

APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER

Secretary of State
1700 W. Washington Street, 7th Floor
Phoenix, AZ 85007

The undersigned intends to circulate and file an INITIATIVE or a REFERENDUM (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes § 19-111, attached hereto is the full text, in no less than eight point type, of the MEASURE or CONSTITUTIONAL AMENDMENT (circle appropriate word) intended to be INITIATED or REFERRED (circle appropriate word) at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

RECEIVED
SECRETARY OF STATE
2008 MAY -8 AM 10:42



Signature of Applicant

Martin L. Shultz

Printed Name of Applicant

PO Box 53999

Address

Phoenix, AZ 85072

City State Zip

602-250-2866

Telephone Number

T.I.M.E. Initiative

Name of Organization (if any)

1001 N. 1st ST.

Address

Phoenix AZ 85004

City State Zip

602-256-9109

Telephone Number

JD Pruitt, Chair

Name of Officer and Title

2620 S. 55th ST

Address

Tempe AZ 85282

City State Zip

480-293-3000

Telephone Number

Martin Shultz

Name of Officer and Title

P.O. Box 53999

Address

Phoenix AZ 85072

City State Zip

602-250-2866

Telephone Number

Date of Application May 8, 2008

Signatures Required 153,365

Deadline for Filing July 3, 2008

Serial Number Issued I-24-2008

FOR OFFICE USE ONLY

Revised 11/92

CF ID# 200810160

The T.I.M.E. Initiative will reduce congestion, offer modern transportation choices and preserve our spectacular open spaces by upgrading Arizona's statewide transportation system. The Initiative builds needed highways, freeways and roads; creates rail options for commuters and travelers; and protects our environment by creating better bike paths, walkways, and safer school routes. The plan imposes strict performance and accountability measures to ensure that money is being used efficiently and that the projects improve quality of life in tangible ways. These improvements to our transportation system are funded through a one cent adjustment to our statewide sales tax over 30 years.

RECEIVED
SECRETARY OF STATE

2009 MAY -8 AM 10:42

OFFICIAL TITLE

An Initiative Measure

ADDING SECTIONS 28-304.01 AND 28-503.01, ARIZONA REVISED STATUTES; REPEALING SECTION 28-367, ARIZONA REVISED STATUTES; REPEALING TITLE 28, CHAPTER 22, ARIZONA REVISED STATUTES; AMENDING TITLE 28, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28; AMENDING TITLE 41, CHAPTER 23, ARTICLE 1 BY ADDING SECTION 41-2501.01; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1 BY ADDING SECTIONS 42-5010.01 AND 42-5039; AMENDING TITLE 42, CHAPTER 5, ARTICLE 4 BY ADDING SECTION 42-5155.01; AMENDING TITLE 42, CHAPTER 5, ARTICLE 5 BY ADDING SECTION 42-5202.01; RELATING TO TRANSPORTATION IMPROVEMENTS.

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

Section 1. Popular Title

This measure shall be known as the "Transportation and Infrastructure Moving Arizona's Economy ("TIME") Act."

Section 2. Intent

A. It is the intent of the voters to reduce traffic congestion, commute times and pollution by upgrading Arizona's statewide transportation system. All funds collected under the transportation improvement excise tax will build needed highways, local freeways, and roads; create rail options for commuters and travelers; enhance public transit; and protect our environment by helping communities create better bike paths, walkways, and safer school routes. It is also the intent of the voters to establish strict performance and accountability measures, ensure regional balance and establish a sunset on the funding mechanism. Arizona can only meet these future transportation needs by dedicating a funding source -- approved by Arizona voters -- to finance transportation projects that will enable our state to grow wisely, protect our unique quality of life and ensure that the state's economy is strong into the future. Therefore, the state's voters intend through this measure that the monies collected and expended pursuant to this enactment shall be used in addition to other monies and funding sources authorized by law for the construction, improvement and maintenance of Arizona's transportation priorities that are necessary to meet the economic and environmental needs of the people of the State of Arizona in the 21st century.

B. All funds collected and interest earned under the transportation improvement excise tax authorized by this act are exempt from the provisions of section 35-190 related to the lapsing of appropriations. Notwithstanding any other law, no funds collected under the transportation improvement excise tax, nor any fund balances thereof shall be subject to reversion by any act of the legislature.

Section 3. Title 28, chapter 2, article 1, Arizona Revised Statutes, is amended by adding section 28-304.01 to read:

28-304.01. Additional powers and duties of the board

IN ADDITION TO ITS OTHER POWERS, THE BOARD SHALL ALSO CONSIDER AND APPROVE PROJECTS AUTHORIZED BY CHAPTER 28 OF THIS TITLE.

Section 4. Repeal

Section 28-367 Arizona Revised Statutes, is repealed.

Section 5. Title 28, chapter 2, article 7 Arizona Revised Statutes, is amended by adding section 28-503.01 to read:

28-503.01. TIME funds performance based planning and programming

A. THE BOARD SHALL APPLY ITS PERFORMANCE BASED PLANNING AND PROGRAMMING PROCESSES TO EVALUATING THE PERFORMANCE OF EXPENDITURES FROM THE TIME FUNDS ESTABLISHED BY SECTION 28-9331.

B. THE DEPARTMENT WILL APPLY THE PERFORMANCE FACTORS AND WEIGHTS TO SELECT PROJECTS AND SERVICES PURSUANT TO CHAPTER 28 OF THIS TITLE.

Section 6. Repeal

Title 28, chapter 22, Arizona Revised Statutes, is repealed.

Section 7. Title 28, Arizona Revised Statutes, is amended by adding chapter 28, to read:

CHAPTER 28. Transportation and Infrastructure Moving Arizona's Economy Funds

ARTICLE 1. **GENERAL PROVISIONS**

28-9301. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "HIGHWAYS" MEANS THE STATE HIGHWAY SYSTEM, INCLUDING ANY INTERSTATE HIGHWAY, STATE HIGHWAYS, STATE ROUTES, ANY SECONDARY SYSTEM OF HIGHWAYS OR THE STREETS OF ANY LOCAL JURISDICTION THAT ARE NOT WITHIN THE STATE HIGHWAY SYSTEM.

2. "HIGHWAY TIME FUND" MEANS THE HIGHWAY TRANSPORTATION AND INFRASTRUCTURE MOVING ARIZONA'S ECONOMY FUND WHICH WILL FUND THE INTERSTATE, HIGHWAY AND ROADWAY PURPOSES AS AUTHORIZED BY SECTION 28-9352, SUBSECTION A.

3. "INDIAN TRIBE" MEANS ONE OF THE FEDERALLY RECOGNIZED INDIAN TRIBES WITH LAND HELD IN TRUST BY THE FEDERAL GOVERNMENT LOCATED IN THE STATE OF ARIZONA.

4. "TIME FUNDS" AND THE "TRANSPORTATION AND INFRASTRUCTURE MOVING ARIZONA'S ECONOMY FUNDS" MEANS THE HIGHWAY TIME FUND AND THE RAIL TIME FUND.

5. "RAIL TIME FUND" MEANS THE RAIL TRANSPORTATION AND INFRASTRUCTURE MOVING ARIZONA'S ECONOMY FUND WHICH WILL FUND THE CREATION OF STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES, STATE PUBLIC TRANSPORTATION SYSTEMS AND STATE PUBLIC TRANSPORTATION AS AUTHORIZED BY SECTION 28-9352, SUBSECTION B.

6. "STATE PUBLIC TRANSPORTATION" MEANS THE TRANSPORTATION OF PASSENGERS BY STATE-OWNED OR OPERATED MEANS ON SCHEDULED OR NON-SCHEDULED ROUTES BY MEANS OF A CONVEYANCE ON AN INDIVIDUAL PASSENGER FARE-PAYING BASIS, INCLUDING STATE-OWNED PASSENGER RAIL SYSTEMS.

7. "STATE PUBLIC TRANSPORTATION SYSTEM" MEANS PROPERTY, EQUIPMENT AND IMPROVEMENTS OF WHATEVER NATURE THAT ARE OWNED, LEASED, USED, CONSTRUCTED, MAINTAINED, CONTROLLED OR OPERATED TO PROVIDE STATE PUBLIC TRANSPORTATION.

8. "STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES" MEANS ALL REAL PROPERTY, INCLUDING LAND, IMPROVEMENTS, TRACKS, TERMINALS, STATIONS, GARAGES, YARDS, SHOPS, OFFICES AND STRUCTURES APPURTENANT THERETO, AND ALL EASEMENTS, AIR RIGHTS, LICENSES, PERMITS AND FRANCHISES, USED IN CONNECTION WITH THE STATE PUBLIC TRANSPORTATION SYSTEM.

ARTICLE 2. **STATE PUBLIC TRANSPORTATION**

28-9321. State public transportation

THE DIRECTOR SHALL ADMINISTER ALL STATE PUBLIC TRANSPORTATION SYSTEMS AND FACILITIES AND HAS THE FOLLOWING POWERS AND DUTIES AND MAY:

1. RECEIVE, ALLOCATE, CONTROL AND DISBURSE ALL MONIES DESIGNATED FOR STATE PUBLIC TRANSPORTATION SYSTEMS BY FEDERAL OR STATE LAW OR RULE.

2. NEGOTIATE AND ENTER INTO CONTRACTS ON BEHALF OF THIS STATE WITH THE UNITED STATES FOR FEDERALLY ASSISTED STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES AND FEDERALLY ASSISTED STATE PUBLIC TRANSPORTATION SYSTEMS.

3. ENTER INTO AGREEMENTS ON BEHALF OF THIS STATE WITH COUNTIES, CITIES, TOWNS, PUBLIC TRANSIT DISTRICTS, ANY OTHER POLITICAL SUBDIVISIONS, INDIAN TRIBES, OR PRIVATE RAIL OR SHIPPING COMPANIES, REGARDING THE DESIGN, CONSTRUCTION, OPERATION OR MAINTENANCE OF, OR OTHER MATTERS RELATED TO ANY STATE AND LOCAL PUBLIC TRANSPORTATION SYSTEM FACILITIES OR STATE AND LOCAL PUBLIC TRANSPORTATION SYSTEMS.

4. ENTER INTO CONTRACTS FOR THE DESIGN, CONSTRUCTION, OPERATION OR MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES OR STATE PUBLIC TRANSPORTATION SYSTEMS.

5. ADOPT RULES FOR THE APPLICATION FOR AND THE EXPENDITURE OF ALL STATE PUBLIC TRANSPORTATION SYSTEM MONIES IN THE TIME FUNDS.

6. PLAN AND PROMOTE EFFICIENT PASSENGER RAIL TRANSPORTATION SERVICES AND SHALL:

a. MAINTAIN ADEQUATE PROGRAMS OF RESEARCH, PROMOTION AND DEVELOPMENT WITH PROVISIONS FOR PUBLIC PARTICIPATION.

b. TAKE ALL PRACTICAL STEPS TO IMPROVE THE QUALITY OF PASSENGER RAIL SERVICES IN ARIZONA.

7. DIRECT THE PREPARATION OF ALL PLANS AND SPECIFICATIONS FOR WORK ON STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES AND STATE PUBLIC TRANSPORTATION SYSTEMS.

8. NOTWITHSTANDING ANY OTHER LAW RELATING TO PUBLIC BIDDING OR OTHER PROCUREMENT PROCEDURES OR OTHER PROVISIONS OTHERWISE APPLICABLE TO PUBLIC WORKS, SERVICES OR UTILITIES, USE ANY PROJECT DELIVERY METHOD AND FORM OF PROCUREMENT PERMITTED UNDER TITLE 28.

9. PROVIDE FOR THE DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES AND STATE PUBLIC TRANSPORTATION SYSTEMS, INCLUDING THE PROCUREMENT OF CONTRACTS FOR SOME OR ALL OF SUCH SERVICES.

10. APPROVE PAYMENT FOR WORK DONE BY THE STATE ON OR IN CONNECTION WITH STATE PUBLIC TRANSPORTATION SYSTEMS, EXCEPT THAT THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL NOT ALLOW A CLAIM FOR WORK WITHOUT THE APPROVAL OF THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION OR THE DIRECTOR'S AUTHORIZED AND BONDED AGENT.

11. ENTER INTO AGREEMENTS ON BEHALF OF THIS STATE WITH RAILROADS FOR THE ACQUISITION AND USE OF RAILROAD CORRIDORS FOR STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES OR STATE PUBLIC TRANSPORTATION SYSTEMS TO THE EXTENT DEEMED BY THE DEPARTMENT TO BE IN THE STATE'S BEST INTERESTS AND AS PERMITTED BY LAW. THESE AGREEMENTS MAY PROVIDE FOR INDEMNIFICATION OF RAILROADS WITH RESPECT TO LIABILITY RESULTING FROM THE SHARED USE OF THE RAILROAD PROPERTY OR TRACKS ARISING FROM THE OPERATION OF STATE PUBLIC TRANSPORTATION FACILITIES OR STATE PUBLIC TRANSPORTATION SYSTEMS.

12. TAKE ALL OTHER ACTIONS OTHERWISE WITHIN THE POWER OF THE DIRECTOR GENERALLY THAT MAY BE NECESSARY TO ESTABLISH AND MAINTAIN SAFE AND WELL FUNCTIONING STATE PUBLIC TRANSPORTATION SYSTEMS.

28-9322. Land purchase, sale and condemnation

A. THE DIRECTOR MAY ACQUIRE, EITHER IN FEE OR A LESSER ESTATE OR INTEREST, REAL PROPERTY THAT THE DIRECTOR CONSIDERS NECESSARY FOR STATE PUBLIC TRANSPORTATION SYSTEM PURPOSES BY PURCHASE, DONATION, DEDICATION, EXCHANGE, CONDEMNATION OR OTHER LAWFUL MEANS WITH MONIES FROM THE HIGHWAY TIME FUND OR THE RAIL TIME FUND, AND SUCH ACQUISITION IS FOR TRANSPORTATION PURPOSES FOR THE PURPOSES OF SECTION 28-7092, SUBSECTION B.

B. PROPERTY ACQUIRED FOR STATE PUBLIC TRANSPORTATION PURPOSES INCLUDES LAND OR ANY INTEREST IN THE LAND NECESSARY FOR RIGHTS-OF-WAY, CAMPSITES, ROADSIDE REST AREAS, WATER OR MATERIAL NEEDED IN THE CONSTRUCTION, IMPROVEMENT OR MAINTENANCE OF STATE HIGHWAYS, AIRPORTS, RUNWAYS, TAXIWAYS, PUBLIC TRANSPORTATION FACILITIES OR OTHER PROPERTY UNDER THE JURISDICTION, POSSESSION OR CONTROL OF THE DEPARTMENT.

28-9323. Bonds payable from state transportation improvement excise taxes.

A. THE BOARD MAY ISSUE BONDS FROM TIME TO TIME SECURED BY A PLEDGE OF, AND PAYABLE FROM, ALL OR ANY PART OF MONIES IN THE HIGHWAY TIME FUND AND THE RAIL TIME FUND, BOTH ESTABLISHED BY CHAPTER 28, ARTICLE 3 OF THIS TITLE. SUCH BONDS SHALL

BE AUTHORIZED BY RESOLUTION OF THE BOARD AND ISSUED IN THE SAME MANNER, AND ON THE SAME TERMS AND CONDITIONS, AS REGIONAL AREA ROAD FUND BONDS ISSUED BY THE BOARD PURSUANT TO CHAPTER 21, ARTICLE 2 OF THIS TITLE, AND THE PROVISIONS OF SUCH ARTICLE 2 SHALL APPLY TO SUCH BONDS, WITH THE FOLLOWING EXCEPTIONS:

1. THE PROCEEDS OF THE BONDS MAY BE USED BY THE DEPARTMENT FOR ANY LAWFUL PURPOSE FOR WHICH THE HIGHWAY TIME FUND AND THE RAIL TIME FUND MAY BE SPENT INCLUDING PAYING FEES RELATED TO ANY AGREEMENT BETWEEN THE BOARD AND ANY FINANCIAL INSTITUTION WHICH PROVIDES CREDIT, SECURITY, LIQUIDITY OR OTHER FINANCIAL ARRANGEMENT FOR THE BONDS, AND ANY OTHER COSTS, FEES AND EXPENSES REASONABLY RELATED TO THE ISSUANCE, SALE AND ADMINISTRATION OF THE BONDS.

2. THE BONDS MAY BEAR SUCH DATE OR DATES AND MATURE AT SUCH TIME OR TIMES, NOT EXCEEDING THE EARLIER OF THIRTY YEARS FROM THEIR RESPECTIVE DATES OR THE DATE THE TRANSPORTATION IMPROVEMENT EXCISE TAX SECURING THE BONDS CEASE, AS THE RESOLUTION OR RESOLUTIONS MAY PROVIDE.

3. THE BOARD MAY ESTABLISH SUCH ACCOUNTS OR SUBACCOUNTS WITHIN THE HIGHWAY TIME FUND AND THE RAIL TIME FUND THAT IT DETERMINES ARE NECESSARY OR APPROPRIATE TO CARRY OUT THE PROVISIONS OF THIS CHAPTER, INCLUDING ONE OR MORE BOND ACCOUNTS, RESERVE ACCOUNTS, PROCEEDS ACCOUNTS AND CONSTRUCTION ACCOUNTS, AND MAY DIRECT THE STATE TREASURER TO MAKE DEPOSITS INTO SUCH ACCOUNTS IN THE PRIORITY SPECIFIED BY THE BOARD.

4. BONDS ISSUED UNDER THIS ARTICLE SHALL BE FOR THE BENEFIT OF THIS STATE. ANY REFERENCES, DUTIES, RESPONSIBILITIES OR AUTHORITY GRANTED TO A COUNTY IN CHAPTER 21, ARTICLE 2 OF THIS TITLE SHALL NOT APPLY TO THIS ARTICLE, BUT SHALL BE CONSTRUED AS IF THOSE REFERENCES, DUTIES, RESPONSIBILITIES OR AUTHORITIES GRANTED APPLIED TO THE STATE.

B. THE RESOLUTION OR RESOLUTIONS OF THE BOARD MAY CONTAIN SUCH OTHER TERMS AND CONDITIONS, OF LIKE OR DIFFERENT CHARACTER, AS THE BOARD DETERMINES ARE NECESSARY OR APPROPRIATE TO CARRY OUT THE PROVISIONS OF THIS ARTICLE.

C. THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF THE BONDS ISSUED UNDER THIS ARTICLE THAT THIS STATE WILL NOT LIMIT OR ALTER THE TRANSPORTATION IMPROVEMENT EXCISE TAXES IN A WAY THAT ADVERSELY AFFECTS THE RIGHTS OF THE HOLDERS OF THE BONDS, AMEND OR RESCIND ANY PROVISION OF THIS ARTICLE OR CHAPTER 21, ARTICLE 2 OF THIS TITLE IN A WAY THAT ADVERSELY AFFECTS THE RIGHTS OF THE HOLDERS OF THE BONDS, LIMIT OR ALTER THE AUTHORITY TO LEVY THE TRANSPORTATION IMPROVEMENT EXCISE TAX IN A WAY THAT PREVENTS THE IMPOSITION OF SUFFICIENT TRANSPORTATION IMPROVEMENT EXCISE TAXES TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL ALL BONDS ISSUED UNDER THIS ARTICLE, INTEREST ON THE BONDS, INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE BONDHOLDERS ARE FULLY MET AND DISCHARGED.

ARTICLE 3. TIME FUNDS

28-9331. TIME funds; sources

A. THE HIGHWAY TIME FUND IS ESTABLISHED THAT CONSISTS OF:

1. MONIES DISTRIBUTED FROM THE TRANSPORTATION IMPROVEMENT EXCISE TAX PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 1.

2. MONIES APPROPRIATED BY THE LEGISLATURE.

3. MONIES RECEIVED FROM DONATIONS FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF HIGHWAYS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT. THESE MONIES SHALL BE SPENT ONLY FOR THE PURPOSE INDICATED BY THE DONOR.

2008 MAY -8 AM 10:43

RECEIVED
SECRETARY OF STATE

4. MONIES RECEIVED FROM POLITICAL SUBDIVISIONS UNDER COOPERATIVE AGREEMENTS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT ON DELIVERY TO THE STATE TREASURER OF A CONCISE WRITTEN AGREEMENT BETWEEN THE DEPARTMENT AND THE POLITICAL SUBDIVISION STATING THE PURPOSES FOR WHICH THE MONIES ARE SURRENDERED BY THE POLITICAL SUBDIVISION. THESE MONIES SHALL BE SPENT ONLY AS STATED IN THE AGREEMENT.

5. PROCEEDS FROM BOND ISSUES.

6. INTEREST EARNED ON MONIES IN THE FUND.

7. MONIES RECEIVED FROM THE UNITED STATES UNDER AN ACT OF CONGRESS TO PROVIDE AID FOR THE CONSTRUCTION OF HIGHWAYS, EXCEPT THAT MONIES RECEIVED ON PROJECTS FOR WHICH MATCHING MONIES ARE REQUIRED TO BE PROVIDED BY THIS STATE, IF THOSE MATCHING MONIES ARE WHOLLY DERIVED FROM SOURCES PRESCRIBED IN PARAGRAPHS 2 AND 3 OF THIS SUBSECTION, THOSE MONIES SHALL BE ALLOTTED BY THE DEPARTMENT AND DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, BY THE STATE TREASURER IN THE SPECIAL ACCOUNT IN THE FUND ESTABLISHED FOR EACH PROJECT. ON COMPLETION OF THE PROJECT, ON SATISFACTION AND DISCHARGE IN FULL OF ALL OBLIGATIONS OF ANY KIND AND ON REQUEST OF THE DEPARTMENT, THE STATE TREASURER SHALL TRANSFER THE UNEXPENDED BALANCE OF MONIES RECEIVED PURSUANT TO PARAGRAPHS 2 AND 3 OF THIS SUBSECTION IN THE SPECIAL ACCOUNT FOR THE PROJECT INTO THE HIGHWAY TIME FUND, WHICH FUNDS MAY THEN BE SPENT UNDER ANY PROVISION OF THIS ARTICLE.

8. MONIES IN THE CUSTODY OF AN OFFICER OR AGENT OF THIS STATE FROM ANY SOURCE THAT IS TO BE USED FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF HIGHWAYS.

9. RECEIPTS FROM THE SALE, DISPOSAL, LEASE OR INCIDENTAL USE OF ANY OR ALL OTHER PROPERTY HELD BY THE DEPARTMENT AND PURCHASED WITH HIGHWAY TIME FUND MONIES.

10. MONIES EARMARKED FOR A SPECIFIC HIGHWAY TIME FUND RELATED IMPROVEMENT.

11. MONIES RECEIVED FROM PUBLIC PRIVATE PARTNERSHIPS AUTHORIZED BY ARTICLE 6 OF THIS CHAPTER.

B. THE RAIL TIME FUND IS ESTABLISHED THAT CONSISTS OF:

1. MONIES DISTRIBUTED FROM THE TRANSPORTATION IMPROVEMENT EXCISE TAX PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 2.

2. MONIES APPROPRIATED BY THE LEGISLATURE.

3. MONIES RECEIVED FROM DONATIONS FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEMS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT. THESE MONIES SHALL BE SPENT ONLY FOR THE PURPOSE INDICATED BY THE DONOR.

4. MONIES RECEIVED FROM POLITICAL SUBDIVISIONS UNDER COOPERATIVE AGREEMENTS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT ON DELIVERY TO THE STATE TREASURER OF A CONCISE WRITTEN AGREEMENT BETWEEN THE DEPARTMENT AND THE POLITICAL SUBDIVISION STATING THE PURPOSES FOR WHICH THE MONIES ARE SURRENDERED BY THE POLITICAL SUBDIVISION. THESE MONIES SHALL BE SPENT ONLY AS STATED IN THE AGREEMENT.

5. PROCEEDS FROM BOND ISSUES.

6. INTEREST EARNED ON MONIES IN THE FUND.

7. MONIES RECEIVED FROM THE UNITED STATES UNDER AN ACT OF CONGRESS TO PROVIDE AID FOR THE CONSTRUCTION OF STATE PUBLIC TRANSPORTATION SYSTEMS, EXCEPT THAT MONIES RECEIVED ON PROJECTS FOR WHICH MATCHING MONIES ARE REQUIRED TO BE PROVIDED BY THIS STATE, IF THOSE MATCHING MONIES ARE WHOLLY DERIVED FROM SOURCES PRESCRIBED IN PARAGRAPHS 2 AND 3 OF THIS SUBSECTION, THOSE MONIES SHALL BE

ALLOTTED BY THE DEPARTMENT AND DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, BY THE STATE TREASURER IN THE SPECIAL ACCOUNT IN THE FUND ESTABLISHED FOR EACH PROJECT. ON COMPLETION OF THE PROJECT, ON SATISFACTION AND DISCHARGE IN FULL OF ALL OBLIGATIONS OF ANY KIND AND ON REQUEST OF THE DEPARTMENT, THE STATE TREASURER SHALL TRANSFER THE UNEXPENDED BALANCE OF MONIES RECEIVED PURSUANT TO PARAGRAPHS 2 AND 3 OF THIS, SUBSECTION IN THE SPECIAL ACCOUNT FOR THE PROJECT INTO THE RAIL TIME FUND, WHICH FUNDS MAY THEN BE SPENT UNDER ANY PROVISION OF THIS ARTICLE.

8. MONIES IN THE CUSTODY OF AN OFFICER OR AGENT OF THIS STATE FROM ANY SOURCE THAT IS TO BE USED FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEMS.

9. RECEIPTS FROM THE SALE, DISPOSAL, LEASE OR INCIDENTAL USE OF ANY OR ALL OTHER PROPERTY HELD BY THE DEPARTMENT AND PURCHASED WITH RAIL TIME FUND MONIES.

10. MONIES EARMARKED FOR A SPECIFIC RAIL TIME FUND RELATED IMPROVEMENT.

11. MONIES RECEIVED FROM THE OPERATION OF A STATE PUBLIC TRANSPORTATION SYSTEM OR STATE PUBLIC TRANSPORTATION FACILITY, INCLUDING A PASSENGER RAIL SYSTEM.

12. MONIES RECEIVED FROM PUBLIC PRIVATE PARTNERSHIPS AUTHORIZED BY ARTICLE 6 OF THIS CHAPTER.

C. THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL ADMINISTER THE TIME FUNDS.

D. THE DUTIES OF THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION UNDER THIS SECTION ARE SUPERVISORY. THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL NOT APPROVE A CLAIM OR DEMAND FOR A PURPOSE THAT IS NOT AUTHORIZED.

E. ON REQUEST, THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION SHALL SUBMIT TO THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION THE FACTS AND CIRCUMSTANCES CONNECTED WITH A CLAIM OR DEMAND.

F. THE HIGHWAY TIME FUND SHALL BE USED FOR ANY OF THE FOLLOWING PURPOSES:

1. PLANNING, ENGINEERING, CONSTRUCTING, IMPROVING AND MAINTAINING STATE HIGHWAYS, STATE ROUTES AND INTERSTATE HIGHWAYS.

2. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF ESTABLISHING, OPENING, ALTERING, RELOCATING, WIDENING OR ABANDONING PORTIONS OF A HIGHWAY.

3. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF THE PRESERVATION OF FUTURE TRANSPORTATION CORRIDORS.

4. TO PLEDGE REVENUES FOR BOND ISSUANCES RELATED TO A HIGHWAY.

5. TO PAY FOR OTHER INCIDENTAL COSTS ASSOCIATED WITH HIGHWAY PROJECTS.

6. TO MAKE PAYMENTS IN CONNECTION WITH PUBLIC PRIVATE PARTNERSHIPS.

7. TO PAY PRINCIPAL, INTEREST AND PREMIUM ON BONDS AND OTHER FINANCIAL OBLIGATIONS INCLUDING COSTS OF ISSUANCE.

8. TO FUND RESERVES FOR SUCH BONDS.

9. TO PAY EXPENSES RELATED TO ADMINISTERING AND PAYING SUCH BONDS.

10. TO FUND ADDITIONAL EMPLOYEES, EQUIPMENT, SERVICES, FACILITIES AND SUPPORT NECESSARY TO COMPLETE THE PROJECTS FUNDED BY THE TRANSPORTATION IMPROVEMENT EXCISE TAX.

11. ACCELERATION OF STATE HIGHWAYS, STATE ROUTES AND INTERSTATE IMPROVEMENT PROJECTS.

12. TO FUND ENVIRONMENTALLY SENSITIVE DESIGN.

13. TO FUND THE DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO FACILITATE WILDLIFE MOVEMENT DISRUPTED BY TRANSPORTATION PROJECTS.

G. THE RAIL TIME FUND SHALL BE USED FOR ANY OF THE FOLLOWING PURPOSES:

1. PLANNING, DESIGNING, ENGINEERING, CONSTRUCTING, FINANCING, FURNISHING, EQUIPPING, IMPROVING, OPERATING AND MAINTAINING PASSENGER RAIL SYSTEMS OF STATEWIDE SIGNIFICANCE AS DETERMINED PURSUANT TO THE PLANNING PROCESSES ESTABLISHED IN THIS CHAPTER.

2. DISTRIBUTION AS STATE MATCHING GRANTS FOR PASSENGER RAIL INFRASTRUCTURE IMPROVEMENT PROJECTS THAT FACILITATE PASSENGER RAIL SYSTEMS, DECREASE CONGESTION, ENHANCE RAIL SAFETY OR FURTHER THE DEVELOPMENT OR USE OF PASSENGER RAIL. THE DEPARTMENT WILL ADMINISTER THE GRANT PROGRAM.

3. FOR DISBURSEMENT BY A STATE MATCHING GRANT TO FUND LOCAL, REGIONAL OR INTERCITY TRANSPORTATION OF PASSENGERS ALONG A ROADWAY, INCLUDING BUS, PARATRANSIT, AND LOCAL TRANSPORTATION OF PASSENGERS BY CARPOOL VEHICLE, RIDESHARE, AND OTHER SIMILAR METHODS. THE DEPARTMENT WILL ADMINISTER THE GRANT PROGRAM.

4. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF ESTABLISHING, OPENING, ALTERING, RELOCATING, WIDENING OR ABANDONING PORTIONS OF A STATE PUBLIC TRANSPORTATION SYSTEM.

5. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF THE PRESERVATION OF FUTURE TRANSPORTATION CORRIDORS.

6. TO PAY PRINCIPAL, INTEREST AND PREMIUM ON BONDS AND OTHER FINANCIAL OBLIGATIONS INCLUDING COSTS OF ISSUANCE.

7. TO FUND RESERVES FOR SUCH BONDS.

8. TO PAY EXPENSES RELATED TO ADMINISTERING AND PAYING SUCH BONDS.

9. TO PAY FOR OTHER INCIDENTAL COSTS ASSOCIATED WITH STATE PUBLIC TRANSPORTATION PROJECTS.

10. TO MAKE PAYMENTS IN CONNECTION WITH PUBLIC PRIVATE PARTNERSHIPS.

11. TO FUND ADDITIONAL EMPLOYEES, EQUIPMENT, SERVICES, FACILITIES AND SUPPORT NECESSARY TO COMPLETE THE PROJECTS FUNDED BY THE TRANSPORTATION IMPROVEMENT EXCISE TAX.

H. THE DIRECTOR OF THE DEPARTMENT SHALL ESTABLISH ANY ACCOUNTS OR SUBACCOUNTS WITHIN THE TIME FUNDS AS HE DETERMINES ARE NECESSARY OR APPROPRIATE TO CARRY OUT THE PROVISIONS OF THIS TITLE. THESE ACCOUNTS OR SUBACCOUNTS SHALL BE CONSISTENT WITH ALLOCATIONS PRESCRIBED BY SECTION 28-9351. THE STATE TREASURER SHALL ACCOUNT SEPARATELY FOR ALL SUCH ACCOUNTS AND SUBACCOUNTS.

28-9332. Performance audits of proposed transportation projects and systems

A. BEGINNING IN 2015 AND EVERY FIFTH YEAR THEREAFTER, THE AUDITOR GENERAL SHALL CONTRACT WITH A NATIONALLY RECOGNIZED INDEPENDENT AUDITOR WITH EXPERTISE IN EVALUATING MULTIMODAL TRANSPORTATION SYSTEMS AND IN STATE AND REGIONAL TRANSPORTATION PLANNING TO CONDUCT A PERFORMANCE AUDIT, AS DEFINED IN SECTION 41-1278, AS AMENDED FROM TIME TO TIME, OF THE TIME FUNDS ESTABLISHED BY SECTION 28-9331 AND PROJECTS SCHEDULED FOR FUNDING DURING THE NEXT FIVE YEARS.

B. WITH RESPECT TO PASSENGER RAIL SYSTEMS, THE AUDIT SHALL CONSIDER THE CRITERIA USED BY THE FEDERAL TRANSIT ADMINISTRATION PURSUANT TO 49 UNITED STATES CODE SECTION 5309 AND THE INTERRELATIONSHIP AMONG THE CRITERIA TO PROVIDE FEDERAL FUNDING FOR PUBLIC TRANSPORTATION SYSTEMS. THE AUDIT SHALL ALSO CONSIDER RELEVANT FACTORS INCLUDING:

1. SERVICE LEVELS.

2. CAPITAL COSTS.

3. OPERATION AND MAINTENANCE COSTS.
4. TRANSIT RIDERSHIP.
5. FAREBOX REVENUES.

C. THE AUDIT SHALL:

1. EXAMINE THE STATE TRANSPORTATION PLAN AND PROJECTS SCHEDULED FOR FUNDING WITHIN EACH TRANSPORTATION MODE BASED ON THE PERFORMANCE FACTORS ESTABLISHED IN SECTION 28-505, SUBSECTION A, IN THE CONTEXT OF THE STATE PUBLIC TRANSPORTATION SYSTEM.

2. REVIEW PAST EXPENDITURES OF THE STATE PUBLIC TRANSPORTATION SYSTEM AND EXAMINE THE PERFORMANCE OF THE SYSTEM IN RELIEVING CONGESTION AND IMPROVING MOBILITY.

D. THE AUDITOR GENERAL OR THE AUDITORS CONTRACTED TO CONDUCT THE AUDIT SHALL PERIODICALLY UPDATE THE DEPARTMENT REGARDING THE PROGRESS OF THE AUDIT.

E. WITHIN FORTY-FIVE DAYS AFTER THE RELEASE OF THE AUDIT, THE DEPARTMENT SHALL SUBMIT WRITTEN RECOMMENDATIONS TO THE STATE TRANSPORTATION BOARD THAT THE FINDINGS ARE AGREED TO OR DISAGREED WITH AND THE RECOMMENDATIONS SHOULD BE IMPLEMENTED, IMPLEMENTED WITH MODIFICATION OR NOT BE IMPLEMENTED.

F. WITHIN FORTY-FIVE DAYS AFTER THE AUDIT'S RELEASE, THE STATE TRANSPORTATION BOARD SHALL HOLD A PUBLIC HEARING ON THE AUDIT FINDINGS AND RECOMMENDATIONS.

G. THE AUDITOR GENERAL SHALL DISTRIBUTE COPIES OF THE AUDIT TO:

1. THE STATE TRANSPORTATION BOARD.
2. THE GOVERNOR, SECRETARY OF STATE, PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES.
3. THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.

H. THE STATE TRANSPORTATION BOARD SHALL COOPERATE WITH AND SUBMIT TO THE AUDITOR GENERAL AND THE AUDITORS CONTRACTED TO CONDUCT THE AUDIT AND SUBMIT INFORMATION NECESSARY TO CONDUCT THE AUDITS UNDER THIS SECTION.

I. THE COST INCURRED BY THE AUDITOR GENERAL IN CONTRACTING WITH INDEPENDENT AUDITORS FOR CONDUCTING PERFORMANCE AUDITS OF THE TIME FUNDS UNDER SUBSECTION A OF THIS SECTION SHALL BE PAID FROM THE RESPECTIVE TIME FUNDS. WHEN DUE, THE PAYMENTS HAVE PRIORITY OVER ANY OTHER DISTRIBUTIONS, EXCEPT THE PAYMENT OF BONDED INDEBTEDNESS. THE AUDITOR GENERAL SHALL DEPOSIT THE PAYMENTS IN THE AUDIT SERVICES REVOLVING FUND ESTABLISHED BY SECTION 41-1279.06.

ARTICLE 4. **PASSENGER RAIL SYSTEM PROJECTS**

28-9341. Public transportation system planning

A. THE DEPARTMENT SHALL DEVELOP STATE PUBLIC TRANSPORTATION SYSTEMS AND STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES, INCLUDING PROJECTS RELATING TO A PASSENGER RAIL SYSTEM, IN ACCORDANCE WITH THE LONG-RANGE STATE TRANSPORTATION PLAN ADOPTED BY THE DEPARTMENT.

B. IN DEVELOPING SUCH PLANS, THE DEPARTMENT SHALL ENGAGE IN A CONTINUING, COOPERATIVE AND COMPREHENSIVE TRANSPORTATION PLANNING PROCESS THAT INCLUDES APPROPRIATE PROJECT STAKEHOLDERS AND IS COORDINATED WITH OTHER PLANNING EFFORTS CONDUCTED WITHIN THE STATE.

C. THE PLANS SHALL BE DEVELOPED IN ACCORDANCE WITH ANY OTHER APPLICABLE FEDERAL REQUIREMENTS.

28-9342. Passenger rail project committee

Transportation and Infrastructure Moving Arizona's Economy ("TIME") Act.

A. IN ADDITION TO ANY APPLICABLE FEDERALLY MANDATED PLANNING PROCESSES, AND TO THE EXTENT PRACTICABLE, THE DEPARTMENT SHALL ASSEMBLE FOR EACH PASSENGER RAIL PROJECT A PASSENGER RAIL PROJECT COMMITTEE COMPRISED OF STATE AND LOCAL REPRESENTATIVES TO COORDINATE THE DEPARTMENT'S PLANNING FOR THE PROJECT RELATING TO THE SEGMENT OF THE PASSENGER RAIL SYSTEM. THE COMMITTEE SHALL CONSIST OF THE FOLLOWING MEMBERS:

1. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF SUPERVISORS FOR EACH COUNTY IN WHICH THE PROPOSED PASSENGER RAIL SYSTEM PROJECT IS LOCATED.
2. ONE MEMBER WHO IS APPOINTED BY EACH REGIONAL PLANNING AUTHORITY THAT REPRESENTS THE AREA IN WHICH THE PROPOSED PASSENGER RAIL SYSTEM PROJECT IS LOCATED.
3. THE STATE LAND COMMISSIONER OR STATE LAND COMMISSIONER'S DESIGNEE.
4. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE.
5. SIX MEMBERS WHO ARE APPOINTED BY THE GOVERNOR AND WHO SERVE AT THE PLEASURE OF THE GOVERNOR. THREE OF THESE MEMBERS SHALL REPRESENT THE PUBLIC AND THREE OF THESE MEMBERS SHALL REPRESENT INCORPORATED CITIES AND TOWNS IN WHICH THE PROPOSED PASSENGER RAIL SYSTEM PROJECT IS LOCATED.

B. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE SHALL SERVE AS THE CHAIR OF THE COMMITTEE.

C. THE DEPARTMENT WILL PROVIDE THE STAFF RESOURCES FOR THE COMMITTEE. THE DEPARTMENT MAY UTILIZE THE RESOURCES OF THE COMMITTEE'S CONSTITUENT AGENCIES AS WELL AS NECESSARY CONSULTANTS.

D. THE COMMITTEE MAY CONSIDER ALL DETAILS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM, INCLUDING:

1. THE PROPOSED ROUTE OF THE PROJECT.
2. THE PROPOSED SIZE AND LENGTH OF THE PROJECT.
3. THE LOCATION OF EACH STATION INCLUDED WITH THE PROJECT.
4. THE ESTIMATED DATE BY WHICH EACH PROJECT WILL BE INTRODUCED INTO REVENUE SERVICE.
5. THE ESTIMATED CAPACITY FOR EACH PROJECT.
6. THE COST FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF EACH PROPOSED PROJECT.
7. TRANSIT RIDERSHIP.
8. REVENUES.
9. COST EFFECTIVENESS.

E. THE COMMITTEE FOR A PROJECT TERMINATES AND DISSOLVES UPON ITS PRESENTATION OF ITS FINAL RECOMMENDATIONS TO THE BOARD.

28-9343. Recommending projects relating to a passenger rail system

IN ADDITION TO ANY APPLICABLE FEDERALLY MANDATED PLANNING REQUIREMENTS, THE PASSENGER RAIL PROJECT COMMITTEE MAY CONSIDER THE FOLLOWING FACTORS IN RECOMMENDING PLANS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM:

1. EXISTING PLANS OF THIS STATE, LOCAL GOVERNMENTS AND PRIVATE ENTITIES FOR OTHER DEVELOPMENTS AT OR IN THE VICINITY OF PROPOSED PROJECTS.
2. CONGESTION RELIEF.
3. ACCESSIBILITY.
4. INTEGRATION AND CONNECTIVITY WITH OTHER MODES OF TRANSPORTATION, INCLUDING HIGH CAPACITY PUBLIC TRANSPORTATION.
5. IMPACTS ON FREIGHT RAILROAD CAPACITY.

6. RIDERSHIP DEMAND, PROXIMITY TO HOUSING AND EMPLOYMENT CENTERS, AND PEDESTRIAN ORIENTATION.
7. COST AND CONSTRUCTION FEASIBILITY.
8. ECONOMIC BENEFITS AND COST EFFECTIVENESS.
9. REVENUES.
10. ENVIRONMENTAL IMPACTS.
11. ITS EFFECTS ON LOCAL ECONOMIC DEVELOPMENT AND REDEVELOPMENT, PARTICULARLY OF PRE-EXISTING URBAN CORES.
12. ABILITY TO REUSE EXISTING INFRASTRUCTURE AND STRUCTURES.
13. ANY OTHER CRITERIA THE COMMITTEE DEEMS APPROPRIATE.

28-9344. Public involvement procedures

A. IN DEVELOPING PLANS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM, THE DEPARTMENT SHALL ESTABLISH EARLY AND CONTINUOUS PUBLIC INVOLVEMENT OPPORTUNITIES THAT PROVIDE TIMELY INFORMATION ABOUT THE PROJECTS, AT KEY DECISION POINTS, TO CITIZENS, AFFECTED PUBLIC AGENCIES AND OTHER STAKEHOLDERS.

B. IN ADDITION TO ANY APPLICABLE FEDERALLY MANDATED PLANNING REQUIREMENTS, THE PUBLIC INVOLVEMENT PROCEDURES SHALL INCLUDE ONE OR MORE PUBLIC HEARINGS AT WHICH PLANS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM ARE DISCUSSED.

28-9345. Expenditure of funds by passenger rail project committee

ON RECEIPT OF A DETAILED ACCOUNTING OF THE PASSENGER RAIL PROJECT COMMITTEE'S EXPENSES, THE DIVISION MAY APPROVE AND PAY THE FOLLOWING:

1. ACTUAL, REASONABLE AND NECESSARY EXPENSES INCURRED BY THE COMMITTEE MEMBERS IN CONNECTION WITH THEIR PARTICIPATION IN COMMITTEE MEETINGS.
2. OTHER REASONABLE COSTS NECESSARY FOR THE COMMITTEE TO COMPLETE ITS MISSION.

ARTICLE 5. **TRANSPORTATION IMPROVEMENT EXCISE TAX**

28-9351. Transportation improvement excise tax distribution

A. THE MONIES DISTRIBUTED PURSUANT TO THIS SECTION ARE IN ADDITION TO ANY OTHER APPROPRIATION, TRANSFER OR OTHER ALLOCATION OF PUBLIC OR PRIVATE MONIES FROM ANY OTHER SOURCE. THE RECIPIENTS OF THE MONIES AND THE ARIZONA LEGISLATURE SHALL NOT SUPPLANT, REPLACE OR CAUSE ANY REDUCTION IN OTHER TRANSPORTATION FUNDING SOURCES BECAUSE OF THE RECEIPT OF THESE MONIES.

B. THE STATE TREASURER SHALL DEPOSIT PURSUANT TO SECTIONS 35-146 AND 35-147, OR DISTRIBUTE, THE TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES AS FOLLOWS:

1. FIFTY-FIVE PER CENT SHALL BE DEPOSITED IN THE HIGHWAY TIME FUND ESTABLISHED BY SECTION 28-9331 TO BE USED ON HIGHWAYS AS AUTHORIZED IN SECTION 28-9352, SUBSECTION A, OF WHICH:

a. FORTY-NINE PER CENT SHALL BE USED ON PROJECTS THAT ARE AUTHORIZED BY SECTION 28-9352, SUBSECTION A AND LOCATED IN ANY COUNTY WITH POPULATIONS OF 2,500,000 OR MORE PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

b. THIRTY-NINE PER CENT SHALL BE USED ON PROJECTS THAT ARE AUTHORIZED BY SECTION 28-9352, SUBSECTION A AND LOCATED IN ANY COUNTY WITH POPULATIONS OF 1,000,000 OR FEWER PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

c. TWELVE PER CENT SHALL BE USED ON PROJECTS THAT ARE AUTHORIZED BY SECTION 28-9352, SUBSECTION A AND LOCATED IN ANY COUNTY WITH A POPULATION OF MORE THAN 1,000,000 AND LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT

DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

2. EIGHTEEN PER CENT DEPOSITED IN THE RAIL TIME FUND ESTABLISHED BY SECTION 28-9331 TO BE USED AS AUTHORIZED IN SECTION 28-9352, SUBSECTION B, OF WHICH:

a. EIGHT PER CENT SHALL BE ALLOCATED TO THE TRANSPORTATION AUTHORITY THAT PERFORMS REGIONAL PUBLIC TRANSPORTATION PLANNING AND PROGRAMMING FOR ANY OF THE COUNTIES THAT HAVE A POPULATION OF 2,500,000 OR MORE PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

b. FIVE PER CENT SHALL BE ALLOCATED TO THE TRANSPORTATION AUTHORITY THAT PERFORMS REGIONAL PUBLIC TRANSPORTATION PLANNING AND PROGRAMMING FOR ANY OF THE COUNTIES THAT HAVE A POPULATION OF MORE THAN 1,000,000 AND LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

c. EIGHTY-SEVEN PER CENT SHALL BE ALLOCATED FOR ANY PURPOSE AUTHORIZED BY SECTION 28-9352, SUBSECTION B.

3. TWENTY PER CENT TO BE USED FOR 28-9352, SUBSECTION C PROJECTS, OF WHICH:

a. SIXTY PER CENT SHALL BE DISTRIBUTED TO ANY COUNTY THAT HAS A POPULATION OF 2,500,000 OR MORE PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS AND THE CITIES, TOWNS AND INDIAN TRIBES LOCATED IN THOSE COUNTIES, IN PROPORTION TO THE RELATIVE POPULATIONS OF THE CITIES, TOWNS, INDIAN TRIBES AND THE UNINCORPORATED, NON-TRIBAL AREAS OF THE COUNTIES AS DETERMINED BY THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

b. THIRTY-EIGHT PER CENT SHALL BE DISTRIBUTED TO ANY COUNTY THAT HAS A POPULATION OF LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS AND THE CITIES AND TOWNS LOCATED IN THOSE COUNTIES, BASED ON THE ARIZONA HIGHWAY USER REVENUE FUND DISTRIBUTION FORMULA PRESCRIBED BY SECTION 28-6540.

c. TWO PER CENT SHALL BE DISTRIBUTED TO THE INDIAN TRIBES WHICH ARE LOCATED WITHIN ANY COUNTY WITH A POPULATION OF LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS AND DIVIDED AMONG THEM, IN PROPORTION TO THEIR RELATIVE POPULATIONS AS DETERMINED BY THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

4. FOUR PER CENT SHALL BE DISTRIBUTED FOR CERTAIN TRANSPORTATION RELATED ENHANCEMENTS AS PRESCRIBED IN SECTION 28-9352, SUBSECTION D, DISTRIBUTED TO THE COUNTIES, CITIES, TOWNS AND INDIAN TRIBES, IN PROPORTION TO THE RELATIVE POPULATIONS OF THE CITIES, TOWNS, INDIAN TRIBES AND THE UNINCORPORATED, NON-TRIBAL PARTS OF THE COUNTIES AS DETERMINED BY THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

5. THREE PER CENT SHALL BE DEPOSITED IN THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND CREATED IN SECTION 28-9353 AND DISTRIBUTED THROUGH A STATE GRANT PROGRAM ADMINISTERED BY THE DEPARTMENT IN CONSULTATION WITH THE STATE GAME AND FISH DEPARTMENT.

C. THE MONIES DISTRIBUTED PURSUANT TO SUBSECTION B OF THIS SECTION SHALL BE USED ON PROJECTS WITHIN THE STATE OF ARIZONA AND SHALL NOT BE TRANSFERRED FROM OR BETWEEN THE HIGHWAY TIME FUND, THE RAIL TIME FUND, THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND, OR FUNDS DISTRIBUTED TO CITIES, TOWNS, COUNTIES, REGIONAL TRANSPORTATION AUTHORITIES, OR INDIAN TRIBES.

D. ALL TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES AUTHORIZED BY THIS ACT ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATED TO THE LAPSING OF

APPROPRIATIONS. NOTWITHSTANDING ANY OTHER LAW, NO FUNDS COLLECTED UNDER THE TRANSPORTATION IMPROVEMENT EXCISE TAX, NOR BALANCE OF FUNDS SHALL BE SUBJECT TO REVERSION BY ANY ACT OF THE LEGISLATURE. INTEREST EARNED ON MONIES IN THE FUND SHALL BE CREDITED TO THE FUND.

28-9352. Designated transportation improvements

A. THE BOARD SHALL DETERMINE THE TRANSPORTATION PROJECTS DESIGNATED TO BE FUNDED BY THE TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 1 AND WILL PUBLISH THE SELECTED PROJECTS TO THE PUBLIC AS THE "RECOMMENDED TIME PROGRAM." THOSE PURPOSES MAY INCLUDE:

1. THE COST OF ENGINEERING, CONSTRUCTION, IMPROVEMENT AND MAINTENANCE OF STATE HIGHWAYS, AND PARTS OF HIGHWAYS FORMING STATE ROUTES.
2. THE COST OF INTERSTATE IMPROVEMENTS.
3. THE ACCELERATION OF STATE HIGHWAY, STATE ROUTES AND INTERSTATE IMPROVEMENT PROJECTS.
4. ENVIRONMENTALLY SENSITIVE DESIGNS AND THE DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO FACILITATE WILDLIFE MOVEMENT DISRUPTED BY TRANSPORTATION PROJECTS.
5. THE FUNDING OF PRIVATE PUBLIC PARTNERSHIPS RELATED TO TRANSPORTATION AND ALLOWABLE UNDER LAW.
6. ANY OTHER TRANSPORTATION RELATED PURPOSE.

B. TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 2 MAY BE USED FOR:

1. PASSENGER RAIL SYSTEMS OF STATEWIDE SIGNIFICANCE AS DETERMINED PURSUANT TO THE PLANNING PROCESSES ESTABLISHED IN CHAPTER 28.
2. FREIGHT RAIL IMPROVEMENTS THAT ENHANCE THE IMPLEMENTATION OF PASSENGER RAIL.
3. DIRECT DISTRIBUTIONS AND STATE MATCHING GRANTS FOR PASSENGER RAIL INFRASTRUCTURE IMPROVEMENT PROJECTS THAT FACILITATE PASSENGER RAIL SYSTEMS, INCLUDING LIGHT RAIL, DECREASE CONGESTION, ENHANCE RAIL SAFETY, OR FURTHER THE DEVELOPMENT OR USE OF PASSENGER RAIL. THE GRANTS SHALL BE ADMINISTERED BY THE DEPARTMENT.
4. DIRECT DISTRIBUTIONS AND STATE MATCHING GRANTS FOR PROGRAMS THAT PROVIDE LOCAL, REGIONAL OR INTERCITY TRANSPORTATION OF PASSENGERS ALONG A ROADWAY, INCLUDING BUS, PARATRANSIT, AND LOCAL TRANSPORTATION OF PASSENGERS BY CAR POOL, RIDESHARE, AND OTHER SIMILAR METHODS. THE GRANTS SHALL BE ADMINISTERED BY THE DEPARTMENT.

C. TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 3 MAY BE USED FOR LOCAL TRANSPORTATION PURPOSES, WHICH INCLUDE PROVIDING LOCAL ROADS, LIGHT RAIL, BUS, PARATRANSIT, CARPOOL, VEHICLE, TRANSPORTATION ENHANCEMENTS, TRANSPORTATION SAFETY IMPROVEMENTS AND OTHER TRANSPORTATION RELATED PROJECTS. INDIAN TRIBES SHALL USE THE FUNDS FOR ANY OF THE PURPOSES DESCRIBED IN THIS SECTION, BUT ONLY IF THE PROJECT BENEFITS AND IS ACCESSIBLE TO THE GENERAL PUBLIC AS WELL AS TRIBAL MEMBERS AND IS LOCATED IN ARIZONA.

D. TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 4 MAY BE USED FOR:

1. ACQUISITION OF SCENIC EASEMENTS.
2. DEVELOPMENT OF SAFE SCHOOL ROUTES.

2008 MAY - 8 AM 10:44
RECEIVED
SECRETARY OF STATE

3. ENVIRONMENTAL MITIGATION TO ADDRESS WATER POLLUTION OR TO REDUCE VEHICLE-CAUSED WILDLIFE MORTALITY WHILE MAINTAINING HABITAT CONNECTIVITY.
4. LANDSCAPING AND OTHER SCENIC BEAUTIFICATION.
5. NEIGHBORHOOD MITIGATION RELATED TO FREEWAY PROJECTS.
6. PRESERVATION OF RAILWAY CORRIDORS, INCLUDING THE CONVERSION AND USE OF THE CORRIDORS FOR PEDESTRIAN OR BICYCLE TRAILS.
7. PROVISION OF FACILITIES FOR PEDESTRIANS AND BICYCLES.
8. SCENIC OR HISTORIC ROADWAY PROGRAMS.
9. TRANSIT ORIENTED DEVELOPMENT.
10. OTHER SIMILAR TRANSPORTATION ENHANCEMENT PROJECTS AS DETERMINED BY THE DEPARTMENT.

E. INDIAN TRIBES SHALL USE THE FUNDS DISTRIBUTED TO THEM PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 4 FOR ANY OF THE PURPOSES DESCRIBED ABOVE IN SUBSECTION D OF THIS SECTION, BUT ONLY IF THE PROJECT BENEFITS AND IS ACCESSIBLE TO THE GENERAL PUBLIC AS WELL AS TRIBAL MEMBERS AND IS LOCATED IN ARIZONA.

28-9353. Open space conservation and wildlife habitat fund

A. THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND IS ESTABLISHED, CONSISTING OF MONIES APPROPRIATED BY THE LEGISLATURE, DEPOSITED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 5 OR DEPOSITED BY FEDERAL GRANTS AND PRIVATE GIFTS.

B. THE DIRECTOR SHALL ADMINISTER THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND, IN CONSULTATION WITH THE STATE GAME AND FISH DEPARTMENT. NOTWITHSTANDING ANY OTHER LAW, NO FUNDS HELD IN THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND, NOR BALANCE OF THE FUND, SHALL BE SUBJECT TO REVERSION BY ANY ACT OF THE LEGISLATURE. INTEREST EARNED ON MONIES IN THE FUND SHALL BE CREDITED TO THE FUND. ON NOTICE FROM THE DEPARTMENT, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

C. THE PURPOSE OF THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND IS TO PROTECT, MAINTAIN OR RECOVER WILDLIFE HABITATS AND OPEN SPACE IN THIS STATE THAT ARE AFFECTED DIRECTLY OR INDIRECTLY BY TRANSPORTATION PROJECTS. THE DIRECTOR WILL SELECT PROJECTS FOR FUNDING BASED ON THE PRIORITIES IDENTIFIED IN THE ARIZONA STATE WILDLIFE ACTION PLAN OR THE ARIZONA GAME AND FISH DEPARTMENT WILDLIFE MANAGEMENT PLAN. MONIES MAY BE USED FOR THE ACQUISITION OF REAL PROPERTY. MONIES SHALL BE DISTRIBUTED THROUGH A GRANT PROGRAM ADMINISTERED BY THE DEPARTMENT. THE DEPARTMENT MAY ISSUE GRANTS TO AN AGENCY OR ANY POLITICAL SUBDIVISION OF THIS STATE, INDIAN TRIBE, OR AN ORGANIZATION THAT IS EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(c) OF THE INTERNAL REVENUE CODE. GRANTS SHALL BE FOR PROJECTS THAT THE DEPARTMENT IS NOT OTHERWISE ALREADY REQUIRED TO COMPLETE UNDER STATE OR FEDERAL LAW.

ARTICLE 6. **PUBLIC PRIVATE PARTNERSHIPS**

28-9361. Definitions

1. "PRIVATE CONTRIBUTION" MEANS THE SUPPLY BY A PRIVATE ENTITY OF RESOURCES TO ACCOMPLISH ALL OR ANY PART OF THE WORK ON A TRANSPORTATION PROJECT AUTHORIZED UNDER SECTION 28-9352 OR RELATED TO A DEPARTMENT OWNED OR OPERATED PORT OF ENTRY, INCLUDING MONIES, FINANCING, INCOME, REVENUE, COST SHARING, TECHNOLOGY, STAFF, EQUIPMENT, EXPERTISE, DATA, OR ENGINEERING, CONSTRUCTION, OPERATION OR MAINTENANCE SERVICES.

2. "PUBLIC-PRIVATE PARTNERSHIP" MEANS A NONTRADITIONAL ARRANGEMENT BETWEEN THE DEPARTMENT AND ONE OR MORE PRIVATE OR PUBLIC ENTITIES THAT PROVIDES FOR ONE OR MORE OF THE FOLLOWING:

a. ACCEPTANCE OF A PRIVATE CONTRIBUTION TO A TRANSPORTATION PROJECT OR SERVICE IN EXCHANGE FOR A PUBLIC BENEFIT CONCERNING THAT PROJECT OR SERVICE OTHER THAN ONLY A MONEY PAYMENT.

b. ~~SHARING OF RESOURCES AND THE MEANS OF PROVIDING TRANSPORTATION SYSTEM PROJECTS OR SERVICES.~~

c. COOPERATION IN RESEARCHING, DEVELOPING, AND IMPLEMENTING TRANSPORTATION SYSTEM PROJECTS OR SERVICES.

3. "UNSOLICITED PROPOSAL" MEANS A WRITTEN PROPOSAL FOR A PUBLIC-PRIVATE PARTNERSHIP THAT IS SUBMITTED BY A PRIVATE ENTITY FOR THE PURPOSE OF ENTERING INTO AN AGREEMENT WITH THE DEPARTMENT BUT THAT IS NOT IN RESPONSE TO A FORMAL SOLICITATION OR REQUEST ISSUED BY THE DEPARTMENT.

28-9362. Public-private partnership authority

THE DEPARTMENT MAY SOLICIT AND CONSIDER PROPOSALS, CONSIDER UNSOLICITED PROPOSALS, ENTER INTO AGREEMENTS, GRANT BENEFITS, AND ACCEPT CONTRIBUTIONS FOR PUBLIC-PRIVATE PARTNERSHIPS PURSUANT TO THIS ARTICLE CONCERNING ANY TRANSPORTATION PROJECT, USING ANY PROJECT DELIVERY METHOD OR PROCUREMENT METHOD PERMITTED IN TITLE 28.

28-9363. Public-private partnerships

THE DEPARTMENT MAY ENTER INTO AN AGREEMENT FOR EACH PUBLIC-PRIVATE PARTNERSHIP, WHICH SHALL INCLUDE TERMS AND CONDITIONS IN THE AGREEMENT THAT IT DETERMINES ARE APPROPRIATE IN THE PUBLIC INTEREST AND SAFETY AND TO PROTECT THE DEPARTMENT.

Section 8. Title 41, chapter 23, article 1, Arizona Revised Statutes, is amended by adding section 41-2501.01

41-2501.01 Applicability to state public transportation projects

THE STATE TRANSPORTATION BOARD AND THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION ARE EXEMPT FROM THE PROVISIONS OF THIS CHAPTER OTHER THAN SECTION 41-2856 FOR THE PROCUREMENT OF CONSTRUCTION, PROPERTY, GOODS OR SERVICES FOR STATE PUBLIC TRANSPORTATION PURPOSES.

Section 9. Title 42, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 42-5010.01 to read:

42-5010.01. Transportation improvement excise tax

IN ADDITION TO THE RATES PRESCRIBED BY SECTION 42-5010, SUBSECTION A, AN ADDITIONAL RATE INCREMENT IS IMPOSED AS THE TRANSPORTATION IMPROVEMENT EXCISE TAX AND SHALL BE COLLECTED FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2039. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SECTION AT THE SAME TIME AND IN THE SAME MANNER AS THE TAXES UNDER 42-5010, SUBSECTION A. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATES IMPOSED PURSUANT TO TRANSPORTATION IMPROVEMENT EXCISE TAX AND THE STATE TREASURER SHALL DISTRIBUTE ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 28-9351. THE RATES IMPOSED PURSUANT TO THIS SECTION SHALL NOT BE CONSIDERED LOCAL REVENUES FOR PURPOSES OF ARTICLE IX, SECTION 20, CONSTITUTION OF ARIZONA. THE ADDITIONAL TAX RATE INCREMENT IS LEVIED AT THE RATE OF ONE PER CENT OF THE TAX BASE OF EVERY PERSON ENGAGING OR CONTINUING IN THIS STATE IN A BUSINESS CLASSIFICATION LISTED IN 42-5010, SUBSECTION A, PARAGRAPHS 1, 2 AND 3.

Section 10. Title 42, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 42-5039 to read:

42-5039. Remission and distribution of transportation improvement excise tax

A. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146, 35-147 AND 42-1116, ALL REVENUES COLLECTED UNDER SECTIONS 42-5010.01, 42-5155.01 AND 42-5202.01,

44 MAY 8 - 8 AM 10:44

SEPARATELY ACCOUNTING FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATES IMPOSED PURSUANT TO THE TRANSPORTATION IMPROVEMENT EXCISE TAX AND SHALL MANAGE AND DISTRIBUTE SUCH REVENUES FOLLOWING THE PROCEDURES ESTABLISHED IN SECTION 42-5029.

B. ALL MONIES COLLECTED PURSUANT TO SECTIONS 42-5010.01, 42-5155.01 AND 42-5202.01 SHALL BE DISTRIBUTED EACH MONTH PURSUANT TO SECTION 28-9351. THE MONIES DISTRIBUTED PURSUANT TO THIS SECTION ARE IN ADDITION TO ANY OTHER APPROPRIATION, TRANSFER OR OTHER ALLOCATION OF PUBLIC OR PRIVATE MONIES FROM ANY OTHER SOURCE AND SHALL NOT SUPPLANT, REPLACE OR CAUSE ANY REDUCTION IN OTHER TRANSPORTATION FUNDING SOURCES.

Section 11. Title 42, chapter 5, article 4, Arizona Revised Statutes, is amended by adding section 42-5155.01 to read:

42-5155.01. Levy of transportation improvement excise tax

IN ADDITION TO THE RATE PRESCRIBED BY SECTION 42-5155, AN ADDITIONAL RATE INCREMENT OF ONE PER CENT IS IMPOSED AND SHALL BE COLLECTED FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2039. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNDER SUBSECTION C OF SECTION 42-5155. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATE IMPOSED PURSUANT TO THIS SECTION AND THE STATE TREASURER SHALL PAY ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 42-5039.

Section 12. Title 42, chapter 5, Article 4, Arizona Revised Statutes, is amended by adding section 42-5202.01 to read:

42-5202.01 Levy of transportation improvement excise tax

IN ADDITION TO THE RATE PRESCRIBED BY SECTION 42-5202, SUBSECTION C, AN ADDITIONAL RATE INCREMENT OF ONE PER CENT IS IMPOSED AND SHALL BE COLLECTED FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2039. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SUBSECTION AT THE SAME TIME AND IN THE SAME MANNER AS TAXES ARE PAID UNDER ARTICLE 1 OF THIS CHAPTER. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATE IMPOSED PURSUANT TO THIS SECTION, AND THE STATE TREASURER SHALL PAY ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 42-5039.

Section 13. **Conforming Legislation**

The legislative council staff shall prepare proposed legislation conforming the Arizona Revised Statutes to the provisions of this act for consideration initially in the 49th legislature, 1st regular session.

Section 14. **Exemption from rule making**

The Director, the Department of Transportation and the State Transportation Board are exempt from the rule making requirements of title 41, chapter 6, Arizona Revised Statutes regarding rulemaking authority established by this act for 5 years from the effective date of this act, except as otherwise provided in this section.

Section 15. **Severability**

If any provision of this initiative measure is declared invalid, such invalidity shall not affect other provisions of this initiative measure that can be given effect without the invalid provision. To this end, the provisions of this initiative measure are declared to be severable.

2008 MAY -8 AM 10:44

RECEIVED
SECRETARY OF STATE

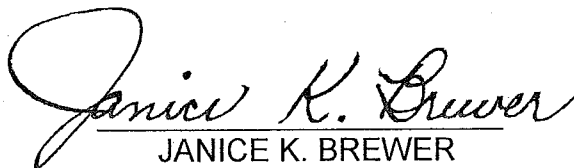


JAN BREWER
SECRETARY OF STATE
STATE OF ARIZONA

RECEIPT

The Arizona Secretary of State has completed her duties in accordance with Arizona Revised Statutes § 19.121.01(A). **TRANSPORTATION AND INFRASTRUCTURE MOVING ARIZONA'S ECONOMY ("TIME") ACT** has filed a total of 19,945 petition signature sheets containing 238,874 signatures to initiative number I-24-2008, which are eligible for verification. This receipt does not constitute an acknowledgement or determination by the Secretary of State that any of those signature sheets are in compliance with legal requirements for placing a measure on the November 4, 2008 General Election ballot. That determination can only be made after the Secretary of State and the County Recorders have performed their duties with respect to initiative petitions as required by law.

Dated this 24th Day of July, 2008.


JANICE K. BREWER
Secretary of State

**Sheets Removed from I-24-2008
By the Secretary of State's Office during processing of petitions**

Reasons for Removal	Sheets	Signatures
Notary incomplete or missing or notary expired	120	1,407
Affidavit of Circulator incomplete or missing	512	5,740
Paid or Volunteer circulator not marked	201	2,492
Signatures obtained after notarization	447	5,429
Wrong petition filed	258	3,002
Attached text incomplete or missing	47	562
All signatures on sheet would have been removed	34	99

1,619 18,731



JAN BREWER
SECRETARY OF STATE
STATE OF ARIZONA

August 11, 2008

The Honorable Janet Napolitano
Office of the Governor
1700 West Washington Street
Phoenix, Arizona 85007

Dear Governor Napolitano:

You are hereby notified, pursuant to Arizona Revised Statutes § 19-121.04(B), that the initiative measure I-24-2008, T.I.M.E. Initiative, has not met the signature requirements for placement on the November 4, 2008 General Election Ballot. The actual number of remaining signatures is below the minimum required by the Arizona Constitution to place a measure on the general election ballot. The number of valid signatures filed with this petition, based on the random sample, appears to be less than ninety five per cent of the minimum required or through examination of each signature has been certified to be less than the minimum required by the Arizona Constitution. Consequently, the petition for serial number I-24-2008 lacks the minimum number of signatures to place it on the general election ballot.

Enclosed are the final tabulation of the random sampling and a copy of the official receipt.

Sincerely,


JANICE K. BREWER
Secretary of State

Enclosures



JAN BREWER
SECRETARY OF STATE
STATE OF ARIZONA

TO: J.D.Pruitt, Chairman
T.I.M.E. Initiative
1001 N. 1st Street
Phoenix, Arizona 85004

Having completed the requirements of A.R.S. § 19-121.04, I, Janice K. Brewer, Secretary of State, hereby certify that:

1,619 signature pages bearing 18,731 signatures for initiative petition serial number I-24-2008 have been refused for filing in this office because the person circulating was a county recorder or justice of the peace at the time of circulating the petition or due to defects in the circulator's affidavit. A total of 3,093 signatures included on the remaining petition sheets were found to be ineligible. Of the total random sample of 11,944 signatures, a total of 5,021 signatures were invalidated by the county recorders resulting in a failure rate of 42.04 per cent. The actual number of remaining signatures for such initiative petition number I-24-2008 is below the minimum required by the constitution to place a measure on the general election ballot. The number of valid signatures filed with this petition, based on the random sample, appears to be less than ninety five per cent of the minimum required or through examination of each signature has been certified to be less than the minimum required by the constitution. Consequently, the petition for serial number I-24-2008 lacks the minimum number of signatures to place it on the general election ballot.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Arizona. Done at the Capitol in Phoenix, this 11th day of August, 2008.


JANICE K. BREWER
Secretary of State



**Determination of Valid Signatures
CALCULATION - A.R.S. § 19-121.04(A)
Random Sample Validity Rate**

Total Invalid Random Signatures	divided by	Total Random Signatures	
<u>5,021</u>	divided by	<u>11,944</u> =	<u>42.04%</u>

Number of signatures eligible for Verification	<u>238,874</u>
--	----------------

Subtract Signatures found ineligible by County Recorder, but not included in random	-- <u>0</u>
--	-------------

Subtotal	<u>238,874</u>
-----------------	----------------

Multiply Random sample Invalidity Rate by
Subtotal to Determine like number

Subtotal	<u>238,874</u> times	<u>0.4204</u> =	<u>100,423</u>
----------	----------------------	-----------------	----------------

Subtract the resulting number from Subtotal	-- <u>100,423</u>
--	-------------------

TOTAL VALID SIGNATURES	<u>138,451</u>
------------------------	----------------

TOTAL PERCENTAGE OF VALID SIGNATURES Total valid signatures divided by Minimum Signature Requirement	<u>90.2755%</u>
---	-----------------

**SECRETARY OF STATE'S OFFICE
DETERMINATION OF VALID SIGNATURES
INITIATIVE AND REFERENDUM PETITIONS**

Minimum Signature Requirement	<u>153,365</u>	95% <u>145,697</u>	105% <u>161,034</u>
Number of Signatures Submitted to Secretary of State			<u>238,874</u>
Number of Petition Sheets Removed by the Secretary of State According to A.R.S. §§ 19-121.01(A)(1) & 19-102(C)			<u>1,619</u>
Number of Signatures on those sheets			<u>18,731</u>
Number of Signatures Removed by the Secretary of State According to A.R.S. §19-121.01(A)(2)(3)			<u>3,093</u>
Total Signatures Removed by the Secretary of State			<u>21,824</u>
Number of Petition Sheets that Contain Signatures Eligible for Verification			<u>19,945</u>
Number of Signatures Eligible for Verification:		<u>238,874</u>	
5% of that Number		<u>11,944</u>	