

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HOUSE BILL 2332

AN ACT

AMENDING SECTIONS 15-213.01 AND 15-342, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-910.02; AMENDING SECTIONS 34-201 AND 42-11054, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-213.01, Arizona Revised Statutes, is amended to
3 read:

4 15-213.01. Procurement practices: guaranteed energy cost
5 savings contracts: definitions

6 A. Notwithstanding section 15-213, subsection A, a school district may
7 contract for the procurement of a guaranteed energy cost savings contract
8 with a qualified provider through a competitive sealed proposal process as
9 provided by the procurement practices adopted by the state board of
10 education. ~~To the extent the qualified provider subcontracts with~~
11 ~~contractors who will be involved in any construction associated with the~~
12 ~~guaranteed energy cost savings contract, the qualified provider must follow~~
13 ~~the provisions of section 41-2533 in selecting these contractors.~~

14 B. A school district may enter into a guaranteed energy cost savings
15 contract with a qualified provider if it determines that the amount it would
16 spend on the energy cost savings measures recommended in the proposal would
17 not exceed the amount to be saved in energy and operational costs over the
18 expected life of the energy cost savings measures implemented or within
19 twenty-five years, whichever is shorter, after the date installation or
20 implementation is complete, if the recommendations in the proposal are
21 followed. ~~THE SCHOOL DISTRICT SHALL RETAIN THE COST SAVINGS ACHIEVED BY A~~
22 ~~GUARANTEED ENERGY COST SAVING CONTRACT, AND THESE COST SAVINGS MAY BE USED TO~~
23 ~~PAY FOR THE CONTRACT AND PROJECT IMPLEMENTATION. A SCHOOL DISTRICT SHALL NOT~~
24 ~~USE EXCESS UTILITIES MONIES FOR THE CONTRACT OR FOR PROJECT IMPLEMENTATION.~~

25 C. The school district shall use objective criteria in selecting the
26 qualified provider, including the cost of the contract, the energy and
27 operational cost savings, the net projected energy savings, the quality of
28 the technical approach, the quality of the project management plan, the
29 financial solvency of the qualified provider and the experience of the
30 qualified provider with projects of similar size and scope. The school
31 district shall set forth each criterion with its respective numerical
32 weighting in the request for proposal.

33 D. In selecting a contractor to perform any construction work related
34 to performing the guaranteed energy cost savings contract, the qualified
35 provider may develop and use a prequalification process for contractors
36 ~~wishing to bid on this work.~~ These prequalifications may require the
37 contractor to demonstrate that the contractor is adequately bonded to perform
38 the work and that the contractor has not failed to perform on a prior job.
39 ~~The qualified provider may use performance specifications in soliciting bids~~
40 ~~from contractors.~~

41 E. ~~An in-depth feasibility~~ A study shall be performed by the selected
42 qualified provider in order to establish the exact scope of the guaranteed
43 energy cost savings contract, the fixed cost savings guarantee amount and the
44 methodology for determining actual savings. This report shall be reviewed
45 and approved by the school district ~~prior to~~ BEFORE the actual installation
46 of any equipment. The qualified provider shall transmit a copy of the

1 approved ~~in depth feasibility~~ study to the superintendent of public
2 instruction AND THE DEPARTMENT OF COMMERCE ENERGY OFFICE.

3 F. The guaranteed energy COST savings contract shall require that
4 ~~a qualified provider perform an energy audit of the facility or facilities~~
5 ~~one year after the energy cost savings measures are installed or implemented~~
6 ~~and every three years thereafter for the length of the contract. The~~
7 ~~qualified provider shall transmit a copy of the audit to the superintendent~~
8 ~~of public instruction. The qualified provider shall pay the cost of the~~
9 ~~audit.~~ in determining whether the projected energy savings calculations have
10 been met, the energy or operational cost savings shall be computed by
11 comparing the energy baseline before installation or implementation of the
12 energy cost savings measures with the energy consumed and operational costs
13 avoided after installation or implementation of the energy cost savings
14 measures. The qualified provider and the school district may agree to make
15 modifications to the energy baseline only for any of the following:

- 16 1. Changes in utility rates.
- 17 2. Changes in the number of days in the utility billing cycle.
- 18 3. Changes in the square footage of the facility.
- 19 4. Changes in the operational schedule of the facility.
- 20 5. Changes in facility temperature.
- 21 6. Significant changes in the weather.
- 22 7. Significant changes in the amount of equipment or lighting utilized
23 in the facility.

24 8. SIGNIFICANT CHANGES IN THE NATURE OR INTENSITY OF ENERGY USE SUCH
25 AS THE CHANGE OF CLASSROOM SPACE TO LABORATORY SPACE.

26 G. The information to develop the energy baseline shall be derived
27 from actual energy measurements or shall be calculated from energy
28 measurements at the facility where energy cost savings measures are to be
29 installed or implemented. The measurements shall be taken in the year
30 preceding the installation or implementation of energy cost savings measures.

31 H. When submitting a proposal for the installation of equipment, the
32 qualified provider shall include information on the projected energy savings
33 associated with each proposed energy cost savings measure.

34 I. A school district, or two or more school districts, may enter into
35 an installment payment contract or lease-purchase agreement with a qualified
36 provider for the purchase and installation or implementation of energy cost
37 savings measures. The guaranteed energy cost savings contract may provide
38 for payments over a period of not more than the expected life of the energy
39 cost savings measures implemented or twenty-five years, whichever is shorter.
40 The contract shall provide that all payments, except obligations on
41 termination of the contract before its expiration, shall be made over time.

42 J. The guaranteed energy cost savings contract shall include a written
43 guarantee of the qualified provider that either the energy or operational
44 costs savings, or both, will meet or exceed the costs of the energy cost
45 savings measures over the expected life of the energy cost savings measures

1 implemented or within twenty-five years, whichever is shorter. The qualified
2 provider shall:

3 1. FOR THE FIRST THREE YEARS OF SAVINGS, PREPARE A MEASUREMENT AND
4 VERIFICATION REPORT ON AN ANNUAL BASIS IN ADDITION TO AN ANNUAL
5 RECONCILIATION OF SAVINGS.

6 2. Reimburse the school district for any shortfall of guaranteed
7 energy cost savings on an annual basis.

8 K. The school district may obtain any required financing as part of
9 the original competitive sealed proposal process FROM THE QUALIFIED PROVIDER
10 OR A THIRD-PARTY FINANCING INSTITUTION.

11 L. A qualified provider that is awarded the contract shall give a
12 sufficient bond to the school district for its faithful performance of the
13 equipment installment.

14 M. ~~When selecting subcontractors to perform construction work,~~ The
15 qualified provider is required to make public information in the
16 subcontractor's bids only if the qualified provider is awarded the guaranteed
17 energy COST savings contract by the school district.

18 N. FOR ALL PROJECTS CARRIED OUT UNDER THIS SECTION, THE DISTRICT SHALL
19 REPORT TO THE DEPARTMENT OF COMMERCE ENERGY OFFICE:

- 20 1. THE NAME OF THE PROJECT.
- 21 2. THE QUALIFIED PROVIDER.
- 22 3. THE TOTAL COST OF THE PROJECT.
- 23 4. THE EXPECTED ENERGY AND COST SAVINGS.

24 ~~N.~~ O. This section does not apply to the construction of new
25 buildings.

26 P. A SCHOOL DISTRICT MAY UTILIZE A SIMPLIFIED ENERGY PERFORMANCE
27 CONTRACT FOR PROJECTS LESS THAN FIVE HUNDRED THOUSAND DOLLARS. SIMPLIFIED
28 ENERGY PERFORMANCE CONTRACTS ARE NOT REQUIRED TO INCLUDE AN ENERGY SAVINGS
29 GUARANTEE AND SHALL COMPLY WITH ALL REQUIREMENTS IN THIS SECTION EXCEPT FOR
30 THE REQUIREMENTS THAT ARE SPECIFICALLY RELATED TO THE ENERGY SAVINGS
31 GUARANTEE AND THE MEASUREMENT AND VERIFICATION OF THE GUARANTEED SAVINGS.

32 ~~Q.~~ Q. For the purposes of this section:

33 1. "Construction" means the process of building, altering, repairing,
34 improving or demolishing any school district structure or building, or other
35 public improvements of any kind to any school district real property.
36 Construction does not include the routine operation, routine repair or
37 routine maintenance of existing structures, buildings or real property.

38 2. "Energy baseline" means a calculation of the amount of energy used
39 in an existing facility before the installation or implementation of the
40 energy cost savings measures.

41 3. "Energy cost savings measure" means a training program or facility
42 alteration designed to reduce energy consumption or operating costs and may
43 include one or more of the following, AND ANY RELATED METERS OR OTHER
44 MEASURING DEVICES:

- 1 (a) Insulating the building structure or systems in the building.
2 (b) Storm windows or doors, caulking or weather stripping,
3 ~~multi-glazed~~ MULTIGLAZED windows or door systems, additional glazing,
4 reductions in glass area, or other window and door system modifications that
5 reduce energy consumption.
6 (c) Automated or computerized energy control systems.
7 (d) Heating, ventilating or air conditioning system modifications or
8 replacements.
9 (e) Replacing or modifying lighting fixtures to increase the energy
10 efficiency of the lighting system without increasing the overall illumination
11 of a facility unless an increase in illumination is necessary to conform to
12 the applicable state or local building code for the lighting system after the
13 proposed modifications are made.
14 (f) Indoor air quality improvements to increase air quality that
15 conform to the applicable state or local building code requirements.
16 (g) Energy recovery systems.
17 (h) Installing a new or retrofitting an existing day lighting system.
18 (i) Any life safety measures that provide long-term operating cost
19 reductions and that comply with state and local codes.
20 (j) Implementing operation programs through education, training and
21 software that reduce the operating costs.
22 (k) PROCUREMENT OF LOW-COST UTILITY SUPPLIES OF ALL TYPES, INCLUDING
23 ELECTRICITY, NATURAL GAS, PROPANE AND WATER.
24 (l) DEVICES THAT REDUCE WATER CONSUMPTION AND WATER COSTS OR THAT
25 REDUCE SEWER CHARGES.
26 (m) RAINWATER HARVESTING SYSTEMS.
27 (n) COMBINED HEAT AND POWER SYSTEMS.
28 (o) RENEWABLE AND ALTERNATIVE ENERGY PROJECTS AND RENEWABLE ENERGY
29 POWER SERVICE AGREEMENTS.
30 (p) SELF-GENERATION SYSTEMS.
31 (q) ANY ADDITIONAL BUILDING SYSTEMS AND INFRASTRUCTURE THAT PRODUCE
32 ENERGY, OR THAT PROVIDE UTILITY OR OPERATIONAL COST SAVINGS NOT SPECIFICALLY
33 MENTIONED IN THIS PARAGRAPH, IF THE IMPROVEMENTS MEET THE LIFE CYCLE COST
34 REQUIREMENT AND ENHANCE BUILDING SYSTEM PERFORMANCE OR OCCUPANT COMFORT AND
35 SAFETY.
36 4. "Guaranteed energy cost savings contract" means a contract for
37 implementing one or more energy cost savings measures.
38 5. "LIFE CYCLE COST" MEANS THE SUM OF PRESENT VALUES OF INVESTMENT
39 COSTS, CAPITAL COSTS, INSTALLATION COSTS, ENERGY COSTS, OPERATING COSTS,
40 MAINTENANCE COSTS AND DISPOSAL COSTS OVER THE LIFE OF THE PROJECT, PRODUCT OR
41 MEASURE AS PROVIDED BY FEDERAL LIFE CYCLE COST RULES, REGULATIONS AND
42 CRITERIA CONTAINED IN THE UNITED STATES DEPARTMENT OF ENERGY FEDERAL ENERGY
43 MANAGEMENT PROGRAM "GUIDANCE ON LIFE-CYCLE COST ANALYSIS" REQUIRED BY
44 EXECUTIVE ORDER 13122, APRIL 2005.

1 ~~5-~~ 6. "Operational savings" means reductions in actual budget line
2 items currently being expended or savings realized from the implementation or
3 installation of energy cost savings measures.

4 ~~6-~~ 7. "Qualified provider" means a person or a business experienced
5 in designing, implementing or installing energy cost savings measures.

6 Sec. 2. Section 15-342, Arizona Revised Statutes, is amended to read:
7 15-342. Discretionary powers

8 The governing board may:

9 1. Expel pupils for misconduct.

10 2. Exclude from grades one through eight children under six years of
11 age.

12 3. Make such separation of groups of pupils as it deems advisable.

13 4. Maintain such special schools during vacation as deemed necessary
14 for the benefit of the pupils of the school district.

15 5. Permit a superintendent or principal or representatives of the
16 superintendent or principal to travel for a school purpose, as determined by
17 a majority vote of the board. The board may permit members and members-elect
18 of the board to travel within or without the school district for a school
19 purpose and receive reimbursement. Any expenditure for travel and
20 subsistence pursuant to this paragraph shall be as provided in title 38,
21 chapter 4, article 2. The designated post of duty referred to in section
22 38-621 shall be construed, for school district governing board members, to be
23 the member's actual place of residence, as opposed to the school district
24 office or the school district boundaries. Such expenditures shall be a
25 charge against the budgeted school district funds. The governing board of a
26 school district shall prescribe procedures and amounts for reimbursement of
27 lodging and subsistence expenses. Reimbursement amounts shall not exceed the
28 maximum amounts established pursuant to section 38-624, subsection C.

29 6. Construct or provide in rural districts housing facilities for
30 teachers and other school employees which the board determines are necessary
31 for the operation of the school.

32 7. Sell or lease to the state, a county, a city or a tribal government
33 agency, ~~any~~ school property required for a public purpose, provided the sale
34 or lease of the property will not affect the normal operations of a school
35 within the school district.

36 8. Annually budget and expend funds for membership in an association
37 of school districts within this state.

38 9. Enter into leases or lease-purchase agreements for school buildings
39 or grounds, or both, as lessor or as lessee, for periods of less than five
40 years subject to voter approval for construction of school buildings as
41 prescribed in section 15-341, subsection A, paragraph 8.

42 10. Subject to chapter 16 of this title, sell school sites or enter
43 into leases or lease-purchase agreements for school buildings and grounds, as
44 lessor or as lessee, for a period of five years or more, but not to exceed
45 ninety-nine years, if authorized by a vote of the school district electors in
46 an election called by the governing board as provided in section 15-491,

1 except that authorization by the school district electors in an election is
2 not required if one of the following requirements is met:

3 (a) The market value of the school property is less than fifty
4 thousand dollars **OR THE PROPERTY IS PROCURED THROUGH AN ENERGY PERFORMANCE**
5 **CONTRACT, WHICH AMONG OTHER ITEMS INCLUDES A RENEWABLE ENERGY POWER SERVICE**
6 **AGREEMENT, OR A SIMPLIFIED ENERGY PERFORMANCE CONTRACT PURSUANT TO SECTION**
7 **15-213.01.**

8 (b) The buildings and sites are completely funded with monies
9 distributed by the school facilities board.

10 (c) The transaction involves the sale of improved or unimproved
11 property pursuant to an agreement with the school facilities board in which
12 the school district agrees to sell the improved or unimproved property and
13 transfer the proceeds of the sale to the school facilities board in exchange
14 for monies from the school facilities board for the acquisition of a more
15 suitable school site. For a sale of property acquired by a school district
16 prior to July 9, 1998, a school district shall transfer to the school
17 facilities board that portion of the proceeds that equals the cost of the
18 acquisition of a more suitable school site. If there are any remaining
19 proceeds after the transfer of monies to the school facilities board, a
20 school district shall only use those remaining proceeds for future land
21 purchases approved by the school facilities board, or for capital
22 improvements not funded by the school facilities board for any existing or
23 future facility.

24 (d) The transaction involves the sale of improved or unimproved
25 property pursuant to a formally adopted plan and the school district uses the
26 proceeds of this sale to purchase other property that will be used for
27 similar purposes as the property that was originally sold, provided that the
28 sale proceeds of the improved or unimproved property are used within two
29 years after the date of the original sale to purchase the replacement
30 property. If the sale proceeds of the improved or unimproved property are
31 not used within two years after the date of the original sale to purchase
32 replacement property, the sale proceeds shall be used towards payment of any
33 outstanding bonded indebtedness. If any sale proceeds remain after paying
34 for outstanding bonded indebtedness, or if the district has no outstanding
35 bonded indebtedness, sale proceeds shall be used to reduce the district's
36 primary tax levy. A school district shall not use ~~the provisions of~~ this
37 subdivision unless all of the following conditions exist:

38 (i) The school district is the sole owner of the improved or
39 unimproved property that the school district intends to sell.

40 (ii) The school district did not purchase the improved or unimproved
41 property that the school district intends to sell with monies that were
42 distributed pursuant to chapter 16 of this title.

43 (iii) The transaction does not violate section 15-341, subsection G.

44 11. Review the decision of a teacher to promote a pupil to a grade or
45 retain a pupil in a grade in a common school or to pass or fail a pupil in a
46 course in high school. The pupil has the burden of proof to overturn the

1 decision of a teacher to promote, retain, pass or fail the pupil. In order
2 to sustain the burden of proof, the pupil shall demonstrate to the governing
3 board that the pupil has mastered the academic standards adopted by the state
4 board of education pursuant to sections 15-701 and 15-701.01. If the
5 governing board overturns the decision of a teacher pursuant to this
6 paragraph, the governing board shall adopt a written finding that the pupil
7 has mastered the academic standards. Notwithstanding title 38, chapter 3,
8 article 3.1, the governing board shall review the decision of a teacher to
9 promote a pupil to a grade or retain a pupil in a grade in a common school or
10 to pass or fail a pupil in a course in high school in executive session
11 unless a parent or legal guardian of the pupil or the pupil, if emancipated,
12 disagrees that the review should be conducted in executive session and then
13 the review shall be conducted in an open meeting. If the review is conducted
14 in executive session, the board shall notify the teacher of the date, time
15 and place of the review and shall allow the teacher to be present at the
16 review. If the teacher is not present at the review, the board shall consult
17 with the teacher before making its decision. Any request, including the
18 written request as provided in section 15-341, the written evidence presented
19 at the review and the written record of the review, including the decision of
20 the governing board to accept or reject the teacher's decision, shall be
21 retained by the governing board as part of its permanent records.

22 12. Provide transportation or site transportation loading and unloading
23 areas for any child or children if deemed for the best interest of the
24 district, whether within or without the district, county or state.

25 13. Enter into intergovernmental agreements and contracts with school
26 districts or other governing bodies as provided in section 11-952.

27 14. Include in the curricula which it prescribes for high schools in
28 the school district career and technical education, vocational education and
29 technology education programs and career and technical, vocational and
30 technology program improvement services for the high schools, subject to
31 approval by the state board of education. The governing board may contract
32 for the provision of career and technical, vocational and technology
33 education as provided in section 15-789.

34 15. Suspend a teacher or administrator from the teacher's or
35 administrator's duties without pay for a period of time of not to exceed ten
36 school days, if the board determines that suspension is warranted pursuant to
37 section 15-341, subsection A, paragraphs 23 and 24.

38 16. Dedicate school property within an incorporated city or town to
39 such city or town or within a county to that county for use as a public
40 right-of-way if both of the following apply:

41 (a) Pursuant to an ordinance adopted by such city, town or county,
42 there will be conferred upon the school district privileges and benefits
43 which may include benefits related to zoning.

44 (b) The dedication will not affect the normal operation of any school
45 within the district.

46 17. Enter into option agreements for the purchase of school sites.

1 18. Donate surplus or outdated learning materials to nonprofit
2 community organizations where the governing board determines that the
3 anticipated cost of selling the learning materials equals or exceeds the
4 estimated market value of the materials.

5 19. Prescribe policies for the assessment of reasonable fees for
6 students to use district-provided parking facilities. The fees are to be
7 applied by the district solely against costs incurred in operating or
8 securing the parking facilities. Any policy adopted by the governing board
9 pursuant to this paragraph shall include a fee waiver provision in
10 appropriate cases of need or economic hardship.

11 20. Establish alternative educational programs that are consistent with
12 the laws of this state to educate pupils, including pupils who have been
13 reassigned pursuant to section 15-841, subsection E or F.

14 21. Require a period of silence to be observed at the commencement of
15 the first class of the day in the schools. If a governing board chooses to
16 require a period of silence to be observed, the teacher in charge of the room
17 in which the first class is held shall announce that a period of silence not
18 to exceed one minute in duration will be observed for meditation, and during
19 that time no activities shall take place and silence shall be maintained.

20 22. Require students to wear uniforms.

21 23. Exchange unimproved property or improved property, including school
22 sites, where the governing board determines that the improved property is
23 unnecessary for the continued operation of the school district without
24 requesting authorization by a vote of the school district electors if the
25 governing board determines that the exchange is necessary to protect the
26 health, safety or welfare of pupils or when the governing board determines
27 that the exchange is based on sound business principles for either:

28 (a) Unimproved or improved property of equal or greater value.

29 (b) Unimproved property that the owner contracts to improve if the
30 value of the property ultimately received by the school district is of equal
31 or greater value.

32 24. For common and high school pupils, assess reasonable fees for
33 optional extracurricular activities and programs conducted when the common or
34 high school is not in session, except that no fees shall be charged for
35 pupils' access to or use of computers or related materials. For high school
36 pupils, the governing board may assess reasonable fees for fine arts and
37 vocational education courses and for optional services, equipment and
38 materials offered to the pupils beyond those required to successfully
39 complete the basic requirements of any other course, except that no fees
40 shall be charged for pupils' access to or use of computers or related
41 materials. Fees assessed pursuant to this paragraph shall be adopted at a
42 public meeting after notice has been given to all parents of pupils enrolled
43 at schools in the district and shall not exceed the actual costs of the
44 activities, programs, services, equipment or materials. The governing board
45 shall authorize principals to waive the assessment of all or part of a fee
46 assessed pursuant to this paragraph if it creates an economic hardship for a

1 pupil. For the purposes of this paragraph, "extracurricular activity" means
2 any optional, noncredit, educational or recreational activity which
3 supplements the education program of the school, whether offered before,
4 during or after regular school hours.

5 25. Notwithstanding section 15-341, subsection A, paragraphs 8 and 10,
6 construct school buildings and purchase or lease school sites, without a vote
7 of the school district electors, if the buildings and sites are totally
8 funded from one or more of the following:

9 (a) Monies in the unrestricted capital outlay fund, except that the
10 estimated cost shall not exceed two hundred fifty thousand dollars for a
11 district that utilizes ~~the provisions of~~ section 15-949.

12 (b) Monies distributed from the school facilities board established by
13 section 15-2001.

14 (c) Monies specifically donated for the purpose of constructing school
15 buildings.

16 Nothing in this paragraph shall be construed to eliminate the requirement for
17 an election to raise revenues for a capital outlay override pursuant to
18 section 15-481 or a bond election pursuant to section 15-491.

19 26. Conduct a background investigation that includes a fingerprint
20 check conducted pursuant to section 41-1750, subsection G for certificated
21 personnel and personnel who are not paid employees of the school district, as
22 a condition of employment. A school district may release the results of a
23 background check to another school district for employment purposes. The
24 school district may charge the costs of fingerprint checks to its
25 fingerprinted employee, except that the school district may not charge the
26 costs of fingerprint checks for personnel who are not paid employees of the
27 school district.

28 27. Sell advertising space on the exterior of school buses as
29 follows:

30 (a) Advertisements shall be age appropriate and not contain promotion
31 of any substance that is illegal for minors such as alcohol, tobacco and
32 drugs or gambling. Advertisements shall comply with the state sex education
33 policy of abstinence.

34 (b) Advertising approved by the governing board may appear only on the
35 sides of the bus in the following areas:

36 (i) The signs shall be below the seat level rub rail and not extend
37 above the bottom of the side windows.

38 (ii) The signs shall be at least three inches from any required
39 lettering, lamp, wheel well or reflector behind the service door or stop
40 signal arm.

41 (iii) The signs shall not extend from the body of the bus so as to
42 allow a handhold or present a danger to pedestrians.

43 (iv) The signs shall not interfere with the operation of any door or
44 window.

45 (v) The signs shall not be placed on any emergency doors.

1 (c) Establish a school bus advertisement fund that is comprised of
2 revenues from the sale of advertising space on school buses. The monies in a
3 school bus advertisement fund are not subject to reversion and shall be used
4 for the following purposes:

5 (i) To comply with the energy conservation measures prescribed in
6 section 15-349 in school districts that are in area A as defined in section
7 49-541, and any remaining monies shall be used to purchase alternative fuel
8 support vehicles and any other pupil related costs as determined by the
9 governing board.

10 (ii) For any pupil related costs as determined by the governing board
11 in school districts not subject to ~~the provisions of~~ item (i) of this
12 subdivision.

13 28. Assess reasonable damage deposits to pupils in grades seven through
14 twelve for the use of textbooks, musical instruments, band uniforms or other
15 equipment required for academic courses. The governing board shall adopt
16 policies on any damage deposits assessed pursuant to this paragraph at a
17 public meeting called for this purpose after providing notice to all parents
18 of pupils in grades seven through twelve in the school district. Principals
19 of individual schools within the district may waive the damage deposit
20 requirement for any textbook or other item if the payment of the damage
21 deposit would create an economic hardship for the pupil. The school district
22 shall return the full amount of the damage deposit for any textbook or other
23 item if the pupil returns the textbook or other item in reasonably good
24 condition within the time period prescribed by the governing board. For the
25 purposes of this paragraph, "in reasonably good condition" means the textbook
26 or other item is in the same or a similar condition as it was when the pupil
27 received it, plus ordinary wear and tear.

28 29. Notwithstanding section 15-1105, expend surplus monies in the civic
29 center school fund for maintenance and operations or unrestricted capital
30 outlay, if sufficient monies are available in the fund after meeting the
31 needs of programs established pursuant to section 15-1105.

32 30. Notwithstanding section 15-1143, expend surplus monies in the
33 community school program fund for maintenance and operations or unrestricted
34 capital outlay, if sufficient monies are available in the fund after meeting
35 the needs of programs established pursuant to section 15-1142.

36 31. Adopt guidelines for standardization of the format of the school
37 report cards required by section 15-746 for schools within the district.

38 32. Adopt policies that require parental notification when a law
39 enforcement officer interviews a pupil on school grounds. Policies adopted
40 pursuant to this paragraph shall not impede a peace officer from the
41 performance of the peace officer's duties. If the school district governing
42 board adopts a policy that requires parental notification:

43 (a) The policy may provide reasonable exceptions to the parental
44 notification requirement.

45 (b) The policy shall set forth whether and under what circumstances a
46 parent may be present when a law enforcement officer interviews the pupil,

1 including reasonable exceptions to the circumstances under which a parent may
2 be present when a law enforcement officer interviews the pupil, and shall
3 specify a reasonable maximum time after a parent is notified that an
4 interview of a pupil by a law enforcement officer may be delayed to allow the
5 parent to be present.

6 33. Enter into voluntary partnerships with any party to finance with
7 funds other than school district funds and cooperatively design school
8 facilities that comply with the adequacy standards prescribed in section
9 15-2011 and the square footage per pupil requirements pursuant to section
10 15-2041, subsection D, paragraph 3, subdivision (b). The design plans and
11 location of any such school facility shall be submitted to the school
12 facilities board for approval pursuant to section 15-2041, subsection 0. If
13 the school facilities board approves the design plans and location of any
14 such school facility, the party in partnership with the school district may
15 cause to be constructed and the district may begin operating the school
16 facility before monies are distributed from the school facilities board
17 pursuant to section 15-2041. Monies distributed from the new school
18 facilities fund to a school district in a partnership with another party to
19 finance and design the school facility shall be paid to the school district
20 pursuant to section 15-2041. The school district shall reimburse the party
21 in partnership with the school district from the monies paid to the school
22 district pursuant to section 15-2041, in accordance with the voluntary
23 partnership agreement. Before the school facilities board distributes any
24 monies pursuant to this subsection, the school district shall demonstrate to
25 the school facilities board that the facilities to be funded pursuant to
26 section 15-2041, subsection 0 meet the minimum adequacy standards prescribed
27 in section 15-2011. If the cost to construct the school facility exceeds the
28 amount that the school district receives from the new school facilities fund,
29 the partnership agreement between the school district and the other party
30 shall specify that, except as otherwise provided by the other party, any such
31 excess costs shall be the responsibility of the school district. The school
32 district governing board shall adopt a resolution in a public meeting that AN
33 analysis has been conducted on the prospective effects of the decision to
34 operate a new school with existing monies from the school district's
35 maintenance and operations budget and how this decision may affect other
36 schools in the school district. If a school district acquires land by
37 donation at an appropriate school site approved by the school facilities
38 board and a school facility is financed and built on the land pursuant to
39 this paragraph, the school facilities board shall distribute an amount equal
40 to twenty per cent of the fair market value of the land that can be used for
41 academic purposes. The school district shall place the monies in the
42 unrestricted capital outlay fund and increase the unrestricted capital budget
43 limit by the amount of the monies placed in the fund. Monies distributed
44 under this paragraph shall be distributed from the new school facilities fund
45 pursuant to section 15-2041. If a school district acquires land by donation
46 at an appropriate school site approved by the school facilities board and a

1 school facility is financed and built on the land pursuant to this paragraph,
2 the school district shall not receive monies from the school facilities board
3 for the donation of real property pursuant to section 15-2041, subsection F.
4 It is unlawful for:

5 (a) A county, city or town to require as a condition of any land use
6 approval that a landowner or landowners that entered into a partnership
7 pursuant to this paragraph provide any contribution, donation or gift, other
8 than a site donation, to a school district. This subdivision only applies to
9 the property in the voluntary partnership agreement pursuant to this
10 paragraph.

11 (b) A county, city or town to require as a condition of any land use
12 approval that the landowner or landowners located within the geographic
13 boundaries of the school subject to the voluntary partnership pursuant to
14 this paragraph provide any donation or gift to the school district except as
15 provided in the voluntary partnership agreement pursuant to this paragraph.

16 (c) A community facilities district established pursuant to title 48,
17 chapter 4, article 6 to be used for reimbursement of financing the
18 construction of a school pursuant to this paragraph.

19 (d) ~~For~~ A school district to enter into an agreement pursuant to this
20 paragraph with any party other than a master planned community party. Any
21 land area consisting of at least three hundred twenty acres that is the
22 subject of a development agreement with a county, city or town entered into
23 pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master
24 planned community. For the purposes of this subdivision, "master planned
25 community" means a land area consisting of at least three hundred twenty
26 acres, which may be noncontiguous, that is the subject of a zoning ordinance
27 approved by the governing body of the county, city or town in which the land
28 is located that establishes the use of the land area as a planned area
29 development or district, planned community development or district, planned
30 unit development or district or other land use category or district that is
31 recognized in the local ordinance of such county, city or town and that
32 specifies the use of such land is for a master planned development.

33 Sec. 3. Title 15, chapter 9, article 1, Arizona Revised Statutes, is
34 amended by adding section 15-910.02, to read:

35 15-910.02. Energy and water savings accounts

36 A. EACH SCHOOL DISTRICT MAY ESTABLISH AN ENERGY AND WATER SAVINGS
37 ACCOUNT THAT CONSISTS OF A DESIGNATED POOL OF CAPITAL INVESTMENT MONIES TO
38 FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL FACILITIES. A SCHOOL DISTRICT
39 MAY DEPOSIT IN THE ACCOUNT MONIES FROM ONE OR MORE COMPANIES THAT PROVIDE
40 UTILITY, ENERGY OR WATER SERVICES TO THE SCHOOL DISTRICT PURSUANT TO
41 CONTRACTS THAT ARE EXECUTED BETWEEN THE COMPANIES AND THE SCHOOL DISTRICT AND
42 THAT ARE DESIGNED TO SAVE ENERGY OR WATER IN SCHOOL FACILITIES. A SCHOOL
43 DISTRICT MAY USE MONIES IN THE ENERGY AND WATER SAVINGS ACCOUNT FOR PAYMENTS
44 UNDER A PERFORMANCE CONTRACT ENTERED INTO PURSUANT TO SECTION 15-213 OR
45 15-213.01.

1 B. THE AUDITOR GENERAL AND THE DEPARTMENT OF EDUCATION SHALL PRESCRIBE
2 THE APPROPRIATE DESIGNATION OF THE ENERGY AND WATER SAVINGS ACCOUNTS IN THE
3 UNIFORM SYSTEM OF FINANCIAL RECORDS AND SHALL PRESCRIBE REPORTING
4 REQUIREMENTS ON THE APPROPRIATE BUDGET FORMS AND ANNUAL FINANCIAL REPORT
5 FORMS.

6 C. MONIES DEPOSITED IN AN ENERGY AND WATER SAVINGS ACCOUNT SHALL BE
7 USED AS A DESIGNATED POOL OF CAPITAL INVESTMENT MONIES TO PAY FOR THE
8 INCREMENTAL COST OF ENERGY OR WATER SAVINGS MEASURES IN SCHOOL FACILITIES
9 THAT ARE OWNED OR OPERATED BY THE SCHOOL DISTRICT. ANY CONTRACT ENTERED INTO
10 PURSUANT TO THIS SECTION SHALL CONTAIN AN AGREEMENT BETWEEN THE QUALIFIED
11 PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY AND THE SCHOOL DISTRICT
12 THAT EACH PARTY HAS PERFORMED A REASONABLE INVESTIGATION TO DETERMINE THAT
13 THE MEASURES CONTEMPLATED BY THE CONTRACT WILL RESULT IN STATED ENERGY OR
14 WATER SAVINGS. CONTRACT TERMS MAY EXTEND THE PERIOD OF THE CAPITAL
15 INVESTMENT REPAYMENT SCHEDULE PRESCRIBED IN SUBSECTION G OF THIS SECTION UP
16 TO THE EXPECTED LIFE OF THE ENERGY OR WATER SAVINGS MEASURES, OR TWENTY-FIVE
17 YEARS, WHICHEVER IS SHORTER.

18 D. EXPENDITURES FROM AN ENERGY AND WATER SAVINGS ACCOUNT SHALL BE USED
19 ONLY FOR THE FOLLOWING:

20 1. PROJECTS OR MEASURES PURSUANT TO A CONTRACT PURSUANT TO THIS
21 SECTION THAT SAVE ENERGY OR WATER IN SCHOOL FACILITIES THAT ARE OWNED OR
22 OPERATED BY THE SCHOOL DISTRICT. MONIES MAY BE USED PURSUANT TO THIS
23 PARAGRAPH TO PROVIDE TECHNICAL ASSISTANCE REGARDING ENERGY OR WATER SAVINGS
24 TO SCHOOL DISTRICTS BY A QUALIFIED PROVIDER OR A UTILITY, ENERGY OR WATER
25 SERVICES COMPANY.

26 2. THE REPAYMENT TO THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER
27 SERVICES COMPANY OF CAPITAL INVESTMENT MONIES DEPOSITED IN THE ACCOUNT PLUS
28 REASONABLE CARRYING CHARGES PURSUANT TO THE TERMS OF THE CONTRACT.
29 REASONABLE CARRYING CHARGES FOR INVESTOR OWNED UTILITIES WILL BE THE MOST
30 RECENT AUTHORIZED RATE OF RETURN APPROVED BY THE ARIZONA CORPORATION
31 COMMISSION.

32 E. SCHOOL DISTRICTS SHALL PROCURE ENERGY OR WATER SAVINGS MEASURES OR
33 SERVICES WITH MONIES DISTRIBUTED FROM THE ENERGY AND WATER SAVINGS ACCOUNTS.

34 F. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES
35 OR SERVICES, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES
36 COMPANY SHALL COMPUTE, AND THE SCHOOL DISTRICT SHALL REVIEW AND APPROVE, THE
37 ESTIMATED AMOUNT OF THE ENERGY OR WATER SAVINGS AND THE ASSOCIATED IMPACT ON
38 ENERGY OR WATER COSTS TO BE ACHIEVED BY THE SCHOOL DISTRICT ON AN ANNUAL AND
39 MONTHLY BASIS OVER THE EXPECTED LIFE OF THE MEASURES AND SHALL INCLUDE THESE
40 ESTIMATES IN THE CONTRACT. THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR
41 WATER SERVICES COMPANY AND THE SCHOOL DISTRICT SHALL UPDATE THE ANNUAL AND
42 MONTHLY ENERGY OR WATER SAVINGS AND ASSOCIATED COST IMPACT ESTIMATES ANNUALLY
43 BASED ON ACTUAL EXPERIENCE.

44 G. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES
45 OR SERVICES, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES
46 COMPANY AND THE SCHOOL DISTRICT SHALL JOINTLY DEVELOP A SCHEDULE OF MONTHLY

1 PAYMENTS FOR REPAYMENT OF THE CAPITAL INVESTMENT MONIES TO THE QUALIFIED
2 PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY. THE REPAYMENT
3 SCHEDULE SHALL RESULT IN LOWER ENERGY OR WATER COSTS, WHICH SHALL INCLUDE THE
4 COST OF THE INSTALLED ENERGY OR WATER SAVINGS MEASURES FOR THE SCHOOL
5 DISTRICT OVER THE LIFE OF THE INSTALLED MEASURES THAT THE SCHOOL DISTRICT
6 WOULD HAVE EXPERIENCED WITHOUT THE INSTALLATION OF THE MEASURES. THE
7 REPAYMENT SCHEDULE SHALL BE INCLUDED IN THE CONTRACT.

8 H. THE SCHOOL DISTRICT SHALL TRANSFER ON A MONTHLY BASIS THE AMOUNT OF
9 THE MONTHLY PAYMENT PRESCRIBED PURSUANT TO SUBSECTION G OF THIS SECTION TO
10 THE ENERGY AND WATER SAVINGS ACCOUNT FROM THE MAINTENANCE AND OPERATION
11 PORTION OF THE SCHOOL DISTRICT'S BUDGET TO REPAY ANY UNPAID BALANCE OF THE
12 CAPITAL INVESTMENT PREVIOUSLY DEPOSITED IN THE ENERGY AND WATER SAVINGS
13 ACCOUNT FROM THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES
14 COMPANY PLUS A REASONABLE CARRYING CHARGE. FOR THE PERIOD OF TIME THAT THE
15 COMPANY'S CAPITAL INVESTMENT MONIES AND REASONABLE CARRYING CHARGE REMAIN
16 UNPAID, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY
17 SHALL PROVIDE A SEPARATE BILLING OR BILLING COMPONENT TO REPAY THE CAPITAL
18 INVESTMENT ON A MONTHLY BASIS, PURSUANT TO THE REPAYMENT SCHEDULE PRESCRIBED
19 PURSUANT TO SUBSECTION G OF THIS SECTION, WHICH SHALL BE PAID BY THE SCHOOL
20 DISTRICT FROM THE ENERGY AND WATER SAVINGS ACCOUNT. THE SCHOOL DISTRICT'S
21 GENERAL BUDGET LIMIT SHALL BE REDUCED BY THE AMOUNT OF MONIES TRANSFERRED TO
22 THE ENERGY AND WATER SAVINGS ACCOUNT PURSUANT TO THIS SECTION.

23 I. AFTER THE BALANCE OF THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR
24 WATER SERVICES COMPANY'S CAPITAL INVESTMENT MONIES DEPOSITED IN THE ENERGY
25 AND WATER SAVINGS ACCOUNT PLUS A REASONABLE CARRYING CHARGE ARE REPAYED IN
26 FULL BY THE SCHOOL DISTRICT, THE SCHOOL DISTRICT MAY DISCONTINUE THE DEPOSIT
27 IN THE ENERGY AND WATER SAVINGS ACCOUNT OF AMOUNTS THAT ARE PRESCRIBED IN
28 SUBSECTION H OF THIS SECTION.

29 J. ANY MONIES ASSOCIATED WITH AN ENERGY OR WATER SAVINGS PROJECT
30 REMAINING IN THE ENERGY AND WATER SAVINGS ACCOUNT AFTER THE CAPITAL
31 INVESTMENT MONIES OF THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER
32 SERVICES COMPANY PLUS A REASONABLE CARRYING CHARGE ARE REPAYED IN FULL MAY BE
33 TRANSFERRED TO THE MAINTENANCE AND OPERATION PORTION OF THE SCHOOL DISTRICT'S
34 BUDGET, AND THE GENERAL BUDGET LIMIT MAY BE INCREASED BY THE AMOUNT
35 TRANSFERRED.

36 K. SCHOOL DISTRICTS MAY DEPOSIT ENERGY-RELATED REBATE OR GRANT MONIES
37 IN THE ENERGY AND WATER SAVINGS ACCOUNT TO ASSIST IN FUNDING ENERGY OR WATER
38 SAVINGS PROJECTS. THESE REBATE OR GRANT MONIES SHALL BE USED TO REDUCE THE
39 TOTAL COST OF ENERGY OR WATER SAVINGS PROJECTS AND TO REDUCE THE AMOUNT OF
40 CAPITAL INVESTMENT MONIES RECEIVED FROM AND REPAYED TO UTILITY, ENERGY OR
41 WATER SERVICES COMPANIES. SCHOOL DISTRICTS ARE NOT REQUIRED TO REPAY THE
42 REBATE OR GRANT MONIES IN THE MANNER DESCRIBED IN SUBSECTION H OF THIS
43 SECTION, PURSUANT TO THE AGREEMENTS WITH THE PROVIDERS OF REBATE OR GRANT
44 FUNDS.

1 L. SCHOOL DISTRICTS SHALL NOT USE OR DEPOSIT ANY EXCESS UTILITIES
2 MONIES BUDGETED PURSUANT TO SECTION 15-910 OR 15-910.04 IN THE ENERGY AND
3 WATER SAVINGS ACCOUNT.

4 M. SCHOOL DISTRICTS MAY DEPOSIT MONIES FROM OTHER FUNDING SOURCES,
5 INCLUDING FROM CLEAN RENEWABLE ENERGY BONDS, IN THE ENERGY AND WATER SAVINGS
6 ACCOUNT TO FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL FACILITIES. THESE
7 MONIES SHALL BE REPAID IN A MANNER CONSISTENT WITH THIS SECTION AND PURSUANT
8 TO THE CONTRACT BETWEEN THE SCHOOL DISTRICT AND THE PROVIDER OF THE FUNDING.

9 N. THIS SECTION DOES NOT IMPOSE AN OBLIGATION ON ANY ENERGY UTILITY,
10 WATER UTILITY, PUBLIC SERVICE CORPORATION OR AGRICULTURAL IMPROVEMENT
11 DISTRICT TO INVEST MONIES OR CONTRACT WITH ANY SCHOOL DISTRICT.

12 Sec. 4. Section 34-201, Arizona Revised Statutes, is amended to read:
13 34-201. Notice of intention to receive bids and enter contract;
14 procedure; doing work without advertising for bids;
15 county compliance

16 A. Except as provided in subsections B through G and L of this
17 section, every agent ~~shall~~, ~~upon~~ ON acceptance and approval of the working
18 drawings and specifications, SHALL publish a notice to contractors of
19 intention to receive bids and contract for the proposed work. This notice
20 shall be published by advertising in a newspaper of general circulation in
21 the county in which the agent is located for two consecutive publications if
22 it is a weekly newspaper or for two publications that are at least six but no
23 more than ten days apart if it is a daily newspaper. The notice shall state:

24 1. The nature of the work required, the type, purpose and location of
25 the proposed building, ~~and~~ where the plans, specifications and full
26 information as to the proposed work may be obtained.

27 2. That contractors desiring to submit proposals may obtain copies of
28 full or partial sets of plans and specifications for estimate on request or
29 by appointment. The return of such plans and specifications shall be
30 guaranteed by a deposit of a designated amount which shall be refunded on
31 return of the plans and specifications in good order.

32 3. That every proposal shall be accompanied by a certified check,
33 cashier's check or surety bond for ten per cent of the amount of the bid
34 included in the proposal as a guarantee that the contractor will enter into a
35 contract to perform the proposal in accordance with the plans and
36 specifications. Notwithstanding ~~the provisions of~~ any other statute, the
37 surety bond shall be executed solely by a surety company or companies holding
38 a certificate of authority to transact surety business in this state issued
39 by the director of the department of insurance pursuant to title 20, chapter
40 2, article 1. The surety bond shall not be executed by an individual surety
41 or sureties, even if the requirements of section 7-101 are satisfied. The
42 certified check, cashier's check or surety bond shall be returned to the
43 contractors whose proposals are not accepted, and to the successful
44 contractor ~~upon~~ ON the execution of a satisfactory bond and contract as
45 provided in this article. The conditions and provisions of the surety bid
46 bond regarding the surety's obligations shall follow the following form:

1 Now, therefore, if the obligee accepts the proposal of the
2 principal and the principal enters into a contract with the
3 obligee in accordance with the terms of the proposal and gives
4 the bonds and certificates of insurance as specified in the
5 standard specifications with good and sufficient surety for the
6 faithful performance of the contract and for the prompt payment
7 of labor and materials furnished in the prosecution of the
8 contract, or in the event of the failure of the principal to
9 enter into the contract and give the bonds and certificates of
10 insurance, if the principal pays to the obligee the difference
11 not to exceed the penalty of the bond between the amount
12 specified in the proposal and such larger amount for which the
13 obligee may in good faith contract with another party to perform
14 the work covered by the proposal then this obligation is void.
15 Otherwise it remains in full force and effect provided, however,
16 that this bond is executed pursuant to the provisions of section
17 34-201, Arizona Revised Statutes, and all liabilities on this
18 bond shall be determined in accordance with the provisions of
19 the section to the extent as if it were copied at length herein.

20 4. That the right is reserved to reject any or all proposals or to
21 withhold the award for any reason the agent determines.

22 B. If the agent believes that any construction, building addition or
23 alteration contemplated at a public institution can be advantageously done by
24 the inmates of the public institution and regularly employed help, the agent
25 may cause the work to be done without advertising for bids.

26 C. Any building, structure, addition or alteration may be constructed
27 either with or without the use of the agent's regularly employed personnel
28 without advertising for bids, provided that the total cost of the work,
29 excluding materials and equipment previously acquired by bid, does not
30 exceed:

31 1. In fiscal year 1994-1995, fourteen thousand dollars.

32 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
33 amount provided in paragraph 1 of this subsection adjusted by the annual
34 percentage change in the GDP price deflator as defined in section 41-563.

35 D. Notwithstanding ~~the provisions of~~ subsection C of this section, any
36 street, road, bridge, water or sewer work, other than a water or sewer
37 treatment plant or building, may be constructed either with or without the
38 use of the agent's regularly employed personnel without advertising for bids,
39 provided that the total cost of the work does not exceed:

40 1. In fiscal year 1994-1995, one hundred fifty thousand dollars.

41 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
42 amount provided in paragraph 1 of this subsection adjusted by the annual
43 percentage change in the GDP price deflator as defined in section 41-563.

44 E. For the purposes of subsection D of this section, the total cost of
45 water or sewer work does not include services provided by volunteers or
46 donations made for the water or sewer project.

1 F. Notwithstanding ~~the provisions of~~ this section, an agent may:
2 1. Construct, reconstruct, install or repair a natural gas or electric
3 utility and distribution system, owned or operated by such agent, with
4 regularly employed personnel of the agent without advertising for bids,
5 unless otherwise prohibited by charter or ordinance.
6 2. Construct recreational projects, including trails, playgrounds,
7 ballparks and other similar facilities and excluding buildings, structures,
8 building additions and alterations to buildings, structures and building
9 additions, with volunteer workers or workers provided by a nonprofit
10 organization without advertising for bids for labor and materials, provided
11 that the total cost of the work does not exceed:
12 (a) In fiscal year 2001-2002, one hundred fifty thousand dollars.
13 (b) In fiscal year 2002-2003 and each fiscal year thereafter, the
14 amount provided in subdivision (a) ~~of this paragraph~~ adjusted by the annual
15 percentage change in the GDP price deflator as defined in section 41-563.
16 G. A contribution by an agent for the financing of public
17 infrastructure made pursuant to a development agreement is exempt from ~~the~~
18 ~~provisions of~~ this section if such contribution for any single development
19 does not exceed:
20 1. In fiscal year 1994-1995, one hundred thousand dollars.
21 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
22 amount provided in paragraph 1 of this subsection adjusted by the annual
23 percentage change in the GDP price deflator as defined in section 41-563.
24 H. In addition to other state or local requirements relating to the
25 publication of bids, each agent shall provide at least one set of all plans
26 and specifications to any construction news reporting service that files an
27 annual request with the agent. For the purposes of this subsection,
28 "construction news reporting service" means a service that researches,
29 gathers and disseminates news and reports either in print or electronically,
30 on at least a weekly basis for building projects, construction bids, the
31 purchasing of materials, supplies or services and other construction bidding
32 or planned activity to the allied construction industry. The allied
33 construction industry includes both general and specialty contractors,
34 builders, material and service suppliers, architects and engineers, owners,
35 developers and government agencies.
36 I. Any construction by a county under this section shall comply with
37 the uniform accounting system prescribed for counties by the auditor general
38 under section 41-1279.21. Any construction by a city or town under this
39 section shall comply with generally accepted accounting principles.
40 J. Any construction, building addition or alteration project ~~which~~
41 ~~THAT~~ is financed by monies of this state or its political subdivisions shall
42 not use endangered wood species unless an exemption is granted by the
43 director of the department of administration. The director shall only grant
44 an exemption if the use of endangered wood species is deemed necessary for
45 historical restoration or to repair existing facilities and the use of any
46 substitute material is not practical. Any lease-purchase agreement entered

1 into by this state or its political subdivisions for construction shall
2 specify that no endangered wood species may be used in the construction
3 unless an exemption is granted by the director. ~~As used in~~ FOR THE PURPOSES
4 OF this subsection, "endangered wood species" includes those listed in
5 appendix I of the convention on international trade in endangered species of
6 wild flora and fauna.

7 K. All bonds given by a contractor and surety pursuant to ~~the~~
8 ~~provisions of~~ this article, regardless of their actual form, will be deemed
9 by law to be the form required and set forth in this article and no other.

10 L. Any building, structure, addition or alteration may be constructed
11 without complying with this article if the construction, including
12 construction of buildings or structures on public or private property, is
13 required as a condition of development of private property and is authorized
14 by section 9-463.01 or 11-806.01. For the purposes of this subsection,
15 building does not include police, fire, school, library, ~~or~~ or other public
16 buildings.

17 M. Notwithstanding section 34-221, any agent may enter into a
18 guaranteed energy cost savings contract with a qualified provider, ~~as those~~
19 ~~terms are defined in section 15-213.01,~~ for the purchase of energy cost
20 savings measures without complying with this article and may procure a
21 guaranteed energy cost savings contract through the competitive sealed
22 proposal process prescribed in title 41, chapter 23, ~~article 3~~ or any similar
23 competitive proposal process adopted by the agent. ~~as long as the agent~~
24 ~~follows any additional requirements set forth in section 15-213.01.~~

25 Sec. 5. Section 42-11054, Arizona Revised Statutes, is amended to
26 read:

27 42-11054. Standard appraisal methods and techniques

28 A. Subject to subsection B of this section, the department shall:

29 1. Prescribe guidelines for applying standard appraisal methods and
30 techniques that shall be used by the department and county assessors in
31 determining the valuation of property.

32 2. Prepare and maintain manuals and other necessary guidelines,
33 consistent with this section, reflecting the standard methods and techniques
34 to perpetuate a current inventory of taxable property and the valuation of
35 that property.

36 B. Before they are adopted, the department shall submit each
37 substantive proposed guideline, table and manual that is developed, amended
38 or otherwise modified from and after December 31, 2006 to the joint
39 legislative oversight committee on property tax assessment and appeals. The
40 department shall not finally adopt, amend or otherwise modify a substantive
41 guideline, table or manual for at least thirty days after submitting the
42 measure to the committee. The committee may hold one or more informational
43 hearings on the proposed measure within thirty days after submission. In
44 adopting, amending or modifying the measure the department shall consider the
45 committee's comments. If the committee fails to hold a hearing within thirty

1 days after submission, the department may adopt, amend or modify the measure
2 without further consideration.

3 C. In applying prescribed standard appraisal methods and techniques:

4 1. Current usage shall be included in the formula for reaching a
5 determination of full cash value.

6 2. Solar energy devices, as defined in section 44-1761, **GRID-TIED**
7 **PHOTOVOLTAIC SYSTEMS** and any other device or system designed for the
8 production of solar energy **PRIMARILY** for on-site consumption are considered
9 to **HAVE NO VALUE AND TO** add no value to the property **ON WHICH SUCH DEVICE OR**
10 **SYSTEM IS INSTALLED.**

11 D. If the methods and techniques prescribe using market data as an
12 indication of market value, the price paid for future anticipated property
13 value increments shall be excluded.

14 E. For purposes of determining full cash value the department and
15 county assessors shall use and apply the ratio standard guidelines issued by
16 the department for tax year 1993 in the same manner as they were applied in
17 tax year 1993. This subsection does not apply to property that is valued
18 according to prescribed statutory methods or to property for which values are
19 determined in the year after an appeal pursuant to section 42-16002.