



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

REVISED
FACT SHEET FOR S.B. 1122

transportation tax; election; Maricopa county

Purpose

Directs the board of supervisors (BOS) in a county with a population of 3,000,000 persons or more (Maricopa County) to call a countywide election for the continuation of the county transportation excise tax (transportation tax). Prescribes the levy and distribution of the transportation tax if approved by the voters and outlines requirements for participants and agencies.

Background

In 2004, Maricopa County voters approved a countywide transportation tax levied at a rate of up to 10 percent of the state transaction privilege tax (one-half cent transportation tax). Revenues from the one-half cent transportation tax are deposited into the Regional Area Road Fund (RARF) and distributed to transportation projects as follows: 1) 56.2 percent for freeways and other routes in the state highway system; 2) 10.5 percent for major arterial streets and intersection improvements; and 3) 33.3 percent to public transportation. [Laws 2003, Chapter 217](#) established the Regional Planning Agency Transportation Policy Committee (TPC) which is tasked with the approval of a 20-year comprehensive, performance-based, multimodal and coordinated Regional Transportation Plan (Plan) for Maricopa County. The current one-half cent transportation tax in Maricopa County expires on January 1, 2026.

The Maricopa Association of Governments (MAG) is a council of governments that serves as the regional planning and policy agency for the metropolitan Phoenix area. MAG is the designated metropolitan planning organization for transportation planning in the greater Phoenix metropolitan region, including the Phoenix urbanized area and the contiguous urbanized area in Pinal County ([MAG](#)). Monies collected from voter-approved transportation taxes are deposited into MAG's RARF to be used by MAG for the maintenance and capital expenses of freeways and the state highway system ([A.R.S. § 42-6105](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

Maricopa County Transportation Tax
(Effective if approved by the qualified electors at an election)

1. Requires, if approved by the qualified electors voting at a countywide election, Maricopa County to levy, and the Arizona Department of Transportation (ADOT) to collect, a transportation tax for a term of 20 years.

2. Requires the transportation tax to be levied and collected:
 - a) at a rate of up to 10 percent of the state transaction privilege tax (TPT) rate on January 1, 1990;
 - b) at a rate of up to 10 percent of the jet fuel excise tax rate; and
 - c) on the use or consumption of electricity or natural gas by customers in the county who are subject to use tax at a rate up to 10 percent of the state TPT rate that applies to customers engaging in the county in the utilities TPT classification.
3. Directs the net revenues of the transportation tax to be distributed and deposited for use consistent with the Plan, as follows:
 - a) 80 percent of the annual transportation tax revenues to the RARF for freeways and other routes in the state highway system, including capital expenses and maintenance;
 - b) 15 percent of the annual transportation tax revenues to the RARF for major arterial streets and intersection improvements, including capital expenses; and
 - c) 5 percent of the annual transportation tax revenues to the RARF for dial-a-ride and the extension or addition of bus lines and bus rapid transit.
4. Prohibits distributed monies from being spent on commuter rail, light rail, street cars or trolleys.

Countywide Election

5. Directs the Maricopa County BOS to call and conduct a countywide election on November 5, 2024, for the extension and levy of a transportation tax.
6. Prescribes printed ballot requirements, including:
 - a) the designation of the measure as *relating to county transportation excise (sales) taxes and Maricopa County regional public transportation funding plan*;
 - b) a description of the measure, prepared by Legislative Council at the same time and in the same manner as outlined for a ballot analysis; and
 - c) the ballot question to the voters that explains the effect that the approval or disapproval of the continuation of a transportation tax would have, prepared by Legislative Council.
7. Requires the Maricopa County BOS to prepare, print and mail a publicity pamphlet concerning the ballot question and directs the mailing of the pamphlet.
8. Requires the publicity pamphlet to contain:
 - a) a summary of the principal priorities of the issue, including the transportation tax rate, the number of years the tax will be in effect and the projected annual and cumulative amount of revenues; and
 - b) a statement describing the purposes for which transportation tax monies may be spent, including:
 - i. a summary of the Plan;
 - ii. a map of proposed routes and transportation corridors of all major projects;
 - iii. the estimated amount of transportation tax revenues, together with other identified revenues, dedicated for each transportation mode; and
 - iv. the Maricopa County Elections Department website address for additional information on the Plan.

9. Allows, by June 15, 2024, a person to submit a signed argument of no more than 300 words for or against the ballot measure to the Maricopa County Elections Director.
10. Requires the person submitting the argument to pay a publication fee prescribed by the Maricopa County BOS, which constitutes sponsorship of the argument.

County Transportation Excise Tax

11. Raises the population threshold, from 1,200,000 to 3,000,000 or more persons, over which a county must collect a transportation tax.
12. Requires ADOT to separately account for the uses of transportation tax revenues deposited in the Bond Account and the Construction Account of the RARF to identify how the transportation tax revenues are used for:
 - a) freeways and other routes in the state highway system; and
 - b) major arterial streets and intersection improvements identified in the Plan, including capital expense and implementation studies.
13. Directs the State Treasurer to annually distribute \$2,500,000 from the Construction Account of the RARF to the Maricopa County Regional Planning Agency (RPA), rather than divide and equally distribute \$5,000,000 to the Public Transportation Fund and the RPA, for planning and administering the Plan.
14. Prohibits monies in any Account of the RARF or the Public Transportation Fund from being spent to:
 - a) promote or advocate a position, alternative or outcome of an election;
 - b) influence public opinion;
 - c) conduct polling or pay or contract for consultants or advisors to influence public opinion;
 - or
 - d) conduct polling with respect to an election regarding taxes or other sources of revenue for the RARF or regarding the Plan.
15. Prohibits transportation tax monies allocated to the Public Transportation Fund from being spent on public polling or election expenses with respect to an election regarding taxes or other sources of revenue for the Public Transportation Fund or regarding the Plan.
16. Eliminates, as authorized uses for RARF monies in any Account, determining public opinion before an election is called and costs incurred with respect to a ballot issue relating to a Transportation Tax.

RPA

17. Raises the population threshold, from 1,200,000 to 3,000,000 or more persons, of a county RPA that must develop and adopt the public transportation element of the Plan.
18. Modifies the required components of the public transportation element of the Plan to include:
 - a) define and identify regional public transportation corridors using transportation system performance factors;

- b) define the public transportation problems, goals and needs for each corridor using the information received from surveys of public transportation needs;
 - c) define the costs for public transportation systems; and
 - d) identify and incorporate innovations in the delivery of public transportation, including opportunities for privatization.
19. Removes, from the required components of the public transportation element of the Plan, determining:
- a) environmental, economic, energy and social policies to guide public transportation investment decisions;
 - b) the mix of alternative public transportation modes appropriate for development in light of the public transportation goals and needs for each corridor; and
 - c) performance criteria for public transportation systems.
20. Requires the RPA to adopt a budget process that ensures the estimated cost of the transportation mode classification for public transportation systems does not exceed the total amount of revenues estimated to be available.

Regional Planning Agency Transportation Policy Committee (TPC)

21. Requires the TPC to:
- a) recommend approval, disapproval or modification of a 20-year comprehensive, performance-based and coordinated Plan; and
 - b) develop the Plan using performance factors and weights; and
 - c) submit the Plan for ADOT to review and determine compliance with transportation system performance factors.
22. Modifies TPC membership to:
- a) include 11, rather than 17, RPA members, including both members, rather than a member, of the State Transportation Board who represent Maricopa County;
 - b) of the 6 members who represent regionwide business interests, to:
 - i. include members representing interests in the areas of freight, real estate, homebuilding, trucking and construction; and
 - ii. remove a member representing transit interests;
 - c) of the 6 members appointed by the Legislature, at least 2 members who are currently elected legislators representing districts in the county in whole or part; and
 - d) 2 members from organizations or associations representing taxpayer interests.
23. Reduces TPC membership terms to two years, rather than six years.
24. Eliminates the RPC Chairperson's ability to submit names to be considered for appointment to the TPC.
25. Allows all persons serving as TPC members on the effective date of this legislation to continue to serve until the expiration of their normal terms and requires all subsequent appointments to serve as prescribed.

Maricopa County Regional Public Transportation Authority (RPTA)

26. Reestablishes, beginning January 1, 2026, the Maricopa County Regional Public Transportation Authority (RPTA), if a transportation tax has been approved.
27. Requires the Board of Directors of the RPTA (RPTA Board) to separately account for transportation tax monies allocated to the Public Transportation Fund for:
 - a) a light rail public transportation system;
 - b) capital costs for other public transportation; and
 - c) the operation and maintenance costs for other public transportation.
28. States that this legislation does not invalidate an action by the RPTA before the effective date of this legislation.

Definitions

29. Defines *intersection improvement* as construction relating to intersections, including constructing, installing or upgrading traffic control devices, turn lanes and appurtenances, to enhance the efficiency of movement, safety and congestion relief for motor vehicles.
30. Defines *major arterial* as 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.

Miscellaneous

31. Requires the Auditor General, beginning in 2010 and every fifth year thereafter, to conduct a performance audit of the Plan and projects scheduled during the next five years, rather than requiring the Auditor General to contract with a nationally recognized independent auditor with expertise in evaluating multimodal transportation systems and regional transportation planning to conduct the performance audit.
32. Removes the Arizona State Library, Archives and Public Records from the entities required to receive a copy of the performance audit.
33. Requires a contract funded by the transportation tax to be:
 - a) subject to statutory requirements relating to competitive sealed bidding; and
 - b) submitted, if the contract exceeds \$50,000,000, to the Joint Legislative Budget Committee for review before the contract is executed.
34. Applies the requirements for contracts funded by the transportation tax to contracts for:
 - a) bids for construction, reconstruction, equipment or supplies;
 - b) emergency construction; and
 - c) design-build method of project delivery.
35. Prohibits, from receiving transportation tax monies, the five or fewer projects under Maricopa County BOS consideration when determining the lowest responsible bidder.

36. Makes technical and conforming changes.

37. Becomes effective on the general effective date.

Revisions

1. Includes the requirement that the RPTA Board separately account for transportation tax monies allocated to the Public Transportation Fund.
2. Clarifies provisions relating to:
 - a) the required contents of publicity pamphlets;
 - b) the prohibited uses of transportation tax monies;
 - c) the required components of the public transportation element of the Plan;
 - d) modifications to TPC membership; and
 - e) the Auditor General's performance audit of the Plan.

Prepared by Senate Research

January 30, 2023

KJA/sr