

REFERENCE TITLE: **transportation tax; Maricopa county; election**

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2527

Introduced by

Representatives Sun: Aguilar, Austin, Blattman, Bravo, Cano, Contreras L, Contreras P, De Los Santos, Gutierrez, Hernandez A, Hernandez C, Hernandez L, Hernandez M, Longdon, Mathis, Ortiz, Pawlik, Peshlakai, Quiñonez, Salman, Sandoval, Schwiebert, Seaman, Stahl Hamilton, Terech, Travers, Tsosie, Senators Alston, Burch, Diaz, Epstein, Fernandez, Gabaldón, Hatathlie, Hernandez, Marsh, Mendez, Miranda, Sundareshan, Terán

AN ACT

AMENDING SECTIONS 28-304, 28-6301, 28-6302, 28-6303, 28-6304, 28-6305 AND 28-6306, ARIZONA REVISED STATUTES; REPEALING SECTION 28-6307, ARIZONA REVISED STATUTES; AMENDING SECTION 28-6308, ARIZONA REVISED STATUTES; REPEALING SECTIONS 28-6309, 28-6310, 28-6311 AND 28-6312, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-6313 AND 28-6351, ARIZONA REVISED STATUTES; REPEALING SECTION 28-6352, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 17, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 28-6352; REPEALING SECTIONS 28-6353, 28-6354 AND 28-6355, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-6538, 28-6954, 28-7671, 28-7691, 28-7695 AND 42-6105, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-6105.01; AMENDING SECTIONS 48-5102 AND 48-5103, ARIZONA REVISED STATUTES; REPEALING SECTIONS 48-5106 AND 48-5121, ARIZONA REVISED STATUTES; RELATING TO TRANSPORTATION FINANCE AND PLANNING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
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
10 shall 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
17 sections 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.
25 4. Vacate or abandon a portion of a state route or state highway as
26 prescribed in section 28-7209.
27 5. Sell board funding obligations to the state treasurer as
28 provided in section 28-7678.
29 C. The board shall:
30 1. Establish policies to guide the development or modification of
31 the five year transportation facilities construction program that are
32 consistent with the principles of ~~performance-based~~ PERFORMANCE-BASED
33 planning developed pursuant to article 7 of this chapter. The percentage
34 of department discretionary monies allocated to the region in the ~~regional~~
35 ~~transportation~~ plan approved pursuant to chapter 17, article 1 of this
36 title shall not increase or decrease unless the board, in cooperation with
37 the regional planning agency, agrees to change the percentage of the
38 discretionary monies.
39 2. Award all construction contracts for transportation facilities.
40 3. Monitor the status of these construction projects.
41 D. The board shall determine priority program planning with respect
42 to transportation facilities using the ~~performance-based~~ PERFORMANCE-BASED
43 methods developed pursuant to article 7 of this chapter.

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

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

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

12 1. Spend monies and require the use of the metric system with
13 respect to designing or preparing plans, specifications, estimates or
14 other documents for a highway project that is awarded before October 1,
15 1997 and that is exclusively metric from its inception.

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

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

20 28-6301. Definitions

21 In this article, unless the context otherwise requires:

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

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

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

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

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

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

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

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

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

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

45 ~~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. "PLAN" HAS THE SAME MEANING PRESCRIBED IN SECTION 28-6351.

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

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

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

12. "REGIONAL PROGRAMS" MEANS TRANSPORTATION PROJECTS THAT ARE SELECTED THROUGH A PERFORMANCE-BASED PROCESS FOR ARTERIAL IMPROVEMENTS, ACTIVE TRANSPORTATION, AIR QUALITY, EMERGING TECHNOLOGIES, INTELLIGENT TRANSPORTATION SYSTEMS, SAFETY AND TRANSPORTATION DEMAND MANAGEMENT.

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

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

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

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

A. In a county with a population of ~~one~~ THREE million ~~two hundred thousand~~ or more persons, the officer collecting transportation excise tax

1 monies pursuant to section 42-6105 OR 42-6105.01 that are designated for
2 deposit in the regional area road fund shall immediately transfer the
3 monies to the state treasurer. The state treasurer shall deposit the
4 monies in a fund designated for the county as the regional area road
5 fund. The state treasurer shall hold monies in the regional area road
6 fund as a trustee for the county.

7 B. Except as provided in this article, the county in which the
8 transportation excise taxes are levied has the beneficial interest in the
9 regional area road fund. This state has no beneficial interest in the
10 regional area road fund except as an obligee for reimbursement of state
11 monies that are advanced as salaries or expenses by this state or the
12 department and that are to be repaid by the regional area road fund.

13 C. Monies and investments within the regional area road fund may be
14 used and spent only as provided in this chapter. An appropriation of any
15 nature shall not be required before the expenditure of monies from the
16 regional area road fund. Monies in the bond proceeds account or
17 construction account of a regional area road fund may be obligated for
18 payment in future years for the purpose of right-of-way acquisition
19 subject to the limitations prescribed in sections 28-7001 and 28-7002, ~~and~~
20 section 42-6105, subsection D, paragraphs 1 and 2 AND SECTION 42-6105.01,
21 SUBSECTION D, PARAGRAPHS 1 AND 2. The state treasurer shall make payments
22 from the regional area road fund by check, and a warrant or voucher is not
23 necessary. Subject to the powers granted to the board in chapter 21,
24 article 2 of this title, the director shall administer monies deposited in
25 the regional area road fund.

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

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

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

32 B. The state treasurer shall:

33 1. Account separately for each account.

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

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

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

1 5. After all current period requirements for all of the bonds are
2 deposited in the bond account, deposit the balance of transportation
3 excise tax revenues transferred to the state treasurer for the current
4 period in the construction account.

5 C. The state treasurer may:

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

9 2. For the purpose of investments, commingle monies within the
10 regional area road fund with state monies if all interest earned on the
11 monies in the regional area road fund of a county is credited to the
12 respective account of the regional area road fund in which the investment
13 was made.

14 D. The department shall separately account for the uses of
15 transportation excise tax revenues deposited into the bond account and the
16 construction account in order to identify how the transportation excise
17 tax revenues are used pursuant to section 42-6105, subsection D,
18 paragraphs 1 and 2, for:

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

20 2. Major arterial streets and ~~intersection improvements~~ REGIONAL
21 PROGRAMS IDENTIFIED IN THE PLAN, INCLUDING CAPITAL EXPENSE AND
22 IMPLEMENTATION STUDIES.

23 E. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE USES OF
24 TRANSPORTATION EXCISE TAX REVENUES DEPOSITED IN THE BOND ACCOUNT AND THE
25 CONSTRUCTION ACCOUNT IN ORDER TO IDENTIFY HOW THE TRANSPORTATION EXCISE
26 TAX REVENUES ARE USED PURSUANT TO SECTION 42-6105.01, SUBSECTION D,
27 PARAGRAPHS 1 AND 2 FOR:

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

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

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

33 28-6304. Bond account; expenditures

34 A. The state treasurer shall:

35 1. Hold monies in the bond account in trust for the owners of the
36 bonds.

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

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

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

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

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

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

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

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

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

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

12 5. Design, right-of-way purchase or construction related to new, or
13 improvements to, major arterial streets and ~~intersections~~ REGIONAL
14 PROGRAMS that are included in the ~~regional transportation~~ plan ~~of the~~
15 ~~county~~. ~~For the purposes of this paragraph, "major arterial" means an~~
16 ~~interconnected thoroughfare whose primary function is to link areas in the~~
17 ~~region and to distribute traffic to and from controlled access highways,~~
18 ~~generally of regionwide significance and of varying capacity depending on~~
19 ~~the travel demand for the specific direction and adjacent land uses.~~

20 ~~6. Design and construction of interim roadways within the adopted~~
21 ~~corridors of the regional transportation plan of the county pursuant to~~
22 ~~section 28-6309.~~

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

25 ~~8.~~ 6. Payment of principal and interest on the bonds.

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

28 28-6305. Construction account; expenditures; construction
29 contracts

30 A. Except as provided in subsection B of this section, monies in
31 the construction account of the regional area road fund shall be spent,
32 pledged or accumulated for the purposes provided in section 28-6304,
33 subsection C, paragraphs 4 and 5, including payment of interest on and
34 repayment of bonds and obligations issued pursuant to chapter 21 of this
35 title if the proceeds of the bonds or obligations are used for the
36 purposes provided in section 28-6304, subsection C, paragraphs 4 and 5.

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

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

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

43 (b) The regional planning agency in that county for planning and
44 ~~administration of~~ ADMINISTERING the ~~regional transportation~~ plan approved
45 pursuant to section 28-6308. The state treasurer shall distribute monies

1 under this subdivision through the department on or before June 30 of each
2 year.

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

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

18 D. The director may enter into construction contracts or contracts
19 incidental to construction contracts payable from monies in either the
20 bond proceeds account or the construction account or both the bond
21 proceeds and construction accounts.

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

24 **28-6306. Account expenditures; elections**

25 A. Except as provided in subsection B **OF THIS SECTION**, monies from
26 any account in the regional area road fund shall not be spent to promote
27 or advocate a position, alternative or outcome of an election, to
28 influence public opinion or to pay or contract for consultants or advisors
29 to influence public opinion with respect to an election regarding taxes or
30 other sources of revenue for the fund or regarding the ~~regional~~
31 ~~transportation~~ plan.

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

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

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

39 Sec. 8. **Repeal**

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

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

3 28-6308. Regional planning agency transportation policy
4 committee

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

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

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

22 3. BEGINNING FISCAL YEAR 2024-2025, TWO MEMBERS WHO REPRESENT
23 UNINCORPORATED AREAS OF A COUNTY THAT HAS A POPULATION OF THREE MILLION OR
24 MORE PERSONS. THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
25 REPRESENTATIVES SHALL EACH APPOINT ONE MEMBER PURSUANT TO THIS PARAGRAPH.
26 MEMBERS WHO ARE APPOINTED PURSUANT TO THIS PARAGRAPH SERVE SIX-YEAR TERMS.

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

29 ~~2.~~ 1. Develop the plan in cooperation with the regional public
30 transportation authority in the county and the department ~~of~~
31 ~~transportation~~ and in consultation with the county board of supervisors,
32 Indian communities and cities and towns in the county.

33 ~~1.~~ 2. ~~By a majority vote of the members,~~ Recommend approval,
34 DISAPPROVAL OR MODIFICATION of a ~~twenty-year comprehensive,~~
35 ~~performance-based, multimodal and coordinated regional transportation plan~~
36 ~~in the county, including transportation corridors by priority and a~~
37 ~~schedule indicating the dates that construction will commence for projects~~
38 ~~contained in the plan.~~

39 ~~3. Submit the plan for review by the regional public transportation~~
40 ~~authority in the county, the state board of transportation, the county~~
41 ~~board of supervisors, Indian communities and cities and towns in the~~
42 ~~county at the alternatives stage of the plan and the final draft stage of~~
43 ~~the plan. After reviewing the plan, the regional public transportation~~
44 ~~authority in the county, the county board of supervisors and the state~~
45 ~~board of transportation, by majority vote of the members of each entity~~

1 ~~within thirty days after receiving the plan, shall submit a written~~
2 ~~recommendation to the transportation policy committee that the plan be~~
3 ~~approved, modified or disapproved. Within thirty days after receiving the~~
4 ~~plan, Indian communities and cities and towns in the county may submit a~~
5 ~~written recommendation to the transportation policy committee that the~~
6 ~~plan be approved, modified or disapproved.~~

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

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

11 ~~6. Provide a written response to the regional public transportation~~
12 ~~authority, the state board of transportation, the county board of~~
13 ~~supervisors and the entity that submitted the proposed modification within~~
14 ~~thirty days after the vote on the proposed modification explaining the~~
15 ~~affirmation, rejection or further modification of each proposed~~
16 ~~modification.~~

17 ~~7. Recommend the plan to the regional planning agency for approval~~
18 ~~for an air quality conformity analysis.~~

19 ~~C. The regional transportation plan:~~

20 ~~1. Shall include the following transportation mode classifications~~
21 ~~with a revenue allocation to each classification consistent with section~~
22 ~~42-6105, subsection D:~~

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

24 ~~(b) Major arterial streets and intersection improvements.~~

25 ~~(c) Public transportation systems.~~

26 ~~2. Shall provide a suggested construction schedule for the~~
27 ~~transportation projects contained in the plan.~~

28 ~~3. May be annually updated to introduce new controlled access~~
29 ~~highways, related grade separations and transportation projects or to~~
30 ~~modify the existing plan.~~

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

33 ~~D. Transportation excise tax revenues that are distributed pursuant~~
34 ~~to section 42-6105, subsection D shall not be redistributed or used for~~
35 ~~other transportation modes. Except as provided by section 28-6353,~~
36 ~~subsections D, E and F, transportation excise tax revenues that are~~
37 ~~dedicated in the plan to a specific project or transportation system may~~
38 ~~only be redistributed to or otherwise used for another project within the~~
39 ~~same transportation mode if approved by a majority vote of the~~
40 ~~transportation policy committee.~~

41 ~~3. RECOMMEND APPROVAL, DISAPPROVAL OR MODIFICATION OF CHANGES TO~~
42 ~~THE ALLOCATIONS OF TRANSPORTATION EXCISE TAX REVENUES BETWEEN SECTION~~
43 ~~28-6352, SUBSECTION B, PARAGRAPHS 1, 2 AND 3, INCLUDING MAJOR INVESTMENT~~
44 ~~CHANGES AS DESCRIBED IN SECTION 28-6352, SUBSECTION H.~~

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

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

5 Sec. 10. Repeal

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

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

10 28-6313. Performance audits of proposed transportation
11 projects and systems

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

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

- 23 1. Service levels.
- 24 2. Capital costs.
- 25 3. Operation and maintenance costs.
- 26 4. Transit ridership.
- 27 5. Farebox revenues.

28 C. The audit shall:

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

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

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

39 D. The auditor general or the auditors contracted to conduct the
40 audit shall periodically update the transportation policy committee
41 regarding the progress of the audit.

42 E. Within forty-five days after the release of the audit, the
43 regional public transportation authority, the state transportation board
44 and the county board of supervisors, by a majority vote of each entity,
45 shall submit written recommendations to the transportation policy

1 committee that the findings are agreed to or disagreed with and the
2 recommendations should be implemented, be implemented with modification or
3 not be implemented.

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

7 G. The auditor general shall distribute copies of the audit to:

- 8 1. The regional planning agency.
- 9 2. The transportation policy committee.
- 10 3. The regional public transportation authority in the county.
- 11 4. The county board of supervisors.
- 12 5. The state transportation board.
- 13 6. The governor, secretary of state, president of the senate and
14 speaker of the house of representatives.

15 ~~7. The Arizona state library, archives and public records.~~

16 ~~8.~~ 7. Any other person who requests a copy pursuant to title 39,
17 chapter 1, article 2.

18 H. The state transportation board, regional planning agency,
19 regional public transportation authority and county board of supervisors
20 shall cooperate with and submit to the auditor general and the auditors
21 contracted to conduct the audit information necessary to conduct the
22 audits under this section.

23 I. The cost incurred by the auditor general in contracting with
24 independent auditors for conducting performance audits under subsection A
25 of this section shall be paid from revenues of the county transportation
26 excise tax under ~~section~~ SECTIONS 42-6105 AND 42-6105.01. When due, the
27 payments have priority over any other distribution authorized by section
28 42-6105 OR 42-6105.01. The auditor general shall deposit the payments in
29 the audit services revolving fund established by section 41-1279.06.

30 Sec. 12. Heading change

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

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

36 28-6351. Definitions

37 In this article, unless the context otherwise requires:

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

40 ~~2.~~ 1. "Enhancement" means an addition that exceeds generally
41 accepted engineering or design standards for the specific type of
42 facility.

1 ~~3.~~ 2. "~~Regional transportation~~ Plan" means the ~~twenty year~~
2 comprehensive, ~~performance based~~ PERFORMANCE-BASED, multimodal and
3 coordinated regional STRATEGIC transportation INFRASTRUCTURE INVESTMENT
4 plan approved for the county pursuant to section 28-6308, as amended or
5 otherwise modified.

6 Sec. 14. Repeal

7 Sections ~~28-6352~~, ~~28-6353~~, ~~28-6354~~ and ~~28-6355~~, Arizona Revised
8 Statutes, are repealed.

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

11 ~~28-6352.~~ County transportation excise tax; budget process

12 A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL DEVELOP AND
13 ADOPT A PLAN. THE PLAN SHALL BE MULTIMODAL AND SHALL BE DEVELOPED IN
14 COOPERATION WITH STATE AND LOCAL PUBLIC TRANSPORTATION AUTHORITIES AND
15 OPERATORS AND IN COORDINATION WITH THE DEPARTMENT. THE REGIONAL PLANNING
16 AGENCY SHALL CONSIDER TRUCK PARKING AVAILABILITY WHEN CONSIDERING THE
17 CONSTRUCTION, EXPANSION OR MODIFICATION OF FREEWAYS OR OTHER ROUTES IN THE
18 STATE HIGHWAY SYSTEM. ON OR BEFORE DECEMBER 31, 2050, THE REGIONAL
19 PLANNING AGENCY SHALL ALLOCATE AT LEAST \$90,000,000 FOR THE IMPLEMENTATION
20 OF COMMERCIAL MOTOR VEHICLE PARKING THAT IS CONSISTENT WITH A REGIONALLY
21 ADOPTED TRUCK PARKING PLAN, INCLUDING FUNDING FOR CONSTRUCTION, LAND
22 ACQUISITION, LEASE, MAINTENANCE OR OPERATIONS OR ENTRY INTO A
23 PUBLIC-PRIVATE PARTNERSHIP AGREEMENT.

24 B. THE PLAN SHALL ALLOCATE REVENUE COLLECTED UNDER SECTION
25 42-6105.01 AS FOLLOWS:

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

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

30 3. IN THE PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103
31 FOR:

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

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

36 C. TRANSPORTATION EXCISE TAX REVENUES THAT ARE ALLOCATED PURSUANT
37 TO SUBSECTION B, PARAGRAPH 1, 2 OR 3 OF THIS SECTION MAY ONLY BE
38 REALLOCATED TO ANOTHER PARAGRAPH UNDER SUBSECTION B OF THIS SECTION IF THE
39 REALLOCATION IS RECOMMENDED FOR APPROVAL BY THE TRANSPORTATION POLICY
40 COMMITTEE AND APPROVED BY THE REGIONAL PLANNING AGENCY BOARD. NOT MORE
41 THAN TWO AND ONE-HALF PERCENT OF THE REVENUES COLLECTED UNDER SECTION
42 42-6105.01 MAY BE TRANSFERRED ANNUALLY BETWEEN SUBSECTION B, PARAGRAPHS 1,
43 2 AND 3 OF THIS SECTION WITHOUT GOING THROUGH THE MAJOR INVESTMENT CHANGE
44 PROCESS AS PRESCRIBED IN SUBSECTION H OF THIS SECTION.

1 D. BEGINNING FISCAL YEAR 2023-2024, 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
6 AS 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
10 TERM 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
19 HIGHWAY SYSTEM AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE
20 COUNTY FOR 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
32 PROJECTS AND PROGRAMS. THE PERFORMANCE-BASED ASSESSMENT MUST SUPPORT THE
33 PROPOSED MAJOR INVESTMENT CHANGE. THE ASSESSMENT SHALL ALSO SEEK,
34 CONSIDER AND DOCUMENT PUBLIC INPUT ON THE PROPOSED MAJOR INVESTMENT
35 CHANGE.

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

37 5. SUBMISSION OF THE PROPOSED MAJOR INVESTMENT CHANGE FOR REVIEW BY
38 THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE
39 BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS. AFTER
40 REVIEW, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE
41 STATE BOARD OF TRANSPORTATION AND THE COUNTY BOARD OF SUPERVISORS, BY A
42 MAJORITY VOTE OF THE MEMBERS OF EACH BOARD AND WITHIN THIRTY DAYS AFTER
43 RECEIVING THE PROPOSED MAJOR INVESTMENT CHANGE, SHALL SUBMIT A WRITTEN
44 RECOMMENDATION TO THE REGIONAL PLANNING AGENCY THAT THE PROPOSED MAJOR
45 INVESTMENT CHANGE BE APPROVED, MODIFIED OR DISAPPROVED. IF THE REGIONAL

1 PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF
2 TRANSPORTATION OR THE COUNTY BOARD OF SUPERVISORS FAILS TO APPROVE THE
3 PROPOSED MAJOR INVESTMENT CHANGE, AN AFFIRMATIVE VOTE OF AT LEAST
4 SEVENTEEN MEMBERS OF THE TRANSPORTATION POLICY COMMITTEE IS REQUIRED TO
5 RECOMMEND APPROVAL AND PROCEED WITH THE MAJOR INVESTMENT CHANGE.

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

9 J. REQUESTS FOR CHANGES TO TRANSPORTATION PROJECTS FUNDED IN THE
10 PLAN THAT WOULD MATERIALLY INCREASE COSTS SHALL BE SUBMITTED TO THE
11 REGIONAL PLANNING AGENCY FOR APPROVAL AND SUBMITTED BY THE REGIONAL
12 PLANNING AGENCY TO THE TRANSPORTATION POLICY COMMITTEE AND THE BOARD FOR
13 CONSIDERATION AND APPROVAL.

14 K. IF A LOCAL AUTHORITY REQUESTS AN ENHANCEMENT TO A TRANSPORTATION
15 PROJECT FUNDED IN THE PLAN, THE LOCAL AUTHORITY SHALL PAY ALL COSTS
16 ASSOCIATED WITH THE ENHANCEMENT.

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

19 M. THE BUDGET PROCESS PRESCRIBED IN SUBSECTION D OF THIS SECTION
20 DOES NOT APPLY TO THE ANNUAL OPERATING BUDGET OF THE REGIONAL PUBLIC
21 TRANSPORTATION AUTHORITY IN THE COUNTY.

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

25 1. THE PROJECT MUST BE ADVANCED AS APPROPRIATE TO REFLECT THE
26 ESTIMATED CONSTRUCTION START DATE.

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

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

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

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

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

37 28-6538. Arizona highway user revenue fund distribution;
38 remaining monies; highway fund distribution;
39 contract authorization; plan requirements

40 A. Each fiscal year the department shall allocate and the state
41 treasurer shall distribute revenues of the Arizona highway user revenue
42 fund remaining after the distribution provided in sections 28-6534 and
43 28-6537 as follows:

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

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

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

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

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

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

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

20 (a) The design, right-of-way purchase or construction of controlled
21 access highways that are included in the ~~regional transportation~~ plan ~~of~~
22 ~~the county~~ AS DEFINED IN SECTION 28-6351 and that are accepted into the
23 state highway system either as a state route or as a state highway or
24 related grade separations of controlled access highways that are included
25 in the ~~regional transportation~~ plan ~~of the county~~ AS DEFINED IN SECTION
26 28-6351.

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

32 C. Of the monies allocated to the state highway fund pursuant to
33 subsection A of this section, not more than ~~five million dollars~~
34 \$5,000,000 annually shall be spent for the acquisition, construction or
35 improvement of entry roads to state parks or roads in state parks.

36 D. Expenditures for state matching monies for the federal
37 interstate system shall be in addition to the amount provided in
38 subsection B of this section.

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

42 F. A county described in subsection B of this section and the
43 cities and towns in the county, through their regional planning agency,
44 shall list transportation corridors by priority in the ~~regional~~
45 ~~transportation~~ plan AS DEFINED IN SECTION 28-6351. The ~~regional~~

1 ~~transportation~~ plan AS DEFINED IN SECTION 28-6351 may also provide a
2 suggested construction schedule for the transportation corridors contained
3 in the plan.

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

6 28-6954. Program requirements

7 A. The five year transportation facilities construction program
8 shall:

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

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

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

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

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

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

21 (b) CONSISTENT WITH THE PROJECT BUDGET PROCESS SPECIFIED IN SECTION
22 28-6352, SUBSECTION D, PARAGRAPH 1.

23 (c) ANNUALLY UPDATED.

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

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

33 Sec. 18. Section 28-7671, Arizona Revised Statutes, is amended to
34 read:

35 28-7671. Definitions

36 In this article, unless the context otherwise requires:

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

38 (a) On the federal aid system, national highway system or state
39 route or state highway system.

40 (b) Included in either:

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

42 (ii) The transportation improvement plan of a regional association
43 of governments.

44 2. "Eligible transit capital project" means land, buildings or
45 motor vehicles or a combination of land, buildings and motor vehicles that

1 is included in the transportation improvement plan of a regional
2 association of governments and that is part of the federal transit
3 administration's rural public transportation program for entities that are
4 eligible pursuant to section 28-7676 and that have populations of less
5 than fifty thousand persons.

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

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

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

16 6. "Indian tribe" means any Indian tribe, band, group or community
17 that is recognized by the United States secretary of the interior and that
18 exercises governmental authority within the limits of any Indian
19 reservation under the jurisdiction of the United States government,
20 notwithstanding the issuance of any patent and including rights-of-way
21 running through the reservation.

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

26 8. "Political subdivision" means a county, city, town or special
27 taxing district authorized by law to construct or assist in the
28 construction of an eligible highway project or a county, city, town or
29 special taxing district established pursuant to section 48-5102 to
30 construct or assist in the construction of a transportation project.

31 9. "SIB cooperative agreement" means a cooperative agreement or
32 agreements entered into by the Arizona department of transportation with
33 the United States department of transportation pursuant to this article
34 and the federal SIB act.

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

41 Sec. 19. Section 28-7691, Arizona Revised Statutes, is amended to
42 read:

43 28-7691. Definitions

44 In this article, unless the context otherwise requires:

1 1. "Excise taxes" means all unrestricted excise, transaction,
2 franchise, privilege and business taxes, state shared ~~sales~~ TRANSACTION
3 PRIVILEGE and income taxes, fees for licenses and permits and state
4 revenue sharing that are levied and paid by a political subdivision or
5 contributed, levied or paid to the political subdivision and not earmarked
6 by the contributor or the political subdivision for a contrary or
7 inconsistent purpose.

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

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

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

27 5. "Transportation project advance revenues" means any revenues a
28 political subdivision receives under a transportation project advance
29 agreement, or as proceeds of transportation project advancement notes,
30 together with any earnings from the investment of the revenues.

31 6. "Transportation project advancement notes" means notes
32 authorized by this article.

33 Sec. 20. Section 28-7695, Arizona Revised Statutes, is amended to
34 read:

35 28-7695. Use of proceeds

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

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

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

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

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

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

13 Sec. 21. Section 42-6105, Arizona Revised Statutes, is amended to
14 read:

15 42-6105. County transportation excise tax; counties with
16 population of one million two hundred thousand or
17 more persons

18 A. If approved by the qualified electors voting at a countywide
19 election, a county with a population of one million two hundred thousand
20 or more persons shall levy and the department shall collect a tax as
21 provided by this section, in addition to all other taxes.

22 B. The tax shall be levied and collected:

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

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

29 3. On the use or consumption of electricity or natural gas by
30 retail electric or natural gas customers in the county who are subject to
31 use tax under section 42-5155, at a rate equal to the transaction
32 privilege tax rate under paragraph 1 of this subsection applying to
33 persons engaging or continuing in the county in the utilities transaction
34 privilege tax classification.

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

37 D. The net revenues collected under this section shall be
38 distributed and deposited as follows for use consistent with the ~~regional~~
39 ~~transportation~~ plan adopted under title 28, chapter 17, article ~~1~~ 2:

40 1. 56.2 ~~per cent~~ PERCENT to the regional area road fund pursuant to
41 section 28-6303 for freeways and other routes in the state highway system,
42 including capital expense and maintenance.

43 2. 10.5 ~~per cent~~ PERCENT to the regional area road fund pursuant to
44 section 28-6303 for major arterial streets and ~~intersection improvements~~
45 REGIONAL PROGRAMS, including capital expense and implementation studies.

1 3. 33.3 ~~per cent~~ PERCENT to the public transportation fund pursuant
2 to section 48-5103 for:

3 (a) Capital costs, maintenance and operation of public
4 transportation classifications.

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

7 Sec. 22. Title 42, chapter 6, article 3, Arizona Revised Statutes,
8 is amended by adding section 42-6105.01, to read:

9 42-6105.01. County transportation excise tax; counties with
10 population of three million or more persons;
11 conditional enactment

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

16 B. THE TAX SHALL BE LEVIED AND COLLECTED:

17 1. AT A RATE OF NOT MORE THAN TEN PERCENT OF THE TRANSACTION
18 PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A THAT
19 APPLIES, AS OF JANUARY 1, 1990, TO EACH PERSON ENGAGING OR CONTINUING IN
20 THE COUNTY IN A BUSINESS TAXED UNDER CHAPTER 5, ARTICLE 1 OF THIS TITLE.

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

23 3. ON THE USE OR CONSUMPTION OF ELECTRICITY OR NATURAL GAS BY
24 RETAIL ELECTRIC OR NATURAL GAS CUSTOMERS IN THE COUNTY WHO ARE SUBJECT TO
25 USE TAX UNDER SECTION 42-5155, AT A RATE EQUAL TO THE TRANSACTION
26 PRIVILEGE TAX RATE UNDER PARAGRAPH 1 OF THIS SUBSECTION THAT APPLIES TO
27 PERSONS ENGAGING OR CONTINUING IN THE COUNTY IN THE UTILITIES TRANSACTION
28 PRIVILEGE TAX CLASSIFICATION.

29 C. THE TAX LEVIED UNDER THIS SECTION SHALL BE IN EFFECT FOR A TERM
30 OF TWENTY YEARS.

31 D. THE PLAN ADOPTED UNDER TITLE 28, CHAPTER 17, ARTICLE 2 SHALL
32 SPECIFY THE DISTRIBUTION OF MONIES COLLECTED UNDER THIS SECTION IN THE
33 REGIONAL AREA ROAD FUND ESTABLISHED PURSUANT TO SECTION 28-6302 OR THE
34 PUBLIC TRANSPORTATION FUND ESTABLISHED BY SECTION 48-5103. EXCEPT AS
35 PROVIDED IN SUBSECTIONS E AND F OF THIS SECTION, THE PLAN SHALL
36 DISTRIBUTE:

37 1. 37.4 PERCENT TO THE REGIONAL AREA ROAD FUND FOR FREEWAYS AND
38 OTHER ROUTES IN THE STATE HIGHWAY SYSTEM, INCLUDING CAPITAL EXPENSE AND
39 MAINTENANCE.

40 2. 22.2 PERCENT TO THE REGIONAL AREA ROAD FUND FOR MAJOR ARTERIAL
41 STREETS AND REGIONAL PROGRAMS, INCLUDING CAPITAL EXPENSE AND
42 IMPLEMENTATION STUDIES.

43 3. 40.4 PERCENT TO THE PUBLIC TRANSPORTATION FUND FOR BOTH:

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

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

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

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

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

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

13 I. THIS SECTION BECOMES EFFECTIVE ONLY IF THE QUALIFIED ELECTORS
14 APPROVE AN EXTENSION OF A COUNTY TRANSPORTATION EXCISE TAX.

15 Sec. 23. Section 48-5102, Arizona Revised Statutes, is amended to
16 read:

17 48-5102. Regional public transportation authority in counties
18 with population of three million or more persons;
19 establishment

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

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

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

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

35 Sec. 24. Section 48-5103, Arizona Revised Statutes, is amended to
36 read:

37 48-5103. Public transportation fund

38 A. A public transportation fund is established for the authority.
39 The fund consists of:

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

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

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

9 (a) A light rail public transit system.

10 (b) Capital costs for other public transportation.

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

13 4. Monies distributed under title 28, chapter 17, ~~article~~ ARTICLES
14 1 AND 2.

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

16 6. Monies granted by the federal government or appropriated by the
17 legislature.

18 7. Fares or other revenues collected in operating a public
19 transportation system.

20 B. On behalf of the authority, the fiscal agent shall administer
21 monies paid into the public transportation fund. Monies in the fund may
22 be spent pursuant to or to implement the public transportation element of
23 the ~~regional transportation~~ plan AS DEFINED IN SECTION 28-6351 developed
24 and approved by the regional planning agency, including reimbursement for
25 utility relocation costs as prescribed in section 48-5107, ~~adopted~~
26 ~~pursuant to section 48-5121~~ and for projects identified in the ~~regional~~
27 ~~transportation~~ plan adopted by the regional planning agency pursuant to
28 section ~~28-6308~~ 28-6352.

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

35 Sec. 25. Repeal

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

38 Sec. 26. Election on transportation excise tax

39 A. During the period beginning four years before the date on which
40 an existing county transportation excise tax would otherwise be
41 discontinued and ending two years before the date on which an existing
42 county transportation excise tax would be discontinued, the board of
43 supervisors of any county with a population of three million or more
44 persons shall call a countywide election for the continuation of the
45 county transportation excise tax as described in section 42-6105.01,

1 Arizona Revised Statutes, as added by this act. Notwithstanding any other
2 law, the county shall conduct an election on a consolidated election date
3 at least one year before the date on which an existing county excise tax
4 would otherwise be discontinued following the call of the election.

5 B. In addition to any other requirements prescribed by law, the
6 board of supervisors shall prepare and print an 8½" x 11" publicity
7 pamphlet concerning the ballot question and mail one copy of the pamphlet
8 to each household containing a registered voter in the county. The
9 mailings may be made over a period of days but shall be mailed for
10 delivery before the earliest date registered voters may receive early
11 ballots for the election. The publicity pamphlet shall contain:

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

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

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

21 (b) A map of proposed routes and transportation corridors of all
22 major transportation projects.

23 (c) The estimated amount of transportation excise tax revenues,
24 together with other identified revenues, dedicated for each transportation
25 mode.

26 (d) The county elections department website address for additional
27 information on the regional strategic transportation infrastructure
28 investment plan.

29 3. The form of the ballot.

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

34 C. At a time determined by the county, a person may file with the
35 county elections director an argument, not more than three hundred words
36 in length, advocating or opposing the ballot measure. The person who
37 files the argument shall also pay to the elections director a publication
38 fee prescribed by the board of supervisors. If the argument is sponsored
39 by one or more individuals, the argument shall be signed by each
40 sponsoring individual. If the argument is sponsored by one or more
41 organizations, the argument shall be signed by two executive officers of
42 each organization. If the argument is sponsored by one or more political
43 committees, the argument shall be signed by each committee's chairperson
44 or treasurer. Payment of the fee required by this subsection, or
45 reimbursement of the payor, constitutes sponsorship of the argument. The

1 names of persons who have signed arguments and the names of sponsoring
2 organizations shall appear with the argument in the pamphlet. The person
3 or persons signing the argument shall also give their residence or post
4 office box address and a telephone number, which may not appear in the
5 pamphlet.

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

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

11 2. The title: Regional Strategic Transportation Infrastructure
12 Investment Plan.

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

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

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

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

28 Do you favor the continuation of a county transaction
29 privilege (sales) tax for regional transportation
30 purposes in _____
31 county? YES _____ NO _____

32 (A "YES" vote has the effect of continuing the
33 transaction privilege (sales) tax in _____ county
34 for twenty years to provide funding for transportation
35 projects as contained in the regional strategic
36 transportation infrastructure investment plan.)

37 (A "NO" vote has the effect of rejecting the transaction
38 privilege (sales) tax for transportation purposes in
39 _____ county.)

40 E. Except as otherwise provided by this section, the election under
41 this section shall be conducted as nearly as practicable in the manner
42 prescribed for general elections in title 16, Arizona Revised Statutes.
43 The county election officer shall account for costs specifically incurred
44 with respect to the ballot issue under this section. Regardless of the
45 outcome of the election, and notwithstanding any other law, the state

1 treasurer shall pay the costs listed in this subsection specifically
2 incurred with respect to the ballot issue under this section from monies
3 paid into the county's regional area road fund on submission of the bill
4 by the county election officer. Costs specifically incurred with respect
5 to the ballot issue under this section include the following:

6 1. Costs of mailing, publishing, posting and printing ballots,
7 publicity pamphlets, notices, election materials and other matters
8 concerning the election.

9 2. Legal and other consulting fees and costs relating to the
10 election.

11 3. Telecommunications costs.

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

15 5. Any other costs attributable to the election.

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

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

21 Sec. 27. Regional public transportation authority

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

25 Sec. 28. Severability

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