



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

VETOED
FACT SHEET FOR S.B. 1535/H.B. 2582

transportation; 2023-2024.

Purpose

Makes statutory changes relating to transportation necessary to implement the FY 2024 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

S.B. 1535 contains the budget reconciliation provisions for changes relating to transportation.

Provisions

Prohibited Uses of Monies

1. Prohibits counties and incorporated cities and towns from spending Highway User Revenue Fund monies for projects that reduce the capacity for motor vehicle travel.
2. Prohibits State Highway Fund monies from being spent on projects that reduce the capacity for motor vehicle travel.

Reporting Requirements

3. Directs the Arizona Department of Transportation (ADOT), by July 31 of each year, to report to the Joint Legislative Budget Committee (JLBC) on progress in improving Motor Vehicle Division wait times and vehicle registration renewal by mail turnaround times.
4. Requires the report to be in a format similar to prior reports ADOT has submitted to JLBC.

5. Directs ADOT, by February 1 of each year, to report to JLBC Staff how ADOT spent the ADOT-dedicated portion of the authorized third-party electronic service partner's (authorized third-party partner's) fee retention on an information technology system (system) in the prior fiscal year.
6. Requires the system report to include ADOT's use of the system to operate and conduct transactions with the public, including:
 - a) monies for stabilization, maintenance, ongoing operations, support and enhancements for the system; and
 - b) maintenance of legacy mainframe processing, support capability and other system projects outside the scope of the system.
7. Requires ADOT, by August 1 of each year, to report to the JLBC Director ADOT's share of fees retained in the prior fiscal year by an authorized third-party partner that has an authorized service website for ADOT.
8. Requires the report to include the amount spent by the authorized third-party partner on ADOT's behalf in the prior fiscal year and a list of the projects funded with the monies.

Miscellaneous

9. Defines an *authorized third-party electronic service partner* as an entity that has been awarded a written agreement with ADOT pursuant to a competitive bid process to provide electronic transmission services and that may be authorized by the Director of ADOT to develop and implement information technology and other automated systems and to provide any necessary ongoing support for these systems.
10. Makes technical and conforming changes.
11. Becomes effective on the general effective date.

Governor's Veto Message

The Governor indicates in her [veto message](#) that S.B. 1535, and the FY 2024 state budget as a whole, does not address her priorities to work together on a budget that addresses the state's housing crisis, lowers costs, prepares the workforce and invests in public education.

Senate Action

APPROP 1/31/23 DP 6-4-0
3rd Read 2/1/23 16-14-0

House Action

APPROP 2/1/23 DP 9-6-0-0
3rd Read 2/13/23 31-27-2
(S.B. 1535 was substituted for H.B. 2582 on 3rd
Read)

Vetoed by the Governor 2/16/23

Prepared by Senate Research
February 20, 2023
KJA/slp