

BURNS FLOOR AMENDMENT
SENATE AMENDMENTS TO S.B. 1035
(Reference to APPROP amendment)

1 Page 3, line 28, after "1621" insert ", EXCEPT THAT IT DOES NOT INCLUDE COMMERCIAL
2 OR PROFESSIONAL LICENSES"

3 Strike lines 29 through 36

4 Strike pages 4 through 14

5 Page 15, strike lines 1 through 4, insert:

6 "Sec. 3. Section 9-463.05, Arizona Revised Statutes, is amended to
7 read:

8 9-463.05. Development fees; imposition by cities and towns;
9 infrastructure improvements plan; annual report;
10 limitation on actions; moratorium; definitions

11 A. A municipality may assess development fees to offset costs to the
12 municipality associated with providing necessary public services to a
13 development. ~~, including~~ COSTS SHALL INCLUDE ONLY the costs of
14 infrastructure, improvements, real property, engineering and architectural
15 services, ~~AND financing, other capital costs and associated appurtenances,~~
16 ~~equipment, vehicles, furnishings and other personalty.~~

17 B. Development fees assessed by a municipality ~~under this section are~~
18 ~~subject to~~ MUST MEET the following requirements:

19 1. Development fees shall result in a beneficial use to the
20 development.

21 2. THE AMOUNT OF A DEVELOPMENT FEE MUST BE REASONABLY RELATED AND
22 REASONABLY ATTRIBUTABLE TO THE DEVELOPMENT'S SHARE OF INFRASTRUCTURE
23 IMPROVEMENTS MADE NECESSARY BY THE DEVELOPMENT.

24 3. A DEVELOPMENT FEE SHALL NOT EXCEED A PROPORTIONATE SHARE OF THE
25 COSTS INCURRED OR TO BE INCURRED BY THE MUNICIPALITY IN PROVIDING NECESSARY
26 SERVICES TO DEVELOPMENT.

27 4. COSTS FOR CORRECTION OF EXISTING DEFECTS IN A PUBLIC FACILITY MAY
28 NOT BE INCLUDED IN A DEVELOPMENT FEE.

1 5. COSTS FOR FACILITIES THAT ARE MADE NECESSARY BY A DEVELOPMENT SHALL
2 BE BASED ON THE SAME LEVEL OF SERVICE PROVIDED TO EXISTING RESIDENTS IN THE
3 MUNICIPALITY. TO THE EXTENT THAT THE INFRASTRUCTURE IMPROVEMENTS PLAN
4 REQUIRES FACILITIES TO BE CREATED OR MODIFIED TO IMPROVE THE LEVEL OF SERVICE
5 PROVIDED TO EXISTING RESIDENTS IN THE MUNICIPALITY, THE COSTS OF NEW OR
6 MODIFIED FACILITIES SHALL BE APPORTIONED PROPORTIONATELY AMONG THE
7 DEVELOPMENT AND EXISTING RESIDENTS.

8 6. THE MUNICIPALITY SHALL CALCULATE A DEVELOPMENT FEE BASED ON THE
9 INFRASTRUCTURE IMPROVEMENTS PLAN, WHICH MUST BE ADOPTED BEFORE THE
10 COMMENCEMENT OF THE DEVELOPMENT FEE STUDY.

11 ~~2.~~ 7. Monies received from development fees assessed pursuant to this
12 section shall be placed in a separate fund and accounted for separately and
13 may only be used for the purposes authorized by this section. Monies
14 received from a development fee identified in an infrastructure improvements
15 plan adopted or amended pursuant to subsection ~~D~~ E of this section shall be
16 used to provide the same category of necessary public service for which the
17 development fee was assessed. Interest earned on monies in the separate fund
18 shall be credited to the fund.

19 ~~3.~~ 8. The schedule for payment of fees shall be provided by the
20 municipality. **BASED ON THE COST IDENTIFIED IN THE INFRASTRUCTURE**
21 **IMPROVEMENTS PLAN**, the municipality shall provide a credit toward the payment
22 of a development fee for the required **OR AGREED TO** dedication of public
23 sites, improvements and other necessary public services included in the
24 infrastructure improvements plan and for which a development fee is assessed,
25 to the extent the public sites, improvements and necessary public services
26 are provided by the developer. The developer of residential dwelling units
27 shall be required to pay development fees when construction permits for the
28 dwelling units are issued, or at a later time if specified in a development
29 agreement pursuant to section 9-500.05. If a development agreement provides
30 for fees to be paid at a time later than the issuance of construction
31 permits, the deferred fees shall be paid no later than fifteen days after the
32 issuance of a certificate of occupancy. The development agreement shall

1 provide for the value of any deferred fees to be supported by appropriate
2 security, including a surety bond, letter of credit or cash bond.

3 ~~4. 9. The amount of any development fees assessed pursuant to this~~
4 ~~section must bear a reasonable relationship to the burden imposed upon the~~
5 ~~municipality to provide additional necessary public services to the~~
6 ~~development.~~ The municipality, in determining the ~~extent of the burden~~
7 ~~imposed by the development~~ AMOUNT OF ANY DEVELOPMENT FEES ASSESSED PURSUANT
8 TO THIS SECTION, shall ~~consider, among other things, the contribution~~ DEDUCT
9 THE CONTRIBUTIONS made or to be made in the future ~~in cash or by taxes, fees~~
10 ~~or assessments by the property owner towards~~, AS DETERMINED IN SUBSECTION F,
11 PARAGRAPH 2, SUBDIVISION (g) OF THIS SECTION, FROM the capital costs of the
12 necessary public service covered by the development fee. THIS PARAGRAPH DOES
13 NOT APPLY TO ANY REVENUES OR PORTIONS OF REVENUES THAT ARE NOT DEDICATED AS A
14 CAPITAL CONTRIBUTION TO THE SAME CATEGORY OF NECESSARY PUBLIC SERVICE AS
15 IDENTIFIED BY THE MUNICIPALITY IN SUBSECTION F, PARAGRAPH 2, SUBDIVISION (g)
16 OF THIS SECTION.

17 ~~5. 10.~~ If development fees are assessed by a municipality, ~~such~~ THE
18 fees shall be assessed in a nondiscriminatory manner.

19 ~~6. 11.~~ In determining and assessing a development fee applying to
20 land in a community facilities district established under title 48, chapter
21 4, article 6, the municipality shall take into account all public
22 infrastructure provided by the district and capital costs paid by the
23 district for necessary public services and shall not assess a portion of the
24 development fee based on the infrastructure or costs.

25 C. THIS SECTION DOES NOT PROHIBIT A MUNICIPALITY FROM SUPPORTING
26 PROJECTS IN THE INFRASTRUCTURE IMPROVEMENTS PLAN IN WHOLE OR IN PART WITH
27 REVENUES OTHER THAN DEVELOPMENT FEES. A MUNICIPALITY MAY WAIVE DEVELOPMENT
28 FEES IN WHOLE OR IN PART FOR A PARTICULAR DEVELOPMENT, BUT TO THE EXTENT THAT
29 IT DOES SO, IT MUST PROVIDE THAT THE AMOUNT OF MONIES THAT WOULD HAVE BEEN
30 COLLECTED THROUGH THE WAIVED DEVELOPMENT FEE BE REPLACED WITH OTHER SPECIFIED
31 REVENUES.

1 ~~C.~~ D. A municipality shall give at least sixty days' advance notice
2 of intention to assess a new or modified development fee and shall release to
3 the public a written report that identifies the methodology for calculating
4 the amount of the development fee, explains the relationship between the
5 development fee and the infrastructure improvements plan, includes
6 documentation that supports the assessment of a new or modified development
7 fee and identifies any index or indices to be used for automatic adjustment
8 of the development fee pursuant to subsection ~~F- G~~ of this section and the
9 timing of those adjustments. The municipality shall conduct a public hearing
10 on the proposed new or modified development fee at any time after the
11 expiration of the sixty day notice of intention to assess a new or modified
12 development fee and at least thirty days prior to the scheduled date of
13 adoption of the new or modified fee by the governing body. A development fee
14 assessed pursuant to this section shall not be effective until ~~seventy-five~~
15 **NINETY** days after its formal adoption by the governing body of the
16 municipality. Nothing in this subsection shall affect any development fee
17 adopted prior to July 24, 1982.

18 ~~D.~~ E. Before the assessment of a new or modified development fee, the
19 governing body of the municipality shall adopt or amend an infrastructure
20 improvements plan. The municipality shall conduct a public hearing on the
21 infrastructure improvements plan at least thirty days before the adoption or
22 amendment of the plan. The municipality shall release the plan to the
23 public, make available to the public the documents used to prepare the plan
24 and provide public notice at least sixty days before the public hearing,
25 subject to the following:

26 1. An infrastructure improvements plan ~~may~~ **MUST** be adopted
27 ~~concurrently with~~ **NOT MORE THAN TWELVE MONTHS BEFORE** the report required by
28 subsection ~~C- D~~ of this section, ~~and the municipality may provide for and~~
29 ~~schedule the notices and hearings required by this subsection together with~~
30 ~~the notices and hearings required by subsection C of this section.~~ **THE**
31 **INFRASTRUCTURE IMPROVEMENTS PLAN MUST BE ADOPTED BEFORE THE START OF A**
32 **DEVELOPMENT FEE STUDY AS REQUIRED BY SUBSECTION D OF THIS SECTION.**

1 2. A municipality may amend an infrastructure improvements plan
2 without a public hearing if the amendment addresses only elements of
3 necessary public services that are included in the existing infrastructure
4 improvements plan. The municipality shall provide public notice of those
5 amendments at least fourteen days in advance of their effective date.

6 ~~E.~~ F. For each necessary public service that is the subject of a
7 development fee, the infrastructure improvements plan shall:

8 1. Estimate future necessary public services that will be required as
9 a result of new development **IN THE AREA, AS DEFINED IN THE INFRASTRUCTURE**
10 **IMPROVEMENTS PLAN, IN WHICH THE DEVELOPMENT FEE WILL BE ASSESSED** and the
11 basis for the estimate, **INCLUDING A COMPARISON OF THE NECESSARY PUBLIC**
12 **SERVICES PROVIDED TO EXISTING DEVELOPMENT AND THE NECESSARY PUBLIC SERVICES**
13 **TO BE PROVIDED TO NEW DEVELOPMENT.**

14 ~~2. Forecast the costs of infrastructure, improvements, real property,~~
15 ~~financing, other capital costs and associated appurtenances, equipment,~~
16 ~~vehicles, furnishings and other personalty that will be associated with~~
17 ~~meeting those future needs for necessary public services and estimate the~~
18 ~~time required to finance and provide the necessary public services.~~

19 2. SPECIFICALLY CONTAIN THE FOLLOWING ITEMS:

20 (a) AN ANALYSIS OF THE TOTAL CAPACITY, THE LEVEL OF CURRENT USAGE AND
21 COMMITMENTS FOR USAGE OF CAPACITY OF THE EXISTING CAPITAL IMPROVEMENTS.

22 (b) A DESCRIPTION OF ALL OR THE PARTS OF THE CAPITAL IMPROVEMENTS OR
23 FACILITY EXPANSIONS AND THEIR COSTS NECESSITATED BY AND ATTRIBUTABLE TO
24 DEVELOPMENT IN THE SERVICE AREA BASED ON THE APPROVED LAND USE ASSUMPTIONS.

25 (c) A DESCRIPTION OF THE EXISTING LEVEL OR QUANTITY OF USE,
26 CONSUMPTION, GENERATION OR DISCHARGE OF A SERVICE UNIT FOR EACH CATEGORY OF
27 CAPITAL IMPROVEMENTS OR FACILITY EXPANSIONS ADDRESSED IN THE INFRASTRUCTURE
28 IMPROVEMENTS PLAN.

29 (d) A DEFINITIVE TABLE DESCRIBING THE SPECIFIC LEVEL OR QUANTITY OF
30 USE, CONSUMPTION, GENERATION OR DISCHARGE OF A SERVICE UNIT FOR EACH CATEGORY
31 OF CAPITAL IMPROVEMENTS OR FACILITY EXPANSIONS AND AN EQUIVALENCY OR
32 CONVERSION TABLE ESTABLISHING THE RATIO OF A SERVICE UNIT TO VARIOUS TYPES OF

1 LAND USES, INCLUDING RESIDENTIAL, MULTIRESIDENTIAL, COMMERCIAL AND
2 INDUSTRIAL, THAT SHALL BE COMPARABLE TO THE EXISTING LEVEL OR QUANTITY OF
3 USE, CONSUMPTION, GENERATION OR DISCHARGE FOR EACH CATEGORY OF CAPITAL
4 IMPROVEMENTS OR FACILITY EXPANSIONS AS DESCRIBED IN SUBDIVISION (c) OF THIS
5 PARAGRAPH.

6 (e) THE TOTAL NUMBER OF PROJECTED NEW SERVICE UNITS NECESSITATED BY
7 AND ATTRIBUTABLE TO DEVELOPMENT IN THE SERVICE AREA BASED ON THE APPROVED
8 LAND USE ASSUMPTIONS AND CALCULATED IN ACCORDANCE WITH GENERALLY ACCEPTED
9 ENGINEERING OR PLANNING CRITERIA.

10 (f) THE PROJECTED DEMAND FOR CAPITAL IMPROVEMENTS OR FACILITY
11 EXPANSIONS PROJECTED OVER A REASONABLE PERIOD OF TIME, NOT TO EXCEED TEN
12 YEARS.

13 (g) A DESCRIPTION AND ESTIMATE OF THE AMOUNTS OF ALL MONIES OTHER THAN
14 DEVELOPMENT FEES THAT WILL BE USED FOR CAPITAL IMPROVEMENTS OR FACILITY
15 EXPANSIONS THAT ARE THE SUBJECT OF THE INFRASTRUCTURE IMPROVEMENTS PLAN AND
16 THAT MAY INCLUDE ESTIMATED STATE SHARED REVENUES, HIGHWAY USER REVENUES,
17 FEDERAL REVENUES, AD VALOREM PROPERTY TAXES, GRANTS, DONATIONS, CONSTRUCTION
18 CONTRACTING OR SIMILAR EXCISE TAXES, THE CAPITAL RECOVERY PORTION OF UTILITY
19 FEES ATTRIBUTABLE TO DEVELOPMENT IN THE SERVICE AREA BASED ON THE APPROVED
20 LAND USE ASSUMPTIONS AND ANY OTHER SOURCES OF REVENUE.

21 (h) TO THE EXTENT THAT BONDS ARE ANTICIPATED TO FINANCE CAPITAL
22 IMPROVEMENTS OR FACILITY EXPANSIONS THAT ARE THE SUBJECT OF THE
23 INFRASTRUCTURE IMPROVEMENTS PLAN, A DESCRIPTION AND ESTIMATE OF THE SOURCES
24 AND AMOUNTS OF ALL ANTICIPATED REVENUES THAT WILL BE USED TO REPAY THE BONDS.

25 ~~F.~~ G. A municipality may automatically adjust a development fee on an
26 annual basis without a public hearing if the adjustment is based on a
27 nationally recognized index applicable to the cost of the necessary public
28 service that is the subject of the development fee and the adjustment
29 mechanism is identified in the report required by subsection ~~C-~~ D of this
30 section. The municipality shall provide public notice of those adjustments
31 at least thirty days in advance of their effective date.

1 ~~G.~~ H. Each municipality that assesses development fees shall submit
2 an annual report accounting for the collection and use of the fees. The
3 annual report shall include the following:

4 1. The amount assessed by the municipality for each type of
5 development fee.

6 2. The balance of each fund maintained for each type of development
7 fee assessed as of the beginning and end of the fiscal year.

8 3. The amount of interest or other earnings on the monies in each fund
9 as of the end of the fiscal year.

10 4. The amount of development fee monies used to repay:

11 (a) Bonds issued by the municipality to pay the cost of a capital
12 improvement project that is the subject of a development fee assessment.

13 (b) Monies advanced by the municipality from funds other than the
14 funds established for development fees in order to pay the cost of a capital
15 improvement project that is the subject of a development fee assessment.

16 5. The amount of development fee monies spent on each capital
17 improvement project that is the subject of a development fee assessment and
18 the physical location of each capital improvement project.

19 6. The amount of development fee monies spent for each purpose other
20 than a capital improvement project that is the subject of a development fee
21 assessment.

22 ~~H.~~ I. Within ninety days following the end of each fiscal year, each
23 municipality shall submit a copy of the annual report to the city
24 clerk. Copies shall be made available to the public on request. The annual
25 report may contain financial information that has not been audited.

26 ~~I.~~ J. A municipality that fails to file the report required by this
27 section shall not collect development fees until the report is filed.

28 ~~J.~~ K. Any action to collect a development fee shall be commenced
29 within two years after the obligation to pay the fee accrues.

30 L. NOTWITHSTANDING ANY OTHER LAW, BEGINNING JULY 1, 2009 THROUGH JUNE
31 30, 2012, A MUNICIPALITY SHALL NOT IMPOSE OR ASSESS ANY DEVELOPMENT FEES
32 PURSUANT TO THIS SECTION. BEGINNING JULY 1, 2012, A MUNICIPALITY MAY IMPOSE

1 A DEVELOPMENT FEE OR MODIFY AN EXISTING DEVELOPMENT FEE PURSUANT TO THIS
2 SECTION.

3 ~~K.~~ M. For the purposes of this section: ~~;~~

4 1. "FACILITY EXPANSION" MEANS THE EXPANSION OF THE CAPACITY OF AN
5 EXISTING FACILITY THAT SERVES THE SAME FUNCTION AS AN OTHERWISE NECESSARY NEW
6 CAPITAL IMPROVEMENT IN ORDER THAT THE EXISTING FACILITY MAY SERVE
7 DEVELOPMENT. FACILITY EXPANSION DOES NOT INCLUDE THE REPAIR, MAINTENANCE,
8 MODERNIZATION OR EXPANSION OF AN EXISTING FACILITY TO BETTER SERVE EXISTING
9 DEVELOPMENT.

10 2. "FIRE SERVICES" INCLUDES FACILITIES THAT ARE NECESSARY FOR HOUSING
11 AND MAINTAINING PERSONNEL, VEHICLES AND EQUIPMENT USED FOR FIRE SUPPRESSION
12 OR TO PROVIDE EMERGENCY MEDICAL SERVICES AND VEHICLES OR OTHER APPURTENANCES
13 THAT ARE NECESSARY FOR PROVIDING OR ADMINISTERING FIRE SERVICES. FIRE
14 SERVICES DO NOT INCLUDE ANY AIR VEHICLE.

15 3. "Infrastructure improvements plan" means one or more written plans
16 that individually or collectively identify each public service that is
17 proposed to be the subject of a development fee and otherwise complies with
18 the requirements of this section, and may be the municipality's capital
19 improvements plan.

20 4. "LAND USE ASSUMPTIONS" MEANS A DESCRIPTION OF THE SERVICE AREA AND
21 PROJECTIONS OF CHANGES IN LAND USES, DENSITIES, INTENSITIES AND POPULATION IN
22 THE SERVICE AREA OVER AT LEAST A TEN-YEAR PERIOD.

23 5. "NECESSARY PUBLIC SERVICES" MEANS NEW OR EXISTING FACILITIES THAT
24 ARE MODIFIED TO INCREASE SERVICE CAPACITY AND THAT:

25 (a) ARE MADE NECESSARY BY DEVELOPMENT.

26 (b) HAVE A LIFE EXPECTANCY OF TEN YEARS OR LONGER.

27 (c) ARE OWNED AND OPERATED BY THE MUNICIPALITY.

28 (d) PROVIDE FIRE SERVICES, PARK SERVICES, POLICE SERVICES,
29 TRANSPORTATION SERVICES, WATER SYSTEM SERVICES OR WASTEWATER TREATMENT
30 PROJECT SERVICES.

31 6. "PARK SERVICES":

1 (a) INCLUDES REAL PROPERTY OR APPURTENANCES THAT ARE USED FOR A PARK
2 THAT IS NOT LARGER THAN FIFTEEN ACRES.

3 (b) DOES NOT INCLUDE ARENAS, ARCHEOLOGICAL SITES OR FACILITIES, ARTS
4 OR CULTURAL FACILITIES, CLUBHOUSES, COMMUNITY CENTERS THAT ARE MORE THAN
5 THREE THOUSAND SQUARE FEET, ENVIRONMENTAL EDUCATION OR INTERPRETIVE
6 FACILITIES, EQUESTRIAN FACILITIES, GOLF COURSE FACILITIES, HISTORICAL
7 PRESERVATION SITES OR FACILITIES, INTERPRETIVE ART OR DANCE FACILITIES OR
8 WETLAND OR RIPARIAN FACILITIES.

9 7. "POLICE SERVICES" INCLUDES FACILITIES AND VEHICLES NECESSARY FOR
10 PROVIDING OR ADMINISTERING POLICE SERVICES. POLICE SERVICES DO NOT INCLUDE
11 ANY AIR VEHICLE.

12 8. "SERVICE AREA" MEANS THE AREA THAT IS WITHIN THE CORPORATE
13 BOUNDARIES OR EXTRATERRITORIAL JURISDICTION, AS DETERMINED UNDER THIS TITLE,
14 OF THE MUNICIPALITY AND THAT IS TO BE SERVED BY THE CAPITAL IMPROVEMENTS OR
15 FACILITIES EXPANSIONS PRESCRIBED IN THE INFRASTRUCTURE IMPROVEMENTS PLAN.

16 9. "SERVICE UNIT" MEANS A STANDARDIZED MEASURE OF CONSUMPTION, USE,
17 GENERATION OR DISCHARGE ATTRIBUTABLE TO AN INDIVIDUAL UNIT OF DEVELOPMENT
18 CALCULATED IN ACCORDANCE WITH GENERALLY ACCEPTED ENGINEERING OR PLANNING
19 STANDARDS AND BASED ON HISTORICAL DATA AND TRENDS APPLICABLE TO THE POLITICAL
20 SUBDIVISION IN WHICH THE INDIVIDUAL UNIT OF DEVELOPMENT IS LOCATED DURING THE
21 PREVIOUS TEN YEARS.

22 10. "TRANSPORTATION SERVICES" INCLUDES THE ARTERIAL OR COLLECTOR
23 STREETS, BRIDGES, RIGHTS-OF-WAY, TRAFFIC SIGNALS AND LANDSCAPING.
24 TRANSPORTATION SERVICES DO NOT INCLUDE TRAINS, LIGHT RAIL OR PARK AND RIDE
25 PARKING LOTS.

26 11. "WASTEWATER TREATMENT PROJECT SERVICES" INCLUDES THE COLLECTION,
27 TREATMENT OR DISPOSAL OF WASTEWATER.

28 12. "WATER SYSTEM SERVICES" INCLUDES FACILITIES FOR THE COLLECTION,
29 TRANSPORTATION, TREATMENT, PURIFICATION AND DISTRIBUTION OF WATER OR THE
30 ACQUISITION OF WATER RIGHTS.

1 Sec. 4. Section 9-500.05, Arizona Revised Statutes, is amended to
2 read:

3 9-500.05. Development agreements; public safety; definitions

4 A. A municipality, by resolution or ordinance, may enter into
5 development agreements relating to property in the municipality and to
6 property located outside the incorporated area of the municipality. If the
7 development agreement relates to property located outside the incorporated
8 area of the municipality, the development agreement does not become operative
9 unless annexation proceedings to annex the property to the municipality are
10 completed within the period of time specified by the development agreement or
11 any extension of such time.

12 B. A development agreement shall be consistent with the municipality's
13 general plan or specific plan, if any, as defined in section 9-461,
14 applicable to the property on the date the development agreement is executed.

15 C. A development agreement may be amended, or cancelled in whole or in
16 part, by mutual consent of the parties to the development agreement or by
17 their successors in interest or assigns.

18 D. No later than ten days after a municipality enters into a
19 development agreement, the municipality shall record a copy of the agreement
20 with the county recorder of the county in which the property subject to the
21 development agreement is located, and the recordation constitutes notice of
22 the development agreement to all persons. The burdens of the development
23 agreement are binding on, and the benefits of the development agreement inure
24 to, the parties to the agreement and to all their successors in interest and
25 assigns.

26 E. Section 32-2181 does not apply to development agreements under this
27 section.

28 F. Notwithstanding any other law, a municipality may provide by
29 resolution or ordinance for public safety purposes, and with the written
30 consent of an owner of property that has been granted a development agreement
31 pursuant to this section, an owner of a protected development right pursuant
32 to chapter 11 of this title or the owner of any other residential or

1 commercial development subject to the supervision of a municipality pursuant
2 to this title, for the application and enforcement of speed limits, vehicle
3 weight restrictions or other safety measures on a private road that is
4 located in any development in the municipality and that is open to and used
5 by the public. A municipality may require payment from the property owner of
6 the actual cost of signs for speed limits or other restrictions applicable on
7 the private road, before their installation.

8 G. Notwithstanding section 19-142, subsection B, a decision by the
9 governing body involving a development agreement may not be enacted as an
10 emergency measure and that decision is not effective for at least thirty days
11 after final approval of the development agreement.

12 H. A DEVELOPMENT AGREEMENT SHALL NOT, DIRECTLY OR INDIRECTLY:

13 1. ENLARGE A DEVELOPER'S OBLIGATIONS WITH REGARD TO THE AMOUNT OF
14 DEVELOPMENT FEES IMPOSED PURSUANT TO SECTION 9-463.05.

15 2. REQUIRE A DEVELOPER TO ASSUME AN OBLIGATION TO CONSTRUCT OR
16 CONTRIBUTE TO THE CONSTRUCTION OF FACILITIES THAT ARE NOT NECESSARY PUBLIC
17 SERVICES, AS DEFINED IN SECTION 9-463.05, MADE NECESSARY BY THE NEW
18 DEVELOPMENT.

19 ~~H.~~ I. In this section, unless the context otherwise requires:

20 1. "Development agreement" means an agreement between a municipality
21 and a community facilities district pursuant to section 48-709, a landowner
22 or any other person having an interest in real property that may specify or
23 otherwise relate to any of the following:

24 (a) The duration of the development agreement.

25 (b) The permitted uses of property subject to the development
26 agreement.

27 (c) The density and intensity of uses and the maximum height and size
28 of proposed buildings within such property.

29 (d) Provisions for reservation or dedication of land for public
30 purposes and provisions to protect environmentally sensitive lands.

31 (e) Provisions for preservation and restoration of historic
32 structures.

1 (f) The phasing or time of construction or development on property
2 subject to the development agreement.

3 (g) Conditions, terms, restrictions and requirements for public
4 infrastructure and the financing of public infrastructure and subsequent
5 reimbursements over time.

6 (h) Conditions, terms, restrictions and requirements for annexation of
7 property by the municipality and the phasing or timing of annexation of
8 property by the municipality.

9 (i) Conditions, terms, restrictions and requirements of deannexation
10 of property from one municipality to another municipality and the phasing or
11 timing of deannexation of property from one municipality to another
12 municipality.

13 (j) Conditions, terms, restrictions and requirements relating to the
14 governing body's intent to form a special taxing district pursuant to
15 title 48.

16 (k) Any other matters relating to the development of the property.

17 2. "Governing body" means the body or board which by law is
18 constituted as the legislative body of the municipality.

19 3. "Municipality" means an incorporated city or town.

20 Sec. 5. Title 9, chapter 7, article 1, Arizona Revised Statutes, is
21 amended by adding section 9-805, to read:

22 9-805. Building code moratorium on residential and commercial
23 buildings

24 BEGINNING JULY 1, 2009 THROUGH JUNE 30, 2012, ANY NEW OR MODIFIED
25 RESIDENTIAL OR COMMERCIAL BUILDING CODE OR OTHER RELATED CODE THAT IS ADOPTED
26 BY A MUNICIPALITY DOES NOT APPLY TO A RESIDENTIAL OR COMMERCIAL BUILDING THAT
27 RECEIVED A FINAL SITE PLAN OR SUBDIVISION PLAT, PLANNED AREA DEVELOPMENT OR
28 SIMILAR APPROVAL BY A MUNICIPALITY BEFORE JUNE 1, 2009. THIS SECTION DOES
29 NOT PROHIBIT ANY CODE CHANGES TO THE EXTENT AND DURATION REQUIRED TO COMPLY
30 WITH CONDITIONS FOR FEDERAL STIMULUS FUNDING."

31 Renumber to conform

1 Page 15, between lines 27 and 28, insert:

2 "Sec. 7. Section 20-1550, Arizona Revised Statutes, is amended to
3 read:

4 20-1550. Minimum policyholder position; definitions

5 A. A mortgage guaranty insurer shall maintain at all times a minimum
6 policyholder position in an amount not less than the amount required by this
7 section. The face amount of the mortgage shall include reinsurance assumed
8 and shall be calculated net of reinsurance that is ceded to an insurer
9 either:

- 10 1. Authorized to transact insurance or accredited to assume
- 11 reinsurance in this state.
- 12 2. Pursuant to section 20-1557, subsection C.
- 13 3. Otherwise approved by the director.

14 B. If a policy of mortgage guaranty insurance insures individual loans
15 with a percentage claim settlement option on the loans, the insurer shall
16 maintain a minimum policyholder position based on each one hundred dollars of
17 the face amount of the mortgage, the percentage coverage or claim settlement
18 option and the loan-to-value category. The required amount of minimum
19 policyholder position is calculated in the following manner:

20 1. If the total indebtedness is greater than seventy-five per cent of
21 the value of the collateral property at the date of insurance, the following
22 applies:

Per cent <u>coverage</u>	Minimum policyholder position per one hundred dollars of the face <u>amount of the mortgage</u>
5%	\$.20
10	.40
15	.60
20	.80
25	1.00
30	1.10

1	35	1.20
2	40	1.30
3	45	1.35
4	50	1.40
5	55	1.50
6	60	1.55
7	65	1.60
8	70	1.65
9	75	1.75
10	80	1.80
11	85	1.85
12	90	1.90
13	95	1.95
14	100	2.00

15 If the per cent coverage is between any five percentage point increment, the
16 factor for minimum policyholder position per one hundred dollars of the face
17 amount of the mortgage shall be prorated.

18 2. If the total indebtedness is at least fifty per cent and not more
19 than seventy-five per cent of the value of the collateral property at the
20 date of insurance, the required amount of minimum policyholder position is
21 fifty per cent of the amount required by paragraph 1 of this subsection.

22 3. If the total indebtedness is less than fifty per cent of the value
23 of the collateral property at the date of insurance, the required amount of
24 minimum policyholder position is twenty-five per cent of the amount required
25 by paragraph 1 of this subsection.

26 C. If a policy of mortgage guaranty insurance provides coverage on a
27 pool of loans subject to an aggregate loss limit and if the equity:

28 1. Is not more than fifty per cent and not less than twenty per cent,
29 or equity plus any prior insurance or a deductible equals twenty-five per
30 cent of the value of the collateral property at the date of insurance, the
31 required amount of minimum policyholder position is calculated as follows:

1		Minimum policyholder
2		position per one hundred
3	Per cent	dollars of the face
4	<u>coverage</u>	<u>amount of the mortgage</u>
5	1%	\$.30
6	5	.50
7	10	.60
8	15	.65
9	20	.70
10	25	.75
11	30	.775
12	40	.80
13	50	.825
14	60	.85
15	70	.875
16	75	.90
17	80	.925
18	90	.95
19	1.00 100	1.00

20 If the per cent coverage is between any specified increment, the factor for
 21 minimum policyholder position per one hundred dollars of the face amount of
 22 the mortgage shall be prorated.

23 2. Is less than twenty per cent or the equity plus prior insurance or
 24 a deductible is less than twenty-five per cent of the value of the collateral
 25 property at the date of insurance, the required amount of minimum
 26 policyholder position is two hundred per cent of the amount required by
 27 paragraph 1 of this subsection.

28 3. Is more than fifty per cent or the equity plus prior insurance or a
 29 deductible is more than fifty-five per cent of the value of the collateral
 30 property at the date of insurance, the required amount of minimum
 31 policyholder position is fifty per cent of the amount of minimum policyholder
 32 position required by paragraph 1 of this subsection.

1 D. If a policy of mortgage guaranty insurance provides for layers of
2 coverage, deductibles or excess reinsurance, the required amount of minimum
3 policyholder position may be computed by subtracting the required minimum
4 policyholder position for the lower percentage coverage limits from the
5 required minimum policyholder position for the upper or greater coverage
6 limit.

7 E. If a policy of mortgage guaranty insurance provides for coverage on
8 loans secured by second liens:

9 1. If the policy provides coverage on individual loans, the required
10 amount of minimum policyholder position is calculated according to subsection
11 B after the per cent of coverage and the loan-to-value ratios have been
12 determined as follows:

13 (a) Divide the insured portion of the second loan by the entire loan
14 indebtedness on the collateral property to determine the per cent coverage.

15 (b) Divide the entire loan indebtedness on the property by the value
16 of the collateral property at the date of insurance to determine
17 loan-to-value per cent.

18 2. If the policy provides coverage on a group of loans subject to an
19 aggregate loss limit, the minimum policyholder position is calculated
20 according to subsection C after the per cent of coverage and the
21 loan-to-value ratios have been determined in accordance with this subsection.

22 F. If a policy of mortgage guaranty insurance provides for coverage on
23 leases, the minimum policyholder position is four dollars for each one
24 hundred dollars of the insured amount of the lease.

25 G. If a mortgage guaranty insurer does not have the amount of minimum
26 policyholder position required by this section, **THE DIRECTOR MAY REQUIRE THAT**
27 it shall cease transacting new business until such time that its minimum
28 policyholder position is in compliance with this section.

29 H. A mortgage guaranty insurer shall include with its annual statement
30 a report of its minimum policyholder position on a form approved by the
31 director.

32 I. For the purposes of this section, except as otherwise provided:

Executed by _____ as trustor, in which
_____ is named as beneficiary and _____ as
trustee, be mailed to _____ at _____.

Dated this _____ day of _____, ____.

Signature

(Acknowledgement)

B. Not later than thirty days after recording the notice of sale, the trustee shall mail by certified or registered mail, with postage prepaid, a copy of the notice of sale that reflects the recording date together with any notice required to be given by subsection C of this section, addressed as follows:

1. To each person whose name and address are set forth in a request for notice, which has been recorded prior to the recording of the notice of sale, directed to the address designated in such request.

2. To each person who, at the time of recording of the notice of sale, appears on the records of the county recorder in the county in which any part of the trust property is situated to have an interest in any of the trust property. The copy of the notice sent pursuant to this paragraph shall be addressed to the person whose interest appears of record at the address set forth in the document. If no address for the person is set forth in the document, the copy of the notice may be addressed in care of the person to whom the recorded document evidencing such interest was directed to be mailed at the time of its recording or to any other address of the person known or ascertained by the trustee. If the interest that appears on the records of the county recorder is a deed of trust, a copy of the notice only needs to be mailed to the beneficiary under the deed of trust. If any person having an interest of record or the trustor, or any person who has recorded a request for notice, desires to change the address to which notice shall be mailed, the change shall be accomplished by a request as provided under this section.

1 3. FOR SINGLE FAMILY RESIDENTIAL PROPERTIES ONLY, TO THE PROPERTY
2 ADDRESS, EXCEPT THAT THE COPY MAILED PURSUANT TO THIS PARAGRAPH MAY BE MAILED
3 BY FIRST CLASS MAIL.

4 C. The trustee, within five business days after the recordation of a
5 notice of sale, shall mail by certified or registered mail, with postage
6 prepaid, a copy of the notice of sale to each of the persons who were parties
7 to the trust deed except the trustee. The copy of the notice mailed to the
8 parties need not show the recording date of the notice. The notice sent
9 pursuant to this subsection shall be addressed to the mailing address
10 specified in the trust deed. In addition, notice to each party shall contain
11 a statement that a breach or nonperformance of the trust deed or the contract
12 or contracts secured by the trust deed, or both, has occurred, and setting
13 forth the nature of such breach or nonperformance and of the beneficiary's
14 election to sell or cause to be sold the trust property under the trust deed
15 and the additional notice shall be signed by the beneficiary or the
16 beneficiary's agent. A copy of the additional notice shall also be sent with
17 the notice provided for in subsection B, paragraph 2 of this section to all
18 persons whose interest in the trust property is subordinate in priority to
19 that of the deed of trust along with a written statement that the interest
20 may be subject to being terminated by the trustee's sale. The written
21 statement may be contained in the statement of breach or nonperformance.

22 D. No request for a copy of a notice recorded pursuant to this
23 section, nor any statement or allegation in any request, nor any record of
24 request, shall affect the title to the trust property or be deemed notice to
25 any person that a person requesting a copy of notice of sale has or claims
26 any interest in, or claim upon, the trust property.

27 E. At any time that the trust deed is subject to reinstatement
28 pursuant to section 33-813, but not sooner than thirty days after recordation
29 of the notice of trustee's sale, the trustee shall upon receipt of a written
30 request, provide, if actually known to the trustee, the following information
31 relating to the trustee's sale and the trust property:

1 1. The unpaid principal balance of the note or other obligation which
2 is secured by the deed of trust.

3 2. The name and address of record of the owner of the trust property
4 as of the date of recordation of the notice of trustee's sale.

5 3. A list of the liens and encumbrances upon the trust property as of
6 the date of recordation of the notice of trustee's sale, excluding those
7 matters set forth in section 33-438, subsection A.

8 If the trustee elects to charge a fee for providing the information
9 requested, the fee shall not exceed five per cent of the amount the trustee
10 may charge pursuant to section 33-813, subsection B, paragraph 4, except that
11 the trustee shall not charge a fee that is more than one hundred dollars or
12 be required to accept a fee that is less than thirty dollars but may accept a
13 lesser fee at the trustee's discretion. The trustee, or any other person
14 furnishing information pursuant to this subsection to the trustee, shall not
15 be subject to liability for any error or omission in providing the
16 information requested, except for the wilful and intentional failure to
17 provide information in the trustee's actual possession.

18 F. Beginning at 9:00 a.m. and continuing until 5:00 p.m. mountain
19 standard time on the last business day preceding the day of sale and
20 beginning at 9:00 a.m. mountain standard time and continuing until the time
21 of sale on the day of the sale, the trustee shall make available the actual
22 bid or a good faith estimate of the credit bid the beneficiary is entitled to
23 make at the sale. If the actual bid or good faith estimate is not available
24 during the prescribed time period, the trustee shall postpone the sale until
25 the trustee is able to comply with this subsection.

26 G. In providing information pursuant to subsections E and F of this
27 section, the trustee, without obligation or liability for the accuracy or
28 completeness of the information, may respond to oral requests, respond orally
29 or in writing or provide additional information not required by such
30 subsections. With respect to property that is the subject of a trustee's
31 sale, the beneficiary of such deed of trust or the holder of any prior lien
32 may, but shall not be required to, provide information concerning such deed

1 of trust or any prior lien that is not required by subsection E or F of this
2 section and may charge a reasonable fee for providing the information. The
3 providing of such information by any beneficiary or holder of a prior lien
4 shall be without obligation or liability for the accuracy or completeness of
5 the information."

6 Renumber to conform

7 Page 20, between lines 28 and 29, insert:

8 "Sec. 12. Section 36-3291, Arizona Revised Statutes, is amended to
9 read:

10 36-3291. Health care directives registry; website

11 A. Subject to the availability of monies, the secretary of state shall
12 establish and maintain a health care directives registry.

13 B. The registry shall be accessible through a ~~web-site~~ WEBSITE
14 maintained by the secretary of state.

15 C. The secretary of state may accept gifts, grants, donations,
16 bequests and other forms of voluntary contributions to support, promote and
17 maintain the registry. ~~The legislature or the secretary of state shall not~~
18 ~~appropriate or transfer state general fund or other state monies to support,~~
19 ~~promote and maintain the registry."~~

20 Renumber to conform

21 Page 22, strike lines 18 through 35

22 Page 23, strike lines 1 through 8, insert:

23 "D. PURCHASES AND CONTRACTS FOR GOODS AND SERVICES ENTERED INTO BY THE
24 ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS ARE EXEMPT FROM CHAPTER 23
25 OF THIS TITLE.

26 Sec. 15. Section 41-1304.06, Arizona Revised Statutes, is amended to
27 read:

28 41-1304.06. Authorization for collection of rental; basis of
29 payment; exception; definition

30 A. Each state department and each state agency when using space under
31 the jurisdiction of the legislative council or the speaker of the state house
32 of representatives or the president of the state senate shall pay a rental as

1 prescribed in subsection B to the legislative council, speaker or president,
2 as appropriate, for deposit in the capital outlay stabilization fund.

3 B. The rental authorized by the terms of subsection A shall be
4 determined by the joint legislative budget committee after recommendation by
5 the speaker and president prior to the beginning of each fiscal year. The
6 agency shall pay rent in one annual payment regardless of whether the
7 department or agency is funded in whole or in part by state monies.

8 C. THIS SECTION DOES NOT APPLY TO THE SECRETARY OF STATE IF THE SPACE
9 USED PURSUANT TO THIS SECTION IS PRIMARILY BEING USED BY THE ARIZONA STATE
10 LIBRARY, ARCHIVES AND PUBLIC RECORDS FOR THE PURPOSES PRESCRIBED BY STATUTE.

11 ~~E.~~ D. For the purposes of this section, "state department" or "state
12 agency" means any department or agency of the executive or judicial branch of
13 state government.

14 Sec. 16. Section 41-1330, Arizona Revised Statutes, is amended to
15 read:

16 41-1330. Definitions

17 In this article, unless the context otherwise requires:

18 ~~1. "Board" means the board of the state library.~~

19 ~~2.~~ 1. "Director" means the director of the state library.

20 ~~3.~~ 2. "State library" means the Arizona state library, archives and
21 public records.

22 Sec. 17. Section 41-1331, Arizona Revised Statutes, is amended to
23 read:

24 41-1331. Arizona state library, archives and public records

25 A. The Arizona state library, archives and public records is
26 established in the ~~legislative branch of state government~~ OFFICE OF THE
27 SECRETARY OF STATE.

28 B. The state library shall:

29 1. Acquire and provide access to materials relating to the following
30 in print, in an electronic format or in any other format:

31 (a) Law.

32 (b) Political science.

- 1 (c) Economics.
- 2 (d) Sociology.
- 3 (e) Subjects pertaining to the theory and practice of government.
- 4 (f) Genealogy.
- 5 (g) Arizona history.

6 2. Provide the following:

- 7 (a) A general and legal reference service.
- 8 (b) A records management and archives program.
- 9 (c) A state and federal government documents depository program.
- 10 (d) A library development service.
- 11 (e) Museums for educational purposes as approved by the ~~board~~

12 ~~SECRETARY OF STATE.~~

13 (f) A service, including materials, for persons who are visually or
14 physically unable to use traditional print materials.

15 Sec. 18. Section 41-1332, Arizona Revised Statutes, is amended to
16 read:

17 ~~41-1332.~~ Advisory board of the Arizona state library, archives
18 and public records

19 A. ~~A~~ ~~AN~~ ~~ADVISORY~~ board of the Arizona state library, archives and
20 public records is established consisting of the president of the senate ~~OR~~
21 ~~THE PRESIDENT'S DESIGNEE, THE~~ speaker of the house of representatives ~~OR THE~~
22 ~~SPEAKER'S DESIGNEE~~, one member of the senate ~~WHO IS~~ appointed by the
23 president of the senate ~~AND WHO IS A MEMBER OF A DIFFERENT POLITICAL PARTY~~
24 ~~THAN THE PRESIDENT, and~~ one member of the house of representatives ~~WHO IS~~
25 appointed by the speaker of the house of representatives ~~AND WHO IS A MEMBER~~
26 ~~OF A DIFFERENT POLITICAL PARTY THAN THE SPEAKER AND FIVE MEMBERS WHO ARE~~
27 ~~APPOINTED BY THE SECRETARY OF STATE.~~

28 B. ~~THE~~ ~~ADVISORY~~ ~~BOARD~~ ~~SHALL~~ ~~ANNUALLY~~ ~~ELECT~~ ~~A~~ ~~CHAIRPERSON~~ ~~AND~~
29 ~~VICE-CHAIRPERSON~~ ~~FROM~~ ~~AMONG~~ ~~ITS~~ ~~MEMBERS~~ ~~AT~~ ~~THE~~ ~~FIRST~~ ~~MEETING~~ ~~OF~~ ~~THE~~ ~~FISCAL~~
30 ~~YEAR.~~ Meetings of the ~~ADVISORY~~ board shall be held at the call of the
31 ~~chairman~~ ~~CHAIRPERSON~~ ~~OR~~ ~~A~~ ~~MAJORITY~~ ~~OF~~ ~~THE~~ ~~MEMBERS~~ ~~OF~~ ~~THE~~ ~~ADVISORY~~ ~~BOARD.~~ ~~The~~
32 ~~speaker of the house of representatives shall serve as chairman in~~

1 ~~even-numbered years and the president of the senate shall serve as chairman~~
2 ~~in odd-numbered years.~~

3 C. MEMBERS WHO ARE APPOINTED BY THE SECRETARY OF STATE SHALL SERVE
4 THREE YEAR STAGGERED TERMS BEGINNING ON JULY 1. IF THERE IS A VACANCY, THE
5 SECRETARY OF STATE SHALL APPOINT ANOTHER PERSON TO SERVE THE REMAINDER OF THE
6 TERM. THE SECRETARY OF STATE MAY APPOINT MEMBERS TO SUCCEEDING TERMS. THE
7 SECRETARY OF STATE MAY REMOVE A MEMBER FOR GOOD AND SUFFICIENT CAUSE.
8 MEMBERS OF THE ADVISORY BOARD WHO ARE APPOINTED BY THE SECRETARY OF STATE ARE
9 NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE ELIGIBLE FOR REIMBURSEMENT OF
10 EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.

11 ~~C. D. The ADVISORY board shall exercise general supervision over the~~
12 ~~state library and shall appoint the director of the state library. The~~
13 ~~director shall serve at the pleasure of the board~~ ADVISE THE SECRETARY OF
14 STATE IN THE SUPERVISION OF THE STATE LIBRARY.

15 Sec. 19. Section 41-1333, Arizona Revised Statutes, is amended to
16 read:

17 41-1333. Director of the state library; qualifications

18 A. The state library shall be under the charge and control of a
19 director, subject to ~~board~~ supervision OF THE SECRETARY OF STATE. THE
20 SECRETARY OF STATE SHALL APPOINT THE DIRECTOR OF THE STATE LIBRARY. THE
21 DIRECTOR SHALL SERVE AT THE PLEASURE OF THE SECRETARY OF STATE.

22 B. The director shall be a person WHO IS technically trained in
23 library work ~~or have~~ WITH AT LEAST A MASTER'S DEGREE IN LIBRARY SCIENCE OR
24 THE EQUIVALENT AND WHO HAS at least five years' actual experience as chief
25 administrator of a major library.

26 Sec. 20. Section 41-1334, Arizona Revised Statutes, is amended to
27 read:

28 41-1334. Compensation of director

29 The compensation of the director shall be as determined by the ~~board~~
30 SECRETARY OF STATE.

1 Sec. 21. Section 41-1345, Arizona Revised Statutes, is amended to
2 read:

3 41-1345. Records; records management; powers and duties of
4 director; fees; records services fund

5 A. The director is responsible for the preservation and management of
6 records. In addition to other powers and duties, the director shall:

7 1. Establish standards, procedures and techniques for effective
8 management of records.

9 2. Make continuing surveys of record keeping operations and recommend
10 improvements in current record management practices, including the use of
11 space, equipment and supplies employed in creating, maintaining, storing and
12 servicing records.

13 3. Establish standards and procedures for the preparation of schedules
14 providing for the retention of records of continuing value and for the prompt
15 and orderly disposal of records no longer possessing sufficient
16 administrative, legal or fiscal value to warrant their further keeping.

17 4. Establish criteria for designation of essential records within the
18 following general categories:

19 (a) Records containing information necessary to the operations of
20 government in the emergency created by a disaster.

21 (b) Records containing information necessary to protect the rights and
22 interests of persons or to establish and affirm the powers and duties of
23 governments in the resumption of operations after a disaster.

24 5. Reproduce or cause to be reproduced essential records and prescribe
25 the place and manner of their safekeeping.

26 6. Obtain such reports and documentation from agencies as are required
27 for the administration of this program.

28 7. Request transmittal of the originals of records produced or
29 reproduced by agencies of the state or its political subdivisions pursuant to
30 section 41-1348 or certified negatives, films or electronic media of such
31 originals, or both, if in the director's judgment such records may be of
32 historical or other value.

1 8. On request, assist and advise in the establishment of records
2 management programs in the legislative and judicial branches of the state and
3 provide program services similar to those available to the executive branch
4 of state government pursuant to this article.

5 9. Establish a fee schedule to systematically charge state agencies,
6 political subdivisions of this state and other governmental units of this
7 state for services described in this section and section 41-1345.01 and
8 deposit monies received from fees in the records services fund established by
9 subsection B of this section.

10 10. Subject to approval of the ~~board~~ SECRETARY OF STATE, establish a
11 fee schedule to charge state agencies, political subdivisions of this state
12 and other governmental units of this state for services and expenses incurred
13 by the state library in obtaining copies of those reports, documents and
14 publications that are required to be delivered, supplied or provided pursuant
15 to sections 35-103, 41-1335 and 41-1338 and deposit these monies in the
16 records services fund established by subsection B of this section.

17 B. A records services fund is established consisting of monies
18 deposited pursuant to subsection A, paragraphs 9 and 10 of this section. The
19 director shall administer the fund for the purposes provided in subsection A
20 of this section. Monies in the fund are subject to legislative appropriation
21 and are exempt from the provisions of section 35-190 relating to lapsing of
22 appropriations.

23 Sec. 22. Section 41-1353, Arizona Revised Statutes, is amended to
24 read:

25 41-1353. Review and transfer of certain historic property;
26 exemption; definition

27 A. An agency shall notify the state library on forms prescribed by the
28 director if the agency has or acquires furniture, equipment or other personal
29 property ~~which~~ THAT is fifty or more years of age or of known historical
30 interest, including property escheated to the state under title 12, chapter
31 7, article 5.

1 B. The director may authorize a person to inspect the personal
2 property reported under subsection A and recommend to the state library
3 whether the personal property is of an historic interest or value as would in
4 the public interest require it to be made available permanently for placement
5 on public display in any restored executive, legislative or judicial facility
6 or museum area.

7 C. If the state library determines the personal property should be
8 made available for display purposes it shall provide written notice to the
9 agency requesting prompt transfer of the personal property to the state
10 library.

11 D. An agency may apply to the ~~board~~ SECRETARY OF STATE for an
12 exemption from the transfer required under subsection C by filing a prompt
13 written response ~~to the board~~ stating:

- 14 1. The length of time the agency has used the personal property.
- 15 2. Why the value of the personal property to the agency is greater
16 than the educational and historic value in displaying the personal property.
- 17 3. What harm the agency would suffer if the personal property is
18 transferred to the department.
- 19 4. That the use of federal monies in the initial acquisition of the
20 personal property legally precludes its transfer to the ~~board~~ STATE LIBRARY.

21 E. The ~~board~~ SECRETARY OF STATE shall grant an exemption to a
22 requested property transfer if ~~it~~ THE SECRETARY OF STATE finds that the
23 transfer of the property would result in significant cost or disruption to
24 the agency ~~which~~ THAT would outweigh the educational and historic value in
25 displaying the property.

26 F. For the purposes of this section, "agency" means any branch,
27 department, commission, board or other unit of the state organization ~~which~~
28 THAT receives, disburses or expends state monies or incurs obligations
29 against this state.

1 Sec. 23. Section 42-6006, Arizona Revised Statutes, is amended to
2 read:

3 42-6006. Municipal elections on tax issues

4 A. A city or town may submit any issue relating to a transaction
5 privilege ~~tax~~, sales, use, franchise or other similar tax or fee, however
6 denominated, to the qualified electors of the city or town at any regular or
7 special municipal election, and may spend public monies of the city or town
8 to cover the expenses of the election on that issue.

9 B. BEGINNING JULY 1, 2009 THROUGH JUNE 30, 2012, A MUNICIPALITY SHALL
10 NOT IMPOSE AN INCREASED TAX RATE THAT IS LEVIED ON CONSTRUCTION CONTRACTING
11 UNLESS THE TAX IS APPROVED BY A MAJORITY OF THE REGISTERED VOTERS VOTING ON
12 THE MATTER IN AN ELECTION HELD ON A DAY PRESCRIBED BY SECTION 16-204. THIS
13 SUBSECTION DOES NOT APPLY TO ANY TRANSACTION PRIVILEGE TAX RATE THAT IS
14 ADOPTED BEFORE JUNE 1, 2009.

15 Sec. 24. Section 48-6203, Arizona Revised Statutes, is amended to
16 read:

17 48-6203. Board of directors

18 A. The district is governed by a board of directors consisting of the
19 following members:

20 ~~1. Two members of the board of supervisors of the county establishing~~
21 ~~the district, elected by the board of supervisors.~~

22 ~~2.~~ 1. Two members of the governing body of the more populous of the
23 two cities establishing the district, elected by the governing body.

24 ~~3.~~ 2. One member of the governing body of the less populous of the
25 two cities establishing the district, elected by the governing body.

26 3. ONE MEMBER OF THE GENERAL PUBLIC WHO RESIDES IN APACHE, COCONINO,
27 MOHAVE, NAVAJO OR YAVAPAI COUNTY, APPOINTED BY THE SPEAKER OF THE HOUSE OF
28 REPRESENTATIVES.

29 4. ONE MEMBER OF THE GENERAL PUBLIC WHO RESIDES IN MARICOPA COUNTY,
30 APPOINTED BY THE PRESIDENT OF THE SENATE.

31 B. Members of the board of directors WHO ALSO SERVE ON THE GOVERNING
32 BODY OF A CITY ESTABLISHING THE DISTRICT serve during their terms of office

1 on the governing body of the ~~county or~~ city, unless a successor is earlier
2 elected by the respective governing body to replace the member for any
3 reason. OTHER MEMBERS OF THE BOARD OF DIRECTORS SHALL SERVE FOUR YEAR TERMS.

4 C. Members are not eligible for compensation for service on the board
5 of directors."

6 Renumber to conform

7 Page 24, line 17, strike "\$4,800,000" insert "\$2,800,000"

8 Strike lines 30 through 34

9 Renumber to conform

10 Page 26, line 8, after "personnel" insert ", except that such purchases shall be
11 reported to the joint committee on capital review"

12 Line 13, after the period strike remainder of line

13 Strike line 14

14 Strike lines 22 through 37

15 Page 27, strike lines 1 through 24

16 Renumber to conform

17 Line 35, after "monies" insert ", excluding monies from the federal American
18 recovery and reinvestment act (P.L. 111-5),"

19 Page 28, strike lines 21 through 33

20 Strike pages 29, 30 and 31

21 Page 32, strike lines 1 through 4, insert:

22 "Sec. 38. Telecommunications program office; contract; rebid

23 The telecommunications program office established pursuant to section
24 41-712, Arizona Revised Statutes, shall rebid the current contract in effect
25 until January, 2012 to reduce the cost to this state by ensuring that the
26 bundled phone price, commonly known as the seat price, paid to the primary
27 contractor includes all operational costs and all costs related to
28 infrastructure and service requirements for building a statewide converged
29 network pursuant to the government information technology agency target
30 architecture. The new contract shall be a full service contract effective on
31 or before September 30, 2009.

1 Sec. 42. Modification of patent and deed restrictions

2 In reference to the lands described as the Southeast Quarter of the
3 Northeast Quarter and the Northeast Quarter of the Southeast Quarter and the
4 North Half of the North Half and the Southwest Quarter of the Northwest
5 Quarter and the North Half of the Southeast Quarter of the Northwest Quarter
6 and the Southwest Quarter of the Southeast Quarter of the Northwest Quarter
7 and the North Half of the Southwest Quarter of the Northeast Quarter and the
8 Southeast Quarter of the Southwest Quarter of the Northeast Quarter of
9 section 36, Township 4 North, Range 3 East, G&SRB&M, Maricopa County,
10 Arizona, containing 340 acres, more or less, the state land commissioner, on
11 application of the patentee, shall waive the patent restrictions on the
12 property.

13 Sec. 43. Conforming legislation

14 The legislative council staff shall prepare proposed legislation
15 conforming the Arizona Revised Statutes to the provisions of this act for
16 consideration in the forty-ninth legislature, second regular session."

17 Renumber to conform

18 Page 32, line 9, strike "May 31" insert "June 30"

19 Strike lines 10 through 13

20 Amend title to conform

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