



**Arizona Department of Transportation**  
**Communication and Community Partnerships**  
206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

**Janet Napolitano**  
Governor

**Victor M. Mendez**  
Director

**Shannon Wilhelmsen**  
CCP Director

October 12, 2004

Victor Mendez, Director  
Arizona Department of Transportation  
206 South 17th Avenue, MD 100A  
Phoenix, AZ 85007

Dear Director Mendez:

Attached is the final summary of transportation related legislation considered in the Second Regular Session of the 46th Legislature. The 2004 Regular Legislative Session lasted 136 calendar days, producing 343 enactments out of the 1,249 bills, memorials and resolutions introduced. Of the 351 bills sent to the Governor, Governor Napolitano signed 342 bills, 1 became law without the Governor's signature, 8 bills were vetoed, and 2 bills received line-item vetoes. The Legislature additionally passed and filed 17 memorials and resolutions.

This document and *Final Summaries* from previous years can be found online by visiting our agency web site at <http://www.azdot.gov/>. Additionally, full legislative bill and chapter law text, fact sheets and other legislative information and links are available online at <http://www.azleg.state.az.us/>.

Unless otherwise specified, the general effective date of Second Regular Session enactments is August 25, 2004.

Sincerely,

YOUR 2004 ADOT LEGISLATIVE TEAM

Members of the 2004 ADOT Legislative Team.....1

Members of the 46<sup>th</sup> Legislature.....2

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Official copies of all 2004 Chapter Laws and complete files of action for public review (for both the Regular and Special Sessions) are available upon request by contacting the Arizona Department of Transportation Government Relations Office at (602) 712-7412, or visiting us at the ADOT Administration Building located at 206 S. 17<sup>th</sup> Avenue, Room 157, Phoenix, AZ 85007. For large quantity copy requests, we ask that you contact the Secretary of State's Office of Publications at (602) 542-4086, or visit their Customer Service Center at 14 N. 18<sup>th</sup> Ave, Phoenix, AZ 85007.

# 2004 ADOT LEGISLATIVE TEAM

## GOVERNMENT RELATIONS OFFICE

Kevin Biesty  
Eileen Colleran  
Kiesha Anderson

## AERONAUTICS DIVISION

Doris Acosta

## FINANCIAL MANAGEMENT SERVICES

Brad Steen

## INTERMODAL TRANSPORTATION DIVISION

Bob Gustafson

## MOTOR VEHICLE DIVISION

Jackie Allgood

## TRANSPORTATION PLANNING DIVISION

Lisa Pendrick

## AUDIT & ANALYSIS

Michael Schwartz

## HUMAN RESOURCES

Rob Waddell

## INFORMATION TECHNOLOGY GROUP

Karen Strickland

# Members of the 46<sup>th</sup> Legislature

2003-2004

District	Senator	Representatives
1	Ken Bennett (R)	Lucy Mason (R) Tom O'Halleran (R)
2	Albert Hale (D)	Sylvia Laughter (I) Jack Jackson Jr. (D)
3	Linda Binder (R)	Bill Wagner (R) Joe Hart (R)
4	Jack Harper (R)	Carole Hubbs (R) Tom Boone (R)
5	Jack Brown (D)	Jake Flake (R) William Konopnicki (R)
6	Dean Martin (R)	Clancy Jayne (R) Ted Carpenter (R)
7	Jim Waring (R)	John Allen (R) Ray Barnes (R)
8	Carolyn Allen (R)	Colette Rosati (R) Michele Reagan (R)
9	Robert Burns (R)	Bob Stump (R) Phil Hanson (R)
10	Jim Weiers (R)	Doug Quelland (R) Linda Gray (R)
11	Barbara Leff (R)	Deb Gullett (R) Steve Tully (R)
12	Robert Blendu (R)	Bill Arnold (R) John Nelson (R)

## Members of the 46<sup>th</sup> Legislature

2003-2004

District	Senator	Representatives
13	Richard Miranda (D)	John Loreda (D) Steve Gallardo (D)
14	William Brotherton (D)	Debbie McCune-Davis (D) Robert Meza (D)
15	Ken Chevront (D)	Ken Clark (D) Wally Straughn (D)
16	Linda Aguirre (D)	Ben Miranda (D) Leah Landrum Taylor (D)
17	Harry Mitchell (D)	Mark Thompson (R) Meg Burton Cahill (D)
18	Mark Anderson (R)	Karen Johnson (R) Russell Pearce (R)
19	Marilyn Jarrett (R)	Chuck Gray (R) Gary Pierce (R)
20	Slade Mead (R)	John Huppenthal (R) Robert Robson (R)
21	Jay Tibshraeny (R)	Steve Yarbrough (R) Warde Nichols (R)
22	Thayer Verschoor (R)	Andy Biggs (R) Eddie Farnsworth (R)
23	Pete Rios (D)	Cheryl Chase (D) Ernest Bustamante (D)
24	Robert Cannell (D)	Amanda Aguirre (D) Jim Carruthers (R)

## Members of the 46<sup>th</sup> Legislature

2003-2004

District	Senator	Representatives
25	Marsha Arzberger (D)	Jennifer Burns (R) Manuel Alvarez (D)
26	Toni Hellon (R)	Pete Hershberger (R) Steve Huffman (R)
27	Jorge Luis Garcia (D)	Olivia Cajero Bedford (D) Phil Lopes (D)
28	Gabrielle Giffords (D)	David Bradley (D) Ted Downing (D)
29	Victor Soltero (D)	Linda Lopez (D) Tom Prezelski (D)
30	Tim Bee (R)	Marian McClure (R) Randy Graf (R)

## Transportation Related Legislation

### Enacted into Law – Sorted by Short Title

(CLICK ON BILL NUMBER TO VIEW COMPLETE FACT SHEET)

SHORT TITLE	BILL #	CHAPTER #
Air Quality; Fuel Formulations	<a href="#">HB 2207</a>	Chapter 293
Aircraft License Taxes; Antique; Classic	<a href="#">SB 1020</a>	Chapter 302
Arizona Veterans' Highway	<a href="#">SJR 1001</a>	
Auto Dealers; Taxation; Lease Payments	<a href="#">HB 2459</a>	Chapter 143
BIA Route 60; Safety Improvements	<a href="#">HCM 2001</a>	
Character Education License Plates	<a href="#">HB 2206</a>	Chapter 316
Commercial Motor Carriers; License; Regulation	<a href="#">HB 2464</a>	Chapter 324
Commercial Vehicles; Motor Carriers; Registration	<a href="#">HB 2462</a>	Chapter 36
County Transportation; Acceleration Agreements	<a href="#">HB 2626</a>	Chapter 167
Criminal Code Cleanup; Internal References	<a href="#">HB 2226</a>	Chapter 29
Design-Build Contracts; Prime Contracting	<a href="#">SB 1293</a>	Chapter 309
Driver Licenses; Source of Identification	<a href="#">SB 1232</a>	Chapter 343
DUI; Ignition Interlock Devices	<a href="#">HB 2628</a>	Chapter 97
Eminent Domain; Attorney Fees; Appraisals	<a href="#">HB 2539</a>	Chapter 239
Eminent Domain; Condemnation; Leasehold Interest	<a href="#">SB 1197</a>	Chapter 250
Federal Gas Turnback	<a href="#">HCM 2003</a>	
Heavy Duty Diesel Engines; Extension	<a href="#">HB 2419</a>	Chapter 73
Honored Military Special Plates; Motorcycles	<a href="#">HB 2002</a>	Chapter 262
Joint Powers Airport Authority	<a href="#">HB 2149</a>	Chapter 193
License Plate to Owner; Refund	<a href="#">SB 1233</a>	Chapter 333
Motor Vehicle Warranties; Tax Refunds	<a href="#">HB 2086</a>	Chapter 242
Motorcycle Safety advisory Council; Continuation	<a href="#">HB 2038</a>	Chapter 60
Off-Highway Vehicles	<a href="#">HB 2483</a>	Chapter 145
Oversight Council; DUI Abatement	<a href="#">HB 2184</a>	Chapter 254
Property Tax Exemption; Widows	<a href="#">SB 1004</a>	Chapter 329
Regional Transportation Authority; Excise Tax	<a href="#">HB 2507</a>	Chapter 147
Registration; Motor Vehicles; Nonresidents	<a href="#">HB 2460</a>	Chapter 296
Regulation Transfer; Vehicle Dealers; Report	<a href="#">HB 2469</a>	Chapter 124
San Carlos Apache; License Plates	<a href="#">HB 2148</a>	Chapter 236
Sex Offenders; Identification; Monitoring	<a href="#">HB 2452</a>	Chapter 142
Special Plates; Spaying; Neutering; Animals	<a href="#">HB 2323</a>	Chapter 319
Taxi; Limousine; Livery Vehicles; Regulation	<a href="#">HB 2458</a>	Chapter 323
Towed Vehicles; Insurance Companies; Release	<a href="#">HB 2463</a>	Chapter 144
Traffic Control; Preemption Emitter; Accidents	<a href="#">SB 1231</a>	Chapter 261
Transportation Excise Tax; Election	<a href="#">HB 2456</a>	Chapter 2
Use Fuel Refunds; Use Taxes	<a href="#">SB 1174</a>	Chapter 249

## Transportation Related Legislation cont.

### Enacted into Law – Sorted by Short Title

(CLICK ON BILL NUMBER TO VIEW COMPLETE FACT SHEET)

SHORT TITLE	BILL #	CHAPTER #
Vehicle Identification Number; Frame Replacement	<a href="#">HB 2238</a>	Chapter 255
Vehicle License Tax Exemptions; Veterans	<a href="#">SB 1239</a>	Chapter 306
Vehicle Registration; Electronic Third-Party Providers	<a href="#">HB 2466</a>	Chapter 297
Vehicle Towing; Notice	<a href="#">HB 2467</a>	Chapter 268

## Transportation Related Budget Legislation

### Enacted into Law – Sorted by Short Title

(CLICK ON BILL NUMBER TO VIEW COMPLETE FACT SHEET)

SHORT TITLE	BILL #	CHAPTER #
2004-2005 Capital Outlay; Appropriations	<a href="#">SB 1403</a>	Chapter 276
General Appropriations Act; 2004-2005	<a href="#">SB 1402</a>	Chapter 275
General fund; revenue; budget reconciliation	<a href="#">SB 1414</a>	Chapter 283
Highway fund monies; budget reconciliation	<a href="#">SB 1413</a>	Chapter 282

## Transportation Related Agency/Retirement/Personnel Legislation

### Enacted into Law – Sorted by Short Title

(CLICK ON BILL NUMBER TO VIEW COMPLETE FACT SHEET)

SHORT TITLE	BILL#	CHAPTER #
Agency Bank Accounts; Custody	<a href="#">HB 2076</a>	Chapter 160
ASRS; Long-Term Disability	<a href="#">HB 2077</a>	Chapter 107
ASRS; Membership; Political Subdivision Entities	<a href="#">HB 2049</a>	Chapter 246
ASRS; Retirement Incentive Costs	<a href="#">HB 2052</a>	Chapter 106
ASRS; Service Purchase; Cost	<a href="#">HB 2029</a>	Chapter 252
Department of Administration; Self-Insurance; Benefits	<a href="#">SB 1366</a>	Chapter 335
Governmental Procurement; Set Aside Program	<a href="#">HB 2502</a>	Chapter 210
Information Technology; Access; Disabled Persons	<a href="#">SB 1351</a>	Chapter 310
Life Extension Study; State Buildings	<a href="#">HB 2470</a>	Chapter 298
Notaries Public	<a href="#">HB 2253</a>	Chapter 54
Procurement Code Revisions	<a href="#">HB 2351</a>	Chapter 190
Public Information; Confidentiality	<a href="#">HB 2383</a>	Chapter 180
Public Information; Confidentiality	<a href="#">HB 2383</a>	Chapter 180
Public Records; Index	<a href="#">SB 1269</a>	Chapter 158
Social Security Numbers; Government Use	<a href="#">HB 2382</a>	Chapter 139
State Buildings; Energy Savings	<a href="#">HB 2703</a>	Chapter 205

## Transportation Related Agency/Retirement/Personnel Legislation cont.

**Enacted into Law – Sorted by Short Title**  
(CLICK ON BILL NUMBER TO VIEW COMPLETE FACT SHEET)

SHORT TITLE	BILL#	CHAPTER #
State Employees Compensation Study Committee	<a href="#">SB 1090</a>	Chapter 223
State Employees; Mentoring	<a href="#">SB 1388</a>	Chapter 241
State Personnel Board; Appeals	<a href="#">HB 2305</a>	Chapter 163

## Transportation Related Legislation

**Enacted into Law – Bill Summary**  
Web Link to Legislative Fact Sheet (CLICK ON BILL NUMBER)

- [HB 2002](#)**    **Honored Military Special Plates; Motorcycles**  
**(Rep Straughn, et. al) (Laws 2004, Chapter 262)**  
Requires ADOT to issue veteran special license plates for motorcycles, and allows ADOT to accept up to \$32,000 from outside sources to fund the production of the license plates.
- [HB 2038](#)**    **Motorcycle Safety Advisory Council; Continuation**  
**(Rep Jayne) (Laws 2004, Chapter 60)**  
Continues the State Motorcycle Safety Advisory Council until June 30, 2010.
- [HB 2086](#)**    **Motor Vehicle Warranties; Tax Refunds**  
**(Reps: Huffman, Gullett, and O'Halleran) (Laws 2004, Chapter 242)**  
Allows for a motor vehicle manufacturer that repurchases a vehicle under certain conditions to apply for a refund of transaction privilege taxes.
- [HB 2148](#)**    **San Carlos Apache; License Plates**  
**(Reps Konopnicki, Flake: Sen Brown) (Laws 2004, Chapter 236)**  
Requires ADOT to issue San Carlos Apache Tribe special license plates, if the Tribe pays \$32,000 to ADOT for implementation costs by December 31, 2004.
- [HB 2149](#)**    **Joint Powers Airport Authority**  
**(Reps Biggs, Boone, Thompson, et al) (Laws 2004, Chapter 193)**  
Broadens financing options available to the Joint Powers Airport Authority (JPAA) for the acquisition of property, construction or improvements to include, lease purchase agreements or bank lines of credit.

**HB 2184**

**Oversight Council; DUI Abatement  
(Rep L. Gray) (Laws 2004, Chapter 254)**

HB 2184 reconfigures the Driving Under the Influence Abatement Council by establishing the Oversight Council on Driving or Operating Under the Influence Abatement, makes changes to the Council's membership, and amends the Driving Under the Influence Abatement Fund. HB 2184 also imposes an additional civil penalty of \$500 to a person who refuses an alcohol concentration test while operating a motorized watercraft and establishes a system to notify the ADOT of convictions relating to operating motor craft while intoxicated (OUI).

**HB 2206**

**Character Education License Plates  
(Rep Quelland, et al.) (Laws 2004, Chapter 316)**

Requires ADOT to issue character education special license plates if the Department of Education pays \$32,000 to ADOT by January 1, 2005. Requires the DOE to accept and use monies donated by an outside source for the implementation costs of the license plates.

**HB 2207**

**Air Quality; Fuel Formulations  
(Rep Huffman, et al.) (Laws 2004, Chapter 293)**

Requires the use of California Air Resource Board (CARB) Phase 3 reformulated gasoline, rather than CARB Phase 2, in area A, subject to federal approval. Appropriates \$135,000 from the Air Quality Fund to the Arizona Department of Environmental Quality (ADEQ) in FY 2004-2005 for air quality studies.

**HB 2226**

**Criminal Code Cleanup; Internal References  
(Rep. Tully) (Laws 2004, Chapter 29)**

Makes technical and conforming changes to ARS Titles 13 (Criminal Code), 28 (Transportation), 31 (Prisons and Prisoners), and 41 (State Government).

**HB 2238**

**Vehicle Identification Number; Frame Replacement  
(Rep Carpenter) (Laws 2004, Chapter 255)**

Exempts a person from the requirement to notify ADOT when replacing a component part of a vehicle with an attached vehicle identification number, if the part is a frame and is replaced by the manufacturer.

**HB 2323**

**Special Plates; Spaying; Neutering; Animals  
(Reps McClure, et al.) (Laws 2004, Chapter 319)**

Requires ADOT to issue spaying and neutering of animals special license plates if a non-profit organization pays \$32,000 to ADOT for implementation costs by June 30, 2005. Creates the Companion Animal Spay and Neuter Committee and the Spaying and Neutering of Animals Fund.

**HB 2419**

**Heavy Duty Diesel Engines; Extension  
(Rep. Gullett) (Laws 2004, Chapter 73)**

Grants small fleets with fewer than 25 heavy duty diesel trucks two additional years to comply with the requirement that all heavy duty diesel trucks in operation in area A must be a 1988 model year or newer or powered by an engine that meets or surpasses the Federal emissions standards.

**HB 2452**

**Sex Offenders; Identification; Monitoring  
(Reps Pearce, et al.) (Laws 2004, Chapter 142)**

Replaces an annual registration fee with a \$250 registered sex offender assessment, requires a registered sex offender to carry an annually updated license, assigns a class 1 misdemeanor with a \$250 penalty for failure to comply with license requirements and establishes collection and deposit procedures.

**HB 2456**

**Transportation Excise Tax; Election  
(Reps Pierce, et al.) (Laws 2004, Chapter 2)**

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. If approved by the voters, revenues generated by the transportation excise tax are dedicated to funding the Maricopa County Regional Transportation Plan certified by the Maricopa Association of Governments.

**HB 2458**

**Taxi; Limousine; Livery Vehicles; Regulation  
(Reps Pierce and Yarbrough) (Laws 2004, Chapter 323)**

Changes the regulation of taxis, limousines and livery vehicles. Modifies self-insurance requirements for motor vehicle fleets by allowing for captive insurance, self-insurance or partial self-insurance. Requires the Director of ADOT, in conjunction with the Director of Weights and Measures, to develop procedures to exchange information between the departments for any purpose deemed necessary related to the regulation and licensing of taxis and limousines. Allocates 1 FTE to ADOT. Contains a delayed effective date of December 31, 2004. Changes the delayed effective date of last session's taxi and limousine changes (Laws 2003, Chapter 168) from July 1, 2004 to December 31, 2004.

**HB 2459**

**Auto Dealers; Taxation; Lease Payments  
(Rep Pierce) (Laws 2004, Chapter 143)**

Creates a transaction privilege tax exemption in the personal property rental tax classification for the first month's automobile lease payment received by a motor vehicle dealer if the lease is transferred to a third party leasing company.

**HB 2460**

**Registration; Motor Vehicles; Nonresidents  
(Reps Pierce, et. al) (Laws 2004, Chapter 296)**

Modifies the special 30-day nonresident registration permit requirements and expands the transaction privilege tax exemption for vehicles sold to nonresident purchasers. Appropriates \$37,000 to ADOT from the Highway User Revenue Fund (HURF) for implementation costs.

**HB 2462**

**Commercial Vehicles; Motor Carriers; Registration  
(Reps Pierce, et. al) (Laws 2004, Chapter 36)**

Requires ADOT to issue a permanent license plate validating sticker for proportional fleet registration and extends the temporary proportional fleet registration to all motor carriers from thirty to ninety days. Deletes the requirement that a motor carrier have a currently registered fleet in order to qualify for a temporary proportional registration.

[HB 2463](#)

**Towed Vehicles; Insurance Companies; Release  
(Representative Pierce) (Laws 2004, Chapter 144)**

Requires the written consent of the vehicle owner prior to removal of the vehicle from the tower's storage facility by the insurance company, unless the insurance company includes a statement in the vehicle release request that the insurer has the vehicle owner's permission to remove the vehicle from the tower's storage premises and the vehicle owner has been informed that the tower is not liable for loss or damage to the vehicle not disclosed to the towing company before removal of the vehicle from the tower's premises.

[HB 2464](#)

**Commercial Motor Carriers; License; Regulation  
(Rep Pierce) (Laws 2004, Chapter 324)**

ADOT proposed bill that makes several changes to the commercial driver license provisions, commercial vehicle registration provisions for the purpose of conforming to federal regulations. Appropriates \$168,500 to ADOT from the state highway fund for the purposes of implementing HB 2467 (Laws 2004, Chapter 268).

[HB 2466](#)

**Vehicle Registration; Electronic Third-Party Providers  
(Rep Pierce) (Laws 2004, Chapter 297)**

Allows ADOT to establish a pilot program to determine the effectiveness of electronic third-party providers and expands reimbursements to third parties for certain ADOT services. Permits the Department to establish procedures to accept evidence that a certificate of title or ownership has been voided or destroyed in another state.

[HB 2467](#)

**Vehicle Towing; Notice  
(Representative Pierce) (Laws 2004, Chapter 268)**

Requires a law enforcement officer who orders a vehicle towed either to provide specified pieces of information to the tow truck operator or to enter the information into the law enforcement agency's database. Provides for a system to notify all parties that have an ownership interest in the vehicle. Increases the maximum charge for storage relating to the impoundment of a vehicle from \$10 to \$15 per day. An appropriation to carry out the provisions of this bill is contained in HB 2464.

[HB 2469](#)

**Regulation Transfer; Vehicle Dealers; Report  
(Reps Pierce, Allen J & Sen Blendu) (Laws 2004, Chapter 124)**

Requires ADOT to complete and distribute, by October 1, 2004, a detailed report of its regulatory operations and expenditures for licensing and regulatory activities relating to vehicle dealers, manufacturers and automotive recyclers. Further requires ADOT to include in the report a plan to transfer the Department's regulatory responsibilities for these entities by December 31, 2005.

[HB 2483](#)

**Off-Highway Vehicles  
(Rep Konopnicki, et al.) (Laws 2004, Chapter 145)**

Establishes a definition for off-highway special events and allows local authorities to designate routes on certain streets and highways to allow off-highway vehicle (OHV) operators to gain access to or from a designated off-highway facility during an *off-highway vehicle special event*. Exempts off-highway vehicle special event participants from motor vehicle title, registration, insurance, and licensing requirements.

[HB 2507](#)

**Regional Transportation Authority; Excise Tax  
(Reps Huffman, et al) (Laws 2004, Chapter 147)**

Authorizes Pima County to hold an election seeking approval of a 20-year regional transportation plan and a 20-year transportation excise tax. Expands the membership of the board of directors of the regional transportation authority in the county and extends the regional transportation planning horizon to 20 years.

[HB 2539](#)

**Eminent Domain; Attorney Fees; Appraisals  
(Reps Landrum Taylor, Lopez L, Clark and Straughn) (Laws 2004, Chapter 239)**

Allows a court to award fees and expenses to an owner-occupant of a property subject to condemnation by a governmental entity for specific projects. Exempts acquisition of property for transportation, flood control or utility purposes.

[HB 2626](#)

**County Transportation; Acceleration Agreements  
(Reps Mason, et al) (Laws 2004, Chapter 167)**

Allows political subdivisions or Indian tribes to enter into agreements with ADOT for the acceleration of right-of-way acquisition, design or construction of eligible projects and to pledge excise taxes to secure borrowing for advance monies to ADOT for such agreements. Allows ADOT to exchange federal funds with local governments to receive local funds and may include additional federal funds in the exchange to offset matching costs required of local governments related to transportation services. Contains an emergency clause.

[HB 2628](#)

**DUI; Ignition Interlock Devices  
(Rep L Gray) (Laws 2004, Chapter 97)**

Allows ADOT to suspend a person's driver license for twelve months if the Department receives a report from an entity that installs or maintains ignition interlock devices (IIDs) that a person under an interlock requirement has tampered with, or circumvented the IID.

[HCM 2001](#)

**BIA Route 60; Safety Improvements  
(Rep Laughter)**

Requests Congress to provide federal funds to the Bureau of Indian Affairs to conduct highway repairs on the U.S. Bureau of Indian Affairs Route 60.

[HCM 2003](#)

**Federal Gas Tax Turnback  
(Reps Pearce)**

Requests the United States Congress to enact legislation allowing states to retain the full amount of federal gas tax revenues generated in each state.

[SB 1004](#)

**Property Tax Exemption; widows  
(Sen. Jarrett) (Laws 2004, Chapter 329)**

Increases the property valuation limitation from \$100,000 to \$200,000 for widows, widowers, and disabled persons to qualify for a \$3,000 property tax exemption.

[SB 1020](#)

**Aircraft License Taxes; Antique; Classic  
(Sen Arzberger) (Laws 2004, Chapter 302)**

For the purposes of calculating Aircraft License Tax (ALT), adds aircraft that is manufactured between 1941 and 1955 to the definition of *antique aircraft* and aircraft that is manufactured between 1956 and 1965 to the definition of *classic aircraft*.

**SB 1174**

**Use Fuel Refunds; Use Taxes  
(Sens Arzberger) (Laws 2004, Chapter 249)**

Authorizes ADOT to retain a refund for use fuel taxes paid on tax exempt use fuel pursuant to Arizona Revised Statutes, Title 28, until ADOT determines the amount of use tax due under Arizona Revised Statutes, Title 42.

**SB 1197**

**Eminent Domain; Condemnation; Leasehold Interest  
(Sens Tibshraeny) (Laws 2004, Chapter 250)**

Prohibits a leasehold interest in a building from being condemned unless the underlying property is also taken. A city or town for the purpose of acquiring or eliminating a nonconforming use or structure may take a leasehold interest.

**SB 1231**

**Traffic Control; Preemption Emitter; Accidents  
(Sen Bee) (Laws 2004, Chapter 261)**

Prohibits unauthorized persons from possessing a traffic preemption emitter and imposes additional civil penalties on drivers who are convicted of not observing the right of way at a crosswalk or at a school crossing. Specifies that persons found responsible for these violations must attend Traffic Survival School. Allows the court to suspend a violator's driver license and require community service.

**SB 1232**

**Driver Licenses; Source of Identification  
(Sen Bee) (Laws 2004, Chapter 343)**

Prohibits ADOT from accepting as a primary form of identification a driver license issued by a state that does not require a person to be lawfully present in the United States.

**SB 1233**

**License Plate To Owner; Refund  
(Sen Bee) (Laws 2004, Chapter 333)**

Allows ADOT to refund or credit the unexpired portion of taxes and fees paid on a vehicle that is transferred to another person, if the refund amount is more than \$12. Appropriates \$322,000 and 3 FTE's from the SHF for the purposes of implementing this act. Contains a December 31, 2004 effective date.

(NOTE: THE FACT SHEET ASSOCIATED WITH THE ABOVE WEB LINK ERRONEOUSLY STATES THAT THE REFUND AMOUNT MUST BE GREATER THAN \$20.00 IN ORDER TO RECEIVE A REFUND. THE CORRECT AMOUNT IS \$12.00)

**SB 1239**

**Vehicle License Tax Exemptions; Veterans  
(Sen Tibshraeny) (Laws 2004, Chapter 306)**

Extends the exemption from the vehicle license tax (VLT) to the widows of disabled veterans until the veteran's surviving spouse either remarries or is deceased.

**SB 1293**

**Design-Build Contracts; Prime Contracting  
(Sen Martin) (Laws 2004, Chapter 309)**

Clarifies that architecture and engineering services are not subject to transaction privilege tax (TPT) under the prime contracting classification.

## [SJR 1001](#)

### **Arizona Veterans' Highway (Sens Blendu, Harper, Martin, et al.)**

Designates the portion of Interstate 17 between Black Canyon City and Flagstaff as the "Arizona Veterans' Highway." Requires unified Arizona veterans to donate to the veteran's donation fund of the Arizona Department of Veterans' Services (ADV) an amount necessary for the cost of materials, installation and maintenance of the signage of the Arizona Veterans' Highway.

## **Transportation Related Budget Legislation**

### **Enacted into Law – Bill Summary**

[Web Link to Legislative Fact Sheet \(CLICK ON BILL NUMBER\)](#)

## [SB 1402](#)

### **General Appropriations Act; 2004-2005 (Sen Burns, et al.) (Laws 2004, Chapter 275)**

Makes state General Fund and other fund appropriations for FY 2003-2004 for the operations of state government.

#### ADOT PROVISIONS:

- Provides an agency budget of \$380,528,400, which includes an additional:
  - \$5,707,100 for highway maintenance.
  - \$2,039,200 and 4 FTEs for highway maintenance lighting.
  - \$495,200 for expanded hours at MVD Ports of Entry.
  - \$47,400 to fund 1 FTE allocated to the Department by Laws 2004, Chapter 323 (HB 2458).
- Transfer \$18.4 M of base funding from Administration to other Divisions.
- Transfers funding for 8 Highway Maintenance FTEs from the Safety Enforcement & Transportation Infrastructure Fund to the State Highway Fund.
- Removes previous footnote requiring ADOT to report on 12 unit cost measures.
- Requires ADOT to report to JLBC on how new staff were distributed among various ports of entry.
- Requires ADOT to report to JLBC on or before 9/1/04 information on unit cost measure, including comparative cost information for highway maintenance landscaping using in-house staff versus contract staff.

## [SB 1403](#)

### **2004-2005 Capital Outlay; Appropriations (Sen Burns, et al.) (Laws 2004, Chapter 276)**

SB 1403 appropriates \$8,103,800 in other funds (OF) for maintenance and repair of state buildings and infrastructure and \$233,750,000 OF for various major capital projects.

- Appropriates \$2.715 million from the state Highway Fund (SHF) and \$65,900 from the state Aviation Fund (SAF) to ADOT for major maintenance and repair of state buildings.
- Funds the following ADOT projects from the SHF:
  - \$218,155,000 for statewide highway construction.
  - \$500,000 for Parker MVD facility.
- Funds the following ADOT projects from the SAF:
  - \$13,540,000 for airport planning and development.

- Requires ADOT to submit information, containing at least as much detail as the annual ADOT operating budget, on professional and outside services funded from the capital budget to JCCR by July 1, 2004 before the expenditure of any monies for such services.

**SB 1413**

**Highway Fund Monies; Budget Reconciliation  
(Sen. Burns, et al.) (Laws 2004, Chapter 282)**

Makes the following session law changes related to the state Highway Fund necessary to implement the FY 2004-2005 state budget:

- Continues to suspend the statutory cap on the level of Highway User Revenue Fund monies and state Highway Fund monies available to fund Department of Public Safety highway patrol costs for FY 2004-2005.
- Transfers the first \$118 million of vehicle license tax received in FY 2004-2005 to the state General Fund.

**SB 1414**

**General Fund; Revenue; Budget Reconciliation  
(Sen. Burns, et al.) (Laws 2004, Chapter 283)**

Makes statutory and session law changes related to revenue necessary to implement the FY 2003-2004 state budget. ADOT related provision:

- Eliminates the current requirement that 50% of the flight property tax collected be deposited into the state General Fund.

**Transportation Related Agency/Retirement/Personnel Legislation  
Enacted into Law – Bill Summary**

[Web Link to Legislative Fact Sheet \(CLICK ON BILL NUMBER\)](#)

**HB 2029**

**ASRS; Service Purchase; Cost  
(Rep Huppenthal) (Laws 2004, Chapter 252)**

Makes various changes to the service purchase program within the Arizona State Retirement System (ASRS), including paying the present value of the additional benefit that is derived from the service credit, using actuarial assumptions.

**HB 2049**

**ASRS; Membership; Political Subdivision Entities  
(Rep Huppenthal, et al.) (Laws 2004, Chapter 246)**

An emergency measure that allows political subdivision entities (i.e., MAG) to participate in the Arizona State Retirement System (ASRS), and appropriates \$596,588 from the ASRS administration account for implementation costs associated with H.B. 2029 and H.B. 2052.

**HB 2052**

**ASRS; Retirement Incentive Costs  
(Rep Huppenthal) (Laws 2004, Chapter 106)**

Establishes guidelines for retirement incentive programs implemented by a participating employer in the Arizona State Retirement System (ASRS) that results in an unfunded liability to the ASRS.

[HB 2076](#)

**Agency Bank Accounts; Custody  
(Rep Huppenthal) (Laws 2004, Chapter 160)**

Places all state agency and budget unit private bank accounts, which are not statutorily authorized to be separate, under the custody of the State Treasurer by January 1, 2005. Makes various changes to the guidelines and processes by which discount, processing and convenience fees are deducted from an original credit card transaction amount.

[HB 2077](#)

**ASRS; Long-Term Disability  
(Rep Huppenthal) (Laws 2004, Chapter 107)**

Makes changes to various provisions of the LTD program including, pre-existing condition limitations, work rehabilitation requirements and criminal offense restrictions.

[HB 2253](#)

**Notaries Public  
(Representative Boone) (Laws 2004, Chapter 54)**

Makes various amendments to statutes relating to the duties and responsibilities of notary publics.

[HB 2305](#)

**State Personnel Board; Appeals  
(Rep Prezelski, et al.) (Laws 2004, Chapter 163)**

Allows the State Personnel Board (Board) to modify a state agency's disciplinary penalty against a state employee if the Board finds the penalty to be disproportionate to the proven offense in light of mitigating circumstances rather than requiring the penalty to be excessive, and clarifies when the personnel board may reduce a state agency's disciplinary penalty.

[HB 2351](#)

**Procurement Code Revisions  
(Rep Huppenthal, et al.) (Laws 2004, Chapter 190)**

Makes various revisions to the Arizona Procurement Code. Revisions include excluding the investigation, characterization, restoration or remediation of existing facilities, structures, buildings or real property due to an environmental issue from the definition of *construction*.

[HB 2382](#)

**Social Security Numbers; Government Use  
(Rep C. Gray, et al.) (Laws 2004, Chapter 139)**

Limits the government use of complete Social Security numbers to the Arizona Department of Revenue (ADOR), the Industrial Commission of Arizona (ICA) or a law enforcement agency of this state, county, city or town. Allows an agency of this state or county, city, town, or other political subdivisions of this state to disseminate or use the last four numbers of an individual's SSN.

[HB 2383](#)

**Public Information; Confidentiality  
(Representatives C. Gray, et al.) (Laws 2004, Chapter 180)**

Prohibits the disclosure of a peace officer's photograph from his or her personnel file except under specific circumstances.

**HB 2470**

**Life Extension Study; State Buildings  
(Rep Pearce, et al.) (Laws 2004, Chapter 298)**

Requires an agency to submit a building life extension study before requesting funding for the replacement of a building with a floor space of 25,000 square feet or greater.

**HB 2502**

**Governmental Procurement; Set Aside Program  
(Rep Thompson) (Laws 2004, Chapter 210)**

Specifies that governmental units shall endeavor to obtain 1% of their purchases or contracts for any products, materials and services directly from Arizona Industries for the Blind (AIB), certified nonprofit agencies for disabled individuals and Arizona Correctional Industries (ACI).

**HB 2703**

**State Buildings; Energy Savings  
(Reps Boone and Graf) (Laws 2004, Chapter 205)**

Expands and clarifies statute relating to performance contracts the Arizona Department of Administration implements and develops with contractors to achieve energy savings in State-owned buildings.

**SB 1090**

**Sate Employee Compensation Study Committee  
(Sen. Tibshraeny, et al.) (Laws 2004, Chapter 223)**

Establishes a 19-member Joint Legislative Study Committee on State Employee Compensation (Committee). Requires the Committee to report annually recommendations on long-term strategies for state employee compensation and performance pay to the Governor and Legislature. Requires the Department of Administration to conduct annual market salary analysis and recommendations for state employee pay raises and performance pay.

**SB 1269**

**Public Records; Index  
(Sen. Burns, et al.) (Laws 2004, Chapter 158)**

Mandates that the custodian of records of an agency maintain and furnish an index of records or categories of records that have been withheld from the requesting person, including the reasons why the records have been withheld. Exempts the Department of Public Safety, the Department of Corrections, the Department of Juvenile Corrections, and the Department of Transportation Motor Vehicle Division from the indexing requirement.

**SB 1351**

**Information Technology; Access; Disabled Persons  
(Sen. Mitchell, et al.) (Laws 2004, Chapter 310)**

Requires the state and state-assisted organizations to comply with federal regulations governing the accessibility of electronic or information technology for disabled persons.

**SB 1366**

**Department of Administration; Self-Insurance; Benefits  
(Sen. Martin, et al.) (Laws 2004, Chapter 335)**

Mandates that if the Arizona Department of Administration implements a self-insurance program the program must follow the Accountable Health Plan Benefits that are mandated pursuant to Chapter 13, Article 1 of Title 20 and grievance procedures for participating employees and officers.

**SB 1388****State Employees; Mentoring  
(Sen. Martin) (Laws 2004, Chapter 241)**

Establishes a procedure in the Arizona Department of Administration's personnel rules that would encourage state employees to engage in activities that support mentoring, education and youth development of school age youths.

**Transportation Related Legislation****Enacted into Law – Sorted by Chapter**

(CLICK ON CHAPTER NUMBER TO VIEW CHAPTER LAW)

CHAPTER #	SHORT TITLE	BILL #
<a href="#">Chapter 2</a>	Transportation Excise Tax; Election	HB 2456
<a href="#">Chapter 29</a>	Criminal Code Cleanup; Internal References	HB 2226
<a href="#">Chapter 36</a>	Commercial Vehicles; Motor Carriers; Registration	HB 2462
<a href="#">Chapter 60</a>	Motorcycle Safety advisory Council; Continuation	HB 2038
<a href="#">Chapter 73</a>	Heavy Duty Diesel Engines; Extension	HB 2419
<a href="#">Chapter 97</a>	DUI; Ignition Interlock Devices	HB 2628
<a href="#">Chapter 124</a>	Regulation Transfer; Vehicle Dealers; Report	HB 2469
<a href="#">Chapter 142</a>	Sex Offenders; Identification; Monitoring	HB 2452
<a href="#">Chapter 143</a>	Auto Dealers; Taxation; Lease Payments	HB 2459
<a href="#">Chapter 144</a>	Towed Vehicles; Insurance Companies; Release	HB 2463
<a href="#">Chapter 145</a>	Off-Highway Vehicles	HB 2483
<a href="#">Chapter 147</a>	Regional Transportation Authority; Excise Tax	HB 2507
<a href="#">Chapter 167</a>	County Transportation; Acceleration Agreements	HB 2626
<a href="#">Chapter 193</a>	Joint Powers Airport Authority	HB 2149
<a href="#">Chapter 236</a>	San Carlos Apache; License Plates	HB 2148
<a href="#">Chapter 239</a>	Eminent Domain; Attorney Fees; Appraisals	HB 2539
<a href="#">Chapter 242</a>	Motor Vehicle Warranties; Tax Refunds	HB 2086
<a href="#">Chapter 249</a>	Use Fuel Refunds; Use Taxes	SB 1174
<a href="#">Chapter 250</a>	Eminent Domain; Condemnation; Leasehold Interest	SB 1197
<a href="#">Chapter 254</a>	Oversight Council; DUI Abatement	HB 2184
<a href="#">Chapter 255</a>	Vehicle Identification Number; Frame Replacement	HB 2238
<a href="#">Chapter 261</a>	Traffic Control; Preemption Emitter; Accidents	SB 1231
<a href="#">Chapter 262</a>	Honored Military Special Plates; Motorcycles	HB 2002
<a href="#">Chapter 268</a>	Vehicle Towing; Notice	HB 2467
<a href="#">Chapter 293</a>	Air Quality; Fuel Formulations	HB 2207
<a href="#">Chapter 296</a>	Registration; Motor Vehicles; Nonresidents	HB 2460
<a href="#">Chapter 297</a>	Vehicle Registration; Electronic Third-Party Providers	HB 2466
<a href="#">Chapter 302</a>	Aircraft License Taxes; Antique; Classic	SB 1020
<a href="#">Chapter 306</a>	Vehicle License Tax Exemptions; Veterans	SB 1239
<a href="#">Chapter 309</a>	Design-Build Contracts; Prime Contracting	SB 1293
<a href="#">Chapter 316</a>	Character Education License Plates	HB 2206

## Transportation Related Legislation cont.

### Enacted into Law – Sorted by Chapter

(CLICK ON CHAPTER NUMBER TO VIEW CHAPTER LAW)

CHAPTER #	SHORT TITLE	BILL #
<a href="#">Chapter 319</a>	Special Plates; Spaying; Neutering; Animals	HB 2323
<a href="#">Chapter 323</a>	Taxi; Limousine; Livery Vehicles; Regulation	HB 2458
<a href="#">Chapter 324</a>	Commercial Motor Carriers; License; Regulation	HB 2464
<a href="#">Chapter 329</a>	Property Tax Exemption; Widows	SB 1004
<a href="#">Chapter 333</a>	License Plate to Owner; Refund	SB 1233
<a href="#">Chapter 343</a>	Driver Licenses; Source of Identification	SB 1232
<a href="#">HCM 2001</a>	BIA Route 60; Safety Improvements	HCM 2001
<a href="#">HCM 2003</a>	Federal Gas Turnback	HCM 2003
<a href="#">SJR 1001</a>	Arizona Veterans' Highway	SJR 1001

## Transportation Related Budget Legislation

### Enacted into Law – Sorted by Chapter

(CLICK ON CHAPTER NUMBER TO VIEW CHAPTER LAW)

CHAPTER #	SHORT TITLE	BILL #
<a href="#">Chapter 275</a>	General Appropriations Act; 2004-2005	SB 1402
<a href="#">Chapter 276</a>	2004-2005 Capital Outlay; Appropriations	SB 1403
<a href="#">Chapter 282</a>	Highway fund monies; budget reconciliation	SB 1413
<a href="#">Chapter 283</a>	General fund; revenue; budget reconciliation	SB 1414

## Transportation Related Agency/Retirement/Personnel Legislation

### Enacted into Law – Sorted by Chapter

(CLICK ON CHAPTER NUMBER TO VIEW CHAPTER LAW)

CHAPTER #	SHORT TITLE	BILL #
<a href="#">Chapter 106</a>	ASRS; Retirement Incentive Costs	HB 2052
<a href="#">Chapter 107</a>	ASRS; Long-Term Disability	HB 2077
<a href="#">Chapter 139</a>	Social Security Numbers; Government Use	HB 2382
<a href="#">Chapter 158</a>	Public Records; Index	SB 1269
<a href="#">Chapter 160</a>	Agency Bank Accounts; Custody	HB 2076
<a href="#">Chapter 163</a>	State Personnel Board; Appeals	HB 2305
<a href="#">Chapter 180</a>	Public Information; Confidentiality	HB 2383
<a href="#">Chapter 190</a>	Procurement Code Revisions	HB 2351
<a href="#">Chapter 205</a>	State Buildings; Energy Savings	HB 2703
<a href="#">Chapter 210</a>	Governmental Procurement; Set Aside Program	HB 2502
<a href="#">Chapter 223</a>	State Employees Compensation Study Committee	SB 1090

## Transportation Related Agency/Retirement/Personnel Legislation cont.

**Enacted into Law – Sorted by Chapter**  
(CLICK ON CHAPTER NUMBER TO VIEW CHAPTER LAW)

CHAPTER #	SHORT TITLE	BILL #
<a href="#">Chapter 241</a>	State Employees; Mentoring	SB 1388
<a href="#">Chapter 246</a>	ASRS; Membership; Political Subdivision Entities	HB 2049
<a href="#">Chapter 252</a>	ASRS; Service Purchase; Cost	HB 2029
<a href="#">Chapter 298</a>	Life Extension Study; State Buildings	HB 2470
<a href="#">Chapter 310</a>	Information Technology; Access; Disabled Persons	SB 1351
<a href="#">Chapter 335</a>	Department of Administration; Self-Insurance; Benefits	SB 1366
<a href="#">Chapter 54</a>	Notaries Public	HB 2253

## Transportation Related Legislation

### Vetoed by the Governor

[Web Link to Legislative Fact Sheet \(CLICK ON BILL NUMBER\)](#)

#### **HB 2615**    **Reporting; Fuel Supplies** **(Rep Huppenthal, et al)**

Would have established a process for producers, transporters via pipeline and sellers of petroleum-based motor fuels in Arizona to report required information regarding motor fuel supplies to the Department of Weights and Measures during a Governor-declared supply interruption.

In her veto message, the Governor expresses concerns with restrictions on the state's ability to use the required supply information and that the bill makes it a misdemeanor for state officials to release information to the public during a crisis.

#### **SB 1081**    **Ecological and Animal Terrorism** **(Sen. Verschoor, et al.)**

Would have added animal and ecological terrorism to the definition of racketeering. In the earliest versions of the bill, would have required a convicted animal or ecological terrorist to obtain a nonoperating identification license or a driver license from the Department of Transportation each year after the animal or ecological terrorist's initial registration. This requirement was later struck from the bill.

In her veto message, the Governor expresses concerns that the bill is overbroad, unnecessary, and susceptible to a host of unintended and negative consequences. Attorney General Goddard has reviewed existing state law and concluded that it provides adequate protection against acts of ecoterrorism.