

WEEKLY LEGISLATIVE REPORT

Arizona Transit Association

May 26, 2006

State Budget Impasse Continues with No Immediate End in Sight

A former director of the Governor's Office of Strategic Planning and Budgeting once observed that regardless of whether there is a budget deficit or revenue surplus, reaching an agreement on the state budget is, by its very nature and political design, difficult.

Adding to the natural complications of the political debate is that not only have negotiations reached a political impasse between legislative leadership and the Governor, the House and Senate are beginning to develop their own independent budget packages, as opposed to a combined legislative proposal.

Accordingly, such political divisions will continue to delay the adjournment of the legislative session, as a budget agreement in the near future seems increasingly less likely. Adding an additional obstacle to resolving budget differences is that several key legislators are scheduled to be absent over the next few weeks to attend conferences, graduations, vacations and other family related obligations.

LTAf II Program Update

With respect to the status of the Local Transportation

Assistance Fund program (LTAF II), the Senate remains fully supportive of restoring the program to the full statutory amount. Nothing has changed in this regard.

However, the House has apparently released a revised budget proposal that increases the LTAF II General Fund distribution threshold to \$37 million, as opposed to the statutory amount of \$31 million.

Proposed Changes to the May 16th Proposal

	One-time Items	Ongoing Items
"Blue Sheet" Balance (May 16th)	\$7,225,800	\$3,752,900
<u>New Revenues</u>		
Retain GF Powerball @ \$37 M	-	6,000,000
Retain Pima County Probation	-	1,381,900
County & State Fair Unclaimed Property Shift - switch from ongoing to one-time (separate bill)	(1,600,000)	1,600,000
Revised Tax Package Scoring to Actual Bills		12,000,000

The authenticity of the above revised budget proposal is yet to be verified. Moreover, key legislative staff members have questioned the seriousness of the proposal, as related to the LTAF II provision, especially given the Senate's firm stance on the policy of funding restoration.

Nevertheless, AZTA is taking the proposed change to the previously released budget seriously and the document serves as a continual reminder of the delicate nature of the politics of the budget process.

Week in Review

There were no public transportation related issues discussed during the week ending May 26th.

A Preview for the Week Ahead

As the deadline has passed for committee hearings, except for the Committees on Appropriations, there are no hearings scheduled for either the House or Senate Committees on Transportation for the week beginning May 29th.

Comments

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LEGISLATIVE TRACKING REPORT

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May 26, 2006

BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
HB 2332	appropriations; highway monies; repayment	McClure and (2)	As introduced, appropriates \$52,215,300 in FY 2006-2007 from the state general fund to the Highway Users Revenue Fund for payment of monies diverted in FY 2004-2005.	Transportation, Appropriations (P), Rules		passed, House Transportation, 1/26
SB 1166	stopping vehicles on highways	Verschoor and (3)	As introduced, permits public transportation service vehicles to stop on specified state highway routes for the purposes of embarking and disembarking passengers. These highways must conform to specified conditions, including: a speed limit that does not exceed forty-five miles per hour, designated and marked stopping locations and signalized intersection controls. AMENDMENT: Permits the Director of ADOT and the appropriate local authority to determine if a pullout or any other method is necessary. AMENDMENT: Requires the local authority to conduct a traffic and engineering study of the proposed location.	Transportation, Rules	Transportation, Rules	Chapter 84, Laws 2006
SB 1278	lottery proceeds; university scholarships	Hale and (10)	As introduced, establishes the Lottery Tuition Fund to pay for a percentage of tuition costs for in-state students who maintain at least 2.5 grade point average and served in the military.		Higher Education, Appropriations, Rules	passed, Senate Higher Education, 2/15



BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
SB 1298	appropriation; highway fund repayment	Flake and (22)	As introduced, appropriates \$63,200,000 from the state General Fund in fiscal year 2006-2007 to the State Highway Fund for repayment of monies diverted last year for Department of Public Safety salaries. AMENDMENT: Inserts "Highway Revenue User Fund" for the referenced "State Highway Fund."		Transportation, Appropriations, Rules	passed, Senate Transportation, 2/7
SB 1466	vehicle license tax reduction	Rios and (25)	As introduced, reduces the vehicle license tax by a percentage (up to 75%) depending on the fuel efficiency of a motor vehicle. Requires the use of General Fund dollars to replace any lost VLT dollars.		Transportation, Appropriations, Finance, Rules	passed, Senate Transportation, 2/14
SB 1521	transportation board; Native American member	Hale and (2)	As introduced, requires that a Native American is a member of the transportation board. AMENDMENT: Changes the Native American member to a representative of a tribal government.		Transportation, Rules	passed, Senate Rules, 3/13