

WEEKLY LEGISLATIVE REPORT

Arizona Transit Association

January 23, 2004

Transportation Tax Extension Clears House Committee

The House Committee on Transportation voted 11-0 to support HB 2456, relating to the transportation excise tax election. The legislation allows for the election to extend the existing half-cent sales tax on transportation to be held on May 18th and represents the regional transportation plan adopted by the Transportation Policy Committee.

The committee failed to pass HB 2376, relating to the bifurcated transportation excise tax election, and HB 2489, relating to a transportation excise tax election without rail.

The unanimous action followed a chorus of endorsements from local governments, county officials and business interests that are expected to put up at least \$1.5 million for an election campaign.

It is important to note, however, that light rail opponents will continue their efforts to amend the legislation to either remove light rail from the program or otherwise require separate votes on freeways and public transportation.

Proponents of the regional transportation plan expressed that the plan, as adopted, complied with federal air quality standards. However, removing the plan's light rail component would jeopardize the conformity with the federal standards.

Both Transportation Extension Bills Clear Senate Committee

The Senate Committee on Natural Resources and Transportation voted 6-1 on SB 1074, relating to the transportation excise tax election. Identical to HB 2476, the legislation allows for the election to extend the existing half-cent sales tax on transportation to be held on May 18th and represents the regional transportation plan adopted by the Transportation Policy Committee.

However, the committee also voted 4-3 for a competing measure, Senate Bill 1082, which calls for a November election and would allow the electorate to vote separately on the expanded light rail system.

Senate Finance Committee Chairman Dean Martin Says Votes Not There For MAG Plan

In a hastily called meeting to discuss SB 1074, the Chairman of the Senate Committee on Finance, Senator Dean Martin, informed Valley Mayors (Mayor Hawker, Mayor Gordon and Mayor Thomas) and Bill Post, Chairman of the Greater Phoenix Leadership and Chair of the Business Coalition, that the votes do not exist in Senate Finance to move SB 1074 out of the committee.

One "proposed deal" reportedly being considered by the Senate is to have the Legislature enact the tax for 20 years, leaving out light rail and forcing light rail to a separate vote in five years. This proposal destroys a multimodal plan, eliminates equity and creates uncertainty for light rail. This approach is simply a delayed bifurcation proposal, which is unacceptable to the proponents of the regional transportation plan.

Legislative Budget Released

As expected, the Joint Legislative Budget Committee (JLBC) released its proposed budget for FY 2005, with a projected shortfall of \$333 million. The legislative revenue estimate is

\$25 million lower than the estimate provided by the Governor's Office. Both budgets anticipate continued economic recovery.

Governor Napolitano's budget also calculated a \$310 million shortfall between projected revenue and expenditures. However, the JLBC analysis concluded that the figure actually should be \$555 million, largely because the Executive budget counted some expenses separately and proposed borrowing to pay for the expenditures.

Similarly, both the legislative and executive budgets propose to borrow \$250 million to build new schools. The state has already done that for two years to avoid spending cash for that cost incurred under the Students First school building program that was enacted in 1998.

HURF Diversion Being Scrutinized by Legislature

As part of the budget plan proposed By Governor Napolitano last week, the plan outlined a proposed diversion of \$118 million Vehicle License Tax revenues to the Highway Users Revenue Fund (HURF).

According to the Arizona Department of Transportation, the diversion will not have an impact on the current capital construction schedule. However, a review by the Joint Legislative Budget Committee disagrees with the ADOT's assessment with respect to impacts on the capital construction schedule.

Week in Review

HB 2376, relating to the bifurcated transportation excise tax election, failed in the House Committee on Transportation with a 1-9 vote.

HB 2456, relating to the transportation excise tax election, passed out of the House Committee on Transportation with an 11-0 vote.

HB 2489, relating to a transportation excise tax election without rail, failed in the House Committee on Transportation with a 1-10 vote.

SB 1074, relating to the transportation excise tax election, passed out of the Senate Committee on Natural Resources and Transportation with a 6-1 vote.

SB 1082, relating to the bifurcated transportation excise tax election, passed out of the Senate Committee on Natural Resources and Transportation with a 4-3 vote.

A Preview for the Week Ahead

SB 1074, relating to the transportation excise tax election, is scheduled to be heard in the Senate Committee on Finance on Monday, January 26th at 1:30 p.m.

SB 1082, relating to the bifurcated transportation excise tax election, is scheduled to be heard in the Senate Committee on Finance on Monday, January 26th at 1:30 p.m.

HB 2507, relating to regional transportation authorities, is scheduled to be heard in the House Committee on Transportation on Monday, January 26th at 1:30 p.m.

Comments

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LEGISLATIVE TRACKING REPORT

Arizona Transit Association

January 23, 2004

BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
HB 2376	transportation excise tax; bifurcated election	Gray C. and (8)	As introduced, HB 2376 requires the Maricopa County Board of Supervisors to call and conduct a countywide special election on November 2, 2004 for the levy of a transportation excise tax beginning in 2006. HB 2376 mandates that the ballot language presenting the question to the voters of whether to authorize the transportation excise tax require the voter to choose one of three options: (a) authorization of a sales tax for regional transportation purposes including a light rail system; (b) authorization of a sales tax for regional transportation purposes excluding a light rail system; or (c) rejection of a sales tax for regional transportation purposes.	Transportation, Rules		failed, House Transportation 1-9, 1/19
HB 2456	transportation excise tax; election	Pierce and (44)	As introduced, HB 2456 is the legislation supported by the coalition of public and private sector stakeholders. Major provisions include: Authorizes an election on May 18, 2004 to establish a twenty-year transportation excise tax in Maricopa County. Deposits the tax proceeds into three mode classifications and prohibits shifting revenues between modes. The revenue splits are: regional freeways and state highways (56.2%), major arterial streets and intersection improvements (10.5%) and public transportation (33.3%). Defines public transportation as bus, bus rapid transit, dial-a ride, special needs transportation, vanpools and light rail services.	Transportation, Rules		passed, House Transportation 11-0, 1/19

BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
			<p>The definition of public transportation system includes High-Occupancy-Vehicle (HOV) lanes and ramps, bus pullout lanes, bus and light rail waiting facilities, park and ride parking lots, intelligent transportation systems and ridesharing promotion. Requires the Auditor General to contract for an independent performance audit beginning in 2010 and every fifth year thereafter of regional transportation projects scheduled for funding. Prescribes audit performance factors, including a review of past expenditures and an examination of the system in relieving congestion and improving mobility. Prescribes a review and amendment process including a vote by the County Board of Supervisors (BOS), the State Board of Transportation (STB) and the Regional Public Transportation Authority (RPTA) pertaining to audit findings regarding unwarranted projects and major amendment proposals. Disapproval of a proposed major amendment by either the BOS, STB or RPTA will require a "super-majority" affirmative vote of the TPC (17 of the 23 TPC members) to override the objection of either the BOS, STB or RPTA. Authorizes the President of the Senate and the Speaker of the House of Representatives to appoint the six TPC members representing business interests. Requires reimbursement of costs incurred by utilities for the relocation of utility facilities directly resulting from the construction and operation of a light rail project, and preserves the prior or existing rights of the utility. Includes further definition of future corridors identified in the Southeast Maricopa/Northern Pinal County Area Transportation Study for right-of-way preservation, and to provide the STB with information to consider these corridors for adoption into the state highway system by December 31, 2008.</p>			

BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
HB 2479	transportation excise tax	Prezelski and (6)	Summary pending.			awaiting committee assignment, 1/14
HB 2489	transportation excise tax; no rail	Biggs and (8)	As introduced, HB 2489 requires the Maricopa County Board of Supervisors to call and conduct a countywide special election on May 18, 2004 for the levy of a transportation excise tax beginning in 2006. HB 2489 does not contain any provisions that allow for expenditure of the transportation excise tax for light rail transportation systems. In addition HB 2489 excludes the term light rail from the definition of public transportation and public transportation system, and deletes provisions pertaining to light rail in ARS section 48-5121, pertaining to the Regional Public Transportation System Plan.	Transportation, Rules		failed, House Transportation 1-10, 1/19
HB 2507	regional transportation authority; excise tax	Huffman and Pima County Delegation	As introduced, the legislation would grant Pima County with similar authority that Maricopa County has in terms of regional transportation planning.			awaiting committee assignment, 1/21
SB 1074	transportation excise tax; election.	Blendu and (13)	As introduced, As introduced, SB 1074 requires the Maricopa County Board of Supervisors to call and conduct a countywide special election on November 2, 2004 for the levy of a transportation excise tax beginning in 2006. SB 1074 mandates that the ballot language presenting the question to the voters of whether to authorize the transportation excise tax require the voter to choose one of three options: (a) authorization of a sales tax for regional transportation purposes including a light rail system; (b) authorization of a sales tax for regional transportation purposes excluding a light rail system; or (c) rejection of a sales tax for regional transportation purposes.		Finance, Natural Resources and Transportation, Appropriations and Rules	passed, Senate NRT 6-1, 1/20
SB 1082	transportation excise tax; bifurcated election.	Verschoor and (11)	As introduced, SB 1082 requires the Maricopa County Board of Supervisors to call and conduct a countywide special election on November 2, 2004 for the levy of a transportation excise tax		Finance, Natural Resources and Transportation, Appropriations and	passed, Senate NRT 4-3, 1/20

BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
			beginning in 2006. SB 1082 mandates that the ballot language presenting the question to the voters of whether to authorize the transportation excise tax require the voter to choose one of three options: (a) authorization of a sales tax for regional transportation purposes including a light rail system; (b) authorization of a sales tax for regional transportation purposes excluding a light rail system; or (c) rejection of a sales tax for regional transportation purposes.		Rules	
SB 1145	regional transportation authority; excise tax.	Bee and the Pima County Delegation	As introduced, the legislation would grant Pima County with similar authority that Maricopa County has in terms of regional transportation planning.		Finance, Natural Resources and Transportation, Appropriations and Rules	Senate committee assignment, 1/22