

WEEKLY LEGISLATIVE REPORT

Arizona Transit Association

June 16, 2006

Apparent Compromise on the Budget Achieved, Funding for Statewide Public Transportation Reduced

As of this writing, a budget agreement between legislative leaders and Governor Napolitano appears to have been reached.

The package includes a permanent 10% reduction in marginal income tax rates phased in over two years and a three-year suspension of the county equalization property tax. In return for the Governor, the agreement also provides for \$160 million for full implementation of all-day kindergarten and an additional \$100 million for teacher salaries.

With respect to LTAF II, the agreement does not include restoring the program to the \$31 million General Fund threshold, as required by statute. As a consolation, the budget does specifically provide a legislative intent clause that the LTAF II program will return to the statutory requirement of \$31 million in FY 08. In addition, the budget clarifies that despite the increased temporary threshold, the LTAF II program is eligible for the full \$18 million distribution if Powerball revenues generate sufficient revenue.

The most current conventional wisdom is predicting that legislative leaders will run the budget out this evening (June 16th), as they want to avoid legislators being influenced over

the weekend by interests that want to advocate for additional changes to the budget agreement.

Of course, as legislative veterans will attest, rumors run rampant during this time of year and predictions are typically inaccurate. This is especially true when legislative leaders have restricted themselves to a budget that must have a minimum of 16 and 31 Republican votes in the Senate and House, respectively, thereby giving them less margin for error as legislators start to have a change of heart over the components of the agreement.

Week in Review

There were no public transportation related issues discussed during the week ending June 16th.

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 June 19th.

Comments

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LEGISLATIVE TRACKING REPORT

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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