

Senate Engrossed

transportation; 2025-2026

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

CHAPTER 248

SENATE BILL 1750

AN ACT

AMENDING SECTION 28-472, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 20, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-7011; AMENDING TITLE 28, CHAPTER 25, ARTICLE 9, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2025, CHAPTER 185, SECTION 1, BY ADDING SECTION 28-8604; AMENDING TITLE 28, CHAPTER 30, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 4; RELATING TO THE DEPARTMENT OF TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-472, Arizona Revised Statutes, is amended to
3 read:

4 28-472. Fleet operation services; records; rules; vehicle
5 replacement rate; participating agencies;
6 coordinator; public service announcements; annual
7 report

8 A. The director shall operate the state motor vehicle fleet for the
9 purpose of providing fleet operation services to agencies. The director
10 shall make fleet operation services available to an agency on the request
11 of the chosen representative for that agency.

12 B. The director is responsible for administering the state motor
13 vehicle fleet, including:

14 1. Procuring motor vehicles for the state motor vehicle fleet.

15 2. Notwithstanding title 41, chapter 23, article 8, administering
16 the surplus and sale of motor vehicles in the state motor vehicle fleet.

17 C. The director shall provide for detailed cost, operation,
18 maintenance, mileage and custody records for each state-owned motor
19 vehicle.

20 D. The director may adopt rules necessary to administer this
21 article.

22 E. The department shall recover all costs for fleet operation
23 services that are provided to an agency. Each agency shall pay from
24 available monies the cost of fleet operation services received from the
25 department at a rate determined by the director, including a separate
26 vehicle replacement rate for motor vehicle replacements. The director
27 shall deposit, pursuant to sections 35-146 and 35-147, monies received for
28 fleet operation services in the state fleet operations fund established by
29 section 28-475. The director shall deposit, pursuant to sections 35-146
30 and 35-147, monies received to pay the vehicle replacement rate in the
31 state vehicle replacement fund established by section 28-476.

32 F. The following agencies are excluded from participation in the
33 state motor vehicle fleet:

34 1. The department of public safety.

35 2. The department of economic security.

36 3. The state department of corrections.

37 4. Universities and community colleges.

38 5. The cotton research and protection council.

39 6. The Arizona commerce authority.

40 ~~7. The department of child safety.~~

41 ~~8.~~ 7. The department of transportation.

42 G. The director shall appoint a state motor vehicle fleet
43 coordinator.

44 H. An agency may not purchase, lease or rent a motor vehicle unless
45 the agency is excluded from participation in the state motor vehicle fleet

1 by subsection F of this section. The director may withhold registration
2 for any motor vehicle that is purchased, leased or rented in violation of
3 this subsection.

4 I. Notwithstanding subsection H of this section, an agency that
5 administers a separate account pursuant to section 28-476, subsection C
6 shall control the purchase, lease or rental of motor vehicles. Vehicles
7 purchased, leased or rented under this subsection shall be used by the
8 agency only for the agency's purposes.

9 J. An agency listed in subsection F of this section may elect to
10 participate in the state motor vehicle fleet by executing an interagency
11 service agreement between the agency and the department.

12 K. A governmental budget unit of this state that is not an agency
13 may elect to participate in the state motor vehicle fleet by entering into
14 an interagency service agreement with the department.

15 L. An agency, including an agency listed in subsection F of this
16 section, may accept compensation for placing public service announcements
17 on state-owned motor vehicles, and monies received shall be deposited,
18 pursuant to sections 35-146 and 35-147, in the state general fund. The
19 agency director shall determine the appropriateness of the announcements,
20 may exempt any motor vehicles that are not suitable for advertising and
21 may contract with private parties to design and place the announcements.

22 M. On or before October 1 of each year, the department shall submit
23 to the joint legislative budget committee and the governor's office of
24 strategic planning and budgeting a report that accounts for all monies
25 deposited in the state fleet operations fund established by section 28-475
26 and the state vehicle replacement fund established by section 28-476,
27 including any monies allocated to separate agency accounts. The report
28 shall also include the number of motor vehicles that were replaced in the
29 prior fiscal year, the number of motor vehicles at each agency, the
30 replacement life cycle for each motor vehicle and the number of motor
31 vehicles the department identifies as not requiring replacement.

32 Sec. 2. Title 28, chapter 20, article 4, Arizona Revised Statutes,
33 is amended by adding section 28-7011, to read:

34 28-7011. Statewide infrastructure trust fund; definition

35 A. THE STATEWIDE INFRASTRUCTURE TRUST FUND IS ESTABLISHED. THE
36 STATE TREASURER SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT
37 TO LEGISLATIVE APPROPRIATION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION
38 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE STATE TREASURER SHALL
39 INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND
40 MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. THE FUND
41 CONSISTS OF THE FOLLOWING:

42 1. MONIES APPROPRIATED BY THE LEGISLATURE.

43 2. ANY NONFEDERAL GIFTS, GRANTS, DONATIONS OR OTHER MONIES RECEIVED
44 BY THE STATE TREASURER FROM ANY PUBLIC OR PRIVATE SOURCE FOR
45 TRANSPORTATION PROJECTS.

1 B. THE MONIES IN THE FUND SHALL BE USED TO FUND ANY PHASE OF
2 DEVELOPMENT OR CONSTRUCTION OF TRANSPORTATION PROJECTS IN THE CURRENT
3 FISCAL YEAR OR NEXT FISCAL YEAR.

4 C. BEFORE ANY EXPENDITURE IS MADE FROM THE FUND, THE STATE
5 TREASURER AND THE DEPARTMENT SHALL SUBMIT AN EXPENDITURE PLAN FOR REVIEW
6 TO THE JOINT COMMITTEE ON CAPITAL REVIEW.

7 D. FOR THE PURPOSES OF THIS SECTION, "TRANSPORTATION PROJECT" MEANS
8 ANY PROJECT THAT CONSTRUCTS A NEW FEDERAL OR STATE HIGHWAY OR MAKES
9 IMPROVEMENTS TO ANY EXISTING FEDERAL OR STATE HIGHWAY.

10 Sec. 3. Title 28, chapter 25, article 9, Arizona Revised Statutes,
11 as added by Laws 2025, chapter 185, section 1, is amended by adding
12 section 28-8604, to read:

13 28-8604. Advanced air mobility fund

14 A. THE ADVANCED AIR MOBILITY FUND IS ESTABLISHED. THE STATE
15 TREASURER SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT TO
16 LEGISLATIVE APPROPRIATION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION
17 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE STATE TREASURER SHALL
18 INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND
19 MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. THE FUND
20 CONSISTS OF THE FOLLOWING:

21 1. MONIES APPROPRIATED BY THE LEGISLATURE.

22 2. ANY NONFEDERAL GIFTS, GRANTS, DONATIONS OR OTHER MONIES RECEIVED
23 BY THE STATE TREASURER FROM ANY PUBLIC OR PRIVATE SOURCE FOR
24 TRANSPORTATION PROJECTS.

25 B. THE MONIES IN THE FUND SHALL BE USED TO:

26 1. PURCHASE ADVANCED AIR MOBILITY VEHICLES THAT ARE CAPABLE OF
27 CARRYING PASSENGERS OR CARGO FOR TESTING AND DEMONSTRATION PURPOSES OF THE
28 ABILITY TO USE THE ADVANCED AIR MOBILITY VEHICLES.

29 2. CONSTRUCT VERTIPORTS.

30 C. BEFORE ANY EXPENDITURE IS MADE FROM THE FUND, THE STATE
31 TREASURER AND THE DEPARTMENT SHALL SUBMIT AN EXPENDITURE PLAN FOR REVIEW
32 TO THE JOINT COMMITTEE ON CAPITAL REVIEW.

33 Sec. 4. Title 28, chapter 30, Arizona Revised Statutes, is amended
34 by adding article 4, to read:

35 ARTICLE 4. TRANSPORTATION INNOVATION

36 28-9571. Statewide transportation innovation fund

37 A. THE STATEWIDE TRANSPORTATION INNOVATION FUND IS ESTABLISHED.
38 THE STATE TREASURER SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE
39 SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE EXEMPT FROM THE PROVISIONS OF
40 SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE STATE TREASURER
41 SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313,
42 AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. THE FUND
43 CONSISTS OF THE FOLLOWING:

44 1. MONIES APPROPRIATED BY THE LEGISLATURE.

1 2. ANY NONFEDERAL GIFTS, GRANTS, DONATIONS OR OTHER MONIES RECEIVED
2 BY THE STATE TREASURER FROM ANY PUBLIC OR PRIVATE SOURCE FOR
3 TRANSPORTATION PROJECTS.

4 B. THE MONIES IN THE FUND SHALL BE USED FOR:

5 1. GRANTS TO FOR-PROFIT AND NONPROFIT ENTITIES TO PROVIDE A
6 TRANSPORTATION INNOVATION PROGRAM IN THIS STATE AS PRESCRIBED BY SECTION
7 28-9572.

8 2. EQUIPMENT PURCHASES, DRIVER SALARIES, INSURANCE COSTS AND
9 PAYMENT OF OTHER COSTS DIRECTLY RELATED TO THE IMPLEMENTATION OF AN
10 INNOVATION TRANSPORTATION PLAN.

11 28-9572. Statewide transportation innovation program; grantee
12 requirements

13 A. THE STATE TREASURER SHALL ADMINISTER THE STATEWIDE
14 TRANSPORTATION INNOVATION PROGRAM THAT CONSISTS OF GRANT RECIPIENTS
15 AUTHORIZED PURSUANT TO SECTION 28-9571.

16 B. A GRANT APPLICANT MUST:

17 1. BE ABLE TO PROVIDE A MODE OF TRANSPORTATION THAT SEATS FIFTEEN
18 OR FEWER PASSENGERS.

19 2. INCLUDE MANUALLY DRIVEN OR AUTONOMOUS VEHICLES.

20 3. ALLOW FOR DROPPING OFF AND PICKING UP PASSENGERS USING
21 PREDETERMINED LOCATIONS.

22 4. INCLUDE IN THE GRANT APPLICATION:

23 (a) AN IMPLEMENTATION PLAN.

24 (b) THE SERVICE AREA WITHIN WHICH THE GRANT APPLICANT WILL OPERATE.

25 (c) THE COST TO THE PASSENGERS.

26 (d) THE NUMBER OF AVAILABLE VEHICLES.

27 (e) OTHER INFORMATION AS DETERMINED BY THE DEPARTMENT.

28 C. THE STATE TREASURER SHALL REPORT ALL APPLICATIONS THAT ARE
29 RECEIVED FOR THE TRANSPORTATION INNOVATION PROGRAM TO THE CHAIRPERSONS OF
30 THE SENATE AND HOUSE OF REPRESENTATIVES TRANSPORTATION COMMITTEES, OR
31 THEIR SUCCESSOR COMMITTEES.

32 D. AT THE REQUEST OF THE CHAIRPERSONS OF THE SENATE AND HOUSE OF
33 REPRESENTATIVES TRANSPORTATION COMMITTEES, OR THEIR SUCCESSOR COMMITTEES,
34 THE STATE TREASURER SHALL HOLD A PUBLIC MEETING TO REVIEW GRANT
35 APPLICATIONS AND RECEIVE A LEGISLATIVE RECOMMENDATION. ALL INFORMATION IN
36 THE APPLICATIONS REVIEWED AT THE MEETING SHALL REMAIN CONFIDENTIAL.

APPROVED BY THE GOVERNOR JUNE 27, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 27, 2025.