



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, First Regular Session*

**AMENDED**  
FACT SHEET FOR S.B. 1102

~~appropriation; SR 303; Route 60.~~  
(NOW: transportation excise tax; Maricopa county)

As passed by the Senate, S.B. 1102 appropriated \$4,500,000 from the state General Fund in FY 2024 to the Arizona Department of Transportation (ADOT) for improvements to the interchange at State Route 303 and U.S. Route 60.

The House of Representatives adopted a strike-everything amendment that does the following:

Purpose

Directs the board of supervisors (BOS) in a county with a population of 3,000,000 persons or more (Maricopa County) to call a countywide election for the continuation of the county transportation excise tax (transportation tax). Prescribes the levy and distribution of the transportation tax if approved by the voters and outlines requirements for participants and agencies.

Background

In 2004, Maricopa County voters approved a countywide transportation tax levied at a rate of up to 10 percent of the state transaction privilege tax (TPT) (one-half cent transportation tax). Revenues from the one-half cent transportation tax are deposited into the Regional Area Road Fund (RARF) and distributed to transportation projects as follows: 1) 56.2 percent for freeways and other routes in the state highway system; 2) 10.5 percent for major arterial streets and intersection improvements; and 3) 33.3 percent to public transportation. [Laws 2003, Chapter 217](#) established the Regional Planning Agency Transportation Policy Committee (TPC) which is tasked with the approval of a 20-year comprehensive, performance-based, multimodal and coordinated Regional Transportation Plan (Plan) for Maricopa County. The current one-half cent transportation tax in Maricopa County expires on January 1, 2026.

The Maricopa Association of Governments (MAG) is a council of governments that serves as the regional planning and policy agency for the metropolitan Phoenix area. MAG is the designated metropolitan planning organization for transportation planning in the greater Phoenix metropolitan region, including the Phoenix urbanized area and the contiguous urbanized area in Pinal County ([MAG](#)). Monies collected from voter-approved transportation taxes are deposited into MAG's RARF to be used by MAG for the maintenance and capital expenses of freeways and the state highway system ([A.R.S. § 42-6105](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

***Maricopa County Transportation Tax***  
***(Effective if approved by the qualified electors at an election)***

1. Requires, beginning January 1, 2026, if approved by the qualified electors voting at a countywide election, Maricopa County to levy and ADOT to collect a transportation tax for a term of 20 years.
2. Requires the transportation tax to be levied and collected:
  - a) at a rate of up to 10 percent of the state TPT rate on January 1, 1990;
  - b) at a rate of up to 10 percent of the jet fuel excise tax rate; and
  - c) on the use or consumption of electricity or natural gas by customers in the county who are subject to use tax at a rate of up to 10 percent of the state TPT rate that applies to persons engaging in the county in the utilities TPT classification.
3. Directs the annual net revenues of the transportation tax to be distributed and deposited for use as specified by the Plan, as follows:
  - a) 40.5 percent to the RARF for freeways and other routes in the state highway system, including capital expense and maintenance;
  - b) 22.5 percent to the RARF for major arterial streets, intersection improvements and regional transportation infrastructure, including capital expense and implementation studies; and
  - c) 37 percent to the Public Transportation Fund (PTF) which includes:
    - i. at least 33.5 percent for capital costs, maintenance and operation of public transportation mode classifications; and
    - ii. up to 3.5 percent for capital rehabilitation costs associated with the light rail system.
4. Caps, at 5 percent, the transportation tax revenues that may be used for regional transportation infrastructure.
5. Prohibits the following transportation tax distributions from being decreased:
  - a) 40.5 percent for freeways and other routes; and
  - b) 22.5 percent for arterials, major intersection improvements and regional transportation infrastructure.
6. Prohibits any transportation tax revenues from being:
  - a) used for any light rail, commuter rail, street car or trolley extension;
  - b) used to influence the outcome of an election;
  - c) spent on any project that will result in a reduction in existing lane miles on a highway or state highway, unless:
    - i. reconfiguration for operational efficiency is necessary, as determined by an ADOT-approved third-party engineering study or road safety assessment;
    - ii. an opportunity for public input is provided;
    - iii. the overall system capacity and transportation mobility will not be reduced; and
    - iv. vehicle congestion and travel times will not be increased; or

- d) spent on any project that will result in a reduction in existing lane miles on a street, highway or roadway, unless:
  - i. a third-party engineering study determines that the project will not materially increase vehicle congestion or travel times;
  - ii. an opportunity for public input is provided; and
  - iii. the reduction is recommended for approval by an affirmative vote of the TPC.
- 7. Reestablishes, beginning January 1, 2026, the Maricopa County Regional Public Transportation Authority (RPTA), if a transportation tax has been approved.

### *Countywide Election*

- 8. Directs the Maricopa County BOS to call a countywide election for the continuation of the transportation tax during the two-year-long period beginning four years before the existing transportation tax would otherwise be discontinued and ending two years before the existing transportation tax would otherwise be discontinued, which is between January 1, 2022, and January 1, 2024.
- 9. Requires Maricopa County to conduct an election on a consolidated election date at least one year before the existing transportation tax would otherwise be discontinued, which is January 1, 2025.
- 10. Requires the Maricopa County BOS to prepare and print a publicity pamphlet concerning the ballot question and directs the mailing of the pamphlet.
- 11. Requires the publicity pamphlet to contain:
  - a) a summary of the principal provisions of the issue, including the transportation tax rate, the number of years the tax will be in effect and the projected annual and cumulative revenues to be raised; and
  - b) a statement describing the purposes for which transportation tax revenues may be spent, including:
    - i. a summary of the Plan;
    - ii. a map of proposed routes and transportation corridors of all major transportation projects;
    - iii. the estimated amount of tax revenues, together with other identified revenues, dedicated for each transportation mode;
    - iv. the Maricopa County Elections Department website address for additional information on the Plan;
    - v. the form of the ballot; and
    - vi. arguments for the measure in the order received, followed by arguments against the measure in the order received.
- 12. Allows a person, at a time determined by Maricopa County, to file with the Maricopa County Elections Director a signed argument of no more than 300 words for or against the ballot measure.

13. Requires the person submitting an argument to pay a publication fee prescribed by the Maricopa County BOS to the Elections Director, which constitutes sponsorship of the argument.
14. Requires an argument that is sponsored by one or more:
  - a) individuals, to be signed by each sponsoring individual;
  - b) organizations, to be signed by two executive officers of each organization; or
  - c) political committees, to be signed by each committee's chairperson or treasurer.
15. Requires the printed ballot to include:
  - a) the designation of the measure as *relating to county transportation excise (sales) taxes*;
  - b) the title of the measure as *Regional Strategic Transportation Infrastructure Investment Plan*;
  - c) a description of the ballot measure;
  - d) 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; and
  - e) the question submitted to the voters that explains the effect that the approval or disapproval of the continuation of the transportation tax for 20 years to fund transportation projects contained in the Plan.
16. Stipulates that the description of the ballot measure must read:

"A measure continuing the current transportation excise (sales) tax to address the regional transportation system by building new freeways, expanding existing freeways with additional access and capacity, constructing streets and intersections, expanding transit by increasing the frequency of bus service, providing additional bus, dial-a-ride and vanpool services and providing for capital rehabilitation of light rail. Revenues will be allocated as follows:

  - 40.5 percent to freeways and other routes in the state highway system.
  - 37 percent to public transportation.
  - 22.5 percent to arterial streets, intersection improvements and regional transportation infrastructure."
17. Allows the ballot to include a summary of the Plan.
18. Require the Maricopa County Elections Officer to account for costs specifically incurred with respect to the ballot issue.
19. Requires the State Treasurer, on submission of the bill by the Elections Officer and regardless of the election outcome, to use county RARF monies to pay the costs incurred with request to the ballot issue which include:
  - a) costs of mailing, publishing, posting and printing ballots, publicity pamphlets, notices, election materials and other matters concerning the election;
  - b) legal and other consulting fees and costs;
  - c) telecommunications costs;
  - d) compensation of the Election Board, County Election Officers and employees and other labor costs incurred to administer, hold, canvass and announce the results of the election; and
  - e) any other costs attributable to the election.

20. Specifies that the election for the continuation of the transportation tax must be:
  - a) conducted as nearly as practicable in the manner of a general election; and
  - b) except as specifically provided, in accordance with the general laws relating to elections.
21. States that the prescribed election requirements do not constitute a submission of any provision of law to the people for approval under the power of the referendum.

***Maricopa County Regional Planning Agency (RPA)***

22. Requires the county RPA to develop and adopt a multimodal Plan in cooperation with state and local public transportation authorities and operators and in coordination with ADOT.
23. Requires the RPA to consider truck parking availability when considering the construction, expansion or modification of freeways or other routes in the state highway system.
24. Requires the RPA, by December 31, 2045, to allocate at least \$90,000,000 for the implementation of commercial motor vehicle parking that is consistent with a regionally adopted truck parking plan, including funding for construction, land acquisition, lease, maintenance or operations or entry into a public-private partnership agreement.
25. Directs, beginning FY 2024, the RPA to adopt a budget process that ensures the estimated cost of each transportation mode classification does not exceed the total amount of revenues estimated to be available over the 20-year term of the transportation tax.
26. Requires the RPA to coordinate with implementing partners on the budget process, including:
  - a) ADOT for freeways and other routes in the state highway system; and
  - b) the county RPTA for the public transportation system.
27. Requires the RPA to:
  - a) determine the use of transportation tax revenues collected for capital projects through the Transportation Improvement Program;
  - b) consult on any bonds issued against the proceeds of transportation tax collections; and
  - c) annually report on the status of projects funded by the transportation tax and post the report on the RPA's website.
28. Specifies that the RPA-adopted budget process does not apply to the annual operating budget of the county RPTA.

***Transportation Planning Committee (TPC)***

29. Directs the TPC, through the RPA and by a majority vote of TPC members, to develop the Plan in:
  - a) cooperation with the RPTA and ADOT; and
  - b) consultation with the BOS, Indian communities and cities and towns in Maricopa County.
30. Requires TPC, through the RPA and by a majority vote of TPC members, to recommend approval, disapproval or modification of:
  - a) the Plan;
  - b) the budget process; and
  - c) funding awarded through the regional transportation infrastructure process.

31. Adds, beginning in FY 2025, the following five members to the TPC to serve six-year terms:
- a) two members who represent unincorporated areas of Maricopa County, one of whom is appointed by the Senate President and the other of whom is appointed by the Speaker of the House;
  - b) one member who represents a taxpayer organization and who is jointly appointed by the President and Speaker;
  - c) one member who represents residential housing development and who is jointly appointed by the President and Speaker; and
  - d) one member who represents resiliency interests and who is appointed by the Governor.

***Transportation Tax Plan***

32. Redefines *Plan* as the comprehensive, performance-based, multimodal and coordinated regional strategic transportation infrastructure investment plan approved for the county, as amended or otherwise modified.
33. Requires the Plan to allocate transportation tax revenues:
- a) in the RARF for freeways and other routes in the state highway system, including capital expense and maintenance;
  - b) in the RARF for major arterial streets, intersection improvements and regional transportation infrastructure, including capital expense and implementation studies; and
  - c) in the PTF for capital costs, maintenance and operation of public transportation mode classifications and capital rehabilitation costs associated with the light rail system.
34. Requires a local authority, if the local authority requests an enhancement to a transportation project funded by the Plan, to pay all costs associated with the enhancement.
35. Requires the Plan to reflect the allocation of transportation tax revenues collected through December 31, 2025, and specify the distribution of transportation taxes in the RARF and PTF.
36. Removes the following as required components of the Plan:
- a) the provision of a suggested construction schedule for the transportation projects contained in the Plan; and
  - b) the requirement that the Plan be developed to meet federal air quality requirements.
37. Requires, beginning in 2025 and every fifth year thereafter, the Auditor General to conduct a performance audit of the Plan and projects scheduled for funding during the next five years.
38. Removes the Arizona State Library, Archives and Public Records from the entities required to receive a copy of the performance audit.
39. Requires requests for changes to transportation projects funded in the Plan that would materially increase costs to be submitted:
- a) to the RPA for approval; and
  - b) by the RPA to the TPC and State Transportation Board for consideration and approval.
40. Stipulates that monies appropriated by the Legislature for a Plan-identified project may be used for construction if:
- a) the project is advanced as appropriate to reflect the estimated construction start date; and
  - b) the monies are used in the same modal classification specified in the Plan.

***Public Transportation Farebox Recovery***

41. Requires the Maricopa County RPTA, beginning FY 2027 and in coordination with the RPA, to conduct a farebox recovery audit of operating costs and revenues for the previous fiscal year for all public transportation, as prescribed.
42. Requires the farebox recovery audit to:
  - a) document all revenue sources, including fares and funding generated from the transportation tax;
  - b) determine a farebox recovery ratio calculated by the percentage of operating expenses paid for by fares as a measure of cost efficiency;
  - c) detail the farebox recovery ratio for the entire regional public transportation system and by jurisdiction; and
  - d) be presented to the RPTA Board and TPC.
43. Requires the annual farebox recovery ratio to achieve the following percentages:
  - a) 10 percent for FYs 2027 and 2028;
  - b) 15 percent for FYs 2029 through 2031; and
  - c) 20 percent for FY 2032 and each subsequent fiscal year.
44. Requires the county RPTA, if the systemwide farebox recovery ratio fails to meet the prescribed percentages, to demonstrate, through the farebox recovery audit, that monies from sources other than the transportation tax make up the difference between the ratio and prescribed percentages.
45. Requires the excess costs, if the county RTPA fails to demonstrate how non-transportation tax monies make up the difference, to be allocated between affected jurisdictions according to the proportion of service in that jurisdiction that falls below the prescribed percentage.
46. Requires the affected jurisdictions, within two fiscal years following the completion of the farebox recovery audit, to pay monies from sources other than the transportation tax to the PTF.
47. Requires these payments to be documented as part of future farebox audits.
48. Exempts, from farebox recovery ratio standards and requirements, vanpool services, ride choice and transportation service mandated by the Americans with Disabilities Act of 1990.

***RARF***

49. Requires the Five-Year Transportation Facilities Construction Program to include a plan for the use of monies expected to be deposited in a county's RARF that is:
  - a) consistent with the Plan and the project budget process for freeways and other routes; and
  - b) annually updated.
50. Requires ADOT to separately account for transportation tax revenues deposited in the RARF Bond and Construction Accounts to identify how transportation tax revenues are used for:
  - a) freeways and other routes in the state highway system; and
  - b) major arterial streets, intersection improvements and regional transportation infrastructure identified in the Plan, including capital expense and implementation studies.

51. Allows monies in the RARF Bond Proceeds Account to be obligated or spent, as directed by the State Transportation Board and according to the Plan, for the design, right-of-way purchase or construction related to new, or improvements to, major arterial streets, intersections and regional transportation infrastructure included in the Plan.
52. Removes, from the authorized uses of RARF Bond Proceeds Account monies, the following:
  - a) the design and construction of interim roadways within the adopted corridors of the Plan; and
  - b) the right-of-way costs associated with the construction of interim roadways.
53. Requires the RPA and RPTA Board to explicitly identify and approve RARF Construction Account monies in budgets, rather than annual budgets.

### *Definitions*

54. Removes the definition of *major amendment*.
55. Defines *major arterial* as an interconnected thoroughfare whose primary function is to link areas in the region and distribute traffic to and from controlled access highways, generally of regionwide significance and of varying capacity depending on the travel demand for the specific direction and adjacent land uses.
56. Defines *intersection improvements* as projects that are designed to decrease vehicle congestion, lower travel times or improve safety.
57. Defines *regional transportation infrastructure* as transportation projects that are selected through a performance-based process for nonmotorized mobility infrastructure, emerging technologies and air quality measures.
58. Defines *nonmotorized mobility infrastructure* as the improvement of safety, accessibility or connectivity through sidewalks, crosswalks, curb ramps, elements that are required by the Americans with Disabilities Act of 1990 or other components adjacent to streets or roadways for vulnerable road users.
59. Defines *air quality measures* as paving unpaved roads and procuring street sweepers to help meet the requirements of the federal Clean Air Act.
60. Defines *performance-based* as RPA processes and practices that are consistent with federal law, including:
  - a) metropolitan transportation planning and publishing requirements; and
  - b) transportation system performance factors, as applicable.

### *Miscellaneous*

61. Prohibits public monies from being used to extend light rail service in Phoenix to:
  - a) the area with a boundary of 17th Ave on the East, Adams St on the North, 18th Ave on the West and Jefferson Street on the South; and
  - b) any property within 50 linear yards of that area.



62. Prohibits the state or a city, town, county or political subdivision of the state from restricting the use or sale of a vehicle in Arizona if the restriction is based on the vehicle’s energy source, excluding government-owned vehicles.
63. Restricts the speed limit for all types of motor vehicles to at least 65 miles per hour on the interstate system highways located in Maricopa County, unless:
  - a) a reduction in the speed limit for operational efficiency is necessary, as determined by an ADOT-approved third-party engineering study or road safety assessment;
  - b) an opportunity for public input is provided; and
  - c) the overall system capacity and transportation mobility will not be reduced.
64. Requires, if a city or town pays for *public transportation service* in an adjacent municipality or unincorporated area of a county, the cost of the service to be eligible for reimbursement from transportation tax revenues.
65. Specifies that *public transportation service* includes circulator service.
66. Declares the Legislature's intent that the development of State Route 30 between State Route 85 and Loop 303 will begin in the first phase of the Plan to allow right-of-way acquisition and construction of the facility to advance as monies become available.
67. States that this legislation does not invalidate an action by an RPTA formed before the effective date of this legislation.
68. Contains a severability clause.
69. Makes technical and conforming changes.
70. Becomes effective on the general effective date, except as otherwise noted.

Amendments Adopted by the House of Representatives

- Adopted the strike-everything amendment relating to a Maricopa County Transportation Tax.

House Action

TI	3/22/23	DP	11-0-0-0
APPROP	4/3/23	DPA/SE	8-6-1-0
3 <sup>rd</sup> Read	7/31/23		43-14-3

Prepared by Senate Research  
July 31, 2023  
KJA/sr