



Rural Transportation Advocacy Council

Linking Arizona to the Global Economy

Central Arizona Governments
Central Yavapai Metro. Planning Org.
Lake Havasu Metro. Planning Org.
MetroPlan Greater Flagstaff
Northern Arizona Council of Gov'ts.
Sierra Vista Metro. Planning Org.
Southeastern AZ Governments Org.
Sun Corridor Metro. Planning Org.
Western Arizona Council of Gov'ts.
Yuma Metropolitan Planning Org.

June 23, 2021

RTAC LEGISLATIVE UPDATE

SENATE PASSES STATE BUDGET, HOUSE EXPECTED TO FOLLOW TOMORROW: The Arizona Senate passed a roughly \$13 billion budget last night shortly after 2:00 AM. The House is expected to follow with a vote on Thursday (June 24). A compromise was reached on a tax cut package and measures to mitigate the revenue sharing impacts to municipalities. Depending on revenue performance, individual income taxes would be phased down to 2.5% for most and will eventually be capped at 4.5% for the highest earners. The municipal share of the individual income tax revenue collections would increase from 15% to 18% starting in FY2024.

As amended, the budget that passed the Senate included over \$320 million in one-time funding for transportation infrastructure. There were some modifications to earlier budget versions. The list in the current version is:

\$90 Million	Preservation rehabilitation projects	ADOT – Greater Arizona
\$50 Million	I-10 widening	Casa Grande – Phoenix
\$46.7 Million	SR95 repavement	Lake Havasu/Bullhead City
\$35 Million	SR347 overpass at Riggs Road	north of City of Maricopa
\$18 Million	State Aviation Fund	ADOT Statewide
\$13.6 Million	SR77 pavement rehabilitation	Oro Valley
\$10.6 Million	SR90 improvements	Fort Huachuca vicinity
\$10 Million	US95 improvements near Yuma Proving Ground	Yuma
\$8.5 Million	67th Avenue widening & drainage improvements	Peoria
\$8 Million	Camelback Road widening	Goodyear
\$7.9 Million	Ocotillo Road expansion & bridge construction	Gilbert
\$5 Million	Tangerine Road improvements near I-10	Marana
\$4.7 Million	SR69 repavement	Prescott Valley
\$4 Million	North/South Corridor Tier II Enviro Study	Pinal County
\$3.5 Million	I-10/SR186 repairs	Wilcox
\$1,169,400	Hill Street Corridor	Globe
\$1,032,100	20th Avenue reconstruction	Safford
\$1 Million	Butte Avenue Bridge replacement	Florence
\$750,000	SR87 improvements – local match contribution	Pinal County
\$700,000	SR88 repair study	Gila/Pinal Counties
\$560,000	Main Street improvements	Jerome
\$150,000	SR303/Grand Avenue improvements study	Surprise
\$140,000	SR377 guardrail study	Holbrook to Heber
\$320,301,500		

Several amendments have adjusted the funding levels and projects that were included in the original budget bill. The biggest change involves the funding directed to ADOT for statewide pavement rehabilitation projects. The original draft budget would have appropriated roughly \$109 million for a list of specific highways and county locations delineated in the bill language. The amended bill reduces the funding level to \$90 million and also strips the list of projects. ADOT will now have greater discretion on where the funding is used for pavement rehabilitation provided the projects are outside of Maricopa and Pima counties, the funding is utilized on pavement in poor or fair condition, and used for projects not included in the ADOT 2021-2025 five-year transportation facilities construction program.

Also, \$1.2 million was added for the Hill Street Corridor in Globe, \$750,000 for the local match contribution for SR87 improvements in Pinal County, and \$140,000 for a guard rail study on SR377 between Heber and Holbrook. The roughly \$320 million total is less than the \$338 included in the initial budget package but far above the \$200 originally pledged by legislative leadership for one-time funding for infrastructure.

Indications are that the amendments will likely garner enough votes to pass the budget out of the House as well. That chamber lacked an in-person quorum yesterday and is expected to pass the budget when they reconvene on Thursday.