Senate Engrossed House Bill

FILED
JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
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CHAPTER 349

HOUSE BILL 2869

AN ACT

AMENDING SECTIONS 5-382, 9-500.04, 15-349, 37-205 AND 41-803, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 14, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-2473; PROVIDING FOR CONDITIONAL REPEAL OF SECTION 45-2473, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; AMENDING SECTIONS 49-474.01 AND 49-573, ARIZONA REVISED STATUTES; AMENDING TITLE 37, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 37-110; MAKING APPROPRIATIONS; RELATING TO ENVIRONMENTAL PROTECTION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 5-382, Arizona Revised Statutes, is amended to read:

5-382. State lake improvement fund; administration; report

A. A state lake improvement fund is established. Monies deposited in the fund shall be used only as provided in this section.

B. All monies in the state lake improvement fund are appropriated to the Arizona state parks board solely for the purposes provided in this section. Interest earned on monies in the fund shall be credited to the fund. Monies in the state lake improvement fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

C. The Arizona state parks board shall administer the monies in the fund as follows:

1. To fund staff support to plan and administer the state lake improvement fund and the law enforcement and boating safety fund established ~~pursuant to~~ BY section 5-383 in conjunction with other administrative tasks and recreation plans of the board.

2. To fund projects on waters where GASOLINE POWERED boats are permitted and shall be limited to the following:

(a) Public launching ramps.

(b) Public piers, marinas or marina stadia.

(c) Public toilets, sanitation facilities and domestic waters.

(d) Public picnic tables and facilities.

(e) Public parking areas.

(f) Lake construction or improvement.

(g) Marking buoys and other safety facilities.

(h) Watercraft.

(i) Public campgrounds.

(j) Acquisition of real and personal property through purchase, lease, agreement or otherwise for the purpose of providing access to waters where boating is permitted.

(k) Design and engineering projects.

D. Projects involving expenditure of monies from such fund may be accomplished by the Arizona state parks board, by the Arizona game and fish commission, by the board of supervisors of any county~~,~~ or by the governing body of a city or town, provided such projects do not interfere with any vested water rights, or the operation or maintenance of water projects, including domestic, municipal, irrigation district, drainage district, flood control district or reclamation projects. The Arizona outdoor recreation coordinating commission, established ~~under~~ BY section 41-511.25, shall examine applications for eligible projects, determine the amount of funding, if any, for each project and submit a list of projects, subject to prior review by the joint committee on capital review, to the Arizona state parks board for allocation from the fund. The board shall annually report to the

legislature the expenditures made for such projects in conjunction with the report required by section 41-511.12.

E. State lake improvement funds may be used on projects where matching funds are made available.

Sec. 2. Section 9-500.04, Arizona Revised Statutes, is amended to read:

9-500.04. Air quality control; definitions

A. The governing body of a city or town in area A or B as defined in section 49-541 shall:

1. If the city has a population exceeding fifty thousand persons according to the 1995 special census, adjust the work hours of at least eighty-five per cent of municipal employees each year beginning October 1 and ending April 1 in order to reduce the level of carbon monoxide concentrations caused by vehicular travel.

2. In area A, in consultation with the designated metropolitan planning organization, synchronize traffic control signals on all existing and new roadways, within and across jurisdictional boundaries, which have a traffic flow exceeding fifteen thousand motor vehicles per day.

3. In area A, beginning on January 1, 2000, develop and implement plans to stabilize targeted unpaved roads, alleys and unpaved shoulders on targeted arterials. The plans shall address the performance goals, the criteria for targeting the roads, alleys and shoulders, a schedule for implementation, funding options and reporting requirements.

4. In area A, acquire or utilize vacuum systems or other dust removal technology to reduce the particulates attributable to conventional crack sealing operations as existing equipment is retired.

5. In area B, synchronize traffic control signals on all roadways which have a traffic flow exceeding fifteen thousand motor vehicles per day.

B. The governing body of a city or town in area B~~,~~ as defined in section 49-541~~,~~ may make and enforce ordinances to reduce or encourage the reduction of the commuter use of motor vehicles by employees of the city or town and employees whose place of employment is within the city or town.

C. Except as provided in subsection F of this section, the governing body of a city or town in area A~~,~~ as defined in section 49-541~~,~~ in a county with a population of more than one million two hundred thousand persons according to the most recent United States decennial census shall develop and implement a vehicle fleet plan for the purpose of encouraging and progressively increasing the use of alternative fuels and clean burning fuels in city or town owned vehicles. The plan shall include a timetable for increasing the use of alternative fuels and clean burning fuels in fleet vehicles either through purchase or conversion.

D. The timetable shall reflect the following schedule and percentage of vehicles which operate on alternative fuels and clean burning fuels:

1. At least eighteen per cent of the total fleet by December 31, 1995.
2. At least twenty-five per cent of the total fleet by December 31, 1996.
3. At least fifty per cent of the total fleet by December 31, 1998.
4. At least seventy-five per cent of the total fleet by December 31, 2000 and each year thereafter.

E. The requirements of subsections C and D of this section may be waived on receipt of evidence acceptable to the city or town council that the city or town is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using alternative fuels or clean burning fuels at a projected cost that is reasonably expected to result in net costs of no greater than ten per cent more than the net costs associated with the continued use of conventional gasoline or diesel fuels measured over the expected useful life of the equipment or facilities supplied. Applications for waivers shall be filed with the department of environmental quality pursuant to section 49-412. An entity that receives a waiver pursuant to this section shall retrofit fleet heavy-duty diesel vehicles with a gross vehicle weight of eight thousand five hundred pounds or more, that were manufactured in or before model year 1993 and that are the subject of the waiver with a technology that is effective at reducing particulate emissions at least twenty-five per cent or more and that has been approved by the United States environmental protection agency pursuant to the urban bus engine retrofit/rebuild program. The entity shall comply with the implementation schedule pursuant to section 49-555.

F. The plan prescribed by subsection C of this section shall include provisions for the use of alternative fuels and clean burning fuels in the bus fleet operated by that city or town or a regional public transportation authority, except that all newly purchased buses shall use alternative fuel or clean burning fuel. The bus fleet shall comply with the timetable prescribed by subsection D of this section, except that the requirements of subsections C and D of this section may be waived on receipt of certification supported by evidence acceptable to the department of environmental quality that the city or town is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using alternative fuels or clean burning fuels at a projected cost that is reasonably expected to result in net costs of no greater than twenty per cent more than the net costs associated with the continued use of conventional gasoline or diesel fuels measured over the expected useful life of the equipment or facilities supplied.

G. IF THE REQUIREMENTS OF SUBSECTIONS C, D AND F OF THIS SECTION ARE MET BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).

2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

~~G.~~ H. For the ~~purpose~~ PURPOSES of this section, "alternative fuel" and "clean burning fuel" have the same ~~meaning~~ MEANINGS prescribed in section 1-215.

Sec. 3. Section 15-349, Arizona Revised Statutes, is amended to read:

15-349. Operation of motor vehicle fleet; options to conventional fuels

A. The governing board of a school district with an average daily membership as defined in section 15-901 of more than three thousand ~~which~~ THAT is located within or ~~which~~ THAT has bus routes running within area A~~,~~ as defined in section 49-541~~,~~ shall develop and implement, subject to the availability of a state air quality funding source, a vehicle fleet plan for vehicles with a gross vehicle weight rating of at least seventeen thousand five hundred pounds for the purpose of encouraging the use of fuels listed pursuant to this subsection in school district owned vehicles. The plan shall provide for at least fifty per cent of the fleet with a gross vehicle weight rating of at least seventeen thousand five hundred pounds to operate on any of the following by December 31, 2004, and each year thereafter:

1. Alternative fuels or clean burning fuels as defined in section 1-215.

2. Ultra low sulfur diesel FUEL as defined in section 49-558.01 ~~and~~ that is used in an engine with an emission control device.

3. Vehicles powered by an engine that meets or exceeds an emission standard for diesel particulate matter of 0.05 grams per brake horsepower hour.

B. Engine retrofits or conversions meet the requirements of subsection A of this section if they have been approved for use by any one of the following:

1. The United States environmental protection agency voluntary retrofit program.

2. The United States environmental protection agency verification protocol for retrofit catalyst particulate filter and engine modification control technologies for highway and nonroad use diesel engines.

3. The California air resources board diesel emission control strategy verification procedure.

4. Sections 43100 and 43102 of the health and safety code of the state of California.

5. Actual emission testing performed on the vehicle.

C. This section does not preclude a school district from using any local, federal or private funding sources that may be available in order to comply with the requirements of this section.

D. IF THE REQUIREMENTS OF SUBSECTION A OF THIS SECTION ARE MET BY THE USE OF CLEAN BURNING FUEL AS DEFINED IN SECTION 1-215, VEHICLE EQUIVALENTS UNDER THOSE REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

1 1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT
2 BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL
3 SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).
4 2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE
5 FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).
6 Sec. 4. Title 37, chapter 1, article 1, Arizona Revised Statutes, is
7 amended by adding section 37-110, to read:
8 37-110. Due diligence fund; exemption; reversion
9 A. THE DUE DILIGENCE FUND IS ESTABLISHED. THE COMMISSIONER SHALL USE
10 THE MONIES IN THE FUND TO PAY THE DEPARTMENT'S COSTS OF EVALUATING AND
11 PROCESSING SALES, LEASES, RIGHTS-OF-WAY OR OTHER USE PERMITS, INCLUDING
12 CULTURAL RESOURCE INVESTIGATIONS, LEGAL LAND SURVEYS, ENVIRONMENTAL
13 ASSESSMENTS, ECONOMIC CONSULTING AND ENGINEERING, PLANNING, LEGAL AND
14 GEOLOGICAL STUDIES.
15 B. THE FUND CONSISTS OF LEGISLATIVE APPROPRIATIONS AND REIMBURSEMENTS
16 TO THE DEPARTMENT BY WINNING BIDDERS FOR THE DEPARTMENT'S COSTS OF ADVANCE
17 DUE DILIGENCE INVESTIGATIONS AND ANALYSES PURSUANT TO SUBSECTION A OF THIS
18 SECTION. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION.
19 C. THE COMMISSIONER SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE
20 EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF
21 APPROPRIATIONS, EXCEPT THAT ALL MONIES IN THE FUND EXCEEDING FIVE HUNDRED
22 THOUSAND DOLLARS AT ANY TIME REVERT TO THE STATE GENERAL FUND.
23 Sec. 5. Section 37-205, Arizona Revised Statutes, is amended to read:
24 37-205. Due diligence costs related to disposition of land
25 A. In addition to other fees required by this title, AND INSTEAD OF
26 THE DEPARTMENT PERFORMING ADVANCE DUE DILIGENCE PURSUANT TO SECTION 37-110,
27 SUBSECTION A, the commissioner may require or allow an applicant to advance
28 or incur costs for evaluating and processing an application for a sale,
29 lease, right-of-way or other use permit, including cultural resource
30 investigations, legal land surveys, environmental assessments ~~and~~, economic
31 consulting~~,~~ AND engineering, planning, legal or geological studies. Monies
32 that are advanced BY THE APPLICANT to the department pursuant to this
33 subsection shall be deposited and administered by the commissioner as
34 provided by section 37-108, subsection B.
35 B. If the successful bidder at an auction is not the applicant, the
36 successful bidder shall reimburse the applicant for fees and costs paid
37 pursuant to this section in amounts and on terms the commissioner or the
38 commissioner's designee directs in the auction notice. After receiving the
39 reimbursement amounts, the commissioner shall remit them to the applicant.
40 C. If an auction does not occur or a transaction is otherwise not
41 completed as a result of a mistake or circumstances caused by the department,
42 including issues arising out of concerns over title, misidentification of the
43 parcel and factors affecting the commissioner's view of the timeliness or
44 desirability of disposing of the parcel, then the commissioner, on the timely
45 written request of an applicant, may reimburse or cause to be reimbursed to

the applicant, on terms that the commissioner considers reasonable and appropriate, from monies of the department all or part of the costs paid pursuant to this section and application fees paid pursuant to section 37-108. Reimbursement for costs paid pursuant to this section may only be for costs that the commissioner determines to represent an enhancement of knowledge about the parcel or that tangibly or intangibly enhance the value of the parcel. The commissioner may refuse any reimbursement request for any reason.

Sec. 6. Section 41-803, Arizona Revised Statutes, is amended to read:

41-803. Operation of state motor vehicle fleet; public service announcements; energy conservation; alternative and clean burning fuels; definitions

A. The director shall operate a motor vehicle fleet for all state owned motor vehicles for the purpose of providing transportation for state officers and employees, except those officers and employees of any agency or department excluded by subsection E of this section. The director shall make fleet motor vehicles available to state agencies and departments on the request of the chosen representative for that agency or department.

B. The director may adopt rules necessary for the administration of the motor vehicle fleet. State agencies and departments, including agencies and departments listed in subsection E of this section, may accept compensation for placing public service announcements on state owned motor vehicles, and monies received shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund. The agency or department director shall determine the appropriateness of the announcements, may exempt any vehicles that are not suitable for advertising and may contract with private parties for design and placement of the announcements.

C. The director shall provide for detailed cost, operation, maintenance, mileage and custody records for each state owned vehicle. On or before August 1 of each year, all state agencies and departments, including those listed in subsection E of this section, shall make information available to the director regarding vehicle cost, operation, maintenance and mileage and other information as established by the director in policies and procedures for the purposes of the report prescribed in subsection R of this section.

D. Each state department and agency shall pay from available monies the cost of motor vehicle services received from the state motor vehicle fleet at a rate determined by the director.

E. The following departments and agencies are excluded from participation in the state motor vehicle fleet:

1. Department of public safety.
2. Department of transportation.
3. Department of economic security.
4. State department of corrections.
5. Universities and community colleges.

6. Arizona state schools for the deaf and the blind.

7. Cotton research and protection council.

F. The director shall appoint a person in the office of the director who is the state motor vehicle fleet alternative fuel and clean burning fuel coordinator. The coordinator shall develop, implement, document, monitor and modify as necessary a statewide alternative fuels plan in consultation with all state agencies and departments that are subject to the alternative fuel and clean burning fuel requirements prescribed in this section or any other law. The approval of the coordinator is required for all acquisitions of vehicles pursuant to this section, except for acquisitions by community college districts.

G. Purchases of all new motor vehicles that primarily operate in counties with a population of more than two hundred fifty thousand persons and that have a gross vehicle weight of eight thousand five hundred pounds or less, including those agency motor vehicle fleets listed in subsection E of this section, shall meet the following minimum requirements for vehicles:

1. For model year 1997, ten per cent of new motor vehicles purchased shall be capable of operating on alternative fuels.

2. For model year 1998, fifteen per cent of new motor vehicles purchased shall be capable of operating on alternative fuels.

3. For model year 1999, twenty-five per cent of new motor vehicles purchased shall be capable of operating on alternative fuels.

4. For model year 2000, fifty per cent of new motor vehicles purchased shall be capable of operating on alternative fuels.

5. For model year 2001 and all subsequent model years, seventy-five per cent of new motor vehicles purchased shall be capable of operating on alternative fuels or clean burning fuels.

H. Purchases of new alternative fuel and clean burning fuel vehicles that have a gross vehicle weight of eight thousand five hundred pounds or less shall meet the following minimum requirements for vehicles that primarily operate in counties with a population of more than one million two hundred thousand persons:

1. For model year 2000, forty per cent of new alternative fuel and clean burning fuel vehicles purchased shall comply with the United States environmental protection agency standards for low emission vehicles pursuant to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

2. For model year 2001, fifty per cent of new alternative fuel and clean burning fuel vehicles purchased shall comply with the United States environmental protection agency standards for low emission vehicles pursuant to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

3. For model year 2002, sixty per cent of new alternative fuel and clean burning fuel vehicles purchased shall comply with the United States environmental protection agency standards for low emission vehicles pursuant to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

4. For model year 2003, seventy per cent of new alternative fuel and clean burning fuel vehicles purchased shall comply with the United States environmental protection agency standards for low emission vehicles pursuant to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

I. The coordinator may waive the requirements of subsection G of this section for any state agency on receipt of certification supported by evidence acceptable to the coordinator that:

1. The agency's vehicles will be operating primarily in an area in which neither the agency nor a supplier has established or can reasonably be expected to establish a central refueling station for alternative fuels or clean burning fuels.

2. The agency is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using alternative fuels or clean burning fuels at a projected cost that is reasonably expected to result in net costs of no greater than thirty per cent more than the net costs associated with the continued use of traditional gasoline or diesel fuels measured over the expected useful life of the equipment or facilities supplied. Applications for waivers shall be filed with the department of environmental quality pursuant to section 49-412. An entity that receives a waiver pursuant to this section shall retrofit fleet heavy-duty diesel vehicles with a gross vehicle weight of eight thousand five hundred pounds or more that were manufactured in or before model year 1993 and that are the subject of the waiver with a technology that is effective at reducing particulate emissions at least twenty-five per cent or more and that has been approved by the United States environmental protection agency pursuant to the urban bus engine retrofit/rebuild program. The entity shall comply with the implementation schedule pursuant to section 49-555.

J. The department of administration, through the coordinator, may acquire or be provided equipment or refueling facilities necessary to operate such vehicles using alternative fuels or clean burning fuels:

1. By purchase or lease as authorized by law.

2. By gift or loan of the equipment or facilities.

3. By gift or loan of the equipment or facilities or any other arrangement pursuant to a service contract for the supply of alternative fuels or clean burning fuels.

K. The coordinator and the department of commerce energy office shall develop and implement a vehicle fleet energy conservation plan for the purposes of reducing vehicle fuel consumption and to encourage and progressively increase the use of alternative fuels and clean burning fuels in state owned vehicles. The plans shall include:

1. A timetable by which fleet vehicles shall be replaced with vehicles that have demonstrated high fuel economy estimates within their vehicle class.

2. A timetable for increasing the use of alternative fuels and clean burning fuels in fleet vehicles either through purchase or conversion. The

1 timetable shall reflect the following schedule and percentage of vehicles
2 which operate on alternative fuels or clean burning fuels:
3 (a) Not less than forty per cent of the total fleet by December 31,
4 1995, except for community college districts. Community college districts
5 shall comply by December 31, 2002.
6 (b) Not less than ninety per cent of the total fleet operating
7 primarily in counties with populations exceeding one million two hundred
8 thousand persons according to the most recent federal decennial census by
9 December 31, 1997, except for community college districts. Community college
10 districts shall comply by December 31, 2004.
11 3. Options for increasing, whenever possible, the use of vehicles that
12 have the capability to use available alternative fuels or clean burning
13 fuels, or vehicles that may be economically converted, if needed, for the use
14 of alternative fuels or clean burning fuels.
15 4. Options for the use of demonstrated innovative technologies that
16 promote energy conservation and reduced fuel consumption.
17 5. Methods that promote efficient trip planning and state vehicle use.
18 6. Car pooling and van pooling for agency employees for commuting and
19 job related travel.
20 L. The coordinator shall identify specific vehicle models within each
21 vehicle class that would meet the demands of each state agency and that
22 demonstrate a high degree of fuel economy. Vehicle classes and fuel economy
23 comparisons shall be based on United States department of energy and United
24 States environmental protection agency data pursuant to title 15 United
25 States Code sections 2003 through 2006. For the use of an alcohol fueled
26 vehicle, the state agency shall demonstrate to the director that the fuel for
27 the vehicle is available within a ten mile radius of the primary home base of
28 that vehicle.
29 M. Subsections G, H, I, J, K, L, N, O and P of this section do not
30 apply to the purchase or lease of the following:
31 1. A vehicle to be used primarily for criminal law enforcement.
32 2. A motorcycle.
33 3. An all-terrain vehicle.
34 4. An ambulance.
35 5. A fire truck, a fire engine or any other fire suppression
36 apparatus.
37 N. Any contract for conversion of vehicles to alternative fuels
38 pursuant to this section shall be entered into by competitive sealed
39 proposals pursuant to section 41-2534.
40 O. If everything else is equal, when contracting for vehicles to
41 satisfy the requirements prescribed in this section, preference shall be
42 given to vehicles with the lowest emissions levels.
43 P. The departments and agencies excluded from participation in the
44 state motor vehicle fleet pursuant to subsection E of this section shall
45 develop and implement a program for alternative fuels and clean burning fuels

and fuel economy for their motor vehicle fleets substantially similar to the standards set forth in this section, and the program shall be submitted to the coordinator for review.

Q. All agencies, including those listed in subsection E of this section, shall comply with the plan developed and implemented by the coordinator pursuant to subsection F of this section.

R. On or before November 1 of each year, the director shall submit a report to the governor, the speaker of the house of representatives, the president of the senate, the governor's office of strategic planning and budgeting and the joint legislative budget committee concerning the use of alternative fuels and clean burning fuels in the state motor vehicle fleet. The report shall include at least the following:

1. The number of state fleet vehicles.

2. The number of state fleet vehicles used primarily in Maricopa county.

3. The number of state fleet vehicles capable of using alternative fuels or clean burning fuels.

4. Progress on compliance with federal and state guidelines mandating the conversion of state fleet vehicles to alternatively fueled vehicles.

5. Alternative fuels and clean burning fuels usage data.

6. Information received from state agencies pursuant to subsection C of this section.

7. Information gathered from local offices of federal agencies regarding progress made toward implementing the federal mandates relating to the conversion of motor vehicle fleets to alternative fuels or clean burning fuels pursuant to subsection G of this section.

S. IF THE REQUIREMENTS OF SUBSECTIONS G, H AND K OF THIS SECTION ARE MET BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b) IN VEHICLES WITH A GROSS VEHICLE WEIGHT RATING OF AT LEAST EIGHTY-FIVE HUNDRED POUNDS.

2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

~~S.~~ T. For the purposes of this section:

1. "Alternative fuels" has the same meaning prescribed in section 1-215.

2. "Clean burning fuels" has the same meaning prescribed in section 1-215.

3. "New motor vehicle" means an original equipment manufactured vehicle, a converted original equipment manufactured vehicle or an original equipment manufactured vehicle that will be converted.

Sec. 7. Title 45, chapter 14, article 4, Arizona Revised Statutes, is amended by adding section 45-2473, to read:

45-2473. Arizona water banking authority; interstate water banking; accounting

A. FOR EACH YEAR DURING WHICH THE ARIZONA WATER BANKING AUTHORITY IS OWED OR RECEIVES MONIES PURSUANT TO AN INTERSTATE WATER BANKING AGREEMENT WITH THE STATE OF NEVADA, OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF NEVADA, INCLUDING THE SOUTHERN NEVADA WATER AUTHORITY, THE ARIZONA WATER BANKING AUTHORITY SHALL PROVIDE A FULL REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE THAT ACCOUNTS FOR ALL OF THE MONIES RECEIVED THROUGH THE INTERSTATE WATER BANKING AGREEMENT AND SHALL ACCOUNT FOR ALL DISBURSEMENTS MADE WITH THOSE MONIES, INCLUDING MONIES USED TO PURCHASE OR STORE WATER OR OTHERWISE FULFILL CONTRACTUAL OBLIGATIONS WITH THE STATE OF NEVADA UNDER THAT AGREEMENT. THE ARIZONA WATER BANKING AUTHORITY SHALL INCLUDE IN THESE REPORTS ANY PREPAID MONIES TO THE CENTRAL ARIZONA PROJECT, ANY MONIES RECEIVED UNDER THE AGREEMENT THAT ARE PLACED IN AN ACCOUNT WITH THE STATE TREASURER AND ANY CONTRACT THAT OBLIGATES THE ARIZONA WATER BANKING AUTHORITY TO PAY OR DISBURSE THESE MONIES TO ANY OTHER ENTITY, INCLUDING THE CENTRAL ARIZONA PROJECT.

B. THE ARIZONA WATER BANKING AUTHORITY SHALL SUBMIT THE REPORT PRESCRIBED IN SUBSECTION A TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON OR BEFORE OCTOBER 1 FOLLOWING THE FISCAL YEAR FOR WHICH THE REPORT IS MADE. THE REPORT SUBMITTED ON OR BEFORE OCTOBER 1, 2006 SHALL CONTAIN THE INFORMATION FOR BOTH FISCAL YEARS 2004-2005 AND 2005-2006.

C. THE ARIZONA WATER BANKING AUTHORITY SHALL NOT SPEND, ENCUMBER, LEND OR IN ANY OTHER WAY USE THE MONIES RECEIVED PURSUANT TO THE INTERSTATE WATER BANKING AGREEMENT EXCEPT TO PAY THE COSTS DIRECTLY INCURRED IN MEETING THE ARIZONA WATER BANKING AUTHORITY'S OBLIGATIONS PURSUANT TO THE AGREEMENT AND SECTION 45-2425.

Sec. 8. Section 49-474.01, Arizona Revised Statutes, is amended to read:

49-474.01. Additional board duties in vehicle emissions control areas; definitions

A. The board of supervisors of a county which contains any portion of area A or area B as defined in section 49-541 shall:

1. In area A, in consultation with the designated metropolitan planning organization, synchronize traffic control signals on all existing and new roadways, within the unincorporated area and at jurisdictional boundaries, which have a traffic flow exceeding fifteen thousand motor vehicles per day.

2. In area A, beginning on January 1, 2000, develop and implement plans to stabilize targeted unpaved roads, alleys and unpaved shoulders on targeted arterials. The plans shall address the performance goals, the criteria for targeting roads, alleys and arterials, a schedule for implementation, funding options and reporting requirements.

3. In area A, acquire or utilize vacuum systems or other dust removal technology to reduce the particulates attributable to conventional crack sealing operations as existing equipment is retired.

4. In area B, synchronize traffic control signals on roadways with a traffic flow exceeding fifteen thousand motor vehicles per day.

5. Implement adjusted work hours for at least eighty-five per cent of county employees in area A each year beginning October 1 and ending April 1 in order to reduce the level of carbon monoxide concentrations caused by vehicular travel.

B. The board of supervisors of a county that contains any portion of area A as defined in section 49-541 shall make and enforce ordinances consistent with ~~the provisions of~~ section 49-588 to reduce or encourage the reduction of the commuter use of motor vehicles by employees of the county and employees whose place of employment is within area A.

C. The board of supervisors in a county that contains any portion of area A shall develop and implement a vehicle fleet plan for the purpose of encouraging and progressively increasing the use of alternative fuels and clean burning fuels in county owned vehicles operating in area A.

D. The plan shall include a timetable for increasing the use of alternative fuels and clean burning fuels in fleet vehicles either through purchase or conversion. The timetable shall reflect the following schedule and percentage of vehicles ~~which~~ THAT operate on alternative fuels or clean burning fuels:

1. At least eighteen per cent of the total fleet by December 31, 1995.

2. At least twenty-five per cent of the total fleet by December 31, 1996.

3. At least fifty per cent of the total fleet by December 31, 1998.

4. At least seventy-five per cent of the total fleet by December 31, 2000 and each year thereafter.

E. The requirements of subsections C and D of this section may be waived on receipt of certification supported by evidence acceptable to the department that the county is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using alternative fuels or clean burning fuels at a projected cost that is reasonably expected to result in net costs of no greater than ten per cent more than the net costs associated with the continued use of conventional gasoline or diesel fuels measured over the expected useful life of the equipment or facilities supplied. Applications for waivers shall be filed with the department pursuant to section 49-412. An entity that receives a waiver pursuant to this section shall retrofit fleet heavy-duty diesel vehicles with a gross vehicle weight of eight thousand five hundred pounds or more, that were manufactured in or before model year 1993 and that are the subject of the waiver with a technology that is effective at reducing particulate emissions at least twenty-five per cent or more and that has been approved by the United States environmental protection agency pursuant to the urban bus

engine retrofit/rebuild program. The entity shall comply with the implementation schedule pursuant to section 49-555.

F. IF THE REQUIREMENTS OF SUBSECTIONS C AND D OF THIS SECTION ARE MET BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).

2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

~~F.~~ G. For the ~~purpose~~ PURPOSES of this section, "alternative fuel" and "clean burning fuel" have the same ~~meaning~~ MEANINGS prescribed in section 1-215.

Sec. 9. Section 49-573, Arizona Revised Statutes, is amended to read:

49-573. Emissions controls; federal vehicles

A. The operator of a United States government owned vehicle fleet based primarily in this state shall develop and implement a vehicle fleet plan for the purpose of encouraging and progressively increasing the use of alternative fuels and clean burning fuels in United States government owned vehicles. The plan shall include a timetable for increasing the use of alternative fuels and clean burning fuels in fleet vehicles either through purchase or conversion.

B. The timetable shall reflect the following schedule and percentage of vehicles ~~which~~ THAT operate on alternative fuels and clean burning fuels:

1. At least ten per cent of the total fleet by December 31, 1994.

2. At least forty per cent of the total fleet by December 31, 1995.

3. For fleets operating primarily in counties with a population of more than one million two hundred thousand persons according to the most recent United States decennial census, at least ninety per cent of the total fleet by December 31, 1997 and each year thereafter.

C. The requirements of subsections A and B of this section may be waived on receipt of certification supported by evidence acceptable to the department of environmental quality that the United States government fleet operator is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using alternative fuels or clean burning fuels at a projected cost that is reasonably expected to result in net costs of no greater than thirty per cent more than the net costs associated with the continued use of conventional gasoline or diesel fuels measured over the expected useful life of the equipment or facilities supplied. An entity that receives a waiver pursuant to this section shall retrofit fleet heavy-duty diesel vehicles with a gross vehicle weight of eight thousand five hundred pounds or more, that were manufactured in or before model year 1993 and that are the subject of the waiver with a technology that is effective at reducing particulate emissions at least twenty-five per cent or more and that has been approved by the United States

environmental protection agency pursuant to the urban bus engine retrofit/rebuild program. The entity shall comply with the implementation schedule pursuant to section 49-555.

D. IF THE REQUIREMENTS OF SUBSECTIONS A AND B OF THIS SECTION ARE MET BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).

2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

Sec. 10. Underground storage tank assurance account; transfer of monies; uses

Notwithstanding any other law, the administrative cap established in section 49-1051, subsection B, paragraphs 2 and 3, Arizona Revised Statutes, is suspended for fiscal year 2006-2007, and the department of environmental quality may transfer $6,331,000 from the assurance account of the underground storage tank revolving fund for administrative costs of the underground storage tank leak prevention program and funding for the used oil program.

Sec. 11. Arizona water protection fund; use

Notwithstanding section 45-2112, subsection B, Arizona Revised Statutes, the annual appropriation from the state general fund to the Arizona water protection fund for fiscal year 2006-2007 shall be as specified in the general appropriations act.

Sec. 12. Livestock crop program; funding

Notwithstanding any other law, the administrative cap established in section 41-511.23, subsection G, paragraph 1, subdivision (g), Arizona Revised Statutes, is suspended for fiscal year 2006-2007 and the department of agriculture may use up to ten per cent of the revenue from the livestock and crop conservation fund for administration of the livestock crop conservation program.

Sec. 13. Deposits in the due diligence fund; appropriation

Notwithstanding section 37-110, Arizona Revised Statutes, as added by this act, all monies deposited in the due diligence fund established by section 37-110, Arizona Revised Statutes, in fiscal year 2006-2007 are appropriated for fiscal year 2006-2007.

Sec. 14. Arizona state parks board; availability of monies

Notwithstanding section 41-511.11, Arizona Revised Statutes, Laws 2005, chapter 332, section 7 or any other law, all state parks enhancement fund monies are available in fiscal year 2006-2007 for the operation of state parks as appropriated by the legislature in the general appropriations act or for capital needs as determined by the Arizona state parks board with the prior approval of the joint committee on capital review to acquire and develop real property and improvements as state parks consistent with the

1 purposes and objectives prescribed in section 41-511.03, Arizona Revised
2 Statutes.
3 Sec. 15. Conditional repeal; notice
4 A. Section 45-2473, Arizona Revised Statutes, as added by this act, is
5 repealed on June 30 of the fiscal year immediately following the last fiscal
6 year in which the monies received under the interstate water banking
7 agreement are used by the Arizona water banking authority paying for contract
8 obligation costs or by the legislature appropriating monies received in
9 excess of these costs, except that section 45-2473, Arizona Revised Statutes,
10 as added by this act, shall not be repealed before June 30, 2020.
11 B. The director of the department of water resources shall notify in
12 writing the director of the Arizona legislative council of the date on which
13 the condition prescribed in subsection A of this section is met.

APPROVED BY THE GOVERNOR JUNE 21, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 21, 2006.