

PROPOSED

SENATE AMENDMENTS TO H.B. 2685

(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 28-304, Arizona Revised Statutes, is amended to
3 read:

4 28-304. Powers and duties of the board; transportation
5 facilities

6 A. The board shall:

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

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

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

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

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

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

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

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

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

1 4. Vacate or abandon a portion of a state route or state highway as
2 prescribed in section 28-7209.

3 5. Sell board funding obligations to the state treasurer as provided
4 in section 28-7678.

5 C. The board shall:

6 1. Establish policies to guide the development or modification of
7 the five year transportation facilities construction program that are
8 consistent with the principles of ~~performance-based~~ PERFORMANCE-BASED
9 planning developed pursuant to article 7 of this chapter. The percentage
10 of department discretionary monies allocated to the region in the ~~regional~~
11 ~~transportation~~ plan approved pursuant to chapter 17, article 1 of this
12 title shall not increase or decrease unless the board, in cooperation with
13 the regional planning agency, agrees to change the percentage of the
14 discretionary monies.

15 2. Award all construction contracts for transportation facilities.

16 3. Monitor the status of these construction projects.

17 D. The board shall determine priority program planning with respect
18 to transportation facilities using the ~~performance-based~~ PERFORMANCE-BASED
19 methods developed pursuant to article 7 of this chapter.

20 E. With respect to transportation facilities other than highways,
21 the board shall establish, open, relocate, alter, vacate or abandon all or
22 portions of the facilities.

23 F. With respect to aeronautics, the board shall perform the
24 functions prescribed in chapter 25 of this title.

25 G. The board shall not spend any monies, adopt any rules or
26 implement any policies or programs to convert signs to the metric system or
27 to require the use of the metric system with respect to designing or
28 preparing plans, specifications, estimates or other documents for any
29 highway project before the conversion or use is required by federal law,
30 except that the board may:

31 1. Spend monies and require the use of the metric system with
32 respect to designing or preparing plans, specifications, estimates or other

1 documents for a highway project that is awarded before October 1, 1997 and
2 that is exclusively metric from its inception.

3 2. Prepare for conversion to and use of the metric system not more
4 than six months before the conversion or use is required by federal law.

5 Sec. 2. Section 28-6301, Arizona Revised Statutes, is amended to
6 read:

7 **28-6301. Definitions**

8 In this article, unless the context otherwise requires:

9 1. "~~Bond related~~ BOND-RELATED expenses" means:

10 (a) Printing, publication or advertising expenses with respect to
11 the sale and issuance of any bonds.

12 (b) Fees, expenses and costs of registrars, paying agents and
13 transfer agents retained by the board.

14 (c) Fees, expenses and costs of attorneys, accountants, actuaries,
15 feasibility consultants, computer programmers or other experts employed to
16 aid in the sale and issuance of the bonds.

17 (d) Other costs, fees and expenses incurred or reasonably related to
18 the issuance, sale and administration of the bonds.

19 2. "~~Bond related~~ BOND-RELATED obligation" means any agreement or
20 contractual relationship between the board and any bank, trust company,
21 insurance company, surety bonding company, pension fund or other financial
22 institution providing increased credit on, or security for, the bonds or
23 liquidity for secondary market transactions.

24 3. "Bonds" means any bonds that are payable from the regional area
25 road fund as provided in chapter 21, article 2 of this title.

26 4. "Construction interest" means a company whose primary function
27 consists of building freeways, highways or major arterial streets.

28 5. "Controlled access highway" has the same meaning prescribed in
29 section 28-601.

30 6. "Freight interest" means a company that derives a substantial
31 portion of its revenue from transporting goods.

1 7. "Major amendment" means either:

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

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

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

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

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

17 8. 9. "Population" means the population determined in the most
18 recent United States decennial census or the most recent special census as
19 provided in section 28-6532 and revisions to the decennial or special
20 census certified by the United States bureau of the census.

21 9. 10. "Public transportation" means moving passengers by means of
22 a conveyance operated by or for a political subdivision of this state,
23 including dial-a-ride transportation, special needs transportation and van
24 pool transportation but excluding school buses.

25 10. 11. "Public transportation system" means the combination of
26 individuals, vehicles, physical facilities, structures and equipment that
27 together provide, or facilitate providing, public transportation, including
28 buses, high occupancy vehicle roadway lanes and ramps, bus pull-out lanes,
29 bus and light rail waiting facilities, park and ride parking lots,
30 intelligent transportation systems and ridesharing promotion.

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

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

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

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

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

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

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

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

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

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

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

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

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

13 B. The state treasurer shall:

14 1. Account separately for each account.

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

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

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

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

1 C. The state treasurer may:

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

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

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

14 1. Freeways and other routes in the state highway system.

15 2. Major arterial streets and ~~intersection improvements~~ REGIONAL
16 PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND
17 IMPLEMENTATION STUDIES.

18 E. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE USES OF
19 TRANSPORTATION EXCISE TAX REVENUES DEPOSITED IN THE BOND ACCOUNT AND THE
20 CONSTRUCTION ACCOUNT IN ORDER TO IDENTIFY HOW THE TRANSPORTATION EXCISE TAX
21 REVENUES ARE USED PURSUANT TO SECTION 42-6105.01, SUBSECTION D, PARAGRAPHS
22 1 AND 2 FOR:

23 1. FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM.

24 2. MAJOR ARTERIAL STREETS AND REGIONAL PROGRAMS IDENTIFIED IN THE
25 PLAN, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.

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

28 28-6304. Bond account; expenditures

29 A. The state treasurer shall:

30 1. Hold monies in the bond account in trust for the owners of the
31 bonds.

1 2. Pay monies in the bond account to the county, to paying agents or
2 to the owners of the bonds directly in accordance with a resolution of the
3 board authorizing the issuance of the bonds.

4 B. Monies in the bond account may be used:

5 1. To pay ~~bond related~~ BOND-RELATED expenses or recurring expenses
6 pertaining to administration and payment of the bonds.

7 2. For funding reserves for the payment of the bonds.

8 3. For payment of fees, charges and expenses incurred with respect
9 to ~~bond related~~ BOND-RELATED obligations.

10 C. Monies in the bond proceeds account may be obligated or spent as
11 directed by the board, ACCORDING TO THE PLAN, for the:

12 1. Payment of all ~~bond related~~ BOND-RELATED expenses.

13 2. Establishment and funding of reserve monies or to pay interest on
14 bonds during the expected period of construction.

15 3. Payment of fees, charges and expenses incurred with respect to
16 ~~bond related~~ BOND-RELATED obligations.

17 4. Design, right-of-way purchase or construction related to new, or
18 improvements to, freeways and other routes in the state highway system that
19 are included in the ~~regional transportation~~ plan ~~of the county~~ and that are
20 accepted into the state highway system.

21 5. Design, right-of-way purchase or construction related to new, or
22 improvements to, major arterial streets and intersections that are included
23 in the ~~regional transportation~~ plan ~~of the county~~. ~~For the purposes of~~
24 ~~this paragraph, "major arterial" means an interconnected thoroughfare whose~~
25 ~~primary function is to link areas in the region and to distribute traffic~~
26 ~~to and from controlled access highways, generally of regionwide~~
27 ~~significance and of varying capacity depending on the travel demand for the~~
28 ~~specific direction and adjacent land uses.~~

29 6. Design and construction of interim roadways within the adopted
30 corridors of the ~~regional transportation~~ plan ~~of the county~~ pursuant to
31 section 28-6309.

1 7. ~~Right of way costs associated with the construction of interim~~
2 ~~roadways pursuant to section 28-6310.~~

3 8. 6. Payment of principal and interest on the bonds.

4 7. DESIGN, CONSTRUCTION AND IMPLEMENTATION OF REGIONAL PROGRAMS AS
5 DEFINED BY THE PLAN.

6 Sec. 6. Section 28-6305, Arizona Revised Statutes, is amended to
7 read:

8 28-6305. Construction account; expenditures; construction
9 contracts

10 A. Except as provided in subsection B of this section, monies in the
11 construction account of the regional area road fund shall be spent, pledged
12 or accumulated for the purposes provided in section 28-6304, subsection C,
13 paragraphs 4 and 5, including payment of interest on and repayment of bonds
14 and obligations issued pursuant to chapter 21 of this title if the proceeds
15 of the bonds or obligations are used for the purposes provided in section
16 28-6304, subsection C, paragraphs 4 and 5.

17 B. Of the monies deposited in the construction account of the
18 regional area road fund under section 28-6303, the state treasurer shall:

19 1. In each fiscal year, divide and equally distribute ~~five million~~
20 ~~dollars~~ \$5,000,000 to:

21 (a) The public transportation fund established in that county under
22 section 48-5103.

23 (b) The regional planning agency in that county for planning and
24 ~~administration of~~ ADMINISTERING the ~~regional transportation~~ plan approved
25 pursuant to section 28-6308. The state treasurer shall distribute monies
26 under this subdivision through the department on or before June 30 of each
27 year.

28 2. Beginning with fiscal year 1987-1988, adjust the monies
29 distributed under paragraph 1 **OF THIS SUBSECTION** by the annual percentage
30 change for the previous calendar year in the GDP price deflator as defined
31 in section 41-563.

1 C. The monies distributed under subsection B of this section shall
2 only be spent for planning and administering the ~~regional transportation~~
3 plan approved pursuant to section 28-6308 and the costs incurred by the
4 auditor general relating to performance audits under section 28-6313.
5 Before the beginning of each fiscal year, the respective governing bodies
6 of the members of the regional planning agency and the board of directors
7 of the regional public transportation authority shall explicitly identify
8 and approve in ~~the annual~~ budgets the monies to be spent under subsection B
9 of this section for the purposes allowed under this subsection. These
10 expenditures are subject to the annual audit of the governing bodies'
11 financial transactions.

12 D. The director may enter into construction contracts or contracts
13 incidental to construction contracts payable from monies in either the bond
14 proceeds account or the construction account or both the bond proceeds and
15 construction accounts.

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

18 28-6306. Account expenditures: elections
19 A. Except as provided in subsection B OF THIS SECTION, monies from
20 any account in the regional area road fund shall not be spent to promote or
21 advocate a position, alternative or outcome of an election, to influence
22 public opinion or to pay or contract for consultants or advisors to
23 influence public opinion with respect to an election regarding taxes or
24 other sources of revenue for the fund or regarding the ~~regional~~
25 ~~transportation~~ plan.

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

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

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

Sec. 8. Repeal

Section 28-6307, Arizona Revised Statutes, is repealed.

Sec. 9. Section 28-6308, Arizona Revised Statutes, is amended to read:

28-6308. Regional planning agency transportation policy committee

A. The regional planning agency in the county shall establish a transportation policy committee consisting of ~~twenty-three~~ THE FOLLOWING members as follows:

1. Seventeen members of the regional planning agency, including one member of the state transportation board who represents the county, one member of the county board of supervisors and one member ~~representing~~ WHO REPRESENTS Indian communities in the county.

2. Six members who represent regionwide business interests, one of whom must represent transit interests, one of whom must represent freight interests and one of whom must represent construction interests. The president of the senate and the speaker of the house of representatives shall each appoint three members to the committee pursuant to this paragraph. Members who are appointed pursuant to this paragraph serve six-year terms. The chairperson of the regional planning agency may submit names to the president of the senate and the speaker of the house of representatives for consideration for appointment to the transportation policy committee.

3. BEGINNING FISCAL YEAR 2023-2024, TWO MEMBERS WHO REPRESENT UNINCORPORATED AREAS OF A COUNTY THAT HAS A POPULATION OF THREE MILLION OR MORE PERSONS. THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL EACH APPOINT ONE MEMBER PURSUANT TO THIS SUBSECTION. MEMBERS WHO ARE APPOINTED PURSUANT TO THIS SUBSECTION SERVE SIX-YEAR TERMS.

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

1. ~~By a majority vote of the members,~~ Recommend approval,
DISAPPROVAL OR MODIFICATION of ~~a twenty-year comprehensive~~

1 ~~performance-based, multimodal and coordinated regional transportation plan~~
2 ~~in the county, including transportation corridors by priority and a~~
3 ~~schedule indicating the dates that construction will commence for projects~~
4 ~~contained in the plan.~~

5 2. Develop the plan in cooperation with the regional public
6 transportation authority in the county and the department ~~of transportation~~
7 and in consultation with the county board of supervisors, Indian
8 communities and cities and towns in the county.

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

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

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

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

1 7. Recommend the plan to the regional planning agency for approval
2 for an air quality conformity analysis.

3 C. The regional transportation plan.

4 1. Shall include the following transportation mode classifications
5 with a revenue allocation to each classification consistent with section
6 42-6105, subsection D.

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

8 (b) Major arterial streets and intersection improvements.

9 (c) Public transportation systems.

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

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

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

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

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

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

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

Sec. 10. Repeal

Sections 28-6309, 28-6310, 28-6311 and 28-6312, Arizona Revised Statutes, are repealed.

Sec. 11. Section 28-6313, Arizona Revised Statutes, is amended to read:

28-6313. Performance audits of proposed transportation projects and systems

A. Beginning in 2010 and every fifth year thereafter, the auditor general shall ~~contract with a nationally recognized independent auditor with expertise in evaluating multimodal transportation systems and in regional transportation planning to conduct a performance audit, as defined in section 41-1278, of the regional transportation plan and projects scheduled for funding during the next five years.~~

B. With respect to light rail systems, the audit shall consider the criteria used by the federal transit administration pursuant to 49 United States Code section 5309(e)(1)(B) and the interrelationship among the criteria to provide federal funding for light rail systems. For light rail systems, the audit shall also consider:

1. Service levels.
2. Capital costs.
3. Operation and maintenance costs.
4. Transit ridership.
5. Farebox revenues.

c. The audit shall:

1. Examine the ~~regional transportation~~ plan and projects scheduled for funding within each transportation mode based on the performance factors established in section 28-505, subsection A, in the context of the transportation system.

2. Review past expenditures of the ~~regional transportation~~ plan and examine the performance of the system in relieving congestion and improving mobility.

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

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

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

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

17 G. The auditor general shall distribute copies of the audit to:
18 1. The regional planning agency.
19 2. The transportation policy committee.
20 3. The regional public transportation authority in the county.
21 4. The county board of supervisors.
22 5. The state transportation board.
23 6. The governor, secretary of state, president of the senate and
24 speaker of the house of representatives.

25 7. The Arizona state library, archives and public records.
26 8. Any other person who requests a copy pursuant to title 39,
27 chapter 1, article 2.

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

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

8 Sec. 12. Heading change

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

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

14 28-6351. Definitions

15 In this article, unless the context otherwise requires:

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

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

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

25 Sec. 14. Repeal

26 Sections 28-6352, 28-6353, 28-6354 and 28-6355, Arizona Revised
27 Statutes, are repealed.

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

30 28-6352. County transportation excise tax: budget process

31 A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND
32 ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN

1 COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND
2 OPERATORS AND IN COORDINATION WITH THE DEPARTMENT. THE REGIONAL PLANNING
3 AGENCY SHALL CONSIDER TRUCK PARKING AVAILABILITY WHEN CONSIDERING THE
4 CONSTRUCTION, EXPANSION OR MODIFICATION OF FREEWAYS OR OTHER ROUTES IN THE
5 STATE HIGHWAY SYSTEM. ON OR BEFORE DECEMBER 31, 2049, THE REGIONAL
6 PLANNING AGENCY SHALL ALLOCATE AT LEAST \$90,000,000 FOR THE IMPLEMENTATION
7 OF COMMERCIAL MOTOR VEHICLE PARKING THAT IS CONSISTENT WITH A REGIONALLY
8 ADOPTED TRUCK PARKING PLAN, INCLUDING FUNDING FOR CONSTRUCTION, LAND
9 ACQUISITION, LEASE, MAINTENANCE OR OPERATIONS OR ENTRY INTO A
10 PUBLIC-PRIVATE PARTNERSHIP AGREEMENT.

11 B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION
12 42-6105.01 AS FOLLOWS:

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

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

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

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

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

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

1 D. BEGINNING FISCAL YEAR 2022-2023, THE REGIONAL PLANNING AGENCY
2 SHALL ADOPT A BUDGET PROCESS THAT ENSURES:

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

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

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

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

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

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

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

28 1. CONSIDERATION BY THE TRANSPORTATION POLICY COMMITTEE.
29 2. IDENTIFICATION OF THE PROJECTS AND PROGRAMS THAT WOULD BE
30 IMPACTED BY THE FUNDING TRANSFER.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 Sec. 16. Section 28-6538, Arizona Revised Statutes, is amended to
18 read:

19 28-6538. Arizona highway user revenue fund distribution;
20 remaining monies; highway fund distribution;
21 contract authorization; plan requirements

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

26 1. To the state highway fund, fifty and one-half ~~per cent~~ PERCENT.

27 2. To the counties, nineteen ~~per cent~~ PERCENT.

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

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

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

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

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

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

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

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

1 D. Expenditures for state matching monies for the federal interstate
2 system shall be in addition to the amount provided in subsection B of this
3 section.

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

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

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

15 28-6954. Program requirements

16 A. The five year transportation facilities construction program
17 shall:

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

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

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

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

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

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

30 (b) **CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION**
31 **28-6352, SUBSECTION D, PARAGRAPH 1.**

32 (c) **ANNUALLY UPDATED.**

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

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

10 Sec. 18. Section 28-7562, Arizona Revised Statutes, is amended to
11 read:

12 28-7562. Bond requirements

13 A. The bonds authorized by this article shall:

14 1. Be authorized by resolution of the board.

15 2. Bear such date or dates and mature at such time or times, not
16 exceeding the earlier of ~~twenty~~ TWENTY-FIVE years from their respective
17 dates or the date the transportation excise taxes securing the bonds cease,
18 as the resolution or resolutions may provide.

19 3. Bear interest at such rate or rates, including rates that may
20 vary from time to time pursuant to parameters set by the board in the
21 authorizing resolution.

22 4. Be in the denomination, be in the form, either coupon or
23 registered, be executed in the manner and be payable as to principal,
24 interest or premium in the medium of payment at the office of the state
25 treasurer of this state or at such other place or places as the board
26 provides either by automatic deposit, wire transfer or mail, as the
27 resolution or resolutions may provide.

28 5. Be subject to the terms of redemption, at the option of either
29 the board or the owner of the bond, as the resolution or resolutions may
30 provide.

31 B. The bonds may be sold at either public or private sale, above, at
32 or below par and on terms the board determines. Bonds to fund or refund

1 other bonds may be exchanged with the holders of bonds being funded or
2 refunded on terms the board determines.

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

5 28-7671. Definitions

6 In this article, unless the context otherwise requires:

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

8 (a) On the federal aid system, national highway system or state
9 route or state highway system.

10 (b) Included in either:

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

12 (ii) The transportation improvement plan of a regional association
13 of governments.

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

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

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

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

31 6. "Indian tribe" means any Indian tribe, band, group or community
32 that is recognized by the United States secretary of the interior and that

1 exercises governmental authority within the limits of any Indian
2 reservation under the jurisdiction of the United States government,
3 notwithstanding the issuance of any patent and including rights-of-way
4 running through the reservation.

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

9 8. "Political subdivision" means a county, city, town or special
10 taxing district authorized by law to construct or assist in the
11 construction of an eligible highway project or a county, city, town or
12 special taxing district established pursuant to section 48-5102 to
13 construct or assist in the construction of a transportation project.

14 9. "SIB cooperative agreement" means a cooperative agreement or
15 agreements entered into by the Arizona department of transportation with
16 the United States department of transportation pursuant to this article and
17 the federal SIB act.

18 10. "Transportation project" means all or a portion of a project
19 that is included in the state's transportation improvement program or a
20 ~~regional transportation~~ plan, as defined in section 28-6351, including the
21 project planning, environmental work, design, right-of-way acquisition or
22 construction for the transportation project and associated rolling stock
23 and operating systems but not including an eligible highway project.

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

26 28-7691. Definitions

27 In this article, unless the context otherwise requires:

28 1. "Excise taxes" means all unrestricted excise, transaction,
29 franchise, privilege and business taxes, state shared ~~sales~~ TRANSACTION
30 ~~PRIVILEGE~~ and income taxes, fees for licenses and permits and state revenue
31 sharing that are levied and paid by a political subdivision or contributed,
32 levied or paid to the political subdivision and not earmarked by the

1 contributor or the political subdivision for a contrary or inconsistent
2 purpose.

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

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

12 4. "Transportation project advance agreement" means a written
13 agreement, entered into in accordance with section 28-7677 and section
14 9-500.17, 11-269.03 or 48-5122, between one or more political subdivisions
15 and the department, a regional planning agency, metropolitan planning
16 organization or council of governments or a designated grant recipient
17 under which the political subdivision advances monies to the department,
18 the regional planning agency, metropolitan planning organization or council
19 of governments or the designated grant recipient to accelerate a
20 transportation project and under which the recipient of the advanced monies
21 repays the advance.

22 5. "Transportation project advance revenues" means any revenues a
23 political subdivision receives under a transportation project advance
24 agreement, or as proceeds of transportation project advancement notes,
25 together with any earnings from the investment of the revenues.

26 6. "Transportation project advancement notes" means notes authorized
27 by this article.

Sec. 21. Section 28-7695, Arizona Revised Statutes, is amended to read:

28-7695. Use of proceeds

A political subdivision shall use the proceeds from the sale of transportation project advancement notes for payment of any of the following:

1. Advances for a transportation project included in the state's transportation improvement program or a ~~regional transportation~~ plan, as defined in section 28-6351, under the transportation project advance agreement that relates to the transportation project advancement notes.

2. Legal and financial costs and expenses incurred in issuing and administering the notes.

3. Reimbursement to the political subdivision for monies previously advanced to the department, a regional planning agency, metropolitan planning organization or council of governments, a regional public transportation authority or a designated grant recipient under the transportation project advance agreement that relates to the transportation project advancement notes.

4. If authorized by the political subdivision, payment of interest that accrues on the notes before maturity.

5. Payment of the principal, premium or interest on other obligations of the political subdivision to the extent that proceeds of those obligations are applied to the financing of the transportation project that relates to the transportation project advance agreement.

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

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

A. If approved by the qualified electors voting at a countywide election, a county with a population of one million two hundred thousand or

1 more persons shall levy and the department shall collect a tax as provided
2 by this section, in addition to all other taxes.

3 B. The tax shall be levied and collected:

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

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

10 3. On the use or consumption of electricity or natural gas by retail
11 electric or natural gas customers in the county who are subject to use tax
12 under section 42-5155, at a rate equal to the transaction privilege tax
13 rate under paragraph 1 of this subsection applying to persons engaging or
14 continuing in the county in the utilities transaction privilege tax
15 classification.

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

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

21 1. 56.2 ~~per cent~~ PERCENT to the regional area road fund pursuant to
22 section 28-6303 for freeways and other routes in the state highway system,
23 including capital expense and maintenance.

24 2. 10.5 ~~per cent~~ PERCENT to the regional area road fund pursuant to
25 section 28-6303 for major arterial streets and ~~intersection improvements~~
26 REGIONAL PROGRAMS, including capital expense and implementation studies.

27 3. 33.3 ~~per cent~~ PERCENT to the public transportation fund pursuant
28 to section 48-5103 for:

29 (a) Capital costs, maintenance and operation of public
30 transportation classifications.

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

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

3 42-6105.01. County transportation excise tax; counties with
4 population of three million or more persons;
5 conditional enactment

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

10 B. THE TAX SHALL BE LEVIED AND COLLECTED:

11 1. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE TRANSACTION
12 PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A THAT
13 APPLIES, AS OF JANUARY 1, 2022, TO EACH PERSON ENGAGING OR CONTINUING IN
14 THE COUNTY IN A BUSINESS TAXED UNDER CHAPTER 5, ARTICLE 1 OF THIS TITLE.

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

17 3. ON THE USE OR CONSUMPTION OF ELECTRICITY OR NATURAL GAS BY RETAIL
18 ELECTRIC OR NATURAL GAS CUSTOMERS IN THE COUNTY WHO ARE SUBJECT TO USE TAX
19 UNDER SECTION 42-5155, AT A RATE EQUAL TO THE TRANSACTION PRIVILEGE TAX
20 RATE UNDER PARAGRAPH 1 OF THIS SUBSECTION THAT APPLIES TO PERSONS ENGAGING
21 OR CONTINUING IN THE COUNTY IN THE UTILITIES TRANSACTION PRIVILEGE TAX
22 CLASSIFICATION.

23 C. THE TAX LEVIED UNDER THIS SECTION SHALL BE IN EFFECT FOR A TERM
24 OF TWENTY-FIVE YEARS.

25 D. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL
26 SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION INTO THE
27 REGIONAL AREA ROAD FUND ESTABLISHED PURSUANT TO SECTION 28-6302 OR THE
28 PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103. EXCEPT AS
29 PROVIDED IN SUBSECTION F OF THIS SECTION, THE PLAN SHALL DISTRIBUTE:

30 1. 37.4 PERCENT TO THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND
31 OTHER ROUTES IN THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND
32 MAINTENANCE.

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

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

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

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

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

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

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

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

I. THIS SECTION DOES NOT BECOME EFFECTIVE UNLESS AT AN ELECTION HELD NOVEMBER 8, 2022 THE COUNTY TRANSPORTATION EXCISE TAX IS APPROVED BY THE QUALIFIED ELECTORS.

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

48-5102. Regional public transportation authority in counties with population of three million or more persons: establishment

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

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

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

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

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

13 48-5103. Public transportation fund

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

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

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

23 3. Transportation excise tax revenues that are allocated to the fund
24 pursuant to ~~SECTION~~ SECTIONS 42-6105 AND 42-6105.01. The board shall
25 separately account for monies from transportation excise tax revenues
26 allocated pursuant to section 42-6105, subsection D, paragraph 3 OR SECTION
27 42-6105.01, SUBSECTION D, PARAGRAPH 3, SUBDIVISION (b) for:

28 (a) A light rail public transit system.

29 (b) Capital costs for other public transportation.

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

31 4. Monies distributed under title 28, chapter 17, ~~ARTICLE~~ ARTICLES 1
32 AND 2.

1 5. Grants, gifts or donations from public or private sources.
2 6. Monies granted by the federal government or appropriated by the
3 legislature.

4 7. Fares or other revenues collected in operating a public
5 transportation system.

6 B. On behalf of the authority, the fiscal agent shall administer
7 monies paid into the public transportation fund. Monies in the fund may be
8 spent pursuant to or to implement the public transportation element of the
9 ~~regional transportation~~ plan AS DEFINED IN SECTION 28-6351 developed and
10 approved by the regional planning agency, including reimbursement for
11 utility relocation costs as prescribed in section 48-5107, ~~adopted pursuant~~
12 ~~to section 48-5121~~ and for projects identified in the ~~regional~~
13 ~~transportation~~ plan adopted by the regional planning agency pursuant to
14 section ~~28-6308~~ 28-6352.

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

21 Sec. 26. Repeal

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

23 Sec. 27. Election on transportation excise tax

24 A. Before November 8, 2022, the board of supervisors of any county
25 with a population of three million or more persons shall call a countywide
26 election for the extension and levy of a county transportation excise tax
27 as provided by section 42-6105.01, Arizona Revised Statutes, as added by
28 this act, and on November 8, 2022, the board of supervisors shall conduct
29 the election.

30 B. In addition to any other requirements prescribed by law, the
31 board of supervisors shall prepare and print an 8½" x 11" publicity
32 pamphlet concerning the ballot question and mail one copy of the pamphlet

1 to each household containing a registered voter in the county. The
2 mailings may be made over a period of days but shall be mailed for delivery
3 before the earliest date registered voters may receive early ballots for
4 the election. The publicity pamphlet shall contain:

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

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

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

14 (b) A map of proposed routes and transportation corridors of all
15 major transportation projects.

16 (c) The estimated amount of transportation excise tax revenues,
17 together with other identified revenues, dedicated for each transportation
18 mode.

19 (d) The Maricopa county elections department website address for
20 additional information on the regional strategic transportation
21 infrastructure investment plan.

22 3. The form of the ballot.

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

27 C. On or before June 15, 2022, a person may file with the county
28 elections director an argument, not more than three hundred words in
29 length, advocating or opposing the ballot measure. The person who files
30 the argument shall also pay to the elections director a publication fee
31 prescribed by the board of supervisors. If the argument is sponsored by
32 one or more individuals, the argument shall be signed by each sponsoring

1 individual. If the argument is sponsored by one or more organizations, the
2 argument shall be signed by two executive officers of each
3 organization. If the argument is sponsored by one or more political
4 committees, the argument shall be signed by each committee's chairperson or
5 treasurer. Payment of the fee required by this subsection, or
6 reimbursement of the payor, constitutes sponsorship of the argument. The
7 names of persons who have signed arguments and the names of sponsoring
8 organizations shall appear with the argument in the pamphlet. The person
9 or persons signing the argument shall also give their residence or post
10 office box address and a telephone number, which may not appear in the
11 pamphlet.

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

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

17 2. The title: Regional Strategic Transportation Infrastructure
18 Investment Plan.

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

20 An economic development measure continuing the existing
21 transportation excise tax to improve travel times and choices,
22 reduce congestion, aid public safety, improve air quality and
23 address the regional transportation system by building,
24 modernizing and expanding new and existing freeways, streets
25 and intersections, investing in future transportation
26 technology and innovations, addressing transportation safety
27 issues, extending the light rail system, improving and
28 expanding regional bus transit and providing additional
29 dial-a-ride services for the elderly and persons with
30 disabilities, vanpool services and pedestrian paths and
31 bikeways.

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

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

6 Do you favor the continuation of a county transaction privilege
7 (sales) tax for regional transportation purposes in _____
8 county? YES _____ NO _____

9 (A "YES" vote has the effect of continuing the transaction
10 privilege (sales) tax in _____ county for twenty-five
11 years to provide funding for transportation projects as
12 contained in the regional strategic transportation
13 infrastructure investment plan.)

14 (A "NO" vote has the effect of rejecting the transaction
15 privilege (sales) tax for transportation purposes in _____
16 county.)

17 E. Except as otherwise provided by this section, the election under
18 this section shall be conducted as nearly as practicable in the manner
19 prescribed for general elections in title 16, Arizona Revised Statutes.
20 The county election officer shall account for costs specifically incurred
21 with respect to the ballot issue under this section. Regardless of the
22 outcome of the election, and notwithstanding any other law, the state
23 treasurer shall pay the costs listed in this subsection specifically
24 incurred with respect to the ballot issue under this section from monies
25 paid into the county's regional area road fund on submission of the bill by
26 the county election officer. Costs specifically incurred with respect to
27 the ballot issue under this section include the following:

28 1. Costs of mailing, publishing, posting and printing ballots,
29 publicity pamphlets, notices, election materials and other matters
30 concerning the election.

31 2. Legal and other consulting fees and costs relating to the
32 election.

1 3. Telecommunications costs.

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

5 5. Any other costs attributable to the election.

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

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

10 Sec. 28. Regional public transportation authority

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

14 Sec. 29. Emergency

15 This act is an emergency measure that is necessary to preserve the
16 public peace, health or safety and is operative immediately as provided by
17 law."

18 Amend title to conform

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