House Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 295

HOUSE BILL 2373

AN ACT

AMENDING SECTIONS 48-5302, 48-5303, 48-5308, 48-5309 AND 48-5314, ARIZONA REVISED STATUTES; RELATING TO REGIONAL TRANSPORTATION AUTHORITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 48-5302, Arizona Revised Statutes, is amended to read:

48-5302. Regional transportation authority; establishment

A. A regional transportation authority is established in a county with a population of more than four hundred thousand but less than one million two hundred thousand persons. The board of supervisors of a county with a population of four hundred thousand or fewer persons may establish a regional transportation authority in the county.

B. An authority is a public, political, tax levying public improvement and taxing subdivision of this state and a municipal corporation to the extent of the powers and privileges conferred by this chapter or granted generally by the constitution and statutes of this state, including immunity of its property and the interest income and gain on its bonds from taxation.

C. The membership of the authority consists of each municipality in the county, the county and any other members of the regional council of governments THAT ARE FROM THE COUNTY THAT ESTABLISHED THE AUTHORITY. The authority may operate in all areas of the county in which it is organized.

D. The executive director of the regional council of governments acts as the executive director of the authority and serves in that specific role until replaced at the discretion of the board of the regional ~~council of governments~~ TRANSPORTATION AUTHORITY.

Sec. 2. Section 48-5303, Arizona Revised Statutes, is amended to read:

48-5303. Board of directors; executive director

A. The government of the authority is vested in a board of directors composed of the members of the regional council of governments THAT ARE FROM THE COUNTY THAT ESTABLISHED THE AUTHORITY, AND EACH MEMBER OF THE BOARD OF DIRECTORS IS VESTED with one vote each when determining transportation policy as the regional transportation authority.

B. The members of the board shall:

1. Appoint a chairman from among the members at the first official meeting of the board.

2. By rule determine its officers, terms and procedures of appointment.

Sec. 3. Section 48-5308, Arizona Revised Statutes, is amended to read:

48-5308. Distribution from regional transportation fund

A. All monies in the bond account of the regional transportation fund shall be held in trust for the owners of the bonds. Monies in the bond account:

1. Shall be paid out to paying agents or directly to the owners of the bonds pursuant to the resolution or resolutions of the board authorizing the issuance of the bonds.

2. May be used to pay bond related expenses or recurring expenses pertaining to administration and payment of the bonds.

B. Monies in the bond proceeds account of the regional transportation fund may be obligated or spent as directed by the board for the purposes provided by subsection C of this section.

C. Except as provided in subsection D of this section, monies in the construction account of the regional transportation fund shall be spent, pledged or accumulated for the design, right-of-way purchase, construction, operation, maintenance and contiguous open space preservation purchase compatible with local environmental ordinance of, and within the expenditure limits for, each element of the regional transportation plan.

D. Notwithstanding any other law, from the monies deposited in the construction account of the regional transportation fund in each fiscal year, the board shall distribute:

1. To each municipality, excluding the municipality that has the largest population in the county, the greater amount of one ~~per cent~~ PERCENT of the revenues collected from the transportation excise tax authorized pursuant to section 42-6106 or three hundred thousand dollars, to be used for purposes consistent with subsection C of this section.

2. An amount of not more than THE GREATER OF three hundred thousand dollars OR ONE PERCENT OF THE REVENUES COLLECTED FROM THE TRANSPORTATION EXCISE TAX AUTHORIZED PURSUANT TO SECTION 42-6106 to the regional council of governments to hire professional planning, technical and administrative staff required to accomplish plan development for the authority pursuant to section 48-5309 and to perform the responsibilities as the authority may require.

E. The three hundred thousand dollar distributions prescribed by subsection D of this section are subject to:

1. Proration for any fiscal year in which a transportation excise tax authorized pursuant to section 42-6106 is collected for less than a full fiscal year.

2. Adjustment by the annual percentage change for the previous calendar year in the GDP price deflator, as defined in section 41-563, for each fiscal year after the first full fiscal year in which the transportation excise tax is collected.

F. Beginning with the first fiscal year following voter approval of the regional transportation plan, monies appropriated for each of the following purposes, if approved by a majority of the qualified electors voting at a special or general election, by each municipality or the county in the authority shall not be less than the total amount of general monies spent for those purposes in that municipality or county for fiscal year 2003-2004 adjusted by the annual percentage change for the previous calendar year in the GDP price deflator as defined in section 41-563:

1. Roadway improvements, including controlled access highways, parkways and controlled access arterials, arterial upgrades and related grade separations.

2. Transit improvements for buses, including expansion of the bus fleet and its associated maintenance facility, expansion of express routes

and associated connecting terminals, ridesharing, van pool fleet acquisition, including special projects for persons with disabilities and elderly individuals, and park and ride lots.

3. An express and light rail system.

4. Bicycle projects, including striped lanes on arterials, neighborhood bike routes and planning of bikeways focused on major regional activity center destinations.

5. Pedestrian projects on arterial and collector streets, neighborhood walkways and walkways focused on major regional activity center destinations.

Sec. 4. Section 48-5309, Arizona Revised Statutes, is amended to read:

48-5309. Regional transportation plan; definitions

A. The authority shall develop a twenty year regional transportation plan that is subject to approval by the qualified electors of the county and financed by a transportation excise tax approved pursuant to section 42-6106 and bonds issued pursuant to article 2 of this chapter. The regional transportation plan:

1. May give priority to multimodal transportation operations and improvements along corridors where seventy-five ~~per cent~~ PERCENT or more of the adjacent census tracts had a population density of at least three thousand persons per square mile according to the most recent United States decennial census.

2. Shall include a public transportation component.

3. May, among other things:

(a) Define and identify regional transportation corridors.

(b) Define the transportation problems, goals and needs for each corridor.

(c) Determine environmental, economic, energy and social policies to guide transportation investment decisions.

(d) Determine the impact of the plan on air quality, with one of the goals of the plan being the improvement of air quality.

(e) Order the priority of regional transportation corridors for development.

(f) Determine the mix of alternative transportation modes appropriate for development consistent with the transportation goals and needs for each corridor. The mix may include sidewalks, rail service, buses, vans, para-transit, park and ride lots, bicycle facilities and any other facility or service reasonably related to transportation.

(g) Select appropriate public transportation technology.

(h) Determine the capacity for exclusive public transportation technologies.

(i) Determine operating performance criteria and costs for public transportation systems.

(j) Locate routes and access points to the public transportation systems.

(k) Determine the ridership of public transportation systems.

(1) Determine the need for landscape buffers, noise barriers, pedestrian bypasses, multiuse paths and other environmental impact mitigation measures relating to the regional transportation plan.

B. The regional transportation plan may not be amended to add or delete an element or substantially change an element without prior approval of the electorate at a general or special election pursuant to subsection D of this section. The prior approval of the electorate required by this subsection is waived if a political subdivision causing changes within its jurisdiction to the regional transportation plan incurs the incremental costs of implementing the proposed changes.

C. The proposition for a revised regional transportation plan considered at an election held pursuant to subsection D of this section shall adhere to the format applicable to the ballot proposition approved by the qualified electors voting on the initial regional transportation plan.

D. If a substantial change occurs, the board of directors shall request the county board of supervisors to provide a ballot proposition for consideration of a revised regional transportation plan on or before the date of the next general election. The board of supervisors shall provide the proposition at the next general election. If a majority of the qualified electors voting on the issue does not approve a revised regional transportation plan, THE BOARD OF DIRECTORS SHALL CONTINUE IMPLEMENTATION OF THE PREVIOUSLY APPROVED REGIONAL TRANSPORTATION PLAN AND MAY CONTINUE TO MAKE expenditures authorized pursuant to section 48-5308, subsection C, ~~except those obligated as of the date of the general election, are prohibited~~ BUT MAY NOT MAKE EXPENDITURES IN EXCESS OF REVENUES RECEIVED PURSUANT TO SECTION 48-5307, SUBSECTION A THAT ARE AVAILABLE FOR THOSE PURPOSES.

E. For the purposes of this section: ~~,~~

1. "PRESENT WORTH" MEANS THE AMOUNT CALCULATED BY USING THE PRECEDING FIVE-YEAR AVERAGE OF THE GDP PRICE DEFLATOR AS DEFINED IN SECTION 41-563 TO DISCOUNT THE RESPECTIVE SERIES OF ESTIMATED REVENUES AND EXPENDITURES.

2. "Substantial change" means a change that, based on data in the transportation improvement program developed pursuant to section 48-5304, paragraph 3, results in one or more of the following conditions:

~~1.~~ (a) A present worth of estimated expenditures required to complete all elements of the regional transportation plan that exceeds THE GREATER OF:

(i) The present worth of estimated revenues available to the regional transportation fund during the comparable period by ten ~~per cent~~ PERCENT or more.

(ii) THE ORIGINAL ESTIMATED REVENUE AMOUNT THAT WAS PRESENTED TO THE VOTERS, except that estimated revenues from bond proceeds, if any, shall not exceed the bond capacity, less associated expenses, supported by estimates of unencumbered revenues for the initial ten years of authorization for the transportation excise tax. ~~The preceding five-year average of the GDP price deflator as defined in section 41-563 shall be used to discount the respective series of estimated revenues and expenditures to a present worth.~~

~~2.~~ (b) An estimated cost to complete one or more elements of the regional transportation plan that exceeds the expenditure limitations of the plan as adjusted by the GDP price deflator as defined in section 41-563 by the following or greater percentages:

~~(a)~~ (i) Ten ~~per cent~~ PERCENT for a single element of the plan.

~~(b)~~ (ii) Fifteen ~~per cent~~ PERCENT for any two elements of the plan.

~~(c)~~ (iii) Twenty ~~per cent~~ PERCENT for three or more elements of the plan.

Sec. 5. Section 48-5314, Arizona Revised Statutes, is amended to read:

48-5314. Election on regional transportation plan and excise tax

A. The board shall:

1. Adopt a ~~twenty-year~~ TWENTY-YEAR comprehensive multimodal regional transportation plan consistent with the requirements of this article, including transportation corridors by priority and a schedule indicating the dates that construction will begin for projects contained in the plan.

2. Request by resolution certified to the county board of supervisors that the issue of levying a transportation excise tax pursuant to section 42-6106 be submitted to the qualified electors at a countywide special election or placed on the ballot at a countywide general election. Within six months after receiving a certified copy of the resolution, the county board of supervisors shall either call a special election or place the issue on the ballot of a general election, subject to the requirements of this section.

B. The election ballot shall include a description of each transportation element of the regional transportation plan including a separate percentage share and dollar share of the transportation excise tax revenues allocated to each element.

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

1. The date of the election.

2. The individual household's polling place and the time the polls will be open.

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

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

(a) A summary of the regional transportation plan adopted pursuant to section 48-5309 and subsection A of this section, including a description of each transportation element of the regional transportation plan.

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

(c) The percentage share and dollar amount of transportation excise tax revenues, together with other identified revenues, dedicated for each transportation element, transportation project and public transportation system, and conditions and limitations on the use of the money.

5. The form of the ballot.

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

D. Not later than ninety days before the date of the election, a person may file with the county elections director an argument, not more than three hundred words in length, advocating or opposing the ballot measure, subject to the following requirements:

1. The person who files the argument shall also pay to the elections director a publication fee prescribed by the board of supervisors. Payment of the fee required by this paragraph, or reimbursement of the payor, constitutes sponsorship of the argument.

2. If the argument is sponsored by one or more individuals, the argument shall be signed by each sponsoring individual.

3. If the argument is sponsored by one or more organizations, the argument shall be signed by two executive officers of each organization.

4. If the argument is sponsored by one or more political committees, the argument shall be signed by each committee's chairperson or treasurer.

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

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

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

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

3. The questions submitted to the voters as follows:

I. Do you approve the regional transportation plan for _____ county? YES _____ NO _____

(A "YES" vote indicates your approval of the proposed regional transportation plan as developed by the regional transportation authority and described in the election materials.)

(A "NO" vote indicates your disapproval of the proposed regional transportation plan.)

II. Do you favor the levy of a transaction privilege (sales) tax for regional transportation purposes in _____ county? YES _____ NO _____

(A "YES" vote has the effect of imposing a transaction privilege (sales) tax in _____ county for _____ years to provide funding for the transportation projects contained in the regional transportation plan.)

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

F. For ~~either~~ ballot question ~~I or~~ II to be approved AND IMPLEMENTED, both the proposed regional transportation plan and the proposed transaction privilege tax must be approved by a majority of the qualified electors voting on the measure. If ~~either~~ ballot question I ~~or II~~ fails to be approved by a majority of the qualified electors voting on the measure, both MEASURES fail. IF BALLOT QUESTION I IS APPROVED BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON THE MEASURE AND BALLOT QUESTION II FAILS TO BE APPROVED BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON THE MEASURE, THE PROPOSED REGIONAL TRANSPORTATION PLAN IS APPROVED WITHOUT THE PROPOSED TRANSACTION PRIVILEGE TAX. NOT LATER THAN FIVE YEARS AFTER VOTER APPROVAL OF THE REGIONAL TRANSPORTATION PLAN, THE BOARD MAY SUBMIT TO THE VOTERS A SUBSEQUENT TRANSACTION PRIVILEGE TAX MEASURE TO FUND THE PREVIOUSLY APPROVED REGIONAL TRANSPORTATION PLAN, AND IF APPROVED BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON THE MEASURE, BOTH THE APPROVED REGIONAL TRANSPORTATION PLAN AND THE APPROVED TRANSACTION PRIVILEGE TAX MAY BE IMPLEMENTED.

G. Except as otherwise provided by this section, the election under this section shall be conducted as nearly as practicable in the manner prescribed for general elections in title 16.

H. The county election officer shall account for costs specifically incurred with respect to the ballot issue under this section.

I. NOTWITHSTANDING SECTION 42-6106, SUBSECTION E, IF A REGIONAL TRANSPORTATION AUTHORITY TRANSACTION PRIVILEGE TAX IS APPROVED AT AN ELECTION HELD AS PRESCRIBED BY THIS SECTION, THE LEVY AND COLLECTION OF THE TAX SHALL BEGIN ON APRIL 1 IMMEDIATELY FOLLOWING APPROVAL OF THE TAX AND MAY BE IN EFFECT FOR A PERIOD OF NOT MORE THAN TWENTY YEARS.

Sec. 6. Retroactivity

This act applies retroactively to from and after June 30, 2015.

APPROVED BY THE GOVERNOR MAY 17, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 17, 2016.

Passed the House February 16, 2016

by the following vote: 60 Ayes,

0 Nays, 0 Not Voting

Speaker of the House

☐ Pro Tempore

Chief Clerk of the House

Passed the Senate May 7, 2016

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

9th day of May, 2016

at 9:54 o'clock A. M.

Secretary to the Governor

Approved this 17th day of

May

at 1:35 o'clock P. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 17th day of May, 2016

at 4:35 o'clock P M.

Secretary of State

H.B. 2373