws 1995, chapter 190, sections
18 2 and 3, the health start program established by section 36-697 and the
19 federal women, infants and children food program. The department shall
20 administer the fund. Monies in the fund are continuously appropriated.

21 D. The intergovernmental agreements/interagency services agreements
22 fund is established consisting of all monies received by the department
23 through intergovernmental agreements, interagency services agreements and
24 transfers between the department and other state and local entities. The
25 department shall administer the fund. Monies in the fund are continuously
26 appropriated.

27 E. Beginning November 1, 2015, the department shall report annually to
28 the joint legislative budget committee on the revenues, expenditures and
29 ending balances from the previous, current and subsequent fiscal years of the
30 funds established in this section.

31 Sec. 8. Section 36-274, Arizona Revised Statutes, is amended to read:
32 36-274. Disease control research fund; lapsing; investment

33 A. The disease control research fund is established consisting of
34 monies received from the state lottery fund pursuant to section 5-572,
35 subsection ~~D~~ F, monies appropriated by the legislature and any gifts,
36 contributions or other monies received by the department from any source to
37 carry out the purposes of this article, except monies from the health
38 research fund established by section 36-275. The department shall administer
39 the disease control research fund.

40 B. The department may expend monies in the disease control research
41 fund for projects or services pursuant to section 36-273 and for expenses
42 incurred by the department in carrying out the purposes of this article,
43 including filing applications and maintaining patents.

44 C. As a condition of each contract for cancer research projects or
45 services, the department shall require that the recipient shall not use fund

1 monies for any purpose, including any administrative or building purposes,
2 other than the specific cancer research grant project contract.

3 D. Monies in the disease control research fund are exempt from the
4 provisions of section 35-190 relating to lapsing of appropriations.

5 E. On notice from the department, the state treasurer shall invest and
6 divest monies in the disease control research fund as provided by section
7 35-313, and monies earned from investment shall be credited to the fund.

8 Sec. 9. Title 41, chapter 1, article 4, Arizona Revised Statutes, is
9 amended by adding section 41-175, to read:

10 41-175. County assistance fund

11 A. THE COUNTY ASSISTANCE FUND IS ESTABLISHED. THE FUND SHALL CONSIST
12 OF MONIES TRANSFERRED FROM THE STATE GENERAL FUND PURSUANT TO SECTION 5-572
13 AND SHALL BE ADMINISTERED BY THE STATE TREASURER.

14 B. EACH MONTH IN WHICH MONIES ARE DEPOSITED IN THE FUND, THE STATE
15 TREASURER SHALL DISTRIBUTE THOSE MONIES TO THE COUNTIES IN THIS STATE. THE
16 TOTAL AMOUNT DISTRIBUTED TO COUNTIES FROM THE FUND MAY NOT EXCEED SEVEN
17 MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS IN ANY FISCAL YEAR. MONIES IN THE
18 FUND SHALL BE DISTRIBUTED AS FOLLOWS:

19 1. NINETY-THREE AND FORTY-SEVEN ONE-HUNDREDTHS PERCENT OF THE MONIES
20 SHALL BE DISTRIBUTED EQUALLY AMONG COUNTIES WITH A POPULATION OF FIVE HUNDRED
21 THOUSAND OR FEWER PERSONS.

22 2. SIX AND FIFTY-THREE ONE-HUNDREDTHS PERCENT OF THE MONIES SHALL BE
23 DISTRIBUTED EQUALLY AMONG COUNTIES WITH A POPULATION OF MORE THAN FIVE
24 HUNDRED THOUSAND PERSONS.

25 Sec. 10. Title 41, chapter 3, Arizona Revised Statutes, is amended by
26 adding article 1, to read:

27 ARTICLE 1. ARIZONA STATE PARKS BOARD HERITAGE FUND

28 41-501. Definitions

29 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

30 1. "ENVIRONMENTAL EDUCATION" MEANS EDUCATIONAL PROCESSES, PROGRAMS AND
31 ACTIVITIES THAT ARE SPECIFICALLY DESIGNED TO ENHANCE STUDENT ACQUISITION OF
32 KNOWLEDGE OF SCIENTIFIC AND ECONOMIC PRINCIPLES, CONCEPTS AND FACTS AS THEY
33 RELATE TO ENVIRONMENTAL TOPICS AND ISSUES AND THAT ARE TAUGHT IN AN UNBIASED,
34 FAIR AND BALANCED MANNER.

35 2. "HISTORIC PRESERVATION" MEANS ARCHAEOLOGICAL OR HISTORIC PROPERTIES
36 LISTED ON OR ELIGIBLE FOR LISTING ON THE ARIZONA REGISTER OF HISTORIC PLACES
37 THAT REQUIRE FUNDING FOR EASEMENTS, STABILIZATION, REHABILITATION, EDUCATION
38 AND PRESERVATION PROGRAM DEVELOPMENT, RECONSTRUCTION, RESTORATION,
39 INTERPRETIVE DEVELOPMENT, ACQUISITION AND MAINTENANCE.

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

43 4. "TRAILS" MEANS THOSE TRAILS FOR NONMOTORIZED USE THAT ARE NOMINATED
44 FOR INCLUSION IN THE STATE TRAILS SYSTEM, INCLUDING URBAN, CROSS-STATE,
45 RECREATION, INTERPRETIVE OR HISTORIC TRAILS.

1 41-502. Arizona state parks board heritage fund

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

5 B. THE FUND SHALL BE ADMINISTERED BY THE ARIZONA STATE PARKS BOARD.
6 MONIES IN THE FUND ARE NOT SUBJECT TO LEGISLATIVE APPROPRIATION.
7 EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO ADDITIONAL APPROVAL
8 NOTWITHSTANDING SECTION 41-511.05 OR 41-511.11 OR ANY OTHER LAW TO THE
9 CONTRARY. MONIES RECEIVED PURSUANT TO SECTION 5-572 SHALL BE DEPOSITED
10 DIRECTLY WITH THE ARIZONA STATE PARKS BOARD HERITAGE FUND. ON NOTICE FROM THE
11 ARIZONA STATE PARKS BOARD, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES
12 IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT
13 SHALL BE CREDITED TO THE FUND.

14 C. THE ARIZONA STATE PARKS BOARD MAY NOT USE ITS POWER OF EMINENT
15 DOMAIN UNDER SECTION 41-511.06 TO ACQUIRE PROPERTY TO BE PAID FOR WITH MONIES
16 FROM THE ARIZONA STATE PARKS BOARD HERITAGE FUND.

17 D. ALL MONIES IN THE ARIZONA STATE PARKS BOARD HERITAGE FUND SHALL BE
18 SPENT BY THE ARIZONA STATE PARKS BOARD ONLY FOR THE PURPOSES AND IN THE
19 PERCENTAGES SET FORTH IN THIS ARTICLE. MONIES IN THE FUND MAY NOT REVERT TO
20 THE STATE GENERAL FUND AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
21 RELATING TO LAPSING OF APPROPRIATIONS.

22 41-503. Expenditures from fund; purpose and amounts; report

23 A. MONIES RECEIVED PURSUANT TO SECTION 5-572 BY THE ARIZONA STATE
24 PARKS BOARD HERITAGE FUND ESTABLISHED BY SECTION 41-502 SHALL BE SPENT AS
25 FOLLOWS:

- 26 1. FIVE PERCENT ON LOCAL, REGIONAL AND STATE TRAILS.
- 27 2. THIRTY-FIVE PERCENT ON LOCAL, REGIONAL OR STATE PARKS, FOR OUTDOOR
28 RECREATION AND OPEN SPACE.
- 29 3. SEVENTEEN PERCENT ON ACQUISITION OF NATURAL AREAS.
- 30 4. FOUR PERCENT ON MAINTENANCE, OPERATION AND MANAGEMENT OF NATURAL
31 AREAS ADMINISTERED BY THE ARIZONA STATE PARKS BOARD.
- 32 5. SEVENTEEN PERCENT ON LOCAL, REGIONAL AND STATE HISTORIC
33 PRESERVATION PROJECTS. MONIES PROVIDED UNDER THIS PARAGRAPH SHALL BE
34 ADMINISTERED BY THE ARIZONA STATE PARKS BOARD THROUGH THE STATE HISTORIC
35 PRESERVATION OFFICER.
- 36 6. SEVENTEEN PERCENT ON STATE PARK ACQUISITION OR DEVELOPMENT.
- 37 7. FIVE PERCENT ON ENVIRONMENTAL EDUCATION.

38 B. EXPENDITURES OF ARIZONA STATE PARKS BOARD HERITAGE FUND MONIES
39 ALLOCATED PURSUANT TO SUBSECTION A, PARAGRAPHS 1 AND 2 OF THIS SECTION ARE
40 SUBJECT TO THE REVIEW OF THE ARIZONA OUTDOOR RECREATION COORDINATING
41 COMMISSION PURSUANT TO SECTION 41-511.25. ARIZONA STATE PARKS BOARD HERITAGE
42 FUND MONIES ALLOCATED PURSUANT TO SUBSECTION A, PARAGRAPHS 1 AND 2 OF THIS
43 SECTION SHALL BE AVAILABLE AS MATCHING FUNDS.

1 C. AN ENTITY RECEIVING MONIES UNDER SUBSECTION A, PARAGRAPHS 1 AND 2
2 OF THIS SECTION MAY NOT RECEIVE MORE THAN TWENTY PERCENT OF THE MONIES
3 AVAILABLE IN ANY FISCAL YEAR.

4 D. ALL MONIES EARNED AS INTEREST ON MONIES RECEIVED PURSUANT TO
5 SECTION 5-572 SHALL BE SPENT ONLY IN THE PERCENTAGES AND FOR THE PURPOSES
6 DESCRIBED IN SUBSECTIONS A THROUGH C OF THIS SECTION OR FOR COSTS OF
7 ADMINISTERING THE ARIZONA STATE PARKS BOARD HERITAGE FUND ESTABLISHED BY
8 SECTION 41-502 IN AMOUNTS AS DETERMINED BY THE ARIZONA STATE PARKS BOARD.

9 E. ON OR BEFORE JUNE 30 OF THE FOLLOWING FISCAL YEAR THE ARIZONA STATE
10 PARKS BOARD SHALL SUBMIT ITS ANNUAL REPORT TO THE PRESIDENT OF THE SENATE,
11 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSONS OF THE
12 SENATE NATURAL RESOURCES COMMITTEE AND THE HOUSE OF REPRESENTATIVES ENERGY,
13 ENVIRONMENT AND NATURAL RESOURCES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES.
14 THE ANNUAL REPORT SHALL INCLUDE INFORMATION ON THE FOLLOWING:

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

18 (a) LOCAL, REGIONAL AND STATE TRAILS.

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

21 (c) NATURAL AREAS, INCLUDING ACQUISITION AND MAINTENANCE, OPERATION
22 AND MANAGEMENT OF NATURAL AREAS.

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

24 (e) STATE PARK ACQUISITION AND DEVELOPMENT.

25 (f) ENVIRONMENTAL EDUCATION.

26 2. THE NUMBER AND LOCATION OF PARCELS OF PROPERTY ACQUIRED DURING THE
27 PRECEDING FISCAL YEAR.

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

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

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

36 41-504. Performance audit

37 THE AUDITOR GENERAL SHALL CONDUCT A PERFORMANCE AUDIT, AS DEFINED IN
38 SECTION 41-1278, OF THE PROGRAMS AND EXPENDITURES PURSUANT TO THIS ARTICLE OF
39 THE ARIZONA STATE PARKS BOARD HERITAGE FUND ESTABLISHED BY SECTION 41-502 AT
40 THE SAME TIME ANY AGENCY PERFORMANCE AUDIT OF THE ARIZONA STATE PARKS BOARD
41 IS CONDUCTED. THE AUDITOR GENERAL SHALL SUBMIT COPIES OF THE PERFORMANCE
42 AUDIT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF
43 REPRESENTATIVES AND THE CHAIRPERSONS OF THE SENATE NATURAL RESOURCES
44 COMMITTEE AND THE HOUSE OF REPRESENTATIVES ENERGY, ENVIRONMENT AND NATURAL
45 RESOURCES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES.

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

3 ~~48-5103.~~ Public transportation fund

4 A. A public transportation fund is established for the authority. The
5 fund consists of:

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

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

12 3. Transportation excise tax revenues that are allocated to the fund
13 pursuant to section 42-6105. The board shall separately account for monies
14 from transportation excise tax revenues allocated pursuant to section
15 42-6105, subsection D, paragraph 3 for:

16 (a) A light rail public transit system.

17 (b) Capital costs for other public transportation.

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

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

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

21 6. Monies granted by the federal government or appropriated by the
22 legislature.

23 7. Fares or other revenues collected in operating a public
24 transportation system.

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

27 9. LOCAL TRANSPORTATION ASSISTANCE FUND MONIES THAT ARE DISTRIBUTED TO
28 A MEMBER PURSUANT TO SECTION 28-8102 AND THAT MUST BE USED FOR PUBLIC
29 TRANSPORTATION.

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

32 B. On behalf of the authority, the fiscal agent shall administer
33 monies paid into the public transportation fund. Monies in the fund may be
34 spent pursuant to or to implement the public transportation element of the
35 regional transportation plan developed and approved by the regional planning
36 agency, including reimbursement for utility relocation costs as prescribed in
37 section 48-5107, adopted pursuant to section 48-5121 and for projects
38 identified in the regional transportation plan adopted by the regional
39 planning agency pursuant to section 28-6308.

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

1 Sec. 12. Section 48-5104, Arizona Revised Statutes, is amended to
2 read:

3 ~~48-5104.~~ Municipality and county participation; withdrawal

4 A. A municipality located in a county eligible to establish an
5 authority may elect to enter into the authority by adopting an ordinance
6 declaring its participation. ~~IF AN ORDINANCE IS ADOPTED, THE MUNICIPALITY~~
7 ~~SHALL ANNUALLY APPLY FOR MONIES FROM THE LOCAL TRANSPORTATION ASSISTANCE FUND~~
8 ~~ESTABLISHED BY SECTION 28-8101 AS PROVIDED IN:~~

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

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

14 B. ~~IF A MUNICIPALITY WITH A POPULATION OF LESS THAN SIXTY THOUSAND~~
15 ~~PERSONS IS UNABLE TO USE THREE-FOURTHS OF ITS LOCAL TRANSPORTATION ASSISTANCE~~
16 ~~FUND MONIES PROVIDED PURSUANT TO SECTION 28-8102 FOR PUBLIC TRANSPORTATION~~
17 ~~EACH FISCAL YEAR, IT SHALL APPROPRIATE ANY REMAINING AMOUNT OF THE~~
18 ~~THREE-FOURTHS OF ITS LOCAL TRANSPORTATION ASSISTANCE FUND MONIES TO THE~~
19 ~~PUBLIC TRANSPORTATION FUND AS PROVIDED IN SECTION 48-5103. IF A MUNICIPALITY~~
20 ~~WITH A POPULATION OF SIXTY THOUSAND PERSONS OR MORE IS UNABLE TO USE~~
21 ~~ONE-THIRD OF ITS LOCAL TRANSPORTATION ASSISTANCE FUND MONIES PROVIDED~~
22 ~~PURSUANT TO SECTION 28-8102 FOR PUBLIC TRANSPORTATION EACH FISCAL YEAR, IT~~
23 ~~SHALL APPROPRIATE ANY REMAINING AMOUNT OF THE ONE-THIRD OF ITS LOCAL~~
24 ~~TRANSPORTATION ASSISTANCE FUND MONIES TO THE PUBLIC TRANSPORTATION FUND~~
25 ~~ESTABLISHED BY SECTION 48-5103.~~

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

29 ~~C.~~ D. A member municipality or member county may withdraw from the
30 authority at the end of a fiscal year by adopting an ordinance or resolution
31 not later than ninety days before the end of the fiscal year that states its
32 intention to withdraw. The withdrawal from the authority shall not result in
33 the cancellation of a contractual agreement entered into between the
34 withdrawing member and the authority.

35 Sec. 13. Section 48-5314, Arizona Revised Statutes, is amended to
36 read:

37 ~~48-5314.~~ Election on regional transportation plan and excise
38 tax; costs

39 A. The board shall:

40 1. Adopt a twenty year comprehensive multimodal regional
41 transportation plan consistent with the requirements of this article,
42 including transportation corridors by priority and a schedule indicating the
43 dates that construction will begin for projects contained in the plan.

44 2. Request by resolution certified to the county board of supervisors
45 that the issue of levying a transportation excise tax pursuant to section

42-6106 be submitted to the qualified electors at a countywide special election or placed on the ballot at a countywide general election. Within six months after receiving a certified copy of the resolution, the county board of supervisors shall either call a special election or place the issue on the ballot of a general election, subject to the requirements of this section.

B. The election ballot shall include a description of each transportation element of the regional transportation plan including a separate percentage share and dollar share of the transportation excise tax revenues allocated to each element.

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

1. The date of the election.

2. The individual household's polling place and the time the polls will be open.

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

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

(a) A summary of the regional transportation plan adopted pursuant to section 48-5309 and subsection A of this section, including a description of each transportation element of the regional transportation plan.

(b) A map of proposed routes and transportation corridors of all major transportation projects and public transportation systems.

(c) The percentage share and dollar amount of transportation excise tax revenues, together with other identified revenues, dedicated for each transportation element, transportation project and public transportation system, and conditions and limitations on the use of the money.

5. The form of the ballot.

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

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

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

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

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

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

11 5. The names of persons who have signed arguments and the names of
12 sponsoring organizations shall appear with the argument in the pamphlet. The
13 person or persons signing the argument shall also give their residence or
14 post office address and a telephone number, which shall not appear in the
15 pamphlet.

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

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

21 2. Instructions directing the voter to the full text of the official
22 and descriptive titles containing the summary as printed in the sample ballot
23 and posted in the polling place. The ballot may include the summary of the
24 regional transportation plan.

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

26 I. Do you approve the regional transportation plan for
27 _____ county? YES _____ NO _____

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

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

33 II. Do you favor the levy of a transaction privilege
34 (sales) tax for regional transportation purposes in _____
35 county? YES _____ NO _____

36 (A "YES" vote has the effect of imposing a transaction privilege
37 (sales) tax in _____ county for _____ years to provide
38 funding for the transportation projects contained in the
39 regional transportation plan.)

40 (A "NO" vote has the effect of rejecting the transaction
41 privilege (sales) tax for transportation purposes in _____
42 county.)

43 F. For either ballot question I or II to be approved, both the
44 proposed regional transportation plan and the proposed transaction privilege
45 tax must be approved by a majority of the qualified electors voting on the

1 measure. If either ballot question I or II fails to be approved by a
2 majority of the qualified electors voting on the measure, both fail.

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

6 H. The county election officer shall account for costs specifically
7 incurred with respect to the ballot issue under this section. **REGARDLESS OF**
8 **THE OUTCOME OF THE ELECTION, AND NOTWITHSTANDING ANY OTHER LAW, THE STATE**
9 **TREASURER SHALL PAY THE COSTS LISTED IN THIS SUBSECTION THAT ARE SPECIFICALLY**
10 **INCURRED WITH RESPECT TO THE BALLOT ISSUE. PAYMENT SHALL BE MADE UNDER THIS**
11 **SECTION FROM THE CITIES' AND TOWNS' SHARE OF LOCAL TRANSPORTATION ASSISTANCE**
12 **FUND MONIES DISTRIBUTED UNDER SECTION 28-8102 TO THE CITIES AND TOWNS WITHIN**
13 **THE COUNTY, AND FROM THE COUNTY'S SHARE OF THE COUNTY ASSISTANCE FUND**
14 **ESTABLISHED BY SECTION 41-175. IF THE TRANSPORTATION EXCISE TAX IS APPROVED,**
15 **THE REGIONAL TRANSPORTATION AUTHORITY SHALL REIMBURSE THE LOCAL**
16 **TRANSPORTATION ASSISTANCE FUND ESTABLISHED BY SECTION 28-8101 AND THE COUNTY**
17 **ASSISTANCE FUND ESTABLISHED BY SECTION 41-175 FROM THE FIRST RECEIVED**
18 **TRANSPORTATION EXCISE TAX REVENUES. THE FOLLOWING COSTS INCURRED BY THE**
19 **COUNTY ELECTIONS OFFICER ARE AUTHORIZED FOR PAYMENT PURSUANT TO THIS**
20 **SUBSECTION:**

21 1. COSTS OF MAILING, PUBLISHING, POSTING AND PRINTING BALLOTS,
22 PUBLICITY PAMPHLETS, NOTICES, ELECTION MATERIALS AND OTHER MATTERS CONCERNING
23 THE ELECTION.

24 2. LEGAL AND OTHER CONSULTING FEES AND COSTS RELATING TO THE ELECTION.

25 3. TELECOMMUNICATIONS COSTS.

26 4. COMPENSATION OF THE ELECTION BOARD, COUNTY ELECTION OFFICERS AND
27 EMPLOYEES AND OTHER LABOR COSTS INCURRED TO ADMINISTER, HOLD, CANVASS AND
28 ANNOUNCE THE RESULTS OF THE ELECTION.

29 5. ANY OTHER COSTS ATTRIBUTABLE TO THE ELECTION.