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SHELTER.

COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1102 (Reference to Senate engrossed bill)

1	Strike everything after the enacting clause and insert:
2	"Section 1. Title 9, chapter 4, article 6.1, Arizona Revised
3	Statutes, is amended by adding section 9-462.10, to read:
4	9-462.10. Zoning; height; density; high-capacity transit
5	route; grants
6	A. A MUNICIPALITY MAY ALLOW MAXIMUM HEIGHT AND DENSITY RESTRICTIONS
7	IN AREAS ZONED FOR RESIDENTIAL AND COMMERCIAL MIXED USE FOR ALL PROPERTIES
8	THAT ARE ADJACENT TO OR COMBINED ADJACENT TO HIGH-CAPACITY TRANSIT ROUTES.
9	B. IF A MUNICIPALITY ALLOWS MAXIMUM HEIGHT AND DENSITY RESTRICTIONS
10	AS DESCRIBED IN SUBSECTION A OF THIS SECTION, THE MUNICIPALITY IS ELIGIBLE
11	FOR GRANT MONIES COLLECTED PURSUANT TO SECTION 42-6105.01 TO BE USED TO
12	ACQUIRE LAND FOR RESIDENTIAL AND COMMERCIAL MIXED-USE PROPERTIES.
13	Sec. 2. Title 9, chapter 4, article 8, Arizona Revised Statutes, is
14	amended by adding section 9-500.40, to read:
15	9-500.40. Pocket shelters: religious, nonprofit or low-income
16	housing organizations; definitions
17	A. A CITY OR TOWN MAY NOT PROHIBIT A RELIGIOUS ORGANIZATION, A
18	NONPROFIT ORGANIZATION OR A LOW-INCOME HOUSING ORGANIZATION FROM PROVIDING
19	A POCKET SHELTER IF ALL OF THE FOLLOWING APPLY:
20	1. THE ORGANIZATION PROVIDES ONLY ONE POCKET SHELTER.
21	2. THE POCKET SHELTER HOUSES NOT MORE THAN TWELVE UNRELATED PERSONS
22	EXCEPT THAT THE POCKET SHELTER MAY HOUSE UP TO TWENTY UNRELATED MINORS WHO
23	ARE ACCOMPANIED BY A PARENT OR GUARDIAN. FOR THE PURPOSES OF THIS
24	PARAGRAPH, MINORS WHO ARE ACCOMPANIED BY A PARENT OR GUARDIAN SHALL NOT BE

3. THE ORGANIZATION PROVIDES ON-SITE SUPERVISION OF POCKET SHELTER

RESIDENTS AT ALL TIMES IF TWO OR MORE UNRELATED RESIDENTS ARE AT THE POCKET

COUNTED IN THE NUMBER OF UNRELATED PERSONS.

- 1 4. POCKET SHELTER RESIDENTS DO NOT POSSESS ALCOHOL, ILLEGAL DRUGS OR WEAPONS AT THE POCKET SHELTER.
 - 5. DRUG, ALCOHOL OR OTHER SUBSTANCE ABUSE OR MENTAL HEALTH REHABILITATION PROGRAMS ARE NOT ALLOWED AS PART OF THE POCKET SHELTER SERVICES. THIS PARAGRAPH DOES NOT PREVENT THE ORGANIZATION FROM REFERRING POCKET SHELTER RESIDENTS TO OTHER APPROPRIATE PROGRAMS PROVIDED BY THE ORGANIZATION OR BY OTHERS.
 - 6. OPEN AREAS SURROUNDING THE POCKET SHELTER STRUCTURE ARE SCREENED AND THE POCKET SHELTER STRUCTURE IS SCREENED FROM VIEW FROM ANY ADJOINING PROPERTIES BY HEDGES, TREES, OTHER LANDSCAPING OR WALLS.
 - 7. THE POCKET SHELTER DOES NOT HAVE DIRECT ACCESS TO ADJOINING PROPERTIES.
 - 8. THE POCKET SHELTER IS HOUSED IN A PERMANENT STRUCTURE AND NOT IN A TEMPORARY STRUCTURE.
 - B. FOR THE PURPOSES OF THIS SECTION:
 - 1. "POCKET SHELTER" MEANS A NONCONGREGATE HOUSING SHELTER THAT IS AN ACCESSORY TO A RELIGIOUS ORGANIZATION, A NONPROFIT ORGANIZATION OR A LOW-INCOME HOUSING ORGANIZATION AND THAT HOUSES THIRTY-TWO OR FEWER PERSONS.
 - 2. "RELIGIOUS ORGANIZATION" MEANS A HOUSE OF WORSHIP, CHURCH, SYNAGOGUE. SHRINE. MOSOUE OR TEMPLE.
 - Sec. 3. Title 11, chapter 2, article 4, Arizona Revised Statutes, is amended by adding section 11-269.06, to read:

11-269.06. <u>Pocket shelters; religious, nonprofit or low-income</u> housing organizations; definitions

- A. A COUNTY MAY NOT PROHIBIT A RELIGIOUS ORGANIZATION, A NONPROFIT ORGANIZATION OR A LOW-INCOME HOUSING ORGANIZATION FROM PROVIDING A POCKET SHELTER IF ALL OF THE FOLLOWING APPLY:
 - 1. THE ORGANIZATION PROVIDES ONLY ONE POCKET SHELTER.
- 2. THE POCKET SHELTER HOUSES MORE THAN TWELVE UNRELATED PERSONS

 EXCEPT THAT A POCKET SHELTER MAY HOUSE UP TO TWENTY UNRELATED MINORS WHO

 ARE ACCOMPANIED BY A PARENT OR GUARDIAN. FOR THE PURPOSES OF THIS

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- 1 PARAGRAPH, MINORS WHO ARE ACCOMPANIED BY A PARENT OR GUARDIAN SHALL NOT BE 2 COUNTED IN THE NUMBER OF UNRELATED PERSONS.
 - 3. THE ORGANIZATION PROVIDES ON-SITE SUPERVISION OF POCKET SHELTER RESIDENTS AT ALL TIMES IF TWO OR MORE UNRELATED RESIDENTS ARE AT THE POCKET SHELTER.
 - 4. POCKET SHELTER RESIDENTS DO NOT POSSESS ALCOHOL, ILLEGAL DRUGS OR WEAPONS AT THE POCKET SHELTER.
 - 5. DRUG, ALCOHOL OR OTHER SUBSTANCE ABUSE OR MENTAL HEALTH REHABILITATION PROGRAMS ARE NOT ALLOWED AS PART OF THE POCKET SHELTER SERVICES. THIS PARAGRAPH DOES NOT PREVENT THE ORGANIZATION FROM REFERRING POCKET SHELTER RESIDENTS TO OTHER APPROPRIATE PROGRAMS PROVIDED BY THE ORGANIZATION OR BY OTHERS.
 - 6. OPEN AREAS SURROUNDING THE POCKET SHELTER STRUCTURE ARE SCREENED AND THE POCKET SHELTER STRUCTURE IS SCREENED FROM VIEW FROM ANY ADJOINING PROPERTIES BY HEDGES, TREES, OTHER LANDSCAPING OR WALLS.
 - 7. THE POCKET SHELTER DOES NOT HAVE DIRECT ACCESS TO ADJOINING PROPERTIES.
 - 8. THE POCKET SHELTER IS HOUSED IN A PERMANENT STRUCTURE AND NOT IN A TEMPORARY STRUCTURE.
 - B. FOR THE PURPOSES OF THIS SECTION:
 - 1. "POCKET SHELTER" MEANS A NONCONGREGATE HOUSING SHELTER THAT IS AN ACCESSORY TO A RELIGIOUS ORGANIZATION, A NONPROFIT ORGANIZATION OR A LOW-INCOME HOUSING ORGANIZATION AND THAT HOUSES THIRTY-TWO OR FEWER PERSONS.
 - "RELIGIOUS ORGANIZATION" MEANS A HOUSE OF WORSHIP, CHURCH, SYNAGOGUE. SHRINE. MOSQUE OR TEMPLE.
 - Sec. 4. Title 11, chapter 6, article 2, Arizona Revised Statutes, is amended by adding section 11-820.04, to read:
- 29 11-820.04. Zoning; height; density; high-capacity transit 30 route

A COUNTY SHALL ALLOW MAXIMUM HEIGHT AND DENSITY RESTRICTIONS IN AREAS

ZONED FOR RESIDENTIAL AND COMMERCIAL MIXED USE FOR ALL PROPERTIES THAT ARE

ADJACENT TO OR COMBINED ADJACENT TO HIGH-CAPACITY TRANSIT ROUTES.

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1	Sec. 5.	Section	28-304,	Arizona	Revised	Statutes,	is	amended	to
2	read:								

28-304. <u>Powers and duties of the board; transportation</u> facilities

- A. The board shall:
- 1. Develop and adopt a statewide transportation policy statement. The policy statement shall be adopted as described in section 28-306.
- 2. Adopt a long-range statewide transportation plan. The plan shall be adopted as described in section 28-307.
- 3. Adopt uniform transportation planning practices and performance based PERFORMANCE-BASED planning processes for use by the department. The practices and processes shall be developed as described in sections 28-502 and 28-503.
- 4. Adopt transportation system performance measures and factors and data collection standards to be used by the department. The performance measures, factors and standards shall be developed as described in sections 28-504 and 28-505.
 - B. With respect to highways, the board shall:
 - 1. Establish a complete system of state highway routes.
- 2. Determine which state highway routes or portions of the routes are accepted into the state highway system and which state highway routes to improve.
- 3. Establish, open, relocate or alter a portion of a state route or state highway.
- 4. Vacate or abandon a portion of a state route or state highway as prescribed in section 28-7209.
- 5. Sell board funding obligations to the state treasurer as provided in section 28-7678.
 - C. The board shall:
- 1. Establish policies to guide the development or modification of the five year transportation facilities construction program that are consistent with the principles of performance based PERFORMANCE-BASED planning developed pursuant to article 7 of this chapter. The percentage

of department discretionary monies allocated to the region in the regional transportation plan approved pursuant to chapter 17, article 1 of this title shall not increase or decrease unless the board, in cooperation with the regional planning agency, agrees to change the percentage of the discretionary monies.

- 2. Award all construction contracts for transportation facilities.
- 3. Monitor the status of these construction projects.
- D. The board shall determine priority program planning with respect to transportation facilities using the performance based PERFORMANCE-BASED methods developed pursuant to article 7 of this chapter.
- E. With respect to transportation facilities other than highways, the board shall establish, open, relocate, alter, vacate or abandon all or portions of the facilities.
- F. With respect to aeronautics, the board shall perform the functions prescribed in chapter 25 of this title.
- G. The board shall not spend any monies, adopt any rules or implement any policies or programs to convert signs to the metric system or to require the use of the metric system with respect to designing or preparing plans, specifications, estimates or other documents for any highway project before the conversion or use is required by federal law, except that the board may:
- 1. Spend monies and require the use of the metric system with respect to designing or preparing plans, specifications, estimates or other documents for a highway project that is awarded before October 1, 1997 and that is exclusively metric from its inception.
- 2. Prepare for conversion to and use of the metric system not more than six months before the conversion or use is required by federal law.
- Sec. 6. Section 28-702.04, Arizona Revised Statutes, is amended to read:
 - 28-702.04. <u>Maximum speed limit on interstate highways outside</u>

 <u>urbanized areas and within certain counties;</u>

 <u>definition</u>

- A. EXCEPT AS PROVIDED IN SUBSECTIONS C AND D OF THIS SECTION, the speed limit for all types of motor vehicles is sixty-five miles per hour on the interstate system highways located outside of an urbanized area with a population of fifty thousand or more persons, except that the director may declare a lower speed limit on the highways pursuant to section 28-702.
- B. A person shall not drive a motor vehicle at a speed in excess of the maximum speed limit prescribed by this section.
- C. The director may order the increase of the maximum speed limit prescribed in subsection A of this section to seventy-five miles per hour on an individual interstate system highway subject to this section or on all of the interstate system highways in this state as prescribed in section 28-702.
- D. THE SPEED LIMIT FOR ALL TYPES OF MOTOR VEHICLES IS AT LEAST SIXTY-FIVE MILES PER HOUR ON THE INTERSTATE SYSTEM HIGHWAYS LOCATED IN A COUNTY THAT HAS A POPULATION OF THREE MILLION OR MORE PERSONS.
- D. E. A violation of this section is a civil traffic violation, and the person is subject to a civil penalty that does not exceed the amount provided by section 28-1598.
- E. F. For the purposes of this section, "urbanized area" means an urbanized area as defined in the decennial census by the United States bureau of the census.
- Sec. 7. Section 28-6301, Arizona Revised Statutes, is amended to read:

28-6301. Definitions

In this article, unless the context otherwise requires:

- 1. "Bond related BOND-RELATED expenses" means:
- (a) Printing, publication or advertising expenses with respect to the sale and issuance of any bonds.
- (b) Fees, expenses and costs of registrars, paying agents and transfer agents retained by the board.
- (c) Fees, expenses and costs of attorneys, accountants, actuaries, feasibility consultants, computer programmers or other experts employed to aid in the sale and issuance of the bonds.

- (d) Other costs, fees and expenses incurred or reasonably related to the issuance. sale and administration of the bonds.
- 2. "Bond related BOND-RELATED obligation" means any agreement or contractual relationship between the board and any bank, trust company, insurance company, surety bonding company, pension fund or other financial institution providing increased credit on, or security for, the bonds or liquidity for secondary market transactions.
- 3. "Bonds" means any bonds that are payable from the regional area road fund as provided in chapter 21, article 2 of this title.
- 4. "Construction interest" means a company whose primary function consists of building freeways, highways or major arterial streets.
- 5. "Controlled access highway" has the same meaning prescribed in section 28-601.
- 6. "Freight interest" means a company that derives a substantial portion of its revenue from transporting goods.
 - 7. "Major amendment" means either:
- (a) The addition or deletion of a freeway, route on the state highway system or a fixed guideway transit system.
- (b) The addition or deletion of a portion of a freeway, route on the state highway system or a fixed guideway transit system that either exceeds one mile in length or exceeds an estimated cost of forty million dollars as provided in the regional transportation plan.
- (c) The modification of a transportation project in a manner that eliminates a connection between freeway facilities or fixed guideway facilities.
- 7. "MAJOR ARTERIAL" MEANS AN INTERCONNECTED THOROUGHFARE WHOSE PRIMARY FUNCTION IS TO LINK AREAS IN THE REGION AND TO DISTRIBUTE TRAFFIC TO AND FROM CONTROLLED ACCESS HIGHWAYS, GENERALLY OF REGIONWIDE SIGNIFICANCE AND OF VARYING CAPACITY DEPENDING ON THE TRAVEL DEMAND FOR THE SPECIFIC DIRECTION AND ADJACENT LAND USES.
- 8. "PERFORMANCE-BASED" MEANS REGIONAL PLANNING AGENCY PROCESSES AND PRACTICES THAT ARE CONSISTENT WITH FEDERAL LAW, INCLUDING:

1	(a) REQUIREMENTS PRESCRIBED IN 23 UNITED STATES CODE SECTION 134 AND
2	49 UNITED STATES CODE SECTION 5303.
3	(b) SYSTEM PERFORMANCE FACTORS SET FORTH IN SECTION 28-505, AS
4	APPLICABLE.
5	9. "PLAN" HAS THE SAME MEANING PRESCRIBED IN SECTION 28-6351.
6	8. 10. "Population" means the population determined in the most
7	recent United States decennial census or the most recent special census as
8	provided in section 28-6532 and revisions to the decennial or special
9	census certified by the United States bureau of the census.
10	9. 11. "Public transportation" means moving passengers by means of
11	a conveyance operated by or for a political subdivision of this state,
12	including dial-a-ride transportation, special needs transportation and van
13	pool transportation but excluding school buses.
14	10. 12. "Public transportation system" means the combination of
15	individuals, vehicles, physical facilities, structures and equipment that
16	together provide, or facilitate providing, public transportation, including
17	buses, high occupancy vehicle roadway lanes and ramps, bus pull-out lanes,
18	bus and light rail waiting facilities, park and ride parking lots,
19	intelligent transportation systems and ridesharing promotion.
20	13. "REGIONAL PROGRAMS" MEANS TRANSPORTATION PROJECTS THAT ARE
21	SELECTED THROUGH A PERFORMANCE-BASED PROCESS FOR ARTERIAL IMPROVEMENTS,
22	ACTIVE TRANSPORTATION, AIR QUALITY, EMERGING TECHNOLOGIES, INTELLIGENT
23	TRANSPORTATION SYSTEMS, SAFETY AND TRANSPORTATION DEMAND MANAGEMENT.
24	11. 14. "Regionwide business" means a company that provides goods
25	or services throughout the county.
26	12. 15. "Transit interest" means an individual with demonstrated
27	interest and experience with public transportation.
28	Sec. 8. Section 28-6302, Arizona Revised Statutes, is amended to
29	read:
30	28-6302. Transportation excise tax distribution; counties with
31	three million or more persons; regional area road

<u>fund</u>

- A. In a county with a population of one THREE million two hundred thousand or more persons, the officer collecting transportation excise tax monies pursuant to section 42-6105 OR 42-6105.01 that are designated for deposit in the regional area road fund shall immediately transfer the monies to the state treasurer. The state treasurer shall deposit the monies in a fund designated for the county as the regional area road fund. The state treasurer shall hold monies in the regional area road fund as a trustee for the county.
- B. Except as provided in this article, the county in which the transportation excise taxes are levied has the beneficial interest in the regional area road fund. This state has no beneficial interest in the regional area road fund except as an obligee for reimbursement of state monies that are advanced as salaries or expenses by this state or the department and that are to be repaid by the regional area road fund.
- C. Monies and investments within the regional area road fund may be used and spent only as provided in this chapter. An appropriation of any nature shall not be required before the expenditure of monies from the regional area road fund. Monies in the bond proceeds account or construction account of a regional area road fund may be obligated for payment in future years for the purpose of right-of-way acquisition subject to the limitations prescribed in sections 28-7001 and 28-7002, and section 42-6105, subsection D, paragraphs 1 and 2 AND SECTION 42-6105.01, SUBSECTION D, PARAGRAPHS 1 AND 2. The state treasurer shall make payments from the regional area road fund by check, and a warrant or voucher is not necessary. Subject to the powers granted to the board in chapter 21, article 2 of this title, the director shall administer monies deposited in the regional area road fund.
- Sec. 9. Section 28-6303, Arizona Revised Statutes, is amended to read:

28-6303. Regional area road fund; separate accounts

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

- B. The state treasurer shall:
 - 1. Account separately for each account.
 - 2. Make transfers between accounts only as provided in this article or chapter 21, article 2 of this title.
 - 3. Before any bonds are issued, deposit transportation excise tax revenues transferred to the state treasurer in the construction account. These revenues shall be expended as provided in this article.
 - 4. After any bonds are issued, deposit transportation excise tax revenues transferred to the state treasurer in the bond account first until the bond account contains monies sufficient to meet all principal, interest or redemption requirements for the current period as required by any resolution of the board pertaining to the issuance of bonds.
 - 5. After all current period requirements for all of the bonds are deposited in the bond account, deposit the balance of transportation excise tax revenues transferred to the state treasurer for the current period in the construction account.
 - C. The state treasurer may:
 - 1. Invest monies in any account of the regional area road fund in any securities or obligations authorized by title 35, chapter 2, article 2.
 - 2. For the purpose of investments, commingle monies within the regional area road fund with state monies if all interest earned on the monies in the regional area road fund of a county is credited to the respective account of the regional area road fund in which the investment was made.
 - D. The department shall separately account for the uses of transportation excise tax revenues deposited into the bond account and the construction account in order to identify how the transportation excise tax revenues are used pursuant to section 42-6105, subsection D, paragraphs 1 and 2, for:
 - 1. Freeways and other routes in the state highway system.
 - 2. Major arterial streets and intersection improvements REGIONAL PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.

- E. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE USES OF TRANSPORTATION EXCISE TAX REVENUES DEPOSITED IN THE BOND ACCOUNT AND THE CONSTRUCTION ACCOUNT IN ORDER TO IDENTIFY HOW THE TRANSPORTATION EXCISE TAX REVENUES ARE USED PURSUANT TO SECTION 42-6105.01, SUBSECTION D, PARAGRAPHS 1 AND 2 FOR:
 - 1. FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM.
 - 2. MAJOR ARTERIAL STREETS AND REGIONAL PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.
- Sec. 10. Section 28-6304, Arizona Revised Statutes, is amended to read:

28-6304. Bond account: expenditures

- A. The state treasurer shall:
- 1. Hold monies in the bond account in trust for the owners of the bonds.
- 2. Pay monies in the bond account to the county, to paying agents or to the owners of the bonds directly in accordance with a resolution of the board authorizing the issuance of the bonds.
 - B. Monies in the bond account may be used:
- 1. To pay bond related BOND-RELATED expenses or recurring expenses pertaining to administration and payment of the bonds.
 - 2. For funding reserves for the payment of the bonds.
- 3. For payment of fees, charges and expenses incurred with respect to bond related BOND-RELATED obligations.
- C. Monies in the bond proceeds account may be obligated or spent as directed by the board, ACCORDING TO THE PLAN, for the:
 - 1. Payment of all bond related BOND-RELATED expenses.
- 2. Establishment and funding of reserve monies or to pay interest on bonds during the expected period of construction.
- 3. Payment of fees, charges and expenses incurred with respect to bond related BOND-RELATED obligations.
- 4. Design, right-of-way purchase or construction related to new, or improvements to, freeways and other routes in the state highway system that

are included in the regional transportation plan of the county and that are accepted into the state highway system.

- 5. Design, right-of-way purchase or construction related to new, or improvements to, major arterial streets and intersections REGIONAL PROGRAMS that are included in the regional transportation plan of the county. For the purposes of this paragraph, "major arterial" means an interconnected thoroughfare whose primary function is to link areas in the region and to distribute traffic to and from controlled access highways, generally of regionwide significance and of varying capacity depending on the travel demand for the specific direction and adjacent land uses.
- 6. Design and construction of interim roadways within the adopted corridors of the regional transportation plan of the county pursuant to section 28-6309.
- 7. Right-of-way costs associated with the construction of interim roadways pursuant to section 28-6310.
 - 8. 6. Payment of principal and interest on the bonds.
- Sec. 11. Section 28-6305, Arizona Revised Statutes, is amended to read:

28-6305. <u>Construction account; expenditures; construction</u> <u>contracts</u>

- A. Except as provided in subsection B of this section, monies in the construction account of the regional area road fund shall be spent, pledged or accumulated for the purposes provided in section 28-6304, subsection C, paragraphs 4 and 5, including payment of interest on and repayment of bonds and obligations issued pursuant to chapter 21 of this title if the proceeds of the bonds or obligations are used for the purposes provided in section 28-6304, subsection C, paragraphs 4 and 5.
- B. Of the monies deposited in the construction account of the regional area road fund under section 28-6303, the state treasurer shall:
- 1. In each fiscal year, divide and equally distribute five million dollars \$5,000,000 to:
- (a) The public transportation fund established in that county under section 48-5103.

- (b) The regional planning agency in that county for planning and administration of ADMINISTERING the regional transportation plan approved pursuant to section 28-6308. The state treasurer shall distribute monies under this subdivision through the department on or before June 30 of each year.
- 2. Beginning with fiscal year 1987-1988, adjust the monies distributed under paragraph 1 OF THIS SUBSECTION by the annual percentage change for the previous calendar year in the GDP price deflator as defined in section 41-563.
- C. The monies distributed under subsection B of this section shall only be spent for planning and administering the regional transportation plan approved pursuant to section 28-6308 and the costs incurred by the auditor general relating to performance audits under section 28-6313. Before the beginning of each fiscal year, the respective governing bodies of the members of the regional planning agency and the board of directors of the regional public transportation authority shall explicitly identify and approve in the annual budgets the monies to be spent under subsection B of this section for the purposes allowed under this subsection. These expenditures are subject to the annual audit of the governing bodies' financial transactions.
- D. The director may enter into construction contracts or contracts incidental to construction contracts payable from monies in either the bond proceeds account or the construction account or both the bond proceeds and construction accounts.
- Sec. 12. Section 28-6306, Arizona Revised Statutes, is amended to read:

28-6306. Account expenditures: elections

A. Except as provided in subsection B OF THIS SECTION, monies from any account in the regional area road fund shall not be spent to promote or advocate a position, alternative or outcome of an election, to influence public opinion or to pay or contract for consultants or advisors to influence public opinion with respect to an election regarding taxes or

other sources of revenue for the fund or regarding the regional transportation plan.

- B. Monies from any account in the regional area road fund may be spent:
- 1. As authorized by this article to determine public opinion before the election is called.
- 2. For costs specifically incurred with respect to a ballot issue relating to a county transportation excise tax in a county with a population of one THREE million two hundred thousand or more persons.

Sec. 13. Repeal

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

Sec. 14. 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 NINETEEN 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 2024-2025, 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 PARAGRAPH. MEMBERS WHO ARE APPOINTED PURSUANT TO THIS PARAGRAPH SERVE SIX-YEAR TERMS.
- 4. BEGINNING FISCAL YEAR 2024-2025, ONE MEMBER WHO REPRESENTS A TAXPAYER ORGANIZATION AND WHO IS APPOINTED JOINTLY BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE MEMBER WHO IS APPOINTED PURSUANT TO THIS PARAGRAPH SERVES A SIX-YEAR TERM.
- 5. BEGINNING FISCAL YEAR 2024-2025, ONE MEMBER WHO REPRESENTS HOUSING INTERESTS AND WHO IS APPOINTED JOINTLY BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE MEMBER WHO IS APPOINTED PURSUANT TO THIS PARAGRAPH SERVES A SIX-YEAR TERM.
- B. Through the regional planning agency, the transportation policy committee BY A MAJORITY VOTE OF THE MEMBERS shall DO ALL OF THE FOLLOWING:
- 2. 1. Develop the plan in cooperation with the regional public transportation authority in the county and the department of transportation and in consultation with the county board of supervisors, Indian communities and cities and towns in the county.
- 1. 2. By a majority vote of the members, Recommend approval, DISAPPROVAL OR MODIFICATION of a twenty-year comprehensive, performance-based, multimodal and coordinated regional transportation plan in the county, including transportation corridors by priority and a schedule indicating the dates that construction will commence for projects contained in the plan.
- 3. Submit the plan for review by the regional public transportation authority in the county, the state board of transportation, the county board of supervisors, Indian communities and cities and towns in the county at the alternatives stage of the plan and the final draft stage of the plan. After reviewing the plan, the regional public transportation authority in the county, the county board of supervisors and the state board of transportation, by majority vote of the members of each entity within thirty days after receiving the plan, shall submit a written

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- recommendation to the transportation policy committee that the plan be approved, modified or disapproved. Within thirty days after receiving the plan, Indian communities and cities and towns in the county may submit a written recommendation to the transportation policy committee that the plan be approved, modified or disapproved. 4. Consider plan modifications proposed by any of the entities as prescribed in paragraph 3 of this subsection.

 - 5. By majority vote, approve, disapprove or further modify each proposed plan modification.
 - 6. Provide a written response to the regional public transportation authority, the state board of transportation, the county board of supervisors and the entity that submitted the proposed modification within thirty days after the vote on the proposed modification explaining the affirmation, rejection or further modification of each proposed modification.
 - 7. Recommend the plan to the regional planning agency for approval for an air quality conformity analysis.
 - C. The regional transportation plan:
 - 1. Shall include the following transportation mode classifications with a revenue allocation to each classification consistent with section 42-6105. subsection D:
 - (a) Freeways and other routes in the state highway system.
 - (b) Major arterial streets and intersection improvements.
- (c) Public transportation systems.
 - 2. Shall provide a suggested construction schedule for transportation projects contained in the plan.
 - 3. May be annually updated to introduce new controlled access highways, related grade separations and transportation projects or modify the existing plan.
 - 4. Shall be developed to meet federal air quality requirements established for the region in which it is located.
 - D. Transportation excise tax revenues that are distributed pursuant to section 42-6105, subsection D shall not be redistributed or used for

- other transportation modes. Except as provided by section 28-6353, subsections D, E and F, transportation excise tax revenues that are dedicated in the plan to a specific project or transportation system may only be redistributed to or otherwise used for another project within the same transportation mode if approved by a majority vote of the transportation policy committee.
- 3. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF CHANGES TO THE ALLOCATIONS OF TRANSPORTATION EXCISE TAX REVENUES BETWEEN SECTION 28-6352, SUBSECTION B, PARAGRAPHS 1, 2 AND 3, INCLUDING MAJOR INVESTMENT CHANGES AS DESCRIBED IN SECTION 28-6352, SUBSECTION H.
- 4. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF THE BUDGET PROCESSES IDENTIFIED BY SECTION 28-6352, SUBSECTION D.
- 5. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF FUNDING AWARDED THROUGH THE REGIONAL PROGRAMS PROCESS.

Sec. 15. Repeal

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

Sec. 16. Section 28-6313, Arizona Revised Statutes, is amended to read:

28-6313. <u>Performance audits of proposed transportation</u> 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.

1 2. Capital costs.

- 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.
 - 3. Make recommendations regarding whether further implementation of a project or transportation system is warranted, warranted with modifications or not warranted.
 - D. The auditor general or the auditors contracted to conduct the audit shall periodically update the transportation policy committee regarding the progress of the audit.
 - E. Within forty-five days after the release of the audit, the regional public transportation authority, the state transportation board and the county board of supervisors, by a majority vote of each entity, shall submit written recommendations to the transportation policy committee that the findings are agreed to or disagreed with and the recommendations should be implemented, be implemented with modification or not be implemented.
 - F. Within forty-five days after the audit's release, the regional planning agency shall hold a public hearing on the audit findings and recommendations.
 - G. The auditor general shall distribute copies of the audit to:
 - 1. The regional planning agency.
 - 2. The transportation policy committee.
 - 3. The regional public transportation authority in the county.
- 33 4. The county board of supervisors.

- 1 5. The state transportation board.
 - 6. The governor, secretary of state, president of the senate and speaker of the house of representatives.
 - 7. The Arizona state library, archives and public records.
 - 8. 7. Any other person who requests a copy pursuant to title 39, chapter 1. article 2.
 - H. The state transportation board, regional planning agency, regional public transportation authority and county board of supervisors shall cooperate with and submit to the auditor general and the auditors contracted to conduct the audit information necessary to conduct the audits under this section.
 - I. The cost incurred by the auditor general in contracting with independent auditors for conducting performance audits under subsection A of this section shall be paid from revenues of the county transportation excise tax under section SECTIONS 42-6105 AND 42-6105.01. When due, the payments have priority over any other distribution authorized by section 42-6105 OR 42-6105.01. The auditor general shall deposit the payments in the audit services revolving fund established by section 41-1279.06.

Sec. 17. Heading change

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

Sec. 18. Section 28-6351, Arizona Revised Statutes, is amended to read:

28-6351. <u>Definitions</u>

In this article, unless the context otherwise requires:

- 1. "Controlled access highway" has the same meaning prescribed in section 28-601.
- 2. 1. "Enhancement" means an addition that exceeds generally accepted engineering or design standards for the specific type of facility.

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

Sec. 19. Repeal

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

Sec. 20. Title 28, chapter 17, article 2, Arizona Revised Statutes, is amended by adding a new section 28-6352, to read:

28-6352. County transportation excise tax; budget process

- A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND OPERATORS AND IN COORDINATION WITH THE DEPARTMENT. THE REGIONAL PLANNING AGENCY SHALL CONSIDER TRUCK PARKING AVAILABILITY WHEN CONSIDERING THE CONSTRUCTION, EXPANSION OR MODIFICATION OF FREEWAYS OR OTHER ROUTES IN THE STATE HIGHWAY SYSTEM. ON OR BEFORE DECEMBER 31, 2050, THE REGIONAL PLANNING AGENCY SHALL ALLOCATE AT LEAST \$90,000,000 FOR THE IMPLEMENTATION OF COMMERCIAL MOTOR VEHICLE PARKING THAT IS CONSISTENT WITH A REGIONALLY ADOPTED TRUCK PARKING PLAN, INCLUDING FUNDING FOR CONSTRUCTION, LAND ACQUISITION, LEASE, MAINTENANCE OR OPERATIONS OR ENTRY INTO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT.
- B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION 42-6105.01 AS FOLLOWS:
- 1. IN THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND MAINTENANCE.
- 2. IN THE REGIONAL AREA ROAD FUND FOR MAJOR ARTERIAL STREETS AND REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.
- 3. IN THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103 FOR BOTH:
- (a) CAPITAL COSTS, MAINTENANCE AND OPERATION OF PUBLIC TRANSPORTATION MODE CLASSIFICATIONS.

- 1 (b) CAPITAL COSTS AND UTILITY RELOCATION COSTS ASSOCIATED WITH THE LIGHT RAIL SYSTEM.
 - C. TRANSPORTATION EXCISE TAX REVENUES THAT ARE ALLOCATED PURSUANT TO SUBSECTION B, PARAGRAPH 1, 2 OR 3 OF THIS SECTION MAY ONLY BE REALLOCATED TO ANOTHER PARAGRAPH UNDER SUBSECTION B OF THIS SECTION IF THE REALLOCATION IS RECOMMENDED FOR APPROVAL BY THE TRANSPORTATION POLICY COMMITTEE AND APPROVED BY THE REGIONAL PLANNING AGENCY BOARD. NOT MORE THAN TWO AND ONE-HALF PERCENT OF THE REVENUES COLLECTED UNDER SECTION 42-6105.01 MAY BE TRANSFERRED ANNUALLY BETWEEN SUBSECTION B, PARAGRAPHS 1, 2 AND 3 OF THIS SECTION WITHOUT GOING THROUGH THE MAJOR INVESTMENT CHANGE PROCESS AS PRESCRIBED IN SUBSECTION H OF THIS SECTION.
 - D. BEGINNING FISCAL YEAR 2023-2024, THE REGIONAL PLANNING AGENCY SHALL ADOPT A BUDGET PROCESS THAT ENSURES:
 - 1. THE ESTIMATED COST OF THE FREEWAYS AND OTHER ROUTES IN THE REGION'S STATE HIGHWAY SYSTEM DOES NOT EXCEED THE TOTAL AMOUNT OF REVENUES ESTIMATED TO BE AVAILABLE OVER THE TERM OF THE TRANSPORTATION EXCISE TAX AS PRESCRIBED BY SECTION 42-6105, SUBSECTION C AND SECTION 42-6105.01, SUBSECTION C.
 - 2. THE ESTIMATED COST OF THE PUBLIC TRANSPORTATION SYSTEM DOES NOT EXCEED THE TOTAL AMOUNT OF REVENUES ESTIMATED TO BE AVAILABLE OVER THE TERM OF THE TRANSPORTATION EXCISE TAX AS PRESCRIBED BY SECTION 42-6105, SUBSECTION C AND SECTION 42-6105.01, SUBSECTION C.
 - 3. THE ESTIMATED COST OF MAJOR ARTERIAL STREETS AND REGIONAL PROGRAMS DOES NOT EXCEED THE TOTAL AMOUNT OF REVENUES ESTIMATED TO BE AVAILABLE OVER THE TERM OF THE TRANSPORTATION EXCISE TAX AS PRESCRIBED BY SECTION 42-6105, SUBSECTION C AND SECTION 42-6105.01, SUBSECTION C.
 - E. THE REGIONAL PLANNING AGENCY SHALL COORDINATE WITH IMPLEMENTING PARTNERS ON THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION, INCLUDING THE DEPARTMENT FOR FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY FOR THE PUBLIC TRANSPORTATION SYSTEM.

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- F. THE REGIONAL PLANNING AGENCY SHALL DETERMINE THE USE OF THE REVENUES COLLECTED UNDER SECTIONS 42-6105 AND 42-6105.01 FOR CAPITAL PROJECTS THROUGH THE TRANSPORTATION IMPROVEMENT PROGRAM.
 - G. ANY BONDS ISSUED AGAINST PROCEEDS COLLECTED PURSUANT TO SECTIONS 42-6105 AND 42-6105.01 REQUIRE CONSULTATION WITH THE REGIONAL PLANNING AGENCY.
 - H. THE MAJOR INVESTMENT CHANGE PROCESS REQUIRES THE FOLLOWING:
 - 1. CONSIDERATION BY THE TRANSPORTATION POLICY COMMITTEE.
 - 2. IDENTIFICATION OF THE PROJECTS AND PROGRAMS THAT WOULD BE IMPACTED BY THE FUNDING TRANSFER.
 - 3. A DETAILED, PERFORMANCE-BASED ASSESSMENT OF THE IMPACTED PROJECTS AND PROGRAMS. THE PERFORMANCE-BASED ASSESSMENT MUST SUPPORT THE PROPOSED MAJOR INVESTMENT CHANGE. THE ASSESSMENT SHALL ALSO SEEK, CONSIDER AND DOCUMENT PUBLIC INPUT ON THE PROPOSED MAJOR INVESTMENT CHANGE.
 - 4. A ONE HUNDRED EIGHTY-DAY PUBLIC COMMENT PERIOD.
 - 5. SUBMISSION OF THE PROPOSED MAJOR INVESTMENT CHANGE FOR REVIEW BY THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS. AFTER REVIEW, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS, BY A MAJORITY VOTE OF THE MEMBERS OF EACH BOARD AND WITHIN THIRTY DAYS AFTER RECEIVING THE PROPOSED MAJOR INVESTMENT CHANGE, SHALL SUBMIT A WRITTEN RECOMMENDATION TO THE REGIONAL PLANNING AGENCY THAT THE PROPOSED MAJOR INVESTMENT CHANGE BE APPROVED, MODIFIED OR DISAPPROVED. IF THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF TRANSPORTATION OR THE COUNTY BOARD OF SUPERVISORS FAILS TO APPROVE THE PROPOSED MAJOR INVESTMENT CHANGE, AN AFFIRMATIVE VOTE OF AT LEAST SEVENTEEN MEMBERS OF THE TRANSPORTATION POLICY COMMITTEE IS REQUIRED TO RECOMMEND APPROVAL AND PROCEED WITH THE MAJOR INVESTMENT CHANGE.
 - I. THE REGIONAL PLANNING AGENCY SHALL ANNUALLY REPORT ON THE STATUS OF THE PROJECTS FUNDED PURSUANT TO SECTION 42-6105 OR 42-6105.01 AND SHALL POST THE REPORT ON ITS WEBSITE.

- J. REQUESTS FOR CHANGES TO TRANSPORTATION PROJECTS FUNDED IN THE PLAN THAT WOULD MATERIALLY INCREASE COSTS SHALL BE SUBMITTED TO THE REGIONAL PLANNING AGENCY FOR APPROVAL AND SUBMITTED BY THE REGIONAL PLANNING AGENCY TO THE TRANSPORTATION POLICY COMMITTEE AND THE BOARD FOR CONSIDERATION AND APPROVAL.
 - K. IF A LOCAL AUTHORITY REQUESTS AN ENHANCEMENT TO A TRANSPORTATION PROJECT FUNDED IN THE PLAN, THE LOCAL AUTHORITY SHALL PAY ALL COSTS ASSOCIATED WITH THE ENHANCEMENT.
 - L. THE PLAN SHALL REFLECT THE ALLOCATION OF REVENUES COLLECTED UNDER SECTION 42-6105, SUBSECTION D THROUGH DECEMBER 31, 2025.
 - M. THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION DOES NOT APPLY TO THE ANNUAL OPERATING BUDGET OF THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY.
 - N. IF MONIES ARE APPROPRIATED BY THE LEGISLATURE FOR A PROJECT THAT IS IDENTIFIED IN THE PLAN, THE USE OF THE MONIES FOR CONSTRUCTION REQUIRES BOTH OF THE FOLLOWING:
 - 1. THE PROJECT MUST BE ADVANCED AS APPROPRIATE TO REFLECT THE ESTIMATED CONSTRUCTION START DATE.
 - 2. THE MONIES MUST BE USED IN THE SAME MODAL CLASSIFICATION SPECIFIED IN SUBSECTION B OF THIS SECTION.
 - O. IF A MUNICIPALITY PAYS FOR PUBLIC TRANSPORTATION SERVICE IN AN ADJACENT MUNICIPALITY OR UNINCORPORATED AREA OF A COUNTY, THE COST OF THE SERVICE SHALL BE ELIGIBLE FOR REIMBURSEMENT FROM MONIES COLLECTED UNDER SECTION 42-6105 OR 42-6105.01. FOR THE PURPOSES OF THIS SUBSECTION:
 - 1. "MUNICIPALITY" MEANS A CITY OR TOWN.
 - 2. "PUBLIC TRANSPORTATION SERVICE" INCLUDES CIRCULATOR SERVICE.
- Sec. 21. Repeal
- Sections 28-6353, 28-6354 and 28-6355, Arizona Revised Statutes, are repealed.

Sec. 22. Section 28-6538, Arizona Revised Statutes, is amended to read:

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

- A. Each fiscal year the department shall allocate and the state treasurer shall distribute revenues of the Arizona highway user revenue fund remaining after the distribution provided in sections 28-6534 and 28-6537 as follows:
 - 1. To the state highway fund, fifty and one-half per cent PERCENT.
 - 2. To the counties, nineteen per cent PERCENT.
- 3. To the incorporated cities and towns, twenty-seven and one-half per cent PERCENT.
- 4. To incorporated cities with a population of three hundred thousand or more persons, three per cent PERCENT.
- B. At least twelve and six-tenths per cent PERCENT of the revenues allocated each year to the state highway fund pursuant to subsection A of this section shall be further distributed in the following proportions and for the following purposes:
- 1. Seventy-five per cent PERCENT of the revenues shall be spent, pledged or accumulated in counties with a population of one million five hundred thousand or more persons for the design, right-of-way purchase or construction of controlled access highways that are included in the regional transportation plan of the county AS DEFINED IN SECTION 28-6351 and that are accepted into the state highway system either as a state route or as a state highway.
- 2. Twenty-five per cent PERCENT of the revenues shall be spent, pledged or accumulated in counties with a population of more than eight hundred thousand but less than one million five hundred thousand persons for:
- (a) The design, right-of-way purchase or construction of controlled access highways that are included in the $\frac{1}{1}$ regional transportation plan $\frac{1}{1}$ the county AS DEFINED IN SECTION 28-6351 and that are accepted into the

state highway system either as a state route or as a state highway or related grade separations of controlled access highways that are included in the regional transportation plan of the county AS DEFINED IN SECTION 28-6351.

- (b) Notwithstanding sections 28-6993 and 28-6995, the design, right-of-way purchase, construction, standard and reduced clearance grade separation, extension and widening of arterial streets and highways that are included in the regional transportation plan of the county AS DEFINED IN SECTION 28-6351.
- C. Of the monies allocated to the state highway fund pursuant to subsection A of this section, not more than five million dollars \$5,000,000 annually shall be spent for the acquisition, construction or improvement of entry roads to state parks or roads in state parks.
- D. Expenditures for state matching monies for the federal interstate system shall be in addition to the amount provided in subsection B of this section.
- E. The department may contract with a county, city or town to allow the county, city or town to construct the streets or highways prescribed in subsection B of this section.
- F. A county described in subsection B of this section and the cities and towns in the county, through their regional planning agency, shall list transportation corridors by priority in the regional transportation plan AS DEFINED IN SECTION 28-6351. The regional transportation plan AS DEFINED IN SECTION 28-6351 may also provide a suggested construction schedule for the transportation corridors contained in the plan.
- Sec. 23. Section 28-6954, Arizona Revised Statutes, is amended to read:

28-6954. Program requirements

- A. The five year transportation facilities construction program shall:
- 1. Set forth estimated expenditures by project for engineering, rights-of-way and construction.

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- 2. Include detailed information by project as to location, description and the reasons for the project's assigned priority.
- 3. List projects by priority and group them in the fiscal year during which it is estimated construction can begin.
- 4. For the first year of the program, consist of projects that can with reasonable certainty be advertised for public bidding.
- 5. Include a plan for the use of monies expected to be deposited in a county's regional area road fund as provided in chapter 17, article 1 of this title THAT IS ALL OF THE FOLLOWING:
 - (a) CONSISTENT WITH THE PLAN AS DEFINED IN SECTION 28-6351.
- (b) CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION 28-6352, SUBSECTION D. PARAGRAPH 1.
 - (c) ANNUALLY UPDATED.
- 6. Include a plan for the use of monies that are expected to accrue in a county's regional transportation fund as provided in section 48-5310, that are dedicated for street and highway purposes and that are in the state highway system.
- B. The department shall develop and use detailed criteria designed to meet the transportation system performance measures adopted by the board pursuant to section 28-304 in identifying projects for the five year transportation facilities construction program. The project selection process shall also conform to state and regional growth policies.
- Sec. 24. Section 28-7671, Arizona Revised Statutes, is amended to read:

28-7671. Definitions

In this article, unless the context otherwise requires:

- "Eligible highway project" means a highway project that is both:
- (a) On the federal aid system, national highway system or state route or state highway system.
 - (b) Included in either:
 - (i) The department's state highway construction plan.
- (ii) The transportation improvement plan of a regional association of governments.

- 2. "Eligible transit capital project" means land, buildings or motor vehicles or a combination of land, buildings and motor vehicles that is included in the transportation improvement plan of a regional association of governments and that is part of the federal transit administration's rural public transportation program for entities that are eligible pursuant to section 28-7676 and that have populations of less than fifty thousand persons.
- 3. "Eligible transportation project" means a transportation project that is eligible pursuant to section 28-7676.
- 4. "Federal SIB act" means section 350 of the national highway system designation act of 1995 (P.L. 104-59; 109 Stat. 618), any regulations adopted pursuant to that section and any other provisions of federal law providing for state infrastructure banks, infrastructure credit programs and other grant programs for highway purposes and any regulations adopted pursuant to those laws.
- 5. "Fund" means the highway expansion and extension loan program fund established by section 28-7674.
- 6. "Indian tribe" means any Indian tribe, band, group or community that is recognized by the United States secretary of the interior and that exercises governmental authority within the limits of any Indian reservation under the jurisdiction of the United States government, notwithstanding the issuance of any patent and including rights-of-way running through the reservation.
- 7. "Loan repayment agreement" means one or more loan agreements, instruments or other agreements providing for repayment of a loan or other financial assistance and entered into by this state or its agencies, including the department, or a political subdivision or Indian tribe.
- 8. "Political subdivision" means a county, city, town or special taxing district authorized by law to construct or assist in the construction of an eligible highway project or a county, city, town or special taxing district established pursuant to section 48-5102 to construct or assist in the construction of a transportation project.

- 9. "SIB cooperative agreement" means a cooperative agreement or agreements entered into by the Arizona department of transportation with the United States department of transportation pursuant to this article and the federal SIB act.
- 10. "Transportation project" means all or a portion of a project that is included in the state's transportation improvement program or a regional transportation plan, as defined in section 28-6351, including the project planning, environmental work, design, right-of-way acquisition or construction for the transportation project and associated rolling stock and operating systems but not including an eligible highway project.
- Sec. 25. Section 28-7691, Arizona Revised Statutes, is amended to read:

28-7691. Definitions

In this article, unless the context otherwise requires:

- 1. "Excise taxes" means all unrestricted excise, transaction, franchise, privilege and business taxes, state shared sales TRANSACTION PRIVILEGE and income taxes, fees for licenses and permits and state revenue sharing that are levied and paid by a political subdivision or contributed, levied or paid to the political subdivision and not earmarked by the contributor or the political subdivision for a contrary or inconsistent purpose.
- 2. "Political subdivision" means a county, city, town or special taxing district established pursuant to section 48-5102 to construct or assist in the construction of a transportation project.
- 3. "Transportation project" means all or a portion of a project that is included in the state's transportation improvement program or a regional transportation plan, as defined in section 28-6351, including the project planning, environmental work, design, right-of-way acquisition or construction for the transportation project and associated rolling stock and operating systems.
- 4. "Transportation project advance agreement" means a written agreement, entered into in accordance with section 28-7677 and section 9-500.17, 11-269.03 or 48-5122, between one or more political subdivisions

and the department, a regional planning agency, metropolitan planning organization or council of governments or a designated grant recipient under which the political subdivision advances monies to the department, the regional planning agency, metropolitan planning organization or council of governments or the designated grant recipient to accelerate a transportation project and under which the recipient of the advanced monies repays the advance.

- 5. "Transportation project advance revenues" means any revenues a political subdivision receives under a transportation project advance agreement, or as proceeds of transportation project advancement notes, together with any earnings from the investment of the revenues.
- 6. "Transportation project advancement notes" means notes authorized by this article.
- Sec. 26. 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.

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Sec. 27. 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 more persons shall levy and the department shall collect a tax as provided by this section, in addition to all other taxes.
 - B. The tax shall be levied and collected:
- 1. At a rate of not more than ten per cent PERCENT of the transaction privilege tax rate prescribed by section 42-5010, subsection A applying, as of January 1, 1990, to each person engaging or continuing in the county in a business taxed under chapter 5, article 1 of this title.
- 2. At a rate of not more than ten per cent PERCENT of the rate prescribed by section 42-5352, subsection A.
- 3. On the use or consumption of electricity or natural gas by retail electric or natural gas customers in the county who are subject to use tax under section 42-5155, at a rate equal to the transaction privilege tax rate under paragraph 1 of this subsection applying to persons engaging or continuing in the county in the utilities transaction privilege tax classification.
- C. The tax levied under this section shall be in effect for a term of twenty years.
- D. The net revenues collected under this section shall be distributed and deposited as follows for use consistent with the $\frac{1}{1}$ 2:

- 56.2 per cent PERCENT to the regional area road fund pursuant to section 28-6303 for freeways and other routes in the state highway system, including capital expense and maintenance.
 10.5 per cent PERCENT to the regional area road fund pursuant to
 - section 28-6303 for major arterial streets and intersection improvements REGIONAL PROGRAMS, including capital expense and implementation studies.
 - 3. 33.3 $\frac{\text{per cent}}{\text{per cent}}$ PERCENT to the public transportation fund pursuant to section 48-5103 for:
 - (a) Capital costs, maintenance and operation of public transportation classifications.
 - (b) Capital costs and utility relocation costs associated with a light rail public transit system.
 - Sec. 28. Title 42, chapter 6, article 3, Arizona Revised Statutes, is amended by adding section 42-6105.01, to read:

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

- A. IF APPROVED BY THE QUALIFIED ELECTORS VOTING AT A COUNTYWIDE ELECTION, FROM AND AFTER DECEMBER 31, 2025, A COUNTY WITH A POPULATION OF THREE MILLION OR MORE PERSONS SHALL LEVY AND THE DEPARTMENT SHALL COLLECT A TAX AS PROVIDED BY THIS SECTION, IN ADDITION TO ALL OTHER TAXES.
 - B. THE TAX SHALL BE LEVIED AND COLLECTED:
- 1. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE TRANSACTION PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A THAT APPLIES, AS OF JANUARY 1, 1990, TO EACH PERSON ENGAGING OR CONTINUING IN THE COUNTY IN A BUSINESS TAXED UNDER CHAPTER 5, ARTICLE 1 OF THIS TITLE.
- 2. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE RATE PRESCRIBED BY SECTION 42-5352, SUBSECTION A.

- 3. ON THE USE OR CONSUMPTION OF ELECTRICITY OR NATURAL GAS BY RETAIL ELECTRIC OR NATURAL GAS CUSTOMERS IN THE COUNTY WHO ARE SUBJECT TO USE TAX UNDER SECTION 42-5155, AT A RATE EQUAL TO THE TRANSACTION PRIVILEGE TAX RATE UNDER PARAGRAPH 1 OF THIS SUBSECTION THAT APPLIES TO PERSONS ENGAGING OR CONTINUING IN THE COUNTY IN THE UTILITIES TRANSACTION PRIVILEGE TAX CLASSIFICATION.
 - C. THE TAX LEVIED UNDER THIS SECTION SHALL BE IN EFFECT FOR A TERM OF TWENTY YEARS.
- D. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION IN THE REGIONAL AREA ROAD FUND ESTABLISHED PURSUANT TO SECTION 28-6302 OR THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103. EXCEPT AS PROVIDED IN SUBSECTION E OF THIS SECTION, THE PLAN SHALL DISTRIBUTE:
- 1. FORTY PERCENT TO THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND MAINTENANCE.
- 2. TWENTY-ONE PERCENT TO THE REGIONAL AREA ROAD FUND FOR MAJOR ARTERIAL STREETS AND REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.
 - 3. THIRTY-NINE 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. SALES TAX REVENUES COLLECTED UNDER THIS SECTION MAY NOT BE USED FOR ANY NEW LIGHT RAIL EXTENSION.
- F. THE DISTRIBUTION SPECIFIED IN SUBSECTION D, PARAGRAPH 1 OF THIS SECTION MAY NOT BE DECREASED.
- G. MONIES COLLECTED PURSUANT TO THIS SECTION MAY NOT BE USED TO INFLUENCE THE OUTCOME OF AN ELECTION.
- H. THIS SECTION BECOMES EFFECTIVE ONLY IF THE QUALIFIED ELECTORS
 APPROVE AN EXTENSION OF A COUNTY TRANSPORTATION EXCISE TAX.

- I. NOT MORE THAN 3.4 PERCENT OF THE MONIES THAT ARE DISTRIBUTED PURSUANT TO SUBSECTION D, PARAGRAPH 3 OF THIS SECTION MAY BE USED FOR LIGHT RAIL MAINTENANCE AND OPERATIONS.
 - J. NOT MORE THAN ONE PERCENT OF THE MONIES THAT ARE DISTRIBUTED PURSUANT TO SUBSECTION D, PARAGRAPH 3 OF THIS SECTION MAY BE USED TO ACQUIRE LAND FOR RELIGIOUS ORGANIZATIONS, NONPROFIT ORGANIZATIONS AND LOW-INCOME HOUSING ORGANIZATIONS.
 - K. NOT MORE THAN .06 PERCENT OF THE MONIES THAT ARE DISTRIBUTED PURSUANT TO SUBSECTION D, PARAGRAPH 3 OF THIS SECTION MAY BE USED FOR GRANTS PRESCRIBED IN SECTION 9-462.10.
 - L. NOT MORE THAN FIVE PERCENT OF THE REVENUES COLLECTED PURSUANT TO THIS SECTION MAY BE TRANSFERRED ANNUALLY BETWEEN SUBSECTION D, PARAGRAPHS 1, 2 AND 3 OF THIS SECTION. MONIES TRANSFERRED PURSUANT TO THIS SUBSECTION MAY NOT BE USED FOR LIGHT RAIL MAINTENANCE AND OPERATIONS.
 - Sec. 29. 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.
 - A. BEGINNING JANUARY 1, 2026, A REGIONAL PUBLIC TRANSPORTATION AUTHORITY IS ESTABLISHED IN A COUNTY THAT HAS A POPULATION OF THREE MILLION OR MORE PERSONS AND THAT APPROVES A COUNTY TRANSPORTATION EXCISE TAX.
 - B. An authority is a tax levying public improvement district for all purposes of article XIII, section 7, Constitution of Arizona, and has the powers, privileges and immunities specifically granted by law. The authority's property, bonds, debts and other obligations and interest on and transfer of its bonds and obligations are free from taxation.
 - C. The authority may operate both within and outside the corporate limits of the member municipalities.

Sec. 30. Section 48-5103, Arizona Revised Statutes, is amended to read:

48-5103. Public transportation fund

- A. A public transportation fund is established for the authority. The fund consists of:
- 1. Monies appropriated by each municipality that is a member of the authority or the county, if it elected to enter into the authority. Each member municipality and member county shall appropriate monies to the public transportation fund in an amount determined by the board.
- 2. Monies appropriated by a county that has not elected to enter into the authority in an amount determined by the county board of supervisors.
- 3. Transportation excise tax revenues that are allocated to the fund pursuant to section SECTIONS 42-6105 AND 42-6105.01. The board shall separately account for monies from transportation excise tax revenues allocated pursuant to section 42-6105, subsection D, paragraph 3 for:
 - (a) A light rail public transit system.
 - (b) Capital costs for other public transportation.
 - (c) Operation and maintenance costs for other public transportation.
- 4. Monies distributed under title 28, chapter 17, $\frac{1}{1}$ ARTICLES 1 AND 2.
 - 5. Grants, gifts or donations from public or private sources.
- 6. Monies granted by the federal government or appropriated by the legislature.
- 7. Fares or other revenues collected in operating a public transportation system.
- B. On behalf of the authority, the fiscal agent shall administer monies paid into the public transportation fund. Monies in the fund may be spent pursuant to or to implement the public transportation element of the regional transportation plan AS DEFINED IN SECTION 28-6351 developed and approved by the regional planning agency, including reimbursement for utility relocation costs as prescribed in section 48-5107, adopted pursuant to section 48-5121 and for projects identified in the regional

 $\frac{\text{transportation}}{28-6308}$ plan adopted by the regional planning agency pursuant to section $\frac{28-6308}{28-6352}$.

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

Sec. 31. Repeal

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

Sec. 32. Election on transportation excise tax

- A. During the period beginning four years before the date on which an existing county transportation excise tax would otherwise be discontinued and ending two years before the date on which an existing county transportation excise tax would be discontinued, the board of supervisors of any county with a population of three million or more persons shall call a countywide election for the continuation of the county transportation excise tax as described in section 42-6105.01, Arizona Revised Statutes, as added by this act. Notwithstanding any other law, the county shall conduct an election on a consolidated election date at least one year before the date on which an existing county excise tax would otherwise be discontinued following the call of the election.
- B. In addition to any other requirements prescribed by law, the board of supervisors shall prepare and print an 8%" x 11" publicity pamphlet concerning the ballot question and mail one copy of the pamphlet to each household containing a registered voter in the county. The mailings may be made over a period of days but shall be mailed for delivery before the earliest date registered voters may receive early ballots for the election. The publicity pamphlet shall contain:
- 1. A summary of the principal provisions of the issue presented to the voters, including the rate of the transportation excise tax, the number of years the tax will be in effect and the projected annual and cumulative amount of revenues to be raised.

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- 2. A statement describing the purposes for which the transportation excise tax monies may be spent as provided by law, including:
- (a) A summary of the regional strategic transportation infrastructure investment plan adopted pursuant to section 28-6308, Arizona Revised Statutes, as amended by this act.
- (b) A map of proposed routes and transportation corridors of all major transportation projects.
- (c) The estimated amount of transportation excise tax revenues, together with other identified revenues, dedicated for each transportation mode.
- (d) The county elections department website address for additional information on the regional strategic transportation infrastructure investment plan.
 - 3. The form of the ballot.
- 4. Any arguments for or against the ballot measure. Affirmative arguments, arranged in the order in which the elections director received them, shall be placed before the negative arguments, also arranged in the order in which they were received.
- C. At a time determined by the county, a person may file with the county elections director an argument, not more than three hundred words in length, advocating or opposing the ballot measure. The person who files the argument shall also pay to the elections director a publication fee prescribed by the board of supervisors. If the argument is sponsored by one or more individuals, the argument shall be signed by each sponsoring individual. If the argument is sponsored by one or more organizations, the argument shall be signed bу two executive officers of each organization. If the argument is sponsored by one or more political committees, the argument shall be signed by each committee's chairperson or treasurer. Payment of the fee required by this subsection, reimbursement of the payor, constitutes sponsorship of the argument. The names of persons who have signed arguments and the names of sponsoring organizations shall appear with the argument in the pamphlet. The person or persons signing the argument shall also give their residence or post

county.)

office box address and a telephone number, which may not appear in the pamphlet.

- D. In addition to any other ballot requirements prescribed by law, the elections director shall cause the following to be printed on the official ballot:
- 1. The designation of the measure as follows: "Relating to county transportation excise (sales) taxes".
- 2. The title: Regional Strategic Transportation Infrastructure Investment Plan.
 - 3. A description of the ballot measure, which shall read as follows:

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

- 4. Instructions directing the voter to the full text of the official and descriptive titles containing the summary as printed in the sample ballot and posted in the polling place. The ballot may include the summary of the regional strategic transportation infrastructure investment plan.
 - 5. The question submitted to the voters as follows:

 Do you favor the continuation of a county transaction privilege (sales) tax for regional transportation purposes in ______ county? YES _____ NO ____ (A "YES" vote has the effect of continuing the transaction privilege (sales) tax in _____ county for twenty years to provide funding for transportation projects as contained in the regional strategic transportation infrastructure investment plan.)

 (A "NO" vote has the effect of rejecting the transaction privilege (sales) tax for transportation purposes in ______

- E. Except as otherwise provided by this section, the election under this section shall be conducted as nearly as practicable in the manner prescribed for general elections in title 16, Arizona Revised Statutes. The county election officer shall account for costs specifically incurred with respect to the ballot issue under this section. Regardless of the outcome of the election, and notwithstanding any other law, the state treasurer shall pay the costs listed in this subsection specifically incurred with respect to the ballot issue under this section from monies paid into the county's regional area road fund on submission of the bill by the county election officer. Costs specifically incurred with respect to the ballot issue under this section include the following:
- 1. Costs of mailing, publishing, posting and printing ballots, publicity pamphlets, notices, election materials and other matters concerning the election.
- 2. Legal and other consulting fees and costs relating to the election.
 - 3. Telecommunications costs.
- 4. Compensation of the election board, county election officers and employees and other labor costs incurred to administer, hold, canvass and announce the results of the election.
 - 5. Any other costs attributable to the election.
- F. This section does not constitute a submission of any provision of law to the people for approval under the power of the referendum.
- G. Except as specifically provided in this section, the general laws relating to elections apply to the election prescribed by this section.

Sec. 33. Regional public transportation authority

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

Sec. 34. <u>Legislative intent</u>

The legislature intends that the development of State Route 30 between State Route 85 and Loop 303 will begin in the first phase of the plan as defined in section 28-6351, Arizona Revised Statutes, as amended by

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this act, to allow right-of-way acquisition and construction of the facility to advance as monies become available.

Sec. 35. Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable."

9 Amend title to conform
And, as so amended, it do pass

DAVID LIVINGSTON CHAIRMAN

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