

Alternative Transit Management Models Agency and Service Delivery Options

Intergovernmental Public Transportation Authority (IPTA)

Summary with full A.R.S. chapter legislation attached

- May be founded in counties with populations less than 200,000
- Cities and towns petition the county to form authority
- Public hearing or hearings held to determine public convenience, necessity, safety or welfare for establishment of authority
- Board of Supervisors votes to form authority via intergovernmental agreements
- Board of Directors
 - 5 to 9 members, appointed:
 - One county member
 - One university member, if applicable
 - One Indian Nation member, if applicable
 - One community college member, if applicable
 - Remaining members apportioned and appointed by the participating municipalities based on population
 - Five year terms in staggered rotation
- Powers and Duties
 - Adopt by-laws to govern the board
 - Hire employees and contract for services
 - Enter into agreements with other agencies
 - Develop annual budget
 - Eminent domain
 - Conduct periodic survey of public transportation needs and determine appropriate public transportation system and means to finance the system
 - Produce a five year public transportation program
- Funding
 - Member agencies
 - Federal government or state.
 - Grants, gifts and other donations from any source
 - Passenger Fares
 - County Transportation excise tax, if approved by voters
- Other Features
 - Political subdivision
 - Powers of municipal corporation
 - Universities and Indian nations may join

Alternative Transit Management Models Agency and Service Delivery Options

Article 1 – Formation and Dissolution

28-9101. Definitions

In this chapter, unless the context otherwise requires:

1. "Authority" means an intergovernmental public transportation authority established pursuant to this chapter.
2. "Board" means the board of directors of an intergovernmental public transportation authority.
3. "Intergovernmental agreement" means an agreement or contract that meets the requirements of title 11, chapter 7, article 3.
4. "Municipality" means an incorporated city or town.
5. "Operating area" means an area established pursuant to this chapter within which the authority provides transportation services.
6. "Public transportation" means local transportation of passengers by means of a public conveyance.

28-9102. Formation

A. An intergovernmental public transportation authority may be organized as provided by this section in any county with a population of two hundred thousand persons or less.

B. The governing body of one or more incorporated cities or towns may petition the county board of supervisors to establish an authority consisting of the area within the incorporated boundary of the municipality or municipalities.

C. If the organizing municipalities are not contiguous, the unincorporated areas between the organizing municipalities must also be included in the authority with the approval of the county board of supervisors. The board of supervisors shall establish the boundaries of the unincorporated area to be included in the authority.

D. Incorporated cities and towns in different counties, each of which meet the population limit prescribed by subsection A, may petition their respective county boards of supervisors to establish a joint authority consisting of the combined areas within their respective municipal boundaries and including any intervening unincorporated areas in the counties.

E. The board of supervisors shall hold at least one hearing on the petition in one of the petitioning municipalities to determine public support for the authority and whether establishing the authority would be in the public interest. In the case of petitioning municipalities in different counties, the board of supervisors of each county shall hold separate hearings and each board shall make its determination separately.

F. If the board of supervisors determines that establishing the authority would serve the public convenience, necessity, safety or welfare, the board of supervisors shall establish the authority by a resolution that includes a description of the boundaries of the authority. In the case of an authority in different counties, the county boards of supervisors shall establish the authority by an intergovernmental agreement.

Alternative Transit Management Models Agency and Service Delivery Options

G. If an authority is established under this chapter, any university that is under the jurisdiction of the Arizona board of regents and that is located in a municipality in the authority, any community college district that is located in a municipality in the authority, or any Indian nation that has a boundary within a county in which an authority is established, may become a member of the authority by intergovernmental agreement.

28-9103. Corporate existence; rights and immunities; official name

A. An authority is a corporate body and political subdivision of this state that may act in its official corporate name and has all of the rights and immunities of municipal corporations that are granted by the constitution and statutes of this state, including immunity of its property from taxation.

B. The initial board of directors of the authority shall adopt the official name of the authority that shall contain the words "intergovernmental public transportation authority".

28-9104. Dissolution

A. A majority of the board of directors of an authority may propose that the authority be dissolved, but only if all contractual obligations and debts of the authority are satisfied and if another governmental entity or entities accept dedication of all authority property and obligations.

B. After a hearing, the board shall adopt by resolution a plan of termination to be executed within a stated period of time after it is adopted.

C. The growth of a county population to more than two hundred thousand persons does not cause the dissolution of an authority by operation of law.

Article 2 – Powers and Duties

28-9121. Organization; board of directors

A. The executive director of the regional council of governments shall function as organizing director of the authority until replaced by a permanent general manager by the initial board of directors.

B. A board of directors shall govern the authority, and the governing bodies of the participating governmental entities shall appoint the board of directors. The board of directors shall consist of at least five and not more than nine members apportioned as follows:

1. The county board of supervisors shall appoint one member if any part of the authority is located in an unincorporated area of the county. If the authority is located in more than one county, each county board of supervisors shall appoint one member of the board of directors.

2. If a university is a member of the authority pursuant to section 28-9102, subsection G, the president of the university shall appoint one member of the board of directors.

3. If a community college district is a member of the authority pursuant to section 28-9102, subsection G, the president or chancellor of the community college district shall appoint one member of the board of directors.

Alternative Transit Management Models Agency and Service Delivery Options

4. If an Indian nation is a member of the authority pursuant to section 28-9102, subsection G, the highest elected official of the Indian nation shall appoint one member of the board of directors.

5. The remaining membership shall be apportioned among the participating municipalities according to their respective populations.

C. Members of the board serve for five year terms ending on January 1 of the appropriate year, except that:

1. The members of the initial board serve for terms of two, three, four and five years, determined by lot. Succeeding members serve full five year terms in staggered rotation.

2. The appointing governmental entity may remove any of its appointive members for cause.

D. The board shall elect a chairperson and other officers from among its members and shall prescribe by rule their functions and terms and conditions of appointment.

28-9122. Administrative powers and duties

A. The board shall:

1. Determine its organizational and procedural structure, adopt, amend and repeal bylaws and rules consistent with the requirements of this chapter and prescribe a system of accounts.

2. Employ a general manager and other employees as may be necessary and prescribe the duties, terms and conditions of employment. The general manager serves at the pleasure of the board. All employees shall be selected on the exclusive basis of merit according to their qualifications.

3. Manage, set policy and conduct the business and affairs of the authority.

4. Enter into contracts, including intergovernmental agreements.

5. Provide for payment of all debts and appropriate claims against the authority from the appropriate funds.

6. Issue an annual report on or before December 1 containing a full account of its transactions, activities and finances for the preceding fiscal year and other facts and recommendations. The board shall transmit copies of the report to each member municipality, university and county, to the secretary of state, to the Arizona state library, archives and public records and, on request, to any member of the public.

B. The board may:

1. Delegate any powers and duties under this section to the general manager.

2. Sue and be sued.

3. Adopt a seal for the authority to be used to attest to documents.

4. Retain outside professional services, including legal counsel.

5. Acquire suitable offices, furnishings and necessary equipment, supplies and other personal property.

6. Perform all other acts necessary to carry out the purposes of this chapter.

C. The board may not exercise the power of eminent domain.

Alternative Transit Management Models Agency and Service Delivery Options

D. Immediately on organization, the board shall initiate proceedings to determine the application of federal voting laws to the authority and shall take any necessary action to comply with the applicable federal laws.

28-9123. Survey of public transportation needs

A. The board shall conduct a periodic survey of public transportation needs in the authority and determine an appropriate public transportation system to meet those needs and the means to finance the system. The board shall consider whether to operate the system directly or to contract with outside parties for the operation of all or part of the system.

B. Each year the board shall produce a five year public transportation program that is consistent with the regional transportation plan approved by the regional council of governments. The five year program shall:

1. Contain public transportation projects financed with monies from federal, state and local funding.

2. Contain a description of each project, including a schedule of expenditures and a source of funding for each project.

3. Identify the entity that is responsible for implementing each project or phase of the public transportation program.

4. Define and identify regional public transportation corridors.

5. Define the public transportation problems, goals and needs for each corridor and policies and priorities for meeting those goals and needs.

6. Determine a mix of public transportation modes appropriate for development in light of the public transportation goals and needs for each corridor.

7. Locate routes and access points to the public transportation systems.

8. Determine the ridership capacity and use of public transportation systems.

C. The five year public transportation program shall include, in addition to the appropriate items prescribed in subsection B of this section, the following items presented on an individual fiscal year basis:

1. The capital and operating costs of the public transportation system.

2. The revenue needed by source, according to section 28-9142, to fund the public transportation system.

28-9124. Operation and maintenance of public transportation system

A. The board and each member governmental entity shall enter into an intergovernmental agreement to provide that the authority has sole authority for designing, operating and maintaining the public transportation system in the authority. The board shall coordinate and implement the establishment and development of the public transportation system within the authority and among the participating governmental entities.

B. The board may establish and operate a regional bus system and community funded transportation services including dial-a-ride programs and special needs transportation services.

Alternative Transit Management Models Agency and Service Delivery Options

C. The board may contract with public or private entities to operate the regional bus system.

D. The board shall adopt rules that are proper and necessary to regulate the use, operation and maintenance of its public transportation systems, property, facilities and services.

Article 3 - Financing

28-9141. Authority treasurer

The authority shall appoint an authority treasurer or may enter into an intergovernmental agreement with the county treasurer to provide financial services for the authority.

28-9142. Public transportation authority fund

A. The authority treasurer shall maintain a public transportation authority fund consisting of all monies received by the authority including:

1. Monies appropriated or paid to the authority from municipalities, member universities and the county.
2. Monies received by the authority from the federal government or this state.
3. Grants, gifts and other donations from any source.
4. Revenues collected by the authority as fares and other proceeds from operating the public transportation system.
5. Monies received from the county transportation excise tax as provided in section 42-6106.

B. Monies in the fund may be used for any lawful purpose of the authority.

C. The authority treasurer may invest any unexpended monies in the fund as provided in title 35, chapter 2, including in the local government investment pool, if authorized by the state treasurer. Interest and other income from investments shall be credited to the fund.

D. The authority treasurer shall invest the monies to mature at the times when the fund assets will be required for the purposes of this article. If the liquid assets in the fund become insufficient to meet the authority's obligations, the board of directors shall:

1. Direct the authority treasurer to liquidate sufficient securities to meet all of the current obligations.
2. Immediately notify the auditor general of the insufficiency. The auditor general shall investigate and audit the circumstances surrounding the depletion of the fund and report the findings to the board.

E. The board shall cause an annual audit to be conducted of the fund by an independent certified public accountant within one hundred twenty days after the end of the fiscal year. The board shall immediately file a certified copy of the audit with the auditor general. The auditor general may make further audits and examinations as necessary, but if the auditor general takes no official action within thirty days after the audit is filed, the audit is considered to be

Alternative Transit Management Models Agency and Service Delivery Options

sufficient. The board shall pay all fees and costs of the certified public accountant and auditor general under this subsection from the fund.

28-9143. Annual budget

A. No later than June 30 of each year the board of directors shall hold a public hearing to adopt and submit to the county board of supervisors and the governing body of each participating municipality and university a budget for the following fiscal year that includes:

1. Receipts during the past fiscal year.
 2. Expenditures during the past fiscal year.
 3. Estimates of amounts necessary for expenses during the following fiscal year including amounts proposed for:
 - (a) Costs of maintaining, operating and managing the public transportation system.
 - (b) Promotional and marketing expenses of the authority for the following year.
 4. Anticipated revenue to the authority in the following fiscal year.
 5. A complete asset and liability statement.
 6. A statement of profit or loss from operations.
 7. Cash on hand as of the date the budget is adopted and the anticipated balance at the end of the current fiscal year.
 8. An itemized statement of commitments, reserves and anticipated obligations for the following fiscal year.
- B. The board may amend the budget on a finding of good cause.