

REFERENCE TITLE: transportation tax; election; gas tax

State of Arizona  
Senate  
Fifty-fifth Legislature  
First Regular Session  
2021

## **SB 1650**

Introduced by  
Senator Livingston: Representative Carroll

### AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-461.18; AMENDING TITLE 11, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-242; AMENDING TITLE 11, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-804.01; AMENDING SECTION 28-5606, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-5606.01; AMENDING SECTIONS 28-6302, 28-6303, 28-6308, 28-6309, 28-6313, 28-6353, 28-6354 AND 28-6355, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 17, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-6356; AMENDING SECTIONS 28-6538, 28-6540, 28-7676, 28-7677 AND 42-5041, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-6105.01; AMENDING SECTION 48-5103, ARIZONA REVISED STATUTES; RELATING TO TRANSPORTATION FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 4, article 6, Arizona Revised Statutes,  
3 is amended by adding section 9-461.18, to read:

4 9-461.18. Transit study

5 IF A CITY OR TOWN PERFORMS A STUDY OF WAYS TO IMPROVE PUBLIC  
6 TRANSIT, THE CITY OR TOWN MUST INCLUDE AUTONOMOUS VEHICLES IN THE STUDY IN  
7 THE SAME MANNER AS VEHICLES THAT REQUIRE A HUMAN DRIVER.

8 Sec. 2. Heading change

9 The article heading of title 11, chapter 2, article 3, Arizona  
10 Revised Statutes, is changed from "CLERK OF BOARD" to "BOARD  
11 APPOINTMENTS".

12 Sec. 3. Title 11, chapter 2, article 3, Arizona Revised Statutes,  
13 is amended by adding section 11-242, to read:

14 11-242. Counties with three million or more persons:  
15 transportation planning assistant; duties

16 IN A COUNTY WITH A POPULATION OF THREE MILLION OR MORE PERSONS, THE  
17 BOARD OF SUPERVISORS SHALL APPOINT A TRANSPORTATION PLANNING ASSISTANT WHO  
18 SHALL STREAMLINE BUS SERVICE BETWEEN THE INCORPORATED AND UNINCORPORATED  
19 AREAS OF THE COUNTY.

20 Sec. 4. Title 11, chapter 6, article 1, Arizona Revised Statutes,  
21 is amended by adding section 11-804.01, to read:

22 11-804.01. Transit study

23 IF A COUNTY PERFORMS A STUDY OF WAYS TO IMPROVE PUBLIC TRANSIT, THE  
24 COUNTY MUST INCLUDE AUTONOMOUS VEHICLES IN THE STUDY IN THE SAME MANNER AS  
25 VEHICLES THAT REQUIRE A HUMAN DRIVER.

26 Sec. 5. Section 28-5606, Arizona Revised Statutes, is amended to  
27 read:

28 28-5606. Imposition of motor fuel taxes

29 A. In addition to all other taxes provided by law, a tax of  
30 ~~eighteen cents~~ \$.18 per gallon is imposed on motor vehicle fuel possessed,  
31 used or consumed in this state. THE RATE PRESCRIBED IN THIS SUBSECTION  
32 SHALL BOTH:

33 1. BEGINNING JANUARY 1, 2022 AND ENDING DECEMBER 31, 2045, INCREASE  
34 ANNUALLY BY \$.01.

35 2. BEGINNING JULY 1, 2022, BE ADJUSTED ANNUALLY TO REFLECT THE  
36 AVERAGE ANNUAL CHANGE IN THE CONSUMER PRICE INDEX PUBLISHED BY THE UNITED  
37 STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

38 B. To partially compensate this state for the use of its highways:

39 1. A use fuel tax is imposed on use fuel used in the propulsion of  
40 a light class motor vehicle on a highway in this state at the same rate  
41 per gallon as the motor vehicle fuel tax prescribed in subsection A of  
42 this section, except that there is no use fuel tax on alternative fuels.  
43 THE RATE PRESCRIBED IN THIS PARAGRAPH SHALL BOTH:

44 (a) BEGINNING JANUARY 1, 2022, INCREASE ANNUALLY BY \$.01.

1 (b) BEGINNING JULY 1, 2022, BE ADJUSTED ANNUALLY TO REFLECT THE  
2 AVERAGE ANNUAL CHANGE IN THE CONSUMER PRICE INDEX PUBLISHED BY THE UNITED  
3 STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

4 2. A use fuel tax is imposed on use fuel used in the propulsion of  
5 a use class motor vehicle on a highway in this state at the rate of  
6 ~~twenty-six cents~~ \$.26 for each gallon, except that there is no use fuel  
7 tax on alternative fuels and use class vehicles that are exempt pursuant  
8 to section 28-5432 from the weight fee prescribed in section 28-5433 are  
9 subject to the use fuel tax imposed by paragraph 1 of this subsection. THE  
10 RATE PRESCRIBED IN THIS PARAGRAPH SHALL BOTH:

11 (a) BEGINNING JANUARY 1, 2022, INCREASE ANNUALLY BY \$.01.

12 (b) BEGINNING JULY 1, 2022, BE ADJUSTED ANNUALLY TO REFLECT THE  
13 AVERAGE ANNUAL CHANGE IN THE CONSUMER PRICE INDEX PUBLISHED BY THE UNITED  
14 STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

15 3. Through December 31, 2024, a use fuel tax is imposed on use fuel  
16 used in the propulsion of a motor vehicle transporting forest products in  
17 compliance with the requirements of section 41-1516 on a highway in this  
18 state at the rate of ~~nine cents~~ \$.09 for each gallon, except that there is  
19 no use fuel tax on alternative fuels.

20 C. The motor vehicle fuel and use fuel taxes imposed pursuant to  
21 this section and the aviation fuel taxes imposed pursuant to section  
22 28-8344 are conclusively presumed to be direct taxes on the consumer or  
23 user but shall be collected and remitted to the department by suppliers  
24 for the purpose of convenience and facility only. Motor vehicle fuel, use  
25 fuel and aviation fuel taxes that are collected and paid to the department  
26 by a supplier are considered to be advance payments, shall be added to the  
27 price of motor vehicle fuel, use fuel or aviation fuel and shall be  
28 recovered from the consumer or user.

29 D. Motor vehicle fuel and use fuel taxes imposed pursuant to this  
30 section on the use of motor vehicle fuel and use fuel and the aviation  
31 fuel taxes imposed pursuant to section 28-8344 on the use of aviation  
32 fuel, other than by bulk transfer, arise at the time the motor vehicle,  
33 use or aviation fuel either:

34 1. Is imported into this state and is measured by invoiced gallons  
35 received outside this state at a refinery, terminal or bulk plant for  
36 delivery to a destination in this state.

37 2. Is removed, as measured by invoiced gallons, from the bulk  
38 transfer terminal system or from a qualified terminal in this state.

39 3. Is removed, as measured by invoiced gallons, from the bulk  
40 transfer terminal system or from a qualified terminal or refinery outside  
41 this state for delivery to a destination in this state as represented on  
42 the shipping papers if a supplier imports the motor vehicle, use or  
43 aviation fuel for the account of the supplier or the supplier has made a  
44 tax precollection election pursuant to section 28-5636.

1 E. If motor fuel is removed from the bulk transfer terminal system  
2 or from a qualified terminal or is imported into this state, the original  
3 removal, transfer or importation of the motor fuel is subject to the  
4 collection of the tax. If this motor fuel is transported to another  
5 qualified terminal or reenters the bulk transfer terminal system, the  
6 subsequent sale of the motor fuel on which tax has been collected is not  
7 subject to collection of an additional tax if proper documentation is  
8 retained to support the transaction.

9 Sec. 6. Title 28, chapter 16, article 1, Arizona Revised Statutes,  
10 is amended by adding section 28-5606.01, to read:

11 28-5606.01. Electric and hybrid vehicles tax

12 IN ADDITION TO ALL OTHER TAXES PROVIDED BY LAW, BEGINNING JANUARY 1,  
13 2022 A TAX IS IMPOSED ON A VEHICLE THAT IS REGISTERED IN THIS STATE, THAT  
14 ACCESSES A STREET OR HIGHWAY AND THAT IS PROPELLED BY ELECTRICITY OR BY A  
15 COMBINATION OF ELECTRICITY AND ANY FUEL THAT IS TAXED PURSUANT TO SECTION  
16 28-5606 AS FOLLOWS:

17 1. FOR A VEHICLE THAT IS PROPELLED ONLY BY ALTERNATIVE FUEL, \$500  
18 PER YEAR.

19 2. FOR A VEHICLE THAT IS PROPELLED BY A COMBINATION OF ALTERNATIVE  
20 FUEL AND OTHER FUELS, \$300 PER YEAR.

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

23 28-6302. Transportation excise tax distribution: counties  
24 with three million or more persons; regional area  
25 road fund

26 A. In a county with a population of ~~one~~ THREE million ~~two hundred~~  
27 ~~thousand~~ or more persons, the officer collecting transportation excise tax  
28 monies pursuant to section 42-6105 OR 42-6105.01 that are designated for  
29 deposit in the regional area road fund shall immediately transfer the  
30 monies to the state treasurer. The state treasurer shall deposit the  
31 monies in a fund designated for the county as the regional area road  
32 fund. The state treasurer shall hold monies in the regional area road  
33 fund as a trustee for the county.

34 B. Except as provided in this article, the county in which the  
35 transportation excise taxes are levied has the beneficial interest in the  
36 regional area road fund. This state has no beneficial interest in the  
37 regional area road fund except as an obligee for reimbursement of state  
38 monies that are advanced as salaries or expenses by this state or the  
39 department and that are to be repaid by the regional area road fund.

40 C. Monies and investments within the regional area road fund may be  
41 used and spent only as provided in this chapter. An appropriation of any  
42 nature shall not be required before the expenditure of monies from the  
43 regional area road fund. Monies in the bond proceeds account or  
44 construction account of a regional area road fund may be obligated for  
45 payment in future years for the purpose of right-of-way acquisition

1 subject to the limitations prescribed in sections 28-7001 and 28-7002, ~~and~~  
2 section 42-6105, subsection D, paragraphs 1 and 2 **AND SECTION 42-6105.01,**  
3 **SUBSECTION D, PARAGRAPHS 1 AND 2.** The state treasurer shall make payments  
4 from the regional area road fund by check, and a warrant or voucher is not  
5 necessary. Subject to the powers granted to the board in chapter 21,  
6 article 2 of this title, the director shall administer monies deposited in  
7 the regional area road fund.

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

10 **28-6303. Regional area road fund; separate accounts**

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

14 B. The state treasurer shall:

15 1. Account separately for each account.

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

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

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

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

30 C. The state treasurer may:

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

34 2. For the purpose of investments, commingle monies within the  
35 regional area road fund with state monies if all interest earned on the  
36 monies in the regional area road fund of a county is credited to the  
37 respective account of the regional area road fund in which the investment  
38 was made.

39 D. The department shall separately account for the uses of  
40 transportation excise tax revenues deposited ~~into~~ **IN** the bond account and  
41 the construction account in order to identify how the transportation  
42 excise tax revenues are used pursuant to section 42-6105, subsection D,  
43 paragraphs 1 and 2 **AND SECTION 42-6105.01, SUBSECTION D, PARAGRAPHS 1 AND**  
44 **2,** for:

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

1           2. Major arterial streets and intersection improvements.  
2           Sec. 9. Section 28-6308, Arizona Revised Statutes, is amended to  
3 read:

4           28-6308. Regional planning agency transportation policy  
5                           committee; regional transportation plan; plan  
6                           review process; committee termination

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

10           1. Seventeen members of the regional planning agency, including:

11           (a) One member of the state transportation board who represents the  
12 county. ~~, one member~~

13           (b) TWO MEMBERS of the county board of supervisors, ~~and ONE OF WHOM~~  
14 REPRESENTS THE DISTRICT THAT HAS THE MOST PERSONS RESIDING IN  
15 UNINCORPORATED AREAS OF THE COUNTY.

16           (c) One member representing Indian communities in the county.

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

27           B. Through the regional planning agency, the transportation policy  
28 committee shall:

29           1. By a majority vote of the members, recommend approval of a  
30 ~~twenty year~~ TWENTY-YEAR comprehensive, ~~performance based~~  
31 PERFORMANCE-BASED, multimodal and coordinated regional transportation plan  
32 in the county, including transportation corridors by priority and a  
33 schedule indicating the dates that construction will commence for projects  
34 contained in the plan.

35           2. Develop the plan in cooperation with the regional public  
36 transportation authority in the county and the department of  
37 transportation and in consultation with the county board of supervisors,  
38 Indian communities and cities and towns in the county.

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 ~~OR SECTION 42-6105.01, 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 ~~OR SECTION 42-6105.01, SUBSECTION D~~ shall  
35 not be redistributed or used for other transportation modes. Except as  
36 provided by section 28-6353, subsections D, E and F, transportation excise  
37 tax revenues that are dedicated in the plan to a specific project or  
38 transportation system may only be redistributed to or otherwise used for  
39 another project within the same transportation mode if approved by a  
40 majority vote of the transportation policy committee.

41 E. The committee established pursuant to this section ends on  
42 July 1, ~~2024 pursuant to section 41-3103~~ 2044.

1           Sec. 10. Section 28-6309, Arizona Revised Statutes, is amended to  
2 read:

3           28-6309. Interim roadway pursuant to agreement

4           A. In addition to the authority provided in section 28-6310,  
5 subsections A, B and C, a city or town may enter into an intergovernmental  
6 agreement with the department for the design and construction of an  
7 interim roadway within a transportation corridor that is listed in the  
8 regional transportation plan of the county in which the city or town is  
9 located for temporary use pending construction of a controlled access  
10 highway.

11           B. The interim roadway authorized by this section shall be a  
12 controlled access roadway to which access is limited in the manner  
13 prescribed in the intergovernmental agreement.

14           C. The intergovernmental agreement may provide that the city or  
15 town shall indemnify and hold the state harmless for all costs and  
16 liabilities incurred during the construction of an interim roadway and  
17 resulting from the operation of an interim roadway constructed by a city  
18 or town pursuant to this section.

19           D. The intergovernmental agreement shall specify the following:

20           1. That the interim roadway shall be designed and constructed to  
21 mitigate any adverse environmental impact of the interim roadway on the  
22 surrounding area.

23           2. That the design and construction shall conform with standards  
24 determined by the director.

25           3. The manner in which access is limited to the interim roadway.

26           4. That the department shall reimburse the city or town from the  
27 regional area road fund or from state highway fund monies provided by  
28 section 28-6538, subsection ~~B~~ C, paragraph 1 for the costs of the  
29 components of the interim roadway constructed pursuant to this section  
30 that are necessary for the construction of the controlled access highway  
31 pursuant to a date or reimbursement schedule mutually agreed on in writing  
32 by the board, the regional planning agency and the city or town.

33           5. The standards determined by the department pursuant to paragraph  
34 2 OF THIS SUBSECTION.

35           6. That the regional planning agency and the board have approved in  
36 writing the design and construction of the interim roadway.

37           7. That public hearings shall be conducted to receive public  
38 comment on the proposed design and construction of the interim roadway.

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

41           28-6313. Performance audits of proposed transportation  
42           projects and systems

43           A. Beginning in 2010 and every fifth year thereafter, the auditor  
44 general shall contract with a nationally recognized independent auditor  
45 with expertise in evaluating multimodal transportation systems and in



1 regional transportation planning to conduct a performance audit, as  
2 defined in section 41-1278, of the regional transportation plan and  
3 projects scheduled for funding during the next five years.

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

- 9 1. Service levels.
- 10 2. Capital costs.
- 11 3. Operation and maintenance costs.
- 12 4. Transit ridership.
- 13 5. Farebox revenues.

14 C. The audit shall:

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

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

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

25 D. The auditor general or the auditors contracted to conduct the  
26 audit shall periodically update the transportation policy committee  
27 regarding the progress of the audit.

28 E. Within forty-five days after the release of the audit, the  
29 regional public transportation authority, the state transportation board  
30 and the county board of supervisors, by a majority vote of each entity,  
31 shall submit written recommendations to the transportation policy  
32 committee that the findings are agreed to or disagreed with and the  
33 recommendations should be implemented, be implemented with modification or  
34 not be implemented.

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

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

- 39 1. The regional planning agency.
- 40 2. The transportation policy committee.
- 41 3. The regional public transportation authority in the county.
- 42 4. The county board of supervisors.
- 43 5. The state transportation board.

1           6. The governor, secretary of state, president of the senate and  
2 speaker of the house of representatives.

3           7. The Arizona state library, archives and public records.

4           8. Any other person who requests a copy pursuant to title 39,  
5 chapter 1, article 2.

6           H. The state transportation board, regional planning agency,  
7 regional public transportation authority and county board of supervisors  
8 shall cooperate with and submit to the auditor general and the auditors  
9 contracted to conduct the audit information necessary to conduct the  
10 audits under this section.

11          I. The cost incurred by the auditor general in contracting with  
12 independent auditors for conducting performance audits under subsection A  
13 of this section shall be paid from revenues of the county transportation  
14 excise tax under ~~section~~ **SECTIONS** 42-6105 **AND** 42-6105.01. When due, the  
15 payments have priority over any other distribution authorized by section  
16 42-6105 **OR** 42-6105.01. The auditor general shall deposit the payments in  
17 the audit services revolving fund established by section 41-1279.06.

18          Sec. 12. Section 28-6353, Arizona Revised Statutes, is amended to  
19 read:

20           **28-6353. Regional transportation plan and project**  
21   **enhancements and changes**

22          A. The regional planning agency in the county shall approve any  
23 change in the regional transportation plan and the projects funded in the  
24 regional transportation plan that affect the planning agency's  
25 transportation improvement program, including project priorities.

26          B. Requests for changes to transportation projects funded in the  
27 regional transportation plan that would materially increase costs shall be  
28 submitted to the regional planning agency for approval and submitted by  
29 the regional planning agency to the board for approval.

30          C. If a local authority requests an enhancement to a transportation  
31 project funded pursuant to the regional transportation plan, the local  
32 authority shall pay all costs associated with the enhancement.

33          D. The process prescribed in subsection E of this section is  
34 required if:

35           1. An audit finding pursuant to section 28-6313 recommends that a  
36 project or system in the regional transportation plan is not warranted or  
37 requires a modification that is a major amendment as defined in section  
38 28-6301.

39           2. The transportation policy committee recommends to the regional  
40 planning agency a modification of the regional transportation plan that is  
41 a major amendment as defined in section 28-6301.

42          E. A major amendment requires the following:

43           1. Consideration by the transportation policy committee of  
44 alternatives in the same modal category that will relieve congestion and

1 improve mobility in the same general corridor addressed by the originally  
2 planned project or system.

3 2. If a reasonable option is identified as an alternative for the  
4 originally planned project or system, the transportation policy committee  
5 shall submit the proposed amendment for review by the regional public  
6 transportation authority in the county, the state board of transportation,  
7 the county board of supervisors, Indian communities and cities and towns  
8 in the county. After reviewing the proposed amendment, the board of  
9 directors of the regional public transportation authority, the state board  
10 of transportation and the county board of supervisors, by a majority vote  
11 of the members of each board within thirty days after receiving the  
12 proposed amendment, shall submit a written recommendation to the  
13 transportation policy committee that the proposed amendment be approved,  
14 modified or disapproved. Within thirty days after receiving the  
15 amendment, the Indian communities and cities and towns may also submit  
16 written recommendations to the transportation policy committee that the  
17 proposed amendment be approved, modified or disapproved.

18 3. If no reasonable option for an alternative to the originally  
19 planned project or system is identified, the transportation policy  
20 committee shall submit an amendment to delete the original project for  
21 review by the regional public transportation authority, the state board of  
22 transportation, the county board of supervisors, Indian communities and  
23 cities and towns in the county. After reviewing the proposed amendment  
24 the board of directors of the regional public transportation authority,  
25 the state board of transportation and the county board of supervisors, by  
26 a majority vote of the members of each board within thirty days after  
27 receiving the proposed amendment, shall submit a written recommendation to  
28 the transportation policy committee that the proposed amendment be  
29 approved, modified or disapproved. Within thirty days after receiving the  
30 proposed amendment, Indian communities and cities and towns in the county  
31 may also submit written recommendations to the transportation policy  
32 committee that the proposed amendment be approved, modified or  
33 disapproved.

34 4. The transportation policy committee must consider any written  
35 recommendations submitted by any of the reviewing entities as prescribed  
36 by paragraph 2 or 3 of this subsection.

37 5. The transportation policy committee shall recommend approval,  
38 disapproval or modification of the proposed amendment to the regional  
39 planning agency for consideration.

40 F. The affirmative vote of seventeen members of the transportation  
41 policy committee is required to approve and proceed with either of the  
42 following:

43 1. Recommendation of a major amendment to the regional planning  
44 agency that fails to receive approval of either the regional public

1 transportation authority in the county, the state board of transportation  
2 or the county board of supervisors as prescribed in this section.

3 2. A transportation project or system that is found to be  
4 unwarranted by an audit as prescribed in this section.

5 G. NOTWITHSTANDING ANY OTHER LAW, A REGIONAL PLANNING AGENCY IN A  
6 COUNTY WITH A POPULATION OF THREE MILLION OR MORE PERSONS SHALL GIVE A  
7 PROJECT IN THE REGIONAL TRANSPORTATION PLAN A HIGHER PRIORITY FOR  
8 COMPLETION IF EITHER:

9 1. THE FEDERAL GOVERNMENT PROVIDES FEDERAL MONIES FOR THE PROJECT.

10 2. A CITY OR TOWN MAKES A SINGLE SUM CONTRIBUTION TO THE PROJECT OF  
11 AT LEAST FIVE PERCENT OF THE TOTAL COST OF THE PROJECT.

12 Sec. 13. Section 28-6354, Arizona Revised Statutes, is amended to  
13 read:

14 28-6354. Annual report; hearing; priority criteria

15 A. The regional planning agency shall issue an annual report on the  
16 status of the projects funded pursuant to ~~section~~ SECTIONS 42-6105 AND  
17 42-6105.01 and shall hold a public hearing in the county within thirty  
18 days after the report is issued. The report and the hearing shall address  
19 the following topics:

20 1. The status of the projects.

21 2. Proposed changes to the regional transportation plan.

22 3. Proposed changes in corridor and corridor segment priorities and  
23 to other projects funded pursuant to ~~section~~ SECTIONS 42-6105 AND  
24 42-6105.01.

25 4. Project financing and project options.

26 5. The criteria used to establish priorities as required by  
27 subsection B of this section.

28 B. The regional planning agency shall develop criteria to establish  
29 the priority of corridors and corridor segments and other transportation  
30 projects, including:

31 1. The extent of local public and private funding participation.

32 2. The social and community impact.

33 3. The establishment of a complete transportation system for the  
34 region as rapidly as is practicable.

35 4. The construction of projects to serve regional transportation  
36 needs.

37 5. The construction of segments that provide connectivity with  
38 other elements of the regional transportation system.

39 6. Other relevant criteria developed by the regional planning  
40 agency.

41 Sec. 14. Section 28-6355, Arizona Revised Statutes, is amended to  
42 read:

43 28-6355. Documentation; regional area road fund reimbursement

44 A. The department shall document the acquisition of rights-of-way  
45 for the freeways and other routes on the state highway system related to

1 the regional transportation plan, including any negotiations and  
2 agreements for acquisition of rights-of-way.

3 B. The department shall reimburse the regional area road fund  
4 established by section 28-6302 or the highway user revenue fund  
5 established by section 28-6533 if the department uses property for  
6 administrative purposes that is acquired for the freeways and other routes  
7 on the state highway system related to the regional transportation plan  
8 with monies from the regional area road fund or monies distributed from  
9 the highway user revenue fund pursuant to section 28-6538, subsection

10 ~~B~~ C, paragraph 1. The department shall determine the amount of the  
11 reimbursement according to the fair rental value or the fair market value  
12 of the property based on an independent appraisal. The department shall  
13 allocate and reimburse the amount to the fund from which the monies were  
14 taken.

15 Sec. 15. Title 28, chapter 17, article 2, Arizona Revised Statutes,  
16 is amended by adding section 28-6356, to read:

17 28-6356. Regional planning agency; highway intersection;  
18 widening roadway

19 WHEN A REGIONAL PLANNING AGENCY IN A COUNTY WITH A POPULATION OF  
20 THREE MILLION OR MORE PERSONS IS WORKING ON A PROJECT INVOLVING A HIGHWAY  
21 INTERSECTION, THE REGIONAL PLANNING AGENCY, WHEN PROJECT CONDITIONS ARE  
22 APPROPRIATE, SHALL WIDEN THE ROADWAY THAT LEADS TO THE HIGHWAY  
23 INTERSECTION FOR AT LEAST ONE-QUARTER MILE FURTHER THAN IS ROUTINELY  
24 WIDENED BEFORE THE EFFECTIVE DATE OF THIS SECTION.

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

27 28-6538. Arizona highway user revenue fund distribution;  
28 remaining monies; highway fund distribution;  
29 contract authorization; regional transportation  
30 plan requirements

31 A. Each fiscal year the department shall allocate and the state  
32 treasurer shall distribute revenues of the Arizona highway user revenue  
33 fund remaining after the distribution provided in sections 28-6534 and  
34 28-6537 as follows:

- 35 1. To the state highway fund, fifty and one-half ~~per cent~~ PERCENT.
- 36 2. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, to the  
37 counties, nineteen ~~per cent~~ PERCENT.
- 38 3. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, to the  
39 incorporated cities and towns, twenty-seven and one-half ~~per cent~~ PERCENT.
- 40 4. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, to  
41 incorporated cities with a population of three hundred thousand or more  
42 persons, three ~~per cent~~ PERCENT.

43 B. EACH FISCAL YEAR THE DEPARTMENT SHALL ALLOCATE AND THE STATE  
44 TREASURER SHALL DISTRIBUTE REVENUES RECEIVED PURSUANT TO SECTION 28-5606,

1 SUBSECTION A, PARAGRAPH 1 OR 2 OR SUBSECTION B, PARAGRAPH 1, SUBDIVISION  
2 (a) OR (b) OR PARAGRAPH 2, SUBDIVISION (a) OR (b) AS FOLLOWS:

3 1. FORTY PERCENT TO COUNTIES WITH A POPULATION OF AT LEAST THREE  
4 MILLION PERSONS AND CITIES AND TOWNS WITHIN THOSE COUNTIES.

5 2. SIXTY PERCENT TO COUNTIES WITH A POPULATION OF LESS THAN THREE  
6 MILLION PERSONS AND CITIES AND TOWNS WITHIN THOSE COUNTIES.

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

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

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

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

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.

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

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

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

41 ~~F.~~ G. A county described in subsection ~~B~~ C of this section and  
42 the cities and towns in the county, through their regional planning  
43 agency, shall list transportation corridors by priority in the regional  
44 transportation plan. The regional transportation plan may also provide a

1 suggested construction schedule for the transportation corridors contained  
2 in the plan.

3 Sec. 17. Section 28-6540, Arizona Revised Statutes, is amended to  
4 read:

5 28-6540. Arizona highway user revenue fund distribution;  
6 county, city and town proportions

7 Each month the state treasurer shall distribute all revenues  
8 credited to the Arizona highway user revenue fund pursuant to the  
9 proportions prescribed in section 28-6538, ~~subsection~~ SUBSECTIONS A AND B  
10 as follows:

11 1. Revenues allocated to the counties shall be further distributed  
12 to each individual county as follows:

13 (a) Seventy-two percent based on the proportion that all reported  
14 sales of motor vehicle fuel subject to sections 28-5619 and 28-5620 and  
15 the estimated consumption of use fuel in the county bear to the total  
16 sales of motor vehicle fuel and the estimated consumption of use fuel  
17 throughout this state during the preceding calendar month.

18 (b) Twenty-eight percent based on the proportion that the  
19 population of the unincorporated area of each county bears to the  
20 population of the unincorporated areas of all counties in this state.

21 2. Revenues allocated to the incorporated cities and towns pursuant  
22 to section 28-6538, subsection A, paragraph 3 shall be distributed on the  
23 basis of the following apportionments:

24 (a) One-half shall be apportioned to each city or town on the basis  
25 that the population of each bears to the population of all cities and  
26 towns in this state.

27 (b) The remaining one-half shall be apportioned first on the basis  
28 of the county origin of all reported sales of motor vehicle fuels in this  
29 state subject to sections 28-5619 and 28-5620, which amount shall be  
30 further apportioned among the several incorporated cities and towns in  
31 each county in the proportion that the population of each city or town  
32 bears to the total population of all cities and towns in the county.

33 3. Revenues allocated to incorporated cities with a population of  
34 three hundred thousand or more persons shall be apportioned among the  
35 cities for the acquisition of rights-of-way or construction of streets or  
36 highways based on population.

37 Sec. 18. Section 28-7676, Arizona Revised Statutes, is amended to  
38 read:

39 28-7676. Eligible project loans and other financial  
40 assistance

41 A. A political subdivision or this state or its agencies, including  
42 the department, may apply to the transportation board for any loan or  
43 other financial assistance from the fund to support an eligible project.

1 B. An Indian tribe may apply to the board for any loan or other  
2 financial assistance from the fund to support an eligible project that the  
3 board determines provides substantial public benefits.

4 ~~C. Through December 31, 2004, of the total amount of monies and~~  
5 ~~other assets in the fund, the board shall provide loans and other~~  
6 ~~financial assistance for use as follows:~~

7 ~~1. Fifty per cent in counties with a population of one million two~~  
8 ~~hundred thousand or more persons according to the most recent United~~  
9 ~~States decennial census.~~

10 ~~2. Twenty-five per cent in counties with a population of five~~  
11 ~~hundred thousand or more but less than one million two hundred thousand~~  
12 ~~persons according to the most recent United States decennial census.~~

13 ~~3. Twenty-five per cent in counties with a population of less than~~  
14 ~~five hundred thousand persons according to the most recent United States~~  
15 ~~decennial census.~~

16 ~~D. The percentages prescribed in subsection C of this section apply~~  
17 ~~over the prescribed time period and are not yearly allocations but do not~~  
18 ~~apply to loans made by the board before August 6, 1999.~~

19 ~~E. C.~~ C. In compliance with any applicable federal requirements, the  
20 board shall:

21 1. Approve, disapprove or modify a simplified application form and  
22 guidelines.

23 2. Prescribe a simplified procedure to apply for and approve  
24 financial assistance.

25 3. Consider at least the following in selecting which eligible  
26 projects shall receive financial assistance:

27 (a) Economic benefits.

28 (b) Mobility.

29 (c) Air quality.

30 (d) Safety.

31 (e) How quickly the applicant proposes to repay the loan.

32 (f) The ability of the applicant to repay a loan according to the  
33 terms and conditions established by this section.

34 (g) The availability of assistance for projects located in smaller  
35 cities and towns and rural areas.

36 4. Give a preference of up to twenty ~~per cent~~ PERCENT to eligible  
37 projects that include local, federal or private financial participation in  
38 accelerating the project. This preference shall be commensurate with the  
39 level of local, federal or private financial participation. The greater  
40 the percentage of local, federal or private financial participation is to  
41 the total cost of the project, the greater the preference that shall be  
42 given to the project.

43 ~~F. D.~~ D. The board may take any of the actions prescribed in  
44 subsection ~~E. C~~ C of this section by resolution.



1           ~~G.~~ E. The board may impose conditions the board deems necessary to  
2 ensure that financial assistance under this article is used according to  
3 law and to comply with the applicable requirements of the federal SIB act  
4 and SIB cooperative agreements.

5           ~~H.~~ F. A loan under this section shall:

6           1. Bear interest at or below the market interest rate or rates, as  
7 determined by the board, to make the project that is the subject of the  
8 loan feasible. The interest rate for any loan shall be uniform with  
9 interest rates for comparable loans.

10          2. If the source of the loan is monies designated pursuant to a SIB  
11 cooperative agreement, be repaid not longer than ten years after the date  
12 the highway project is open to traffic.

13          3. If the source of the loan is monies other than those monies  
14 designated pursuant to a SIB cooperative agreement, be repaid not longer  
15 than five years after the date the highway project is open to traffic.

16          4. Be conditioned on the identification of a revenue source for  
17 repaying the loan.

18          5. Not be made for the nonfederal share of any project that has  
19 received a grant under title 23, United States Code.

20          6. If made to an Indian tribe, be conditioned on the establishment  
21 of a dedicated source under the control of a tribally chartered  
22 corporation or another tribal entity that is subject to suit by the  
23 attorney general to enforce the loan repayment agreement or be secured by  
24 assets that, in the event of default of the loan repayment agreement, are  
25 subject to execution by the attorney general without the waiver of any  
26 claim of sovereign immunity by the tribe.

27          ~~I.~~ G. The approval of a loan is conditioned on a written  
28 commitment by the political subdivision, the Indian tribe or this state or  
29 its agencies to complete all applicable reviews and approvals and to  
30 secure all required permits in a timely manner.

31          ~~J.~~ H. On the request of the board, the attorney general shall take  
32 whatever actions are necessary to enforce a loan repayment agreement and  
33 achieve repayment of loans provided by the board pursuant to this article.

34          ~~K.~~ I. The state treasurer, to the extent not otherwise expressly  
35 prohibited by law, may withhold from a defaulting city, town or county the  
36 next succeeding distribution of monies pursuant to chapter 18, article 2  
37 of this title and section 42-6107 otherwise distributable to it, to the  
38 extent necessary to meet the certified amount of the deficiency, and shall  
39 deposit in the appropriate subaccount in the fund the amount so withheld,  
40 except that the state treasurer shall not withhold from the distribution  
41 any amount that is necessary, as certified in writing by the defaulting  
42 city, town or county to the state treasurer and the director, to make any  
43 required deposits then due for payment of principal and interest on bonds  
44 issued by a city or town pursuant to title 48, chapter 4, article 5 or by  
45 a county pursuant to title 11, chapter 2, article 12. Amounts so

1 certified shall be distributed to the city, town or county. The  
2 withholding and deposit in the appropriate subaccount in the fund by the  
3 state treasurer shall continue until the director certifies to the state  
4 treasurer that the default has been cured.

5 ~~I.~~ J. The recipient of any loan retains sole responsibility to  
6 ensure that any related eligible project is in compliance with any  
7 applicable federal, state or local environmental or other laws, rules or  
8 regulations. The board does not assume any responsibility for compliance  
9 by the awarding of financial assistance or other actions under this  
10 article. The awarding of financial assistance or any other actions by the  
11 board under this article do not constitute actions that subject the board  
12 to compliance with state or local environmental or other laws.

13 ~~M.~~ K. This article does not authorize a political subdivision to  
14 issue any bonds or incur any debt except in compliance with applicable  
15 law.

16 ~~N.~~ L. In order to repay any loan or other financial assistance  
17 from the fund, this state or its agencies, including the department, and a  
18 political subdivision may enter into a loan repayment agreement with the  
19 board.

20 ~~O.~~ M. A loan repayment agreement may be payable by a political  
21 subdivision, this state or its agencies or an Indian tribe from any  
22 revenues otherwise authorized by law to be used or pledged for street and  
23 highway purposes and may be secured by any other revenues authorized by  
24 law to be pledged to repay long-term obligations. Notwithstanding  
25 chapters 17 and 18 of this title, a loan repayment agreement may be  
26 payable from monies in a regional area road fund construction account and  
27 from revenues distributed pursuant to section 28-6538, subsection ~~B.~~ C.

28 ~~P.~~ N. Payments made pursuant to a loan repayment agreement are not  
29 subject to section 42-17106.

30 ~~Q.~~ O. This section is exempt from title 41, chapter 6.

31 Sec. 19. Section 28-7677, Arizona Revised Statutes, is amended to  
32 read:

33 28-7677. Acceleration of right-of-way acquisition, design or  
34 construction of eligible highway and  
35 transportation projects

36 A. If the department enters into an agreement with a political  
37 subdivision or Indian tribe for accelerated right-of-way acquisition,  
38 design or construction of an eligible highway project, the agreement may  
39 provide for the advancing to the department by the political subdivision  
40 or Indian tribe of monies needed for the right-of-way acquisition, design  
41 or construction and for the repayment by the department of the advanced  
42 monies, with interest, if any, at the agreed on rate, to the political  
43 subdivision or Indian tribe. The political subdivision or Indian tribe  
44 may make an advance from any available monies, and any advance constitutes

1 an eligible investment for sinking funds or other funds of the political  
2 subdivision or Indian tribe.

3 B. The department shall repay the political subdivision or Indian  
4 tribe for an advance, together with interest, if any, on the advance at  
5 the agreed on rate, from monies available to the department for the  
6 eligible project pursuant to a mutually agreed on repayment schedule. The  
7 period for repayment shall not be more than five years from the date of  
8 the advance. Notwithstanding chapters 17 and 18 of this title, an advance,  
9 together with interest on the advance, may be repaid by the department  
10 from monies in a regional area road fund construction account and from  
11 revenues distributed pursuant to section 28-6538, subsection ~~B~~ C.

12 C. If the department enters into an agreement with a political  
13 subdivision, regional planning agency, metropolitan planning organization  
14 or council of governments or designated grant recipient to accelerate a  
15 transportation project, the agreement may provide that the political  
16 subdivision may advance to the department monies needed for the  
17 transportation project. The agreement may also provide for the  
18 department's repayment of the advanced monies to the political subdivision  
19 with interest at a specified rate. The political subdivision may make an  
20 advance from any available monies. Any advance constitutes an eligible  
21 investment for sinking funds or other funds of the political subdivision.

22 D. The department's repayment as described in subsection C of this  
23 section shall be made from monies available to the department for the  
24 transportation project pursuant to the mutually agreed on repayment  
25 schedule. An advance, together with interest on the advance, may be repaid  
26 by the department from any lawfully available monies.

27 Sec. 20. Section 42-5041, Arizona Revised Statutes, is amended to  
28 read:

29 42-5041. Partial assessment of costs to local governments,  
30 councils and authorities

31 A. From and after June 30, 2015, the department shall assess and  
32 collect fees from cities, towns, counties, councils of governments and  
33 regional transportation authorities as determined by the director and as  
34 provided by this section to recover a portion of administrative, program  
35 and other operating costs incurred in providing administrative and  
36 collection services to local governments.

37 B. From and after June 30, 2015, ~~a~~ AN ANNUAL fee is assessed to  
38 each county, city and town that receives state shared revenues pursuant to  
39 section 42-5029 or 43-206, to each council of governments that receives  
40 revenues pursuant to section 42-6105 OR 42-6105.01 and to each regional  
41 transportation authority located in a county with a population of more  
42 than four hundred thousand persons that receives revenues pursuant to  
43 section 42-6106.

1 ~~C. In fiscal year 2015-2016, a fee is assessed to each city and~~  
2 ~~town for which the department does not administer and collect transaction~~  
3 ~~privilege taxes pursuant to chapter 6, article 1 of this title.~~

4 ~~D.~~ C. The department shall assess the fees under this section not  
5 later than July 31 each year, and the fees are payable immediately on  
6 assessment. If a county, city, town, council of governments or regional  
7 transportation authority fails to pay the assessment in full on or before  
8 September 30, the department shall notify the state treasurer who shall  
9 withhold the delinquent amount from the distribution of monies to the  
10 affected county, city or town pursuant to section 42-5029, from the  
11 distribution of monies to the affected council of governments pursuant to  
12 section 42-6105 OR 42-6105.01 and from the distribution of monies to the  
13 affected regional transportation authority pursuant to section 42-6106,  
14 and continue to withhold monies until the entire amount of the assessment  
15 has been satisfied.

16 ~~E.~~ D. All monies paid to the department or withheld by the state  
17 treasurer for the fees assessed pursuant to subsection B of this section  
18 shall be credited to the department of revenue administrative fund  
19 established by section 42-1116.01.

20 ~~F. All monies paid to the department or withheld by the state~~  
21 ~~treasurer for the fees assessed pursuant to subsection C of this section~~  
22 ~~shall be credited to the department of revenue IGA and ISA fund~~  
23 ~~established pursuant to section 35-142.~~

24 ~~G.~~ E. Counties, cities and towns may meet their cost sharing  
25 obligation from any source of county, city or town revenue designated by  
26 the appropriate county, city or town. The county sources may include  
27 monies of any countywide special taxing jurisdiction in which the board of  
28 supervisors serves as the board of directors.

29 ~~H.~~ F. County, city and town contributions made pursuant to this  
30 section are excluded from the applicable expenditure limitations.

31 Sec. 21. Title 42, chapter 6, article 3, Arizona Revised Statutes,  
32 is amended by adding section 42-6105.01, to read:

33 42-6105.01. County transportation excise tax; counties with  
34 population of three million or more persons;  
35 conditional enactment

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

40 B. THE TAX SHALL BE LEVIED AND COLLECTED:

41 1. AT A RATE OF NOT MORE THAN FIFTEEN PERCENT OF THE TRANSACTION  
42 PRIVILEGE TAX RATE PRESCRIBED BY SECTION 42-5010, SUBSECTION A THAT  
43 APPLIES, AS OF JANUARY 1, 2024, TO EACH PERSON ENGAGING OR CONTINUING IN  
44 THE COUNTY IN A BUSINESS TAXED UNDER CHAPTER 5, ARTICLE 1 OF THIS TITLE.

1           2. AT A RATE OF NOT MORE THAN FIFTEEN PERCENT OF THE RATE  
2 PRESCRIBED BY SECTION 42-5352, SUBSECTION A.

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

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

11           D. THE NET REVENUES COLLECTED UNDER THIS SECTION SHALL BE  
12 DISTRIBUTED AND DEPOSITED AS FOLLOWS FOR USE CONSISTENT WITH THE REGIONAL  
13 TRANSPORTATION PLAN ADOPTED PURSUANT TO TITLE 28, CHAPTER 17, ARTICLE 1:

14           1. 56.2 PERCENT TO THE REGIONAL AREA ROAD FUND PURSUANT TO SECTION  
15 28-6303 FOR FREEWAYS AND OTHER ROUTES IN THE STATE HIGHWAY SYSTEM,  
16 INCLUDING CAPITAL EXPENSE AND MAINTENANCE.

17           2. 10.5 PERCENT TO THE REGIONAL AREA ROAD FUND PURSUANT TO SECTION  
18 28-6303 FOR MAJOR ARTERIAL STREETS AND INTERSECTION IMPROVEMENTS,  
19 INCLUDING CAPITAL EXPENSE AND IMPLEMENTATION STUDIES.

20           3. 33.3 PERCENT TO THE PUBLIC TRANSPORTATION FUND PURSUANT TO  
21 SECTION 48-5103 AS FOLLOWS:

22           (a) FIFTY PERCENT FOR BUS OPERATIONS, INCLUDING BUS CIRCULATORS TO  
23 FACILITATE SERVICE TO UNINCORPORATED AREAS.

24           (b) TWENTY PERCENT FOR BUS CAPITAL.

25           (c) TWENTY PERCENT FOR RAIL SERVICES.

26           (d) TEN PERCENT FOR COMPLIANCE WITH THE AMERICANS WITH DISABILITIES  
27 ACT AS DEFINED IN SECTION 41-1492.

28           E. THIS SECTION IS NOT EFFECTIVE UNLESS AT AN ELECTION HELD  
29 NOVEMBER 8, 2022 THE COUNTY EXCISE TAX IS APPROVED BY THE QUALIFIED  
30 ELECTORS AS DESCRIBED IN SECTION 42-6105.01. THE ENACTMENT OF THIS  
31 SECTION THAT IS CONDITIONED ON THE RESULTS OF THE ELECTION DOES NOT  
32 CONSTITUTE A SUBMISSION OF THIS SECTION TO THE VOTERS UNDER THE POWER OF  
33 THE REFERENDUM.

34           Sec. 22. Section 48-5103, Arizona Revised Statutes, is amended to  
35 read:

36           48-5103. Public transportation fund

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

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

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

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

6           (a) A light rail public transit system.

7           (b) Capital costs for other public transportation.

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

10          4. Monies distributed under title 28, chapter 17, article 1.

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

12          6. Monies granted by the federal government or appropriated by the  
13 legislature.

14          7. Fares or other revenues collected in operating a public  
15 transportation system.

16          B. On behalf of the authority, the fiscal agent shall administer  
17 monies paid into the public transportation fund. Monies in the fund may  
18 be spent pursuant to or to implement the public transportation element of  
19 the regional transportation plan developed and approved by the regional  
20 planning agency, including reimbursement for utility relocation costs as  
21 prescribed in section 48-5107, adopted pursuant to section 48-5121 and for  
22 projects identified in the regional transportation plan adopted by the  
23 regional planning agency pursuant to section 28-6308.

24          C. Monies in the fund shall not be spent to promote or advocate a  
25 position, alternative or outcome of an election, to influence public  
26 opinion or to pay or contract for consultants or advisors to influence  
27 public opinion with respect to an election regarding taxes or other  
28 sources of revenue for the fund or regarding the regional transportation  
29 plan.

30          Sec. 23. Election on transportation excise tax

31          A. On November 8, 2022, the board of supervisors of any county with  
32 a population of three million or more persons shall call and conduct a  
33 countywide election for the extension and levy of a county transportation  
34 excise tax as provided by section 42-6105.01, Arizona Revised Statutes, as  
35 added by this act.

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

43           1. A summary of the principal provisions of the issue presented to  
44 the voters, including the rate of the transportation excise tax, the

1 number of years the tax will be in effect and the projected annual and  
2 cumulative amount of revenues to be raised.

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

5 (a) A summary of the regional transportation plan adopted pursuant  
6 to section 28-6308, Arizona Revised Statutes, as amended by this act.

7 (b) A map of proposed routes and transportation corridors of all  
8 major transportation projects and public transportation systems.

9 (c) The estimated amount of transportation excise tax revenues,  
10 together with other identified revenues, dedicated for each transportation  
11 mode listed in section 42-6105.01, subsection D, Arizona Revised Statutes,  
12 as added by this act, and each public transportation system, and  
13 conditions and limitations on the use of the money within each  
14 transportation mode classification.

15 (d) A summary of the conditions and prohibitions on redistributing  
16 transportation excise tax revenues under section 28-6308, subsection D,  
17 Arizona Revised Statutes.

18 (e) The Maricopa county elections department website address for  
19 additional information on the regional transportation plan.

20 3. The form of the ballot.

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

25 C. On or before June 15, 2022, a person may file with the county  
26 elections director an argument, not more than three hundred words in  
27 length, advocating or opposing the ballot measure. The person who files  
28 the argument shall also pay to the elections director a publication fee  
29 prescribed by the board of supervisors. If the argument is sponsored by  
30 one or more individuals, the argument shall be signed by each sponsoring  
31 individual. If the argument is sponsored by one or more organizations,  
32 the argument shall be signed by two executive officers of each  
33 organization. If the argument is sponsored by one or more political  
34 committees, the argument shall be signed by each committee's chairperson  
35 or treasurer. Payment of the fee required by this subsection, or  
36 reimbursement of the payor, constitutes sponsorship of the argument. The  
37 names of persons who have signed arguments and the names of sponsoring  
38 organizations shall appear with the argument in the pamphlet. The person  
39 or persons signing the argument shall also give their residence or post  
40 office address and a telephone number, which may not appear in the  
41 pamphlet.

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

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

3           2. The title: Regional Transportation Plan.

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

6                   A measure continuing the current transportation excise  
7 (sales) tax to address the regional transportation system by  
8 building and maintaining new freeways, expanding existing  
9 freeways with additional access and capacity, constructing  
10 streets and intersections, expanding transit by extending the  
11 light rail system, increasing the frequency of bus service and  
12 providing additional bus, local circulator, dial-a-ride and  
13 vanpool services.

14           4. Instructions directing the voter to the full text of the  
15 official and descriptive titles containing the summary as printed in the  
16 sample ballot and posted in the polling place. The ballot may include the  
17 summary of the regional transportation plan.

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

19 Do you favor the continuation of a county transaction  
20 privilege (sales) tax for regional transportation purposes in  
21 \_\_\_\_\_ county? YES \_\_\_\_\_ NO \_\_\_\_\_

22 (A "YES" vote has the effect of continuing the transaction  
23 privilege (sales) tax in \_\_\_\_\_ county for twenty years to  
24 provide funding for transportation projects as contained in  
25 the regional transportation plan.)

26 (A "NO" vote has the effect of rejecting the transaction  
27 privilege (sales) tax for transportation purposes in  
28 \_\_\_\_\_ county.)

29           E. Except as otherwise provided by this section, the election under  
30 this section shall be conducted as nearly as practicable in the manner  
31 prescribed for general elections in title 16, Arizona Revised Statutes.  
32 The county election officer shall account for costs specifically incurred  
33 with respect to the ballot issue under this section. Regardless of the  
34 outcome of the election, and notwithstanding any other law, the state  
35 treasurer shall pay the costs listed in this subsection specifically  
36 incurred with respect to the ballot issue under this section from monies  
37 paid into the county's regional area road fund on submission of the bill  
38 by the county election officer. Costs specifically incurred with respect  
39 to the ballot issue under this section include the following:

40           1. Costs of mailing, publishing, posting and printing ballots,  
41 publicity pamphlets, notices, election materials and other matters  
42 concerning the election.

43           2. Legal and other consulting fees and costs relating to the  
44 election.

45           3. Telecommunications costs.



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

4           5. Any other costs attributable to the election.

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

7           Sec. 24. County expenditure limitation exemption

8           Monies collected pursuant to a county transportation excise tax  
9 pursuant to section 42-6105.01, Arizona Revised Statutes, as added by this  
10 act, that are spent according to the purposes described in article IX,  
11 section 20, subsection (3), paragraph (d), subdivisions (i) and (viii),  
12 Constitution of Arizona, are exempt from the county's expenditure  
13 limitation.

14           Sec. 25. Department of transportation highway projects

15           A. Notwithstanding any other law, the department shall widen the  
16 following:

17           1. Interstate 17 to four lanes in each direction between state  
18 route 74 and Black Canyon City.

19           2. Interstate 17 to three lanes in each direction from Black Canyon  
20 City to mile post 242.

21           3. Interstate 10 to four lanes in each direction between Verrado  
22 Way and at least state route 85.

23           4. Interstate 10 to at least three lanes in each direction between  
24 state route 85 and mile post 71.

25           5. Interstate 10 to four lanes in each direction between mile post  
26 162 and mile post 167.

27           B. Notwithstanding any other law, the department shall construct a  
28 suspension bridge over a river when constructing state route 30.

29           Sec. 26. Requirements for enactment; two-thirds vote

30           Pursuant to article IX, section 22, Constitution of Arizona, this  
31 act is effective only on the affirmative vote of at least two-thirds of  
32 the members of each house of the legislature and is effective immediately  
33 on the signature of the governor or, if the governor vetoes this act, on  
34 the subsequent affirmative vote of at least three-fourths of the members  
35 of each house of the legislature.