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February 20, 2020

RTAC LEGISLATIVE UPDATE

TRANSPORTATION REVENUE BILL PASSES THE HOUSE TRANSPORTATION COMMITTEE: On a 6-0 vote, the House Transportation Committee passed HB2899 yesterday afternoon. The bill sponsored by the committee chairman, Noel Campbell would phase in a sixteen-cent increase to existing fuel taxes, set comparable fuel taxes or fees for alternative fuel vehicles, and annually adjust all for inflation once the initial increases are fully implemented.

The consideration of the bill started with comments from House Speaker Rusty Bowers in support of the bill and for addressing the state's current transportation under-investment levels. Such testimony in committee from a House Speaker or Senate President is rare and notable regarding leadership's support for this legislation.

Numerous organizations registered their support for the bill. TESLA and the Southwest Energy Efficiency Project testified in opposition regarding the alternative fuel vehicle fuels and taxes. TESLA indicated they supported electric vehicles paying their fair share for the upkeep of the roads and highways but believe the proposed fee is too high. The Southwest Energy Efficiency Project expressed concerns about the fees and taxes eliminating an incentive for purchasing alternative fuel vehicles.

In response, Chairman Campbell indicated that equity regarding the appropriate fee level had been carefully crafted dating back to the drafting and consideration of last year's bill on the topic. In response to the concerns regarding the dis-incentivizing of purchasing alternative fuel vehicles, Alan Maguire, the key drafter of the bill, stated that the impact should be very limited as the added costs were relatively inconsequential when considering the overall costs of owning and operating an alternative fuel vehicle and particularly the costs of a car loan.

The Arizona Petroleum Marketers Association expressed their opposition to annually indexing the fees and taxes, suggesting that lawmakers should adjust as needed. Considering lawmakers have failed to take such action for over thirty years despite the \$30.5 billion shortfall on the state highway system, the testimony did not appear to receive much (or any) traction with the committee.

Throughout the hearing, Representatives Richard Andrade, Rosanna Gabaldon, Arlando Teller, and Bob Thorpe were very outspoken in their support for the bill. In addition to Chairman Campbell, they should all receive acknowledgement for their votes and outspoken support.

The bill should be ready for consideration by the full House of Representatives very soon. The key will be the level of support particularly in the majority (Republican) caucus from members in addition to Speaker Bowers and Representatives Campbell and Thorpe. It was notable that committee members Leo Biasiucci, David Cook, and Kevin Payne left the hearing room and were noted as “absent” on the vote count.

Please contact your legislators and urge them to support the bill. A copy of the RTAC resolution supporting the need to increase infrastructure investment is attached.

FIRST COMMITTEE HEARING DEADLINE IS REACHED TODAY: Today is a very significant date in the legislative process. After this afternoon’s hearings, bills will have needed to pass through their initial committee assignments to remain “alive”. For the next four weeks, the committees will only consider bills that have come over after passing in the other chamber.

There are some exceptions. If a bill was assigned to multiple committees and passed through its primary committee, leadership can withdraw the bill from its other committee assignments. The appropriations committees are not subject to the deadline but the fate of most of those bills will be determined by the budget bills including the multitude of bills that have been introduced this year proposing to use one-time general fund revenues for transportation projects.

Also, the rules committees are not subject to the deadline. They serve a different purpose than other committees. After clearing other committee assignments, all bills must go through rules to determine if they are consistent with what is permissible under the state constitution and that they are also written in proper form, consistent with existing state statute. Due to the different role of the rules committees, votes are not supposed to be based on whether a member supports or opposes the bill. However, historically, the chairman, either with or without the direction of leadership, may hold a bill from consideration which is an effective means of killing it.

Next week is called “crossover” week when the two chambers focus on voting on all of the bills that cleared their committees and sending those that the full chamber has passed over to the other chamber for consideration.

In the “status” section of today’s updated transportation bill matrix, it is indicated whether a bill remains “alive” or failed to meet today’s hearing deadline. For those bills that failed, they will be eliminated from future matrices.