State of Arizona Senate Fifty-third Legislature First Regular Session 2017

## **SENATE BILL 1211**

## AN ACT

AMENDING SECTIONS 28-332, 28-334, 28-3001 AND 28-6540, ARIZONA REVISED STATUTES; REPEALING SECTIONS 28-6543 AND 28-6544, ARIZONA REVISED STATUTES; AMENDING SECTION 28-9203, ARIZONA REVISED STATUTES; REPEALING SECTION 41-2501, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 341, SECTION 4; AMENDING SECTION 41-2501, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 214, SECTION 2 AND CHAPTER 312, SECTION 7; RELATING TO THE DEPARTMENT OF TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 28-332, Arizona Revised Statutes, is amended to read:

## 28-332. <u>Department of transportation jurisdiction: duties:</u> divisions

- A. The exclusive control and jurisdiction over state highways, state routes,  $\frac{\text{state owned}}{\text{STATE-OWNED}}$  airports and all  $\frac{\text{state owned}}{\text{STATE-OWNED}}$  transportation systems or modes are vested in the department of transportation.
  - B. The department shall:
- 1. Register motor vehicles and aircraft, license drivers, collect revenues, enforce motor vehicle and aviation statutes and perform related functions.
- 2. Do multimodal state transportation planning, cooperate and coordinate transportation planning with local governments and establish an annually updated priority program of capital improvements for all transportation modes.
- 3. Design and construct transportation facilities in accordance with a priority plan and maintain and operate state highways, state owned STATE-OWNED airports and state public transportation systems.
- 4. Investigate new transportation systems and cooperate with and advise local governments concerning the development and operation of public transit systems.
- 5. Have administrative jurisdiction of transportation safety programs and implement them in accordance with applicable law.
- C. In order to carry out the responsibilities enumerated in subsection B of this section, the department is organized into the following divisions:
  - 1. Motor vehicle.
  - 2. Transportation planning.
  - 3. Highways.
  - 4. Aeronautics.
  - 5. Public transit.
  - 6. Administrative services.
  - D. The director may do any of the following:
- 1. Establish divisions in addition to those prescribed in subsection  $\mathbb C$  of this section.
  - 2. Reorganize the department.
  - 3. Consolidate the department.
- 40 4. EXCEPT AS PROVIDED IN CHAPTER 13 OF THIS TITLE AND SUBJECT TO 41 TITLE 41, CHAPTERS 6 AND 23, ESTABLISH ALTERNATIVE METHODS AND USE 42 CONTRACTED PRIVATE PERSONS FOR THE ADMINISTRATION OR DELIVERY OF PROGRAMS OR FUNCTIONS UNDER THIS TITLE.

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Sec. 2. Section 28-334, Arizona Revised Statutes, is amended to read:

## 28-334. Acceptance and expenditure of federal monies; limitations

- A. The department may accept and expend grants, donations, aid or other monies received from the federal government or any agency of the federal government for any transportation purpose.
- B. The department may contract and do all things necessary to secure the full benefits available to this state for transportation purposes under federal law and, in doing so, may cooperate with federal, state and local government agencies, Indian tribes, private and public organizations and private individuals. The department may exchange federal funds with local governments in order to receive local funds and may include additional federal funds in the exchange to offset matching costs required of local governments.
  - C. THE DEPARTMENT MAY:
- 1. ASSUME THE RESPONSIBILITY OF THE UNITED STATES DEPARTMENT OF TRANSPORTATION WITH RESPECT TO HIGHWAY PROJECTS WITH THIS STATE UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (P.L. 91-190; 83 STAT. 852; 42 UNITED STATES CODE SECTIONS 4321 THROUGH 4347) AND WITH RESPECT TO RELATED RESPONSIBILITY FOR ENVIRONMENT REVIEW, CONSULTATION OR OTHER ACTION REQUIRED UNDER ANY FEDERAL ENVIRONMENTAL LAW PERTAINING TO REVIEW OR APPROVAL OF A HIGHWAY PROJECT IN THIS STATE.
- 2. ASSUME RESPONSIBILITY UNDER 23 UNITED STATES CODE SECTIONS 326 AND 327 AND ENTER INTO ONE OR MORE AGREEMENTS, INCLUDING MEMORANDA OF UNDERSTANDING WITH THE UNITED STATES SECRETARY OF TRANSPORTATION RELATED TO THE STATE ASSUMPTION OF RESPONSIBILITY FOR CATEGORICAL EXCLUSIONS AS PROVIDED BY 23 UNITED STATES CODE SECTION 326 AND THE FEDERAL SURFACE TRANSPORTATION PROJECT DELIVERY PROGRAM FOR THE DELIVERY OF HIGHWAY PROJECTS AS PROVIDED BY 23 UNITED STATES CODE SECTION 327. SOVEREIGN IMMUNITY FROM CIVIL SUIT IN FEDERAL COURT IS WAIVED CONSISTENT WITH 23 UNITED STATES CODE SECTIONS 326 AND 327 AND LIMITED TO THE COMPLIANCE, DISCHARGE OR ENFORCEMENT OF A RESPONSIBILITY ASSUMED BY THE DEPARTMENT UNDER THIS PARAGRAPH.
- C. D. This chapter shall DOES not be construed to affect the authority of other agencies or boards of this state or political subdivisions from accepting, receiving or expending grants or other monies from the federal government or any agency of the federal government for transportation purposes pursuant to other provisions of law or charter.
- Sec. 3. Section 28-3001, Arizona Revised Statutes, is amended to read:

28-3001. Definitions

In this chapter, unless the context otherwise requires:

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- 1. "Cancellation" means the annulment or termination of a driver license because of an error or defect or because the licensee is no longer entitled to the license.
- 2. "Commercial driver license" means a license that is issued to an individual and that authorizes the individual to operate a class of commercial motor vehicles.
- 3. "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles that is used in commerce to transport passengers or property and that includes any of the following:
- (a) A motor vehicle or combination of motor vehicles that has a gross combined weight rating of twenty-six thousand one or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than ten thousand pounds.
- (b) A motor vehicle that has a gross vehicle weight rating of twenty-six thousand one or more pounds.
  - (c) A bus.
- (d) A motor vehicle or combination of motor vehicles that is used in the transportation of materials found to be hazardous for the purposes of the hazardous materials transportation authorization act of 1994 (49 United States Code sections 5101 through 5128) and is required to be placarded under 49 Code of Federal Regulations section 172.504, as adopted by the department pursuant to chapter 14 of this title.
- 4. "Conviction" has the same meaning prescribed in section 28-101 and also means a final conviction or judgment, including an order of a juvenile court finding that a juvenile has violated a provision of this title or has committed a delinquent act that if committed by an adult constitutes any of the following:
- (a) Criminal damage to property pursuant to section 13-1602, subsection A, paragraph 1.
- (b) A felony offense in the commission of which a motor vehicle was used, including theft of a motor vehicle pursuant to section 13-1802, unlawful use of means of transportation pursuant to section 13-1803 or theft of means of transportation pursuant to section 13-1814.
- (c) A forfeiture of bail or collateral deposited to secure a defendant's appearance in court that has not been vacated.
- 5. "Disqualification" means a prohibition from obtaining a commercial driver license or driving a commercial motor vehicle.
- 6. "Employer" means a person, including the United States, a state or a political subdivision of a state, that owns or leases a commercial motor vehicle or that assigns a person to operate a commercial motor vehicle.
- 7. "Endorsement" means an authorization that is added to an individual's driver license and that is required to permit the individual to operate certain types of vehicles.
  - 8. "Foreign" means outside the United States.

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- 9. "Gross vehicle weight rating" means the weight that is assigned by the vehicle manufacturer to a vehicle and that represents the maximum recommended total weight including the vehicle and the load for the vehicle.
  - 10. "Judgment" means a final judgment and any of the following:
- (a) The finding by a court that an individual is responsible for a civil traffic violation.
- (b) An individual's admission of responsibility for a civil traffic violation.
- (c) The voluntary or involuntary forfeiture of deposit in connection with a civil traffic violation.
- (d) A default judgment entered by a court pursuant to section 28-1596.
- 11. "License class" means, for the purpose of determining the appropriate class of driver license required for the type of motor vehicle or vehicle combination a driver intends to operate or is operating, the class of driver license prescribed in section 28-3101.
- 12. "Nondomiciled commercial driver license" means a commercial driver license issued to an individual domiciled in a foreign country or to an individual domiciled in another state if that state is prohibited from issuing commercial driver licenses.
  - 13. "Original applicant" means any of the following:
- (a) An applicant who has never been licensed or cannot provide evidence of licensing.
- (b) An applicant who is applying for a higher class of driver license than the license currently held by the applicant.
  - (c) An applicant who has a license from a foreign country.
- 14. "Revocation" means that the driver license and driver's privilege to drive a motor vehicle on the public highways of this state are terminated and shall not be renewed or restored, except that an application for a new license may be presented and acted on by the department after one year from the date of revocation.
- 15. "State of domicile" means the state or jurisdiction where a person has the person's true, fixed and permanent home and principal residence and to which the person has the intention of returning after an absence.
- 16. "Suspension" means that the driver license and driver's privilege to drive a motor vehicle on the public highways of this state are temporarily withdrawn during the period of the suspension and until application for reinstatement is made.
- 17. "Vehicle combination" means a motor vehicle and a vehicle in excess of ten thousand pounds gross vehicle weight that it tows, if the combined gross vehicle weight rating is more than twenty-six thousand pounds.

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Sec. 4. Section 28-6540, Arizona Revised Statutes, is amended to read:

28-6540. Arizona highway user revenue fund distribution: county, city and town proportions

Each month the state treasurer shall distribute all revenues credited to the Arizona highway user revenue fund pursuant to the proportions prescribed in section 28-6538, subsection A as follows:

- 1. Revenues allocated to the counties shall be further distributed to each individual county, the distribution to which was not restricted pursuant to section 28-6543, subsection A, as follows:
- (a) Seventy-two per cent PERCENT based on the proportion that all reported sales of motor vehicle fuel subject to sections 28-5619 and 28-5620 and the estimated consumption of use fuel in the county bear to the total sales of motor vehicle fuel and the estimated consumption of use fuel throughout this state during the preceding calendar month.
- (b) Twenty-eight per cent PERCENT based on the proportion that the population of the unincorporated area of each county bears to the population of the unincorporated areas of all counties in this state.
- 2. Revenues allocated to the incorporated cities and towns pursuant to section 28-6538, subsection A, paragraph 3 shall be distributed on the basis of the following apportionments:
- (a) One-half shall be apportioned to each city or town<del>, the distribution to which was not restricted pursuant to section 28-6543, subsection A,</del> on the basis that the population of each bears to the population of all cities and towns in this state.
- (b) Subject to section 28-6543, subsection A, The remaining one-half shall be apportioned first on the basis of the county origin of all reported sales of motor vehicle fuels in this state subject to sections 28-5619 and 28-5620, which amount shall be further apportioned among the several incorporated cities and towns in each county in the proportion that the population of each city or town bears to the total population of all cities and towns in the county.
- 3. Revenues allocated to incorporated cities with a population of three hundred thousand or more persons shall be apportioned among the cities, the distribution to which was not restricted pursuant to section 28-6543, subsection A, for the acquisition of rights-of-way or construction of streets or highways based on population.

Sec. 5. Repeal

Sections 28-6543 and 28-6544, Arizona Revised Statutes, are repealed.

Sec. 6. Section 28-9203, Arizona Revised Statutes, is amended to read:

28-9203. Risk management: payment of costs

The organization that operates a light rail transit system shall:

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- 1. Pay for any risk management costs the department incurs resulting from the department's safety oversight of light rail transit systems pursuant to this chapter.
- 2. Pay for judgments against this state resulting from the department's safety oversight of light rail transit systems pursuant to this chapter.
- 3. Pay the department's costs resulting from administering this chapter.

Sec. 7. Repeal

Section 41-2501, Arizona Revised Statutes, as amended by Laws 2016, chapter 341, section 4, is repealed.

Sec. 8. Section 41-2501, Arizona Revised Statutes, as amended by Laws 2016, chapter 214, section 2 and chapter 312, section 7, is amended to read:

41-2501. Applicability

- A. This chapter applies only to procurements initiated after January 1, 1985 unless the parties agree to its application to procurements initiated before that date.
- B. This chapter applies to every expenditure of public monies, including federal assistance monies except as otherwise specified in section 41-2637, by this state, acting through a state governmental unit as defined in this chapter, under any contract, except that this chapter does not apply to either grants as defined in this chapter, or contracts between this state and its political subdivisions or other governments, except as provided in chapter 24 of this title and in article 10 of this chapter. This chapter also applies to the disposal of state materials. This chapter and rules adopted under this chapter do not prevent any state governmental unit or political subdivision from complying with the terms of any grant, gift, bequest or cooperative agreement.
- C. All political subdivisions and other local public agencies of this state may adopt all or any part of this chapter and the rules adopted pursuant to this chapter.
- D. Notwithstanding any other law, sections 41-2517 and 41-2546 apply to any agency as defined in section 41-1001, including the office of the governor.
- E. The Arizona board of regents and the legislative and judicial branches of state government are not subject to this chapter except as prescribed in subsection F of this section.
- F. The Arizona board of regents and the judicial branch shall adopt rules prescribing procurement policies and procedures for themselves and institutions under their jurisdiction. The rules must be substantially equivalent to the policies and procedures prescribed in this chapter.
- G. The Arizona state lottery commission is exempt from this chapter for procurement relating to the design and operation of the lottery or purchase of lottery equipment, tickets and related materials. The

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 executive director of the Arizona state lottery commission shall adopt rules substantially equivalent to the policies and procedures in this chapter for procurement relating to the design and operation of the lottery or purchase of lottery equipment, tickets or related materials. All other procurement shall be as prescribed by this chapter.

- H. The Arizona health care cost containment system administration is exempt from this chapter for provider contracts pursuant to section 36-2904, subsection A and contracts for goods and services, including program contractor contracts pursuant to title 36, chapter 29, articles 2 and 3 and contracts with regional behavioral health authorities pursuant to title 36, chapter 34. All other procurement, including contracts for the statewide administrator of the program pursuant to section 36-2903, subsection B, shall be as prescribed by this chapter.
- I. Arizona industries for the blind is exempt from this chapter for purchases of finished goods from members of national industries for the blind and for purchases of raw materials for use in the manufacture of products for sale pursuant to section 41-1972. All other procurement shall be as prescribed by this chapter.
- J. I. Arizona correctional industries is exempt from this chapter for purchases of raw materials, components and supplies that are used in the manufacture or production of goods or services for sale entered into pursuant to section 41-1622. All other procurement shall be as prescribed by this chapter.
- K. J. The state transportation board and the director of the department of transportation are exempt from this chapter other than section SECTIONS 41-2517 AND 41-2586 AND ARE SUBJECT TO TITLE 28, CHAPTER 20 AND 2 CODE OF FEDERAL REGULATIONS SECTION 200.317 for the procurement of construction or reconstruction, including engineering services, of transportation facilities or highway facilities and any other services that are directly related to land titles, appraisals, real property acquisition, relocation, property management or building facility design and construction for highway development and that are required pursuant to title 28, chapter 20. THE FOLLOWING:
- 1. ALL ITEMS OF CONSTRUCTION, RECONSTRUCTION, REHABILITATION, PRESERVATION OR IMPROVEMENT UNDERTAKEN ON HIGHWAY INFRASTRUCTURE.
- 2. ENGINEERING SERVICES AND ANY OTHER WORK OR ACTIVITY TO CARRY OUT ENGINEERING SERVICES RELATED TO HIGHWAY INFRASTRUCTURE.
- 3. RIGHT-OF-WAY SERVICES RELATED TO LAND TITLES, APPRAISALS, REAL PROPERTY ACQUISITIONS, RELOCATION SERVICES, PROPERTY MANAGEMENT AND FACILITY DESIGN.
- 4. ANY OTHER CONSTRUCTION, RECONSTRUCTION, REHABILITATION, PRESERVATION OR IMPROVEMENT WORK OR ACTIVITY THAT IS REQUIRED PURSUANT TO TITLE 28, CHAPTER 20.
- t. K. The Arizona highways magazine is exempt from this chapter for contracts for the production, promotion, distribution and sale of the

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 magazine and related products and for contracts for sole source creative works entered into pursuant to section 28-7314, subsection A, paragraph 5. All other procurement shall be as prescribed by this chapter.

 ${\sf M.}$  L. The secretary of state is exempt from this chapter for contracts entered into pursuant to section 41-1012 to publish and sell the administrative code. All other procurement shall be as prescribed by this chapter.

N. M. This chapter is not applicable to contracts for professional witnesses if the purpose of such contracts is to provide for professional services or testimony relating to an existing or probable judicial proceeding in which this state is or may become a party or to contract for special investigative services for law enforcement purposes.

 $rac{ heta.}{ heta.}$  N. The head of any state governmental unit, in relation to any contract exempted by this section from this chapter, has the same authority to adopt rules, procedures or policies as is delegated to the director pursuant to this chapter.

 ${\tt P.}$  0. Agreements negotiated by legal counsel representing this state in settlement of litigation or threatened litigation are exempt from this chapter.

Q. P. This chapter is not applicable to contracts entered into by the department of economic security:

- 1. With a provider licensed or certified by an agency of this state to provide child day care services.
- 2. With area agencies on aging created pursuant to the older Americans act of 1965 (P.L. 89-73; 79 Stat. 218; 42 United States Code sections 3001 through 3058ff).
  - 3. For services pursuant to title 36, chapter 29, article 2.
- 4. With an eligible entity as defined by Public Law 105-285, section 673(1)(A)(i), as amended, for designated community services block grant program monies and any other monies given to the eligible entity that accomplishes the purpose of Public Law 105-285, section 672.
- R. Q. The Arizona health care cost containment system may not require that persons with whom it contracts follow this chapter for the purposes of subcontracts entered into for the provision of the following:
  - 1. Mental health services pursuant to section 36-189, subsection B.
- 2. Services for the seriously mentally ill pursuant to title 36, chapter 5, article 10.
  - 3. Drug and alcohol services pursuant to section 36-141.
- 5. R. The department of health services may not require that persons with whom it contracts follow this chapter for the purpose of subcontracts entered into for the provision of domestic violence services pursuant to title 36, chapter 30, article 1.
- T. S. The department of health services is exempt from this chapter for contracts for services of physicians at the Arizona state hospital.

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- U. T. Contracts for goods and services approved by the board of trustees of the public safety personnel retirement system are exempt from this chapter.
- orall. The Arizona department of agriculture is exempt from this chapter with respect to contracts for private labor and equipment to effect cotton or cotton stubble plow-up pursuant to rules adopted under title 3, chapter 2, article 1.
- orall. V. The Arizona state parks board is exempt from this chapter for purchases of guest supplies and items for resale such as food, linens, gift items, sundries, furniture, china, glassware and utensils for the facilities located in the Tonto natural bridge state park.
- X. W. The Arizona state parks board is exempt from this chapter for the purchase, production, promotion, distribution and sale of publications, souvenirs and sundry items obtained and produced for resale.
- Y. X. The Arizona state schools for the deaf and the blind are exempt from this chapter for the purchase of textbooks and when purchasing products through a cooperative that is organized and operates in accordance with state law if such products are not available on a statewide contract and are related to the operation of the schools or are products for which special discounts are offered for educational institutions.
- $\frac{7}{2}$ . Y. Expenditures of monies in the morale, welfare and recreational fund established by section 26-153 are exempt from this chapter.
- $\Delta A$ . Z. Notwithstanding section 41-2534, the director of the state department of corrections may contract with local medical providers in counties with a population of less than four hundred thousand persons for the following purposes:
- 1. To acquire hospital and professional medical services for inmates who are incarcerated in state department of corrections facilities that are located in those counties.
- 2. To ensure the availability of emergency medical services to inmates in all counties by contracting with the closest medical facility that offers emergency treatment and stabilization.
- BB. AA. The department of environmental quality is exempt from this chapter for contracting for procurements relating to the water quality assurance revolving fund program established pursuant to title 49, chapter 2, article 5. The department shall engage in a source selection process that is similar to the procedures prescribed by this chapter. The department may contract for remedial actions with a single selection process. The exclusive remedy for disputes or claims relating to contracting pursuant to this subsection is as prescribed by article 9 of this chapter and the rules adopted pursuant to that article. All other procurement by the department shall be as prescribed by this chapter.

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CC. BB. The motor vehicle division of the department of transportation is exempt from this chapter for third-party authorizations pursuant to title 28, chapter 13, only if all of the following conditions exist:

- 1. The division does not pay any public monies to an authorized third party.
  - 2. Exclusivity is not granted to an authorized third party.
- 3. The director has complied with the requirements prescribed in title 28, chapter 13 in selecting an authorized third party.

DD. CC. This section does not exempt third-party authorizations pursuant to title 28, chapter 13 from any other applicable law.

EE. DD. The state forester is exempt from this chapter for purchases and contracts relating to wildland fire suppression and pre-positioning equipment resources and for other activities related to combating wildland fires and other unplanned risk activities, including fire, flood, earthquake, wind and hazardous material responses. All other procurement by the state forester shall be as prescribed by this chapter.

FF. EE. The cotton research and protection council is exempt from this chapter for procurements.

66. FF. Expenditures of monies in the Arizona agricultural protection fund established by section 3-3304 are exempt from this chapter.

HH. GG. The Arizona commerce authority is exempt from this chapter, except article 10 for the purpose of cooperative purchases. The authority shall adopt policies, procedures and practices, in consultation with the department of administration, that are similar to and based on the policies and procedures prescribed by this chapter for the purpose of increased public confidence, fair and equitable treatment of all persons engaged in the process and fostering broad competition while accomplishing flexibility to achieve the authority's statutory requirements. The authority shall make its policies, procedures and practices available to the public. The authority may exempt specific expenditures from the policies, procedures and practices.

II. HH. The Arizona exposition and state fair board is exempt from this chapter for contracts for professional entertainment.

<del>JJ.</del> II. This chapter does not apply to the purchase of water, gas or electric utilities.

KK. JJ. This chapter does not apply to professional certifications, professional memberships and conference registrations.

tt. KK. The department of gaming is exempt from this chapter for problem gambling treatment services contracts with licensed behavioral health professionals.

 $\overline{\text{MM.}}$  LL. This chapter does not apply to contracts for credit reporting services.

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9 10 NN. MM. This chapter does not apply to contracts entered into by the department of child safety:

- 1. With a provider of family foster care pursuant to section 8-503.
- 2. With an eligible entity as defined by Public Law 105-285, section 673(1)(A)(i), as amended, for designated community services block grant program monies and any other monies given to the eligible entity that accomplishes the purpose of Public Law 105-285, section 672.
- $\frac{00.}{100}$  NN. This chapter does not apply to contracts entered into by the department of economic security with a financial institution to serve as a program manager and depository under section 46-903.

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