

REFERENCE TITLE: energy park authority

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

HB 2676

Introduced by
Representatives Nichols, Meza, Pancrazi: Adams, Campbell CL, McComish,
Tobin, Yarbrough

AN ACT

AMENDING SECTION 11-821.01, ARIZONA REVISED STATUTES; AMENDING TITLE 30, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 2; AMENDING SECTION 42-12001, ARIZONA REVISED STATUTES; RENUMBERING SECTION 42-12010, ARIZONA REVISED STATUTES, AS SECTION 42-12011; AMENDING TITLE 42, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 42-12010; AMENDING SECTION 42-14151, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 14, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 11; RENUMBERING SECTION 42-15010, ARIZONA REVISED STATUTES, AS SECTION 42-15011; AMENDING TITLE 42, CHAPTER 15, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 42-15010; AMENDING SECTION 48-3713, ARIZONA REVISED STATUTES; RELATING TO ELECTRICAL ENERGY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 11-821.01, Arizona Revised Statutes, is amended to
3 read:

4 11-821.01. Duty to zone certain area for canneries, fertilizer
5 plants, refineries, commercial feed lots, meat
6 packing plants, tallow works, energy parks and
7 other like businesses; procedure

8 A. The county planning and zoning commission shall designate and zone
9 appropriate areas of reasonable size in which there may be established with
10 reasonable permanency canneries, fertilizer plants, refineries, commercial
11 feed lots, meat packing plants, tallow works, ENERGY PARKS PURSUANT TO TITLE
12 30, CHAPTER 2, and other like businesses, and the county board of supervisors
13 ~~shall~~ by ordinance SHALL adopt at least one of any such plans as may be
14 submitted by the commission to the board for the location of such businesses.

15 B. The zoning provided for in subsection A of this section shall be
16 adopted and amended by the county as part of the county plan pursuant to
17 section 11-821 and in accordance with all procedural requirements of this
18 article.

19 Sec. 2. Title 30, Arizona Revised Statutes, is amended by adding
20 chapter 2, to read:

21 CHAPTER 2
22 ENERGY PARK AUTHORITY
23 ARTICLE 1. ADMINISTRATION

24 30-401. Definitions

25 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- 26 1. "AUTHORITY" MEANS THE ENERGY PARK AUTHORITY.
- 27 2. "BOARD" MEANS THE BOARD OF DIRECTORS OF THE AUTHORITY.
- 28 3. "ENERGY PARK" MEANS AT LEAST TWO RENEWABLE OR NONCARBON-BASED
29 GENERATION FACILITIES AND THE ASSOCIATED TRANSMISSION LINES INTERCONNECTED
30 TOGETHER THAT ARE CODEVELOPED FOR THE PURPOSES OF RECEIVING INCENTIVES,
31 INCREASING FINANCIAL STABILITY AND MINIMIZING COSTS AS DETERMINED BY THE
32 AUTHORITY. CARBON-BASED GENERATION FACILITIES MAY BE INCLUDED IN THE ENERGY
33 PARK, BUT SHALL NOT RECEIVE ANY DIRECT INCENTIVE OR BENEFIT FROM THE
34 AUTHORITY.
- 35 4. "FACILITY" OR "FACILITIES" MEANS ELECTRIC GENERATION OR
36 TRANSMISSION FACILITIES.
- 37 5. "GENERATION FACILITY" MEANS A FACILITY FOR THE GENERATION OF
38 ELECTRICITY THAT IS TRANSMITTED THROUGH A TRANSMISSION FACILITY TO A GRID
39 CONNECTION WITH A PUBLIC OR PRIVATE ELECTRIC TRANSMISSION OR DISTRIBUTION
40 UTILITY SYSTEM.
- 41 6. "OBLIGATIONS" MEANS BONDS, NOTES, BOND ANTICIPATION NOTES,
42 COMMERCIAL PAPER OR OTHER EVIDENCES OF INDEBTEDNESS OR LEASE, INSTALLMENT
43 PURCHASE OR OTHER AGREEMENTS OR PURCHASING PROGRAMS OR CERTIFICATES OF
44 PARTICIPATION.

1 7. "TRANSMISSION FACILITY" MEANS REAL AND PERSONAL PROPERTY AND
2 IMPROVEMENTS USED TO TRANSMIT ELECTRICITY BETWEEN A GENERATION FACILITY IN AN
3 ENERGY PARK AND THE FIRST CONNECTION WITH A PUBLIC OR PRIVATE TRANSMISSION
4 GRID.

5 30-402. Energy park authority

6 A. THE ENERGY PARK AUTHORITY IS ESTABLISHED. THE AUTHORITY HAS
7 JURISDICTION TO OPERATE THROUGHOUT THIS STATE.

8 B. THE AUTHORITY IS A CORPORATE AND POLITICAL BODY, SEPARATE FROM THE
9 STATE OF ARIZONA, AND, EXCEPT AS OTHERWISE LIMITED, MODIFIED OR PROVIDED BY
10 THIS CHAPTER, HAS ALL OF THE RIGHTS, POWERS AND IMMUNITIES OF MUNICIPAL
11 CORPORATIONS. THE AUTHORITY IS CONSIDERED TO BE A PUBLIC IMPROVEMENT
12 DISTRICT AND A POLITICAL SUBDIVISION FOR THE PURPOSES OF ARTICLE XIII,
13 SECTION 7, CONSTITUTION OF ARIZONA.

14 C. THE AUTHORITY IS REGARDED AS PERFORMING A GOVERNMENTAL FUNCTION IN
15 CARRYING OUT THE PURPOSES OF THIS CHAPTER. ANY PROPERTY, MONIES AND OTHER
16 ASSETS, INCLUDING ELECTRIC ENERGY AND POWER, ACQUIRED BY THE AUTHORITY IS
17 CONSIDERED TO BE PUBLIC PROPERTY AND, AS SUCH, IS EXEMPT FROM STATE AND LOCAL
18 TAXATION. IF THE AUTHORITY IS TERMINATED, ALL ITS ASSETS REMAINING AFTER ITS
19 OBLIGATIONS AND LIABILITIES HAVE BEEN SATISFIED OR DISCHARGED SHALL BE CEDED
20 AND SURRENDERED TO THIS STATE.

21 D. THE BOARD OF DIRECTORS AND THE AUTHORITY DO NOT HAVE THE POWER TO
22 LEVY OR OTHERWISE IMPOSE ANY TAX OR ASSESSMENT, OTHER THAN AS SPECIFICALLY
23 AUTHORIZED BY THIS CHAPTER.

24 30-403. Board of directors

25 A. THE AUTHORITY IS GOVERNED BY A BOARD OF DIRECTORS CONSISTING OF THE
26 FOLLOWING MEMBERS:

27 1. ONE MEMBER OF THE SENATE WHO IS APPOINTED BY THE PRESIDENT OF THE
28 SENATE.

29 2. ONE MEMBER OF THE HOUSE OF REPRESENTATIVES WHO IS APPOINTED BY THE
30 SPEAKER OF THE HOUSE OF REPRESENTATIVES.

31 3. ONE MEMBER WHO REPRESENTS PUBLIC ELECTRICAL UTILITIES THAT ARE
32 REGULATED BY THE ARIZONA CORPORATION COMMISSION AND WHO IS APPOINTED BY THE
33 GOVERNOR.

34 4. ONE MEMBER WHO REPRESENTS AGRICULTURAL IMPROVEMENT AND POWER
35 DISTRICTS AND WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

36 5. ONE MEMBER WHO HAS EXPERTISE IN ENERGY FINANCING, WHO IS NOT
37 EMPLOYED BY AN ELECTRICAL UTILITY AND WHO IS APPOINTED BY THE GOVERNOR.

38 6. ONE MEMBER WHO HAS EXPERTISE IN ELECTRICAL GENERATION TECHNOLOGY,
39 WHO IS NOT EMPLOYED BY AN ELECTRICAL UTILITY AND WHO IS APPOINTED BY THE
40 GOVERNOR.

41 7. ONE MEMBER WHO HAS EXPERTISE IN ELECTRICAL ENERGY TRANSMISSION
42 PLANNING AND FINANCING AND PROJECT DEVELOPMENT, WHO IS NOT EMPLOYED BY AN
43 ELECTRICAL UTILITY AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
44 REPRESENTATIVES.

1 B. TO THE EXTENT PRACTICABLE, MEMBERS SHALL BE APPOINTED TO PRODUCE A
2 GENERAL GEOGRAPHICALLY DIVERSE REPRESENTATION OF AREAS IN THIS STATE.
3 APPOINTED MEMBERS SERVE AT THE PLEASURE OF THE APPOINTING OFFICER OR BODY.

4 C. MEMBERS OF THE BOARD ARE NOT ELIGIBLE FOR COMPENSATION, BUT MAY BE
5 REIMBURSED FROM AVAILABLE MONIES OF THE AUTHORITY FOR ACTUAL EXPENSES IN
6 PERFORMING AND ATTENDING TO AUTHORITY BUSINESS AS PROVIDED BY TITLE 38,
7 CHAPTER 4, ARTICLE 2.

8 30-404. Advisory councils

9 THE BOARD MAY ESTABLISH AND APPOINT THE MEMBERSHIP OF PERMANENT OR
10 TEMPORARY ADVISORY COUNCILS, WHICH MAY INCLUDE MEMBERS OF THE BOARD, TO
11 ASSIST AND ADVISE THE BOARD ON ISSUES REQUIRING SPECIFIC TECHNICAL EXPERTISE
12 OR TO ADDRESS SPECIFIC ISSUES RELATING TO INDIVIDUAL PROJECTS.

13 30-405. Administrative powers and duties

14 A. THE BOARD SHALL:

15 1. DETERMINE THE ORGANIZATIONAL STRUCTURE AND PROCEDURE OF THE
16 AUTHORITY TO MEET THE REQUIREMENTS OF THIS CHAPTER.

17 2. APPOINT FROM AMONG ITS MEMBERS A CHAIRPERSON, A SECRETARY AND ANY
18 OTHER OFFICERS THAT ARE NECESSARY TO CONDUCT THE BUSINESS OF THE BOARD.

19 3. PROVIDE FOR A SYSTEM OF ACCOUNTING FOR THE ASSETS AND MONIES OF THE
20 AUTHORITY.

21 4. PROVIDE FOR THE NECESSARY RECORDS OF THE AUTHORITY, AND MAINTAIN A
22 COMPLETE AND ACCURATE RECORD OF ALL OF THE PROCEEDINGS OF THE BOARD. THE
23 BOARD IS A PUBLIC BODY FOR PURPOSES OF TITLE 38, CHAPTER 3, ARTICLE 3.1 AND
24 TITLE 39, CHAPTER 1.

25 B. THE BOARD MAY:

26 1. ADOPT AND USE A CORPORATE SEAL.

27 2. SUE AND BE SUED.

28 3. ENTER INTO CONTRACTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS UNDER
29 TITLE 11, CHAPTER 7, ARTICLE 3, AS NECESSARY TO CARRY OUT THE PURPOSES AND
30 REQUIREMENTS OF THIS CHAPTER.

31 4. ADOPT, AMEND AND RESCIND ADMINISTRATIVE AND SUBSTANTIVE RULES OF
32 PROCEDURE AND OPERATION. RULES ADOPTED BY THE BOARD ARE EXEMPT FROM TITLE
33 41, CHAPTER 6, EXCEPT THAT THE BOARD SHALL:

34 (a) SUBMIT THE RULES FOR PUBLICATION, AND THE SECRETARY OF STATE SHALL
35 PUBLISH THE RULES IN THE ARIZONA ADMINISTRATIVE REGISTER.

36 (b) PROVIDE THIRTY DAYS FOR INTERESTED PERSONS TO COMMENT ON THE
37 PROPOSED RULES BEFORE ADOPTION AND AFTER PUBLICATION.

38 5. RETAIN LEGAL COUNSEL AND OTHER CONSULTANTS AS NECESSARY TO CARRY
39 OUT THE PURPOSES OF THE AUTHORITY.

40 30-406. Executive director; duties

41 A. THE BOARD SHALL EMPLOY AN EXECUTIVE DIRECTOR OF THE AUTHORITY AND
42 PRESCRIBE THE TERMS AND CONDITIONS OF EMPLOYMENT.

43 B. THE EXECUTIVE DIRECTOR IS RESPONSIBLE FOR MANAGING, ADMINISTERING
44 AND SUPERVISING THE ACTIVITIES OF THE AUTHORITY.

1 C. THE EXECUTIVE DIRECTOR SHALL NEGOTIATE, MAKE, EXECUTE, ACKNOWLEDGE
2 AND PERFORM CONTRACTS AND OTHER AGREEMENTS IN THE INTEREST OF THE AUTHORITY
3 OR TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS CHAPTER. THE BOARD MAY
4 PRESCRIBE THAT EXECUTION OR PERFORMANCE OF SPECIFIC CONTRACTS REQUIRE FURTHER
5 APPROVAL BY THE BOARD.

6 D. THE BOARD MAY AUTHORIZE THE EXECUTIVE DIRECTOR TO EMPLOY CLERICAL,
7 ADMINISTRATIVE AND PROFESSIONAL EMPLOYEES, DEFINE THEIR DUTIES AND PRESCRIBE
8 THE TERMS AND CONDITIONS OF EMPLOYMENT. ALL EMPLOYMENT POSITIONS MUST BE
9 FILLED ON NONPARTISAN AND MERIT-BASED CONSIDERATIONS. EMPLOYEES OF THE
10 AUTHORITY ARE CONSIDERED TO BE PUBLIC EMPLOYEES FOR THE PURPOSES OF TITLE 38.

11 E. THE EXECUTIVE DIRECTOR SHALL:

12 1. EMPLOY A TREASURER OR DESIGNATE A FISCAL AGENT TO DEPOSIT, HOLD,
13 INVEST AND DISBURSE THE AUTHORITY'S MONIES.

14 2. RECOMMEND TO THE BOARD THE RETENTION OF OUTSIDE LEGAL, TECHNICAL,
15 FINANCIAL AND FISCAL ADVISORS, AGENTS, CONSULTANTS AND AIDES.

16 3. DIRECT THE ACTIVITIES OF OUTSIDE CONSULTANTS.

17 30-407. Functional powers and duties

18 A. THE BOARD SHALL:

19 1. ADMINISTER THIS CHAPTER TO SUPPORT, DIVERSIFY AND EXPAND THE
20 ARIZONA ENERGY ECONOMY THROUGH THE DEVELOPMENT OF ELECTRIC GENERATION
21 FACILITIES AND THE IMPROVEMENT AND EXPANSION OF TRANSMISSION FACILITIES AND
22 RELATED SUPPORTING INFRASTRUCTURE.

23 2. ESTABLISH PROCEDURES TO OBTAIN AND RETAIN TECHNICAL DATA FOR PUBLIC
24 ACCESS PURSUANT TO TITLE 39, CHAPTER 1, ARTICLE 2.

25 3. BY JULY 1, 2011, ADOPT A TEN-YEAR, TWENTY-FIVE-YEAR AND FIFTY-YEAR
26 COMPREHENSIVE STATE ENERGY STRATEGY AND MAKE PERIODIC REVISIONS TO REFLECT
27 CHANGING CIRCUMSTANCES. THE BOARD SHALL CONSULT, COORDINATE AND INCLUDE IN
28 THE REPORTS CONSIDERATION OF ANY WATER MANAGEMENT PLANS UNDER THE DEPARTMENT
29 OF WATER RESOURCES AND A MULTI-COUNTY WATER CONSERVATION DISTRICT. THE BOARD
30 SHALL SUBMIT THESE REPORTS TO THE LEGISLATURE AS PROVIDED BY SECTION 41-1178.

31 4. BY DECEMBER 31, 2011, ADOPT A PLAN TO EXPEDITE AND MAXIMIZE THE
32 EFFICIENCY AND TIMELINESS OF THE SITING AND CONSTRUCTION OF GENERATION
33 FACILITIES AND TRANSMISSION FACILITIES. THE PLAN SHALL INCLUDE PROVISIONS
34 FOR NO MORE THAN NINETY DAYS IN ORDER TO RECEIVE A PRELIMINARY APPROVAL FOR
35 FURTHER ACTION. THE BOARD SHALL REVISE AND UPDATE THE PLAN EVERY FIVE YEARS
36 AND SUBMIT EACH REVISION OF THE PLAN TO THE LEGISLATURE AS PROVIDED BY
37 SECTION 41-1178.

38 5. BY JULY 12, 2012, ADOPT A MAP IDENTIFYING TRANSMISSION CORRIDORS
39 AND ENERGY PARKS THAT ADVANCE AN ADOPTED STATE ENERGY STRATEGY AND PROVIDE
40 FOR OPTIMAL USE OF AVAILABLE RENEWABLE RESOURCES AND LOCAL INITIATIVES.

41 6. ADOPT A STANDARDIZED PROCEDURE FOR APPROVING AND EXECUTING THE
42 FINANCING OF PROJECTS BY THE AUTHORITY PURSUANT TO ARTICLE 3 OF THIS CHAPTER
43 THAT MUST INCLUDE THE FOLLOWING CONSIDERATIONS AND CRITERIA FOR APPROVAL:

44 (a) THE MAXIMUM USE OF AVAILABLE WATER CONSERVATION DESIGN CRITERIA
45 THAT INCLUDE THE USE OF MAXIMUM REQUIRED SAFETY STANDARDS.

- 1 (b) ON-SITE SAFETY FEATURES INCLUDED IN THE PROJECT GIVING GREATER
2 CONSIDERATION TO PROJECTS USING THE BEST AVAILABLE SAFETY FEATURES FOR THE
3 PARTICULAR TECHNOLOGY OR TECHNOLOGIES BEING USED.
- 4 (c) RECYCLING PROGRAMS FOR SPENT OR OBSOLESCENT MATERIALS AND OTHER
5 ENVIRONMENTAL PROTECTION PROGRAMS THAT WOULD BE IMPLEMENTED AS PART OF THE
6 PROJECT.
- 7 (d) POTENTIAL CARBON EMISSIONS FROM THE PROJECT.
- 8 (e) AT LEAST FIFTY-ONE PER CENT OF THE NET NEW FULL-TIME EMPLOYMENT
9 POSITIONS AT THE PROJECT PAY A WAGE THAT EQUALS OR EXCEEDS ONE HUNDRED
10 TWENTY-FIVE PER CENT OF THE MEDIAN ANNUAL WAGE IN THIS STATE AS DETERMINED BY
11 THE MOST RECENT ANNUAL DEPARTMENT OF COMMERCE OCCUPATIONAL WAGE AND
12 EMPLOYMENT ESTIMATES.
- 13 (f) ALL NET NEW FULL-TIME EMPLOYMENT POSITIONS AT THE PROJECT INCLUDE
14 HEALTH INSURANCE COVERAGE FOR WHICH THE APPLICANT PAYS AT LEAST FIFTY PER
15 CENT OF THE PREMIUM OR MEMBERSHIP COST, OR AN EQUIVALENT PERCENTAGE OF THE
16 COST FOR ALTERNATIVE HEALTH BENEFIT MODELS THAT OFFER STANDARD COMPREHENSIVE
17 COVERAGE.
- 18 (g) AN EVALUATION OF THE PROJECT'S CONTRIBUTION TOWARDS AN ADOPTED
19 STATE ENERGY STRATEGY.
- 20 (h) AN EVALUATION OF THE PROJECT'S INCLUSION IN AN ENERGY PARK.
- 21 (i) AN EVALUATION OF THE FINANCIAL CAPACITY AND SECURITY OF INVESTORS
22 IN THE PROJECT.
- 23 B. THE AUTHORITY, THROUGH THE BOARD, MAY:
 - 24 1. ISSUE BONDS AND OTHER OBLIGATIONS PURSUANT TO THIS CHAPTER.
 - 25 2. ISSUE GRANT AND REVENUE ANTICIPATION NOTES PURSUANT TO TITLE 35,
26 CHAPTER 3, ARTICLE 3.2 OR 3.3.
 - 27 3. PROVIDE FINANCIAL ASSISTANCE FOR THE CONSTRUCTION, DEVELOPMENT,
28 ACQUISITION, OPERATION AND MAINTENANCE OF TRANSMISSION FACILITIES AND RELATED
29 INFRASTRUCTURE IN THIS STATE.
 - 30 4. PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF ENERGY PARKS.
 - 31 5. PROVIDE FINANCIAL ASSISTANCE TO STATE AGENCIES TO EXPEDITE AND
32 IMPROVE THE EFFICIENCY AND TIMELINESS OF GOVERNMENT ACTIONS RELATING TO
33 SITING GENERATION AND TRANSMISSION FACILITIES.
 - 34 6. APPLY FOR, ACCEPT AND ADMINISTER GRANTS AND OTHER FINANCIAL
35 ASSISTANCE FROM THE UNITED STATES GOVERNMENT AND FROM OTHER PUBLIC AND
36 PRIVATE SOURCES.
 - 37 7. CONTRACT AND INCUR OBLIGATIONS AS REASONABLY NECESSARY OR DESIRABLE
38 WITHIN THE GENERAL SCOPE OF THE AUTHORITY'S ACTIVITIES AND OPERATIONS TO
39 ALLOW THE AUTHORITY TO ADEQUATELY PERFORM ITS DUTIES UNDER THIS CHAPTER.
 - 40 8. ESTABLISH, ASSESS AND COLLECT FEES AND CHARGES FOR THE USE OF THE
41 FACILITIES OWNED BY THE AUTHORITY. FEES AND CHARGES MAY INCLUDE FINANCIAL
42 ASSISTANCE ORIGINATION FEES, ANNUAL FEES, RENTALS AND OTHER CHARGES. ANY
43 MONIES COLLECTED PURSUANT TO THIS PARAGRAPH CONSTITUTE GOVERNMENTAL REVENUE
44 AND MAY BE USED FOR ANY PURPOSE CONSISTENT WITH THE MISSION AND OBJECTIVES OF
45 THE AUTHORITY UNDER THIS CHAPTER.

- 1 9. ENTER INTO CONTRACTS WITH ANY PERSON OR ENTITY FOR THE MANAGEMENT
2 AND OPERATION OF ITS PROJECTS.
- 3 10. ENTER INTO PARTNERSHIPS WITH PUBLIC OR PRIVATE ENTITIES.
- 4 11. OWN PROJECTS BY ITSELF OR JOINTLY WITH OTHER OWNERS AND DEVELOP
5 OPERATIONAL AND JOINT OWNERSHIP PROTOCOLS.
- 6 12. PLEDGE THE REVENUES OF THE AUTHORITY, ANY AVAILABLE STATE AND
7 FEDERAL MONIES AND GRANTS AND RELATED RESOURCES TO A FINANCING PROGRAM FOR
8 APPROVED PROJECTS.
- 9 13. DEVELOP MINIMUM CREDIT GUIDELINES TO ENSURE ADEQUATE FINANCING
10 CAPACITY AND ENHANCED FINANCING EFFICIENCY.
- 11 14. ASSESS INTEREST ON LOANS OF MONIES OF THE AUTHORITY AND USE
12 INTEREST REVENUE FOR THE OPERATING COSTS OF THE AUTHORITY.
- 13 15. INVESTIGATE, PLAN, PRIORITIZE AND ESTABLISH FINANCING PLANS FOR
14 GENERATION AND TRANSMISSION FACILITIES PROJECTS APPROVED BY THE BOARD IN THIS
15 STATE.
- 16 16. PLAN, FINANCE, CONSTRUCT, DEVELOP, ACQUIRE, OWN, MAINTAIN AND
17 OPERATE WITHIN AND OUTSIDE THIS STATE, PROPERTY, STRUCTURES, EQUIPMENT,
18 FACILITIES AND WORKS OF PUBLIC IMPROVEMENT NECESSARY OR USEFUL TO ACCOMPLISH
19 THE PURPOSES FOR WHICH THE AUTHORITY WAS ESTABLISHED, INCLUDING OBTAINING
20 PERMITS AND ACQUIRING RIGHTS-OF-WAY.
- 21 17. ACQUIRE BY ANY LAWFUL MEANS AND OPERATE, MAINTAIN, ENCUMBER AND
22 DISPOSE OF REAL AND PERSONAL PROPERTY, IMPROVEMENTS TO REAL PROPERTY AND
23 INTERESTS IN PROPERTY WITHIN AND OUTSIDE THIS STATE.
- 24 18. PROVIDE FOR THE USE, MAINTENANCE AND OPERATION OF THE PROPERTIES,
25 INTERESTS AND OTHER ASSETS OWNED OR CONTROLLED BY THE AUTHORITY.
- 26 30-408. Annual report
- 27 NO LATER THAN MARCH 1 OF EACH YEAR, THE BOARD SHALL MAKE A REPORT OF
28 THE AUTHORITY'S ACTIVITIES UNDER THIS CHAPTER FOR THE PRECEDING CALENDAR
29 YEAR, INCLUDING A COPY OF THE ANNUAL AUDIT, TO THE GOVERNOR, THE PRESIDENT OF
30 THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.
- 31 30-409. Decennial review by joint legislative budget committee
- 32 BEGINNING IN 2015 AND AT LEAST EVERY TENTH YEAR THEREAFTER, THE JOINT
33 LEGISLATIVE BUDGET COMMITTEE SHALL REVIEW THE OPERATION, PERFORMANCE AND
34 FINANCES OF THE AUTHORITY. AT THE REQUEST OF THE CHAIRPERSON OF THE JOINT
35 LEGISLATIVE BUDGET COMMITTEE, THE EXECUTIVE DIRECTOR OF THE AUTHORITY SHALL
36 APPEAR BEFORE THE JOINT LEGISLATIVE BUDGET COMMITTEE TO REVIEW AND REPORT ON
37 ANY ASPECT OF THE AUTHORITY'S OPERATION, INCLUDING THE FINANCIAL PERFORMANCE
38 AND SOLVENCY OF THE AUTHORITY AND THE CONTINUING NEED FOR AD VALOREM PROPERTY
39 TAX REVENUES RECEIVED PURSUANT TO SECTION 42-14554.
- 40 30-410. Effect on Arizona corporation commission
- 41 NOTHING IN THIS CHAPTER DIMINISHES THE AUTHORITY OR JURISDICTION OF THE
42 ARIZONA CORPORATION COMMISSION AS PROVIDED BY ARTICLE XV, CONSTITUTION OF
43 ARIZONA.

ARTICLE 2. FINANCIAL PROVISIONS

30-451. Annual budget

A. ON OR BEFORE JUNE 30 OF EACH YEAR, THE BOARD SHALL HOLD A PUBLIC HEARING TO ADOPT A BUDGET FOR THE FOLLOWING FISCAL YEAR THAT INCLUDES:

1. RECEIPTS, BY SOURCE, DURING THE PAST FISCAL YEAR.
2. EXPENDITURES DURING THE PAST FISCAL YEAR.
3. ESTIMATES OF AMOUNTS NECESSARY FOR EXPENSES DURING THE FOLLOWING FISCAL YEAR, INCLUDING AMOUNTS PROPOSED FOR:

(a) COSTS OF PLANNING, CONSTRUCTING, FINANCING, MAINTAINING, OPERATING AND MANAGING THE AUTHORITY'S FACILITIES.

(b) ADMINISTRATIVE COSTS OF THE AUTHORITY.

4. ANTICIPATED REVENUE TO THE AUTHORITY, BY SOURCE, IN THE FOLLOWING FISCAL YEAR.

5. A COMPLETE ASSET AND LIABILITY STATEMENT.

6. CASH ON HAND AS OF THE DATE THE BUDGET IS ADOPTED AND THE ANTICIPATED BALANCE AT THE END OF THE CURRENT FISCAL YEAR.

7. AN ITEMIZED STATEMENT OF COMMITMENTS, RESERVES AND ANTICIPATED OBLIGATIONS FOR THE FOLLOWING FISCAL YEAR.

B. THE BOARD MAY AMEND THE BUDGET ON A FINDING OF GOOD CAUSE.

30-452. Energy authority general fund

A. THE ENERGY AUTHORITY GENERAL FUND IS ESTABLISHED TO BE MAINTAINED IN PERPETUITY CONSISTING OF:

1. MONIES RECEIVED FROM THE UNITED STATES GOVERNMENT, INCLUDING CAPITALIZATION GRANTS.

2. MONIES RECEIVED FROM THE ISSUANCE AND SALE OF OBLIGATIONS AND NOTES UNDER THIS CHAPTER.

3. INTEREST AND OTHER INCOME RECEIVED FROM INVESTING MONIES IN THE FUND, INCLUDING THE INVESTMENT OF SURPLUS REVENUES.

4. AD VALOREM PROPERTY TAX REVENUES RECEIVED PURSUANT TO SECTION 42-14554.

5. MONIES APPROPRIATED BY THE LEGISLATURE.

6. MONIES RECEIVED BY THE AUTHORITY FROM RENTS, FEES, CHARGES, CONTRACTS AND OTHER PAYMENTS.

7. GIFTS, GRANTS AND DONATIONS RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE.

B. THE FUND SHALL INCLUDE SEPARATE ACCOUNTS FOR THE PURPOSE OF:

1. DECOMMISSIONING GENERATION FACILITIES.

2. FUNDING THE MANUFACTURING, DISTRIBUTION, STORAGE, HANDLING AND CONTAINMENT OF RADIATION TREATMENT ISOTOPES.

C. THE BOARD MAY:

1. ADOPT RESOLUTIONS TO ESTABLISH, AND SEGREGATE THE FUND INTO, ADDITIONAL ACCOUNTS AND SUBACCOUNTS AS NECESSARY TO SECURE BONDS OR OTHER OBLIGATIONS UNDER THIS CHAPTER OR TO FURTHER SEGREGATE MONIES PLEDGED FOR SPECIFIC PURPOSES AND PROJECTS UNDER THIS CHAPTER.

1 2. PLEDGE OR ASSIGN APPROPRIATE ACCOUNTS OR SUBACCOUNTS TO OBLIGATION
2 HOLDERS AS SECURITY FOR SPECIFIC OBLIGATIONS OR TO A TRUSTEE WHO MAY BE
3 APPOINTED TO ACT ON BEHALF OF THE OBLIGATION HOLDERS.

4 D. THE FISCAL AGENT OF THE AUTHORITY SHALL MANAGE THE MONIES IN THE
5 FUND AS DIRECTED BY THE BOARD.

6 E. MONIES IN THE FUND MAY BE USED FOR ANY PURPOSE OF THE AUTHORITY
7 UNDER THIS CHAPTER, EXCEPT THAT MONIES SEGREGATED IN SPECIFIC ACCOUNTS AND
8 SUBACCOUNTS MAY BE USED ONLY FOR THE SPECIFIC OBJECTIVE OF THE ACCOUNT OR
9 SUBACCOUNT.

10 F. MONIES IN THE FUND AND ITS ACCOUNTS AND SUBACCOUNTS ARE
11 CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION
12 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

13 30-453. Investments

14 A. THE FISCAL AGENT MAY INVEST ANY UNEXPENDED MONIES OF THE FUND AND
15 OF ANY ACCOUNT OR SUBACCOUNT AS PROVIDED IN TITLE 35, CHAPTER 2. INTEREST
16 AND OTHER INCOME FROM INVESTMENTS SHALL BE CREDITED TO THAT ACCOUNT EXCEPT AS
17 OTHERWISE PROVIDED BY LAW.

18 B. THE AUTHORITY'S INVESTMENTS MUST MATURE WHEN THE ASSETS OF THE
19 FUND, ACCOUNT OR SUBACCOUNT WILL BE REQUIRED FOR THE PURPOSES OF THIS
20 CHAPTER. IF THE LIQUID ASSETS IN THE FUND OR ANY ACCOUNT OR SUBACCOUNT
21 BECOME INSUFFICIENT TO MEET THE STATUTORY OBLIGATIONS, THE BOARD SHALL DIRECT
22 THE FISCAL AGENT TO LIQUIDATE SUFFICIENT SECURITIES TO MEET ALL OF THE
23 CURRENT OBLIGATIONS AND IMMEDIATELY NOTIFY THE AUDITOR GENERAL OF THE
24 INSUFFICIENCY. THE AUDITOR GENERAL SHALL INVESTIGATE AND AUDIT THE
25 CIRCUMSTANCES SURROUNDING THE DEPLETION OF THE FUND, ACCOUNT OR SUBACCOUNT
26 AND REPORT THE FINDINGS TO THE BOARD OF DIRECTORS.

27 30-454. Annual audit

28 A. THE BOARD SHALL CAUSE AN ANNUAL AUDIT TO BE MADE OF ANY FUND
29 ADMINISTERED BY THE AUTHORITY AND ALL BOND ISSUES UNDER THIS CHAPTER. THE
30 AUDIT SHALL BE CONDUCTED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT WITHIN
31 ONE HUNDRED TWENTY DAYS AFTER THE END OF THE FISCAL YEAR. THE CERTIFIED
32 PUBLIC ACCOUNTANT AND THE FIRM THE CERTIFIED PUBLIC ACCOUNTANT IS AFFILIATED
33 WITH MAY NOT REGULARLY PERFORM SERVICES FOR THE AUTHORITY. THE AUTHORITY
34 SHALL IMMEDIATELY FILE A CERTIFIED COPY OF THE AUDIT WITH THE AUDITOR
35 GENERAL.

36 B. THE AUDITOR GENERAL MAY MAKE ANY FURTHER AUDITS AND EXAMINATIONS AS
37 NECESSARY AND MAY TAKE APPROPRIATE ACTION RELATING TO THE AUDIT OR
38 EXAMINATION PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 10.1. IF THE AUDITOR
39 GENERAL TAKES NO OFFICIAL ACTION WITHIN TWENTY DAYS AFTER THE AUDIT IS FILED,
40 THE AUDIT IS CONSIDERED TO BE SUFFICIENT.

41 C. THE AUTHORITY SHALL PAY ANY FEES AND COSTS OF THE CERTIFIED PUBLIC
42 ACCOUNTANT AND AUDITOR GENERAL UNDER THIS SECTION FROM THE FUNDS ADMINISTERED
43 BY THE BOARD UNDER THIS CHAPTER.

ARTICLE 3. OBLIGATIONS OF THE AUTHORITY

30-471. Energy park authority bonds and other obligations

A. THE AUTHORITY, THROUGH ITS BOARD OF DIRECTORS, MAY ISSUE NEGOTIABLE ENERGY PARK AUTHORITY BONDS AND OTHER OBLIGATIONS IN A PRINCIPAL AMOUNT THAT IN ITS OPINION IS NECESSARY TO PROVIDE SUFFICIENT MONIES FOR ACCOMPLISHING THE PURPOSES OF THIS CHAPTER, FOR MAINTAINING SUFFICIENT RESERVES TO SECURE THE OBLIGATIONS, TO PAY THE NECESSARY COSTS OF ISSUING, SELLING AND REDEEMING THE OBLIGATIONS AND TO PAY OTHER EXPENDITURES OF THE AUTHORITY INCIDENTAL TO AND NECESSARY AND CONVENIENT TO CARRY OUT THE PURPOSES OF THIS CHAPTER. THE OBLIGATIONS MAY BE FIXED RATE OR VARIABLE RATE, FEDERALLY TAX EXEMPT OR TAXABLE, OR SHORT TERM OR LONG TERM TO FUND TRANSMISSION FACILITIES.

B. THE BOARD MUST AUTHORIZE THE OBLIGATIONS BY RESOLUTION. THE RESOLUTION SHALL PRESCRIBE:

1. THE RATE OR RATES OF INTEREST AND THE DENOMINATIONS OF THE OBLIGATIONS.

2. THE DATE OR DATES OF THE OBLIGATIONS AND MATURITY.

3. THE MANNER OF EXECUTING THE OBLIGATIONS.

4. THE MEDIUM AND PLACE OF PAYMENT.

5. THE TERMS OF REDEMPTION.

C. THE BOARD SHALL PROVIDE NOTICE OF ITS INTENTION TO ISSUE OBLIGATIONS IN A MANNER CONSISTENT WITH CURRENT MARKET PRACTICE.

D. THE BOARD MAY SELL THE OBLIGATIONS BY COMPETITIVE BID, INCLUDING AN ONLINE BIDDING PROCESS, OR BY NEGOTIATED SALE FOR PUBLIC OR PRIVATE OFFERING AT THE PRICE AND ON THE TERMS PRESCRIBED IN THE RESOLUTION. IF OBLIGATIONS ARE SOLD THROUGH AN ONLINE BIDDING PROCESS, BIDS FOR THE OBLIGATIONS THAT ARE ENTERED INTO THE SYSTEM MAY BE CONCEALED UNTIL A SPECIFIED TIME OR DISCLOSED IN THE BIDDING PROCESS. FOR THE PURPOSES OF THIS SUBSECTION, "ONLINE BIDDING PROCESS" MEANS A PROCUREMENT PROCESS IN WHICH THE COMMISSION RECEIVES BIDS ELECTRONICALLY OVER THE INTERNET IN A REAL-TIME, COMPETITIVE BIDDING EVENT.

E. ALL PROCEEDS FROM THE SALE OF THE OBLIGATIONS SHALL BE DEPOSITED IN THE APPROPRIATE ACCOUNT OR SUBACCOUNT OF THE ENERGY AUTHORITY GENERAL FUND.

F. TO SECURE ANY OBLIGATIONS AUTHORIZED BY THIS SECTION, THE BOARD BY RESOLUTION MAY:

1. PROVIDE THAT OBLIGATIONS ISSUED UNDER THIS SECTION BE SECURED BY A FIRST LIEN ON ALL OR PART OF THE MONIES PAID INTO THE APPROPRIATE ACCOUNT OR SUBACCOUNT OF THE ENERGY AUTHORITY GENERAL FUND.

2. PLEDGE OR ASSIGN TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE OBLIGATIONS ANY PART OR APPROPRIATE ACCOUNT OR SUBACCOUNT OF THE MONIES IN THE FUND AS IS NECESSARY TO PAY THE PRINCIPAL AND INTEREST OF THE OBLIGATIONS AS THEY COME DUE.

3. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING FUNDS.

4. PROVIDE THAT SUFFICIENT AMOUNTS OF THE PROCEEDS FROM THE SALE OF THE OBLIGATIONS BE USED TO FULLY OR PARTLY FUND ANY RESERVES OR SINKING FUNDS SET UP BY THE RESOLUTION.

1 5. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT
2 WITH HOLDERS OF OBLIGATIONS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF
3 OBLIGATIONS THE HOLDERS OF WHICH MUST CONSENT TO AND THE MANNER IN WHICH
4 CONSENT MAY BE GIVEN.

5 6. PROVIDE FOR PAYMENT FROM THE PROCEEDS OF THE SALE OF THE
6 OBLIGATIONS OF ALL LEGAL AND FINANCIAL EXPENSES INCURRED BY THE BOARD IN
7 ISSUING, SELLING, DELIVERING AND PAYING THE OBLIGATIONS.

8 7. CONDUCT ANY OTHER MATTERS THAT IN ANY WAY MAY AFFECT THE SECURITY
9 AND PROTECTION OF THE OBLIGATIONS.

10 G. THE MEMBERS OF THE BOARD OR ANY PERSON EXECUTING THE OBLIGATIONS
11 ARE NOT PERSONALLY LIABLE FOR THE PAYMENT OF THE OBLIGATIONS. THE
12 OBLIGATIONS ARE VALID AND BINDING NOTWITHSTANDING THAT BEFORE THEIR DELIVERY
13 ANY OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE OBLIGATIONS CEASE TO BE
14 MEMBERS OF THE BOARD. FROM AND AFTER THE SALE AND DELIVERY OF THE
15 OBLIGATIONS, THEY ARE INCONTESTABLE BY THE BOARD.

16 H. THE LIEN OF OBLIGATIONS ISSUED UNDER THIS CHAPTER ARE SUBORDINATE
17 TO LIENS SECURING ANY PRIVATE FINANCIAL ARRANGEMENTS AFFECTING THE SAME
18 ENERGY PROJECT.

19 I. THE OBLIGATIONS ISSUED UNDER THIS CHAPTER, THEIR TRANSFER AND THE
20 INCOME FROM THE OBLIGATIONS ARE AT ALL TIMES FREE FROM TAXATION IN THIS
21 STATE.

22 J. THE BOARD MAY PLACE ANY RESTRICTIONS ON REINVESTMENT YIELD ON THE
23 OBLIGATIONS OR ON ANY MONIES PLEDGED TO PAY THE OBLIGATIONS IF NECESSARY TO
24 COMPLY WITH FEDERAL INCOME TAX LAWS AND REGULATIONS TO GAIN FEDERAL TAX
25 BENEFITS AVAILABLE WITH RESPECT TO THE OBLIGATIONS. PROCEEDS OF THE
26 OBLIGATIONS SHALL BE INVESTED IN A MANNER THAT AVOIDS ARBITRAGE PENALTIES
27 PRESCRIBED BY FEDERAL LAW.

28 K. THE BOARD, OUT OF ANY MONIES AVAILABLE FOR THAT PURPOSE, MAY
29 PURCHASE OBLIGATIONS, WHICH MAY BE CANCELED, AT A PRICE NOT EXCEEDING EITHER
30 OF THE FOLLOWING:

31 1. IF THE OBLIGATIONS ARE THEN REDEEMABLE, THE REDEMPTION PRICE THEN
32 APPLICABLE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE.

33 2. IF THE OBLIGATIONS ARE NOT THEN REDEEMABLE, THE REDEMPTION PRICE
34 APPLICABLE ON THE FIRST DATE AFTER PURCHASE ON WHICH THE OBLIGATIONS BECOME
35 SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THAT DATE.

36 30-472. Bond obligations of the authority

37 A. BONDS AND OTHER OBLIGATIONS ISSUED UNDER THIS CHAPTER ARE
38 OBLIGATIONS OF THE ENERGY AUTHORITY OF ARIZONA, ARE PAYABLE ONLY ACCORDING TO
39 THE TERMS OF THE BONDS AND ARE NOT GENERAL, SPECIAL OR OTHER OBLIGATIONS OF
40 THIS STATE.

41 B. THIS STATE DOES NOT PLEDGE ITS FULL FAITH AND CREDIT AS SECURITY
42 FOR ANY BONDS OR OTHER OBLIGATIONS ISSUED UNDER THIS CHAPTER.

43 C. THE BONDS AND OTHER OBLIGATIONS DO NOT CONSTITUTE A LEGAL DEBT OF
44 THIS STATE AND ARE NOT ENFORCEABLE AGAINST THIS STATE.

1 D. PAYMENT OF THE BONDS AND OBLIGATIONS IS NOT ENFORCEABLE OUT OF ANY
2 STATE MONIES OTHER THAN THE INCOME AND REVENUE PLEDGED AND ASSIGNED PURSUANT
3 TO THIS ARTICLE TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDER OR HOLDERS OF
4 THE OBLIGATIONS.

5 30-473. Certification of bonds by attorney general

6 THE BOARD MAY SUBMIT ANY BONDS AND OTHER OBLIGATIONS ISSUED UNDER THIS
7 CHAPTER TO THE ATTORNEY GENERAL AFTER ALL PROCEEDINGS FOR THEIR AUTHORIZATION
8 HAVE BEEN COMPLETED. ON SUBMISSION THE ATTORNEY GENERAL SHALL EXAMINE AND
9 PASS ON THE VALIDITY OF THE OBLIGATIONS AND THE REGULARITY OF THE
10 PROCEEDINGS. IF THE PROCEEDINGS COMPLY WITH THIS CHAPTER, AND IF THE
11 ATTORNEY GENERAL DETERMINES THAT, WHEN DELIVERED AND PAID FOR, THE
12 OBLIGATIONS WILL CONSTITUTE BINDING AND LEGAL OBLIGATIONS OF THE AUTHORITY,
13 THE ATTORNEY GENERAL SHALL CERTIFY, IN SUBSTANCE, THAT THEY ARE ISSUED
14 ACCORDING TO THE CONSTITUTION AND LAWS OF THIS STATE.

15 30-474. Obligations as legal investments

16 A. BONDS AND OTHER OBLIGATIONS ISSUED UNDER THIS CHAPTER ARE
17 SECURITIES SUITABLE FOR INVESTMENT BY:

18 1. PUBLIC OFFICERS AND BODIES OF THIS STATE AND OF COUNTIES,
19 MUNICIPALITIES AND OTHER POLITICAL SUBDIVISIONS OF THIS STATE.

20 2. INSURANCE COMPANIES, ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN
21 INSURANCE BUSINESS.

22 3. FINANCIAL INSTITUTIONS, INVESTMENT COMPANIES AND OTHER PERSONS
23 CARRYING ON A BANKING BUSINESS.

24 4. FIDUCIARIES.

25 5. ALL OTHER PERSONS WHO ARE AUTHORIZED TO INVEST IN GOVERNMENT
26 OBLIGATIONS.

27 B. BONDS AND OTHER OBLIGATIONS ISSUED UNDER THIS CHAPTER ARE
28 SECURITIES THAT MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES OF THIS STATE
29 AND COUNTIES, MUNICIPALITIES AND OTHER POLITICAL SUBDIVISIONS OF THIS STATE
30 FOR PURPOSES THAT REQUIRE THE DEPOSIT OF GOVERNMENT BONDS OR OBLIGATIONS.

31 30-475. Agreement of state

32 THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF THE OBLIGATIONS
33 THAT THIS STATE WILL NOT LIMIT OR ALTER THE RIGHTS VESTED IN THE ENERGY
34 AUTHORITY OF ARIZONA OR ANY SUCCESSOR AGENCY TO PRODUCE SUFFICIENT REVENUE TO
35 FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE OBLIGATIONS,
36 OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE OBLIGATION HOLDERS, UNTIL
37 ALL OBLIGATIONS ISSUED UNDER THIS CHAPTER, TOGETHER WITH INTEREST, INCLUDING
38 INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST, AND ALL COSTS AND EXPENSES
39 IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE
40 OBLIGATION HOLDERS, ARE FULLY MET AND DISCHARGED. THE BOARD AS AGENT FOR
41 THIS STATE MAY INCLUDE THIS PLEDGE AND UNDERTAKING IN ITS RESOLUTIONS AND
42 INDENTURES SECURING ITS OBLIGATIONS.

1 Sec. 3. Section 42-12001, Arizona Revised Statutes, is amended to
2 read:

3 42-12001. Class one property

4 For purposes of taxation, class one is established consisting of the
5 following subclasses:

6 1. Producing mines and mining claims, personal property used on mines
7 and mining claims, improvements to mines and mining claims and mills and
8 smelters operated in conjunction with mines and mining claims that are valued
9 at full cash value pursuant to section 42-14053.

10 2. Standing timber that is valued at full cash value.

11 3. Real and personal property of gas distribution companies, electric
12 transmission companies, electric distribution companies, combination gas and
13 electric transmission and distribution companies, companies engaged in the
14 generation of electricity and electric cooperatives, **OTHER THAN PROPERTY THAT**
15 **IS SPECIFICALLY INCLUDED IN CLASS TEN**, that are valued at full cash value
16 pursuant to section 42-14151.

17 4. Real and personal property of airport fuel delivery companies that
18 are valued pursuant to section 42-14503.

19 5. Real and personal property that is used by producing oil, gas and
20 geothermal resource interests that are valued at full cash value pursuant to
21 section 42-14102.

22 6. Real and personal property of water, sewer and wastewater utility
23 companies that are valued at full cash value pursuant to section 42-14151.

24 7. Real and personal property of pipeline companies that are valued at
25 full cash value pursuant to section 42-14201.

26 8. Real and personal property of shopping centers that are valued at
27 full cash value or pursuant to chapter 13, article 5 of this title, as
28 applicable, other than property that is included in class nine.

29 9. Real and personal property of golf courses that are valued at full
30 cash value or pursuant to chapter 13, article 4 of this title.

31 10. All property, both real and personal, of manufacturers, assemblers
32 or fabricators, other than property that is specifically included in another
33 class described in this article, that ~~are~~ **IS** valued under this title.

34 11. Real and personal property that is used in communications
35 transmission facilities and that provides public telephone or
36 telecommunications exchange or interexchange access for compensation to
37 effect two-way communication to, from, through or within this state.

38 12. Real property and improvements that are devoted to any other
39 commercial or industrial use, other than property that is specifically
40 included in another class described in this article, and that are valued at
41 full cash value.

42 13. Personal property that is devoted to any other commercial or
43 industrial use, other than property that is specifically included in another
44 class described in this article, and that is valued at full cash value.

1 Sec. 4. Renumber

2 Section 42-12010, Arizona Revised Statutes, is renumbered as section
3 42-12011.

4 Sec. 5. Title 42, chapter 12, article 1, Arizona Revised Statutes, is
5 amended by adding a new section 42-12010, to read:

6 42-12010. Class ten property

7 A. SUBJECT TO SUBSECTION E OF THIS SECTION, FOR THE PURPOSES OF
8 TAXATION, CLASS TEN IS ESTABLISHED CONSISTING OF PERSONAL PROPERTY AND
9 IMPROVEMENTS CONSISTING OF:

10 1. FACILITIES THAT ARE VALUED PURSUANT TO CHAPTER 14, ARTICLE 11 OF
11 THIS TITLE FOR THE GENERATION OF ELECTRICITY THAT IS TRANSMITTED THROUGH A
12 TRANSMISSION FACILITY TO A GRID CONNECTION WITH A PUBLIC OR PRIVATE ELECTRIC
13 TRANSMISSION OR DISTRIBUTION UTILITY SYSTEM AND SOLD TO AN UNRELATED ENTITY,
14 UNLESS THE OWNER IS A PUBLIC SERVICE CORPORATION OR AN AGRICULTURAL
15 IMPROVEMENT AND POWER DISTRICT.

16 2. ON SITE ADMINISTRATIVE AND OPERATIONAL IMPROVEMENTS THAT ARE
17 NECESSARY AND ANCILLARY TO THE GENERATION AND TRANSMISSION PROCESS.

18 B. REAL PROPERTY USED FOR ANY PURPOSE SHALL NOT BE CLASSIFIED UNDER
19 THIS SECTION.

20 C. PROPERTY MAY NOT BE CLASSIFIED UNDER THIS SECTION FOR MORE THAN
21 TWENTY YEARS, EXCEPT THAT ANY NEW ADDITION OR IMPROVEMENT TO PROPERTY ALREADY
22 CLASSIFIED UNDER THIS SECTION QUALIFIES SEPARATELY FOR CLASSIFICATION UNDER
23 THIS SECTION FOR NOT MORE THAN TWENTY YEARS.

24 D. PROPERTY THAT IS ORIGINALLY CLASSIFIED UNDER THIS SECTION SHALL NOT
25 THEREAFTER BE CLASSIFIED AS CLASS SIX UNDER ANY PARAGRAPH OF SECTION
26 42-12006.

27 E. NO PROPERTY MAY BE CLASSIFIED IN CLASS TEN UNTIL THE VALUATION YEAR
28 IN WHICH THE FIRST NONCARBON-BASED GENERATION FACILITY THAT RECEIVES
29 FINANCIAL ASSISTANCE FROM THE ENERGY PARK AUTHORITY PURSUANT TO TITLE 30,
30 CHAPTER 2 PRODUCES AND TRANSMITS ELECTRICITY IN COMMERCIAL AMOUNTS TO A GRID
31 CONNECTION.

32 Sec. 6. Section 42-14151, Arizona Revised Statutes, is amended to
33 read:

34 42-14151. Annual determination of valuation; definition

35 A. The department shall annually determine the valuation, in the
36 manner prescribed by this article, of all property, owned or leased, and used
37 by taxpayers in the following businesses:

38 1. Operation of a natural gas distribution system.

39 2. Operation of a water utility system.

40 3. Operation of a sewer system or wastewater treatment facility.

41 4. Operation of an electric generation facility, EXCEPT FOR FACILITIES
42 THAT ARE CLASSIFIED AS CLASS TEN PROPERTY AND SUBJECT TO VALUATION AND
43 TAXATION UNDER ARTICLE 11 OF THIS CHAPTER.

44 5. Operation of an electric transmission or distribution system.

1 B. For the purposes of this article, "generation of electricity" means
2 the process of taking a source of energy, including coal, natural gas, oil,
3 nuclear fuel or renewable sources and converting the energy into electricity
4 to be delivered to customers through a transmission and distribution system.

5 Sec. 7. Title 42, chapter 14, Arizona Revised Statutes, is amended by
6 adding article 11, to read:

7 ARTICLE 11. VALUATION AND TAXATION OF
8 ELECTRIC GENERATION FACILITIES

9 42-14551. Annual determination of valuation; definitions

10 A. THE DEPARTMENT SHALL ANNUALLY DETERMINE, AS PRESCRIBED BY THIS
11 ARTICLE, THE VALUATION OF PERSONAL PROPERTY AND IMPROVEMENTS THAT ARE USED
12 FOR GENERATING ELECTRICITY AND CLASSIFIED AS CLASS TEN PROPERTY PURSUANT TO
13 SECTION 42-12010. REAL PROPERTY USED FOR ANY PURPOSE SHALL NOT BE VALUED OR
14 SUBJECT TO TAXATION UNDER THIS ARTICLE.

15 B. FOR THE PURPOSES OF THIS ARTICLE:

16 1. "BUSINESS ENTITY" MEANS AN OWNER OF AN ELECTRIC GENERATION FACILITY
17 REGARDLESS OF THE FORM OF THE OWNER'S OWNERSHIP INTEREST.

18 2. "GENERATION FACILITY" MEANS A FACILITY FOR THE GENERATION OF
19 ELECTRICITY THAT IS TRANSMITTED THROUGH A TRANSMISSION FACILITY TO A GRID
20 CONNECTION WITH A PUBLIC OR PRIVATE ELECTRIC TRANSMISSION OR DISTRIBUTION
21 UTILITY SYSTEM. GENERATION FACILITY DOES NOT INCLUDE ANY DEVICE OR SYSTEM
22 FOR THE PRODUCTION OF ELECTRICITY PRIMARILY FOR ON-SITE CONSUMPTION.

23 42-14552. Annual report for purposes of determining valuation;
24 failure to file; penalty; forfeiture of appeal
25 rights

26 A. ON OR BEFORE APRIL 1 OF EACH YEAR, A BUSINESS ENTITY THAT OPERATES
27 AN ELECTRIC GENERATION FACILITY CLASSIFIED AS CLASS TEN PROPERTY PURSUANT TO
28 SECTION 42-12010 AND THAT IS VALUED PURSUANT TO THIS ARTICLE SHALL FILE A
29 REPORT WITH THE DEPARTMENT, UNDER OATH, STATING THE INFORMATION THAT THE
30 DEPARTMENT REQUIRES TO ENABLE IT TO MAKE A VALUATION OF THE PROPERTY. ON OR
31 BEFORE FEBRUARY 1 OF EACH YEAR, THE DEPARTMENT SHALL MAIL TO THE BUSINESS
32 ENTITY THE FORMS FOR FILING THE REPORT. ON WRITTEN REQUEST AND FOR GOOD
33 CAUSE SHOWN, THE DIRECTOR MAY EXTEND THE TIME FOR FILING THE REPORT REQUIRED
34 BY THIS SECTION.

35 B. IF A BUSINESS ENTITY FAILS TO FILE THE REPORT ON OR BEFORE APRIL 1
36 OF THE VALUATION YEAR, OR THE EXTENDED DUE DATE IF AN EXTENSION IS GRANTED,
37 THE DEPARTMENT SHALL BOTH:

38 1. ESTIMATE THE VALUE OF THE PROPERTY BASED ON ONE HUNDRED FIVE PER
39 CENT OF THE PRECEDING YEAR'S VALUATION OR ON ANY INFORMATION THAT IS
40 AVAILABLE TO THE DEPARTMENT.

41 2. ASSESS A PENALTY IN THE AMOUNT OF THE LESSER OF:

42 (a) ONE-HALF OF ONE PER CENT OF THE VALUE THAT IS ESTIMATED BY THE
43 DEPARTMENT.

44 (b) ONE HUNDRED DOLLARS PER DAY FOR EACH DAY THE BUSINESS ENTITY FAILS
45 TO FILE THE REPORT BEYOND THE DUE DATE.

1 C. IF THE REPORT IS NOT FILED ON OR BEFORE MAY 20 OF THE VALUATION
2 YEAR, THE BUSINESS ENTITY FORFEITS ITS RIGHT TO APPEAL THE VALUATION AND
3 CLASSIFICATION PURSUANT TO SECTION 42-14005.

4 42-14553. Valuation of electric generation facilities:
5 definitions

6 A. THE DEPARTMENT SHALL DETERMINE THE VALUATION OF GENERATION
7 FACILITIES FOR THE PURPOSES OF THIS ARTICLE IN THE MANNER PRESCRIBED BY THIS
8 SECTION.

9 B. THE VALUATION OF PERSONAL PROPERTY AND REAL PROPERTY IMPROVEMENTS
10 THAT ARE USED IN A GENERATION FACILITY IS TWENTY PER CENT OF THE DEPRECIATED
11 COST OF THE PROPERTY. IN ADDITION, THE BUSINESS ENTITY MAY SUBMIT
12 DOCUMENTATION SHOWING THE NEED FOR, AND THE DEPARTMENT SHALL CONSIDER, AN
13 ADDITIONAL ADJUSTMENT TO RECOGNIZE OBSOLESCENCE USING STANDARD APPRAISAL
14 METHODS AND TECHNIQUES.

15 C. THE DEPARTMENT SHALL NOT VALUE PERSONAL PROPERTY CONSTRUCTION WORK
16 IN PROGRESS UNTIL THE PROPERTY IS FIRST PLACED IN COMMERCIAL SERVICE. FOR
17 THE PURPOSES OF THIS SUBSECTION, "COMMERCIAL SERVICE" MEANS:

18 1. FOR MACHINERY AND EQUIPMENT USED IN THE GENERATION OF ELECTRICITY
19 BEING VALUED AND PLACED ON THE TAX ROLL FOR THE FIRST TIME, THE OFFICIAL
20 ASSUMPTION OF OPERATION AND OWNERSHIP OF THE MACHINERY AND EQUIPMENT FROM THE
21 CONTRACTOR BY THE PLANT OPERATOR.

22 2. FOR MACHINERY AND EQUIPMENT ADDED TO EXISTING GENERATION
23 FACILITIES, THAT THE CONSTRUCTION WORK HAS PROGRESSED TO A SUFFICIENT DEGREE
24 FOR THE MACHINERY AND EQUIPMENT TO BE USEFUL FOR THE PURPOSE FOR WHICH IT IS
25 BEING CONSTRUCTED.

26 3. FOR MACHINERY AND EQUIPMENT RELATED TO SELF-CONSTRUCTED FACILITIES,
27 THAT THE CONSTRUCTION WORK HAS PROGRESSED TO A SUFFICIENT DEGREE FOR THE
28 MACHINERY AND EQUIPMENT TO BE USEFUL FOR THE PURPOSE FOR WHICH IT IS BEING
29 CONSTRUCTED.

30 D. FOR THE PURPOSES OF THIS SECTION:

31 1. "PERSONAL PROPERTY" INCLUDES ALL TANGIBLE PROPERTY EXCEPT FOR LAND
32 AND REAL PROPERTY IMPROVEMENTS. PERSONAL PROPERTY INCLUDES FOUNDATIONS OR
33 SUPPORTS FOR THE MACHINERY OR APPARATUS FOR WHICH THEY ARE PROVIDED,
34 INCLUDING WATER COOLING TOWERS.

35 2. "REAL PROPERTY IMPROVEMENTS" INCLUDES BUILDINGS, INCLUDING
36 ADMINISTRATION BUILDINGS, MAINTENANCE WAREHOUSES AND GUARD SHACKS, WATER
37 RETENTION PONDS, SEWAGE TREATMENT PONDS, RESERVOIRS, SIDEWALKS, DRIVES,
38 CURBS, PARKING LOTS, TUNNELS, DUCT BANKS, CANALS, FENCING AND LANDSCAPING.

39 42-14554. Assessment, levy and collection of tax; debt; lien

40 A. THE DEPARTMENT SHALL ANNUALLY:

41 1. ENTER IN ITS RECORDS THE VALUATION OF ELECTRIC GENERATION
42 FACILITIES AS DETERMINED UNDER SECTION 42-14553.

43 2. DETERMINE THE ASSESSED VALUATION OF THE PROPERTY AS PROVIDED BY
44 SECTIONS 42-12010 AND 42-15010.

1 3. LEVY A TAX AGAINST THE ASSESSED VALUATION AT A RATE THAT EQUALS THE
2 AVERAGE OF THE RATES FOR PRIMARY AND SECONDARY PROPERTY TAXES IN ALL TAXING
3 JURISDICTIONS IN THIS STATE FOR THE CURRENT TAX YEAR.

4 4. COLLECT THE TAXES ACCORDING TO THE SCHEDULES PRESCRIBED BY SECTION
5 42-18052.

6 5. TRANSMIT TWENTY PER CENT OF THE TAX REVENUES TO THE ENERGY
7 AUTHORITY OF ARIZONA FOR DEPOSIT IN THE AUTHORITY'S GENERAL FUND PURSUANT TO
8 SECTION 30-452, SUBSECTION A. REVENUES ATTRIBUTABLE TO NEW CONSTRUCTION OF,
9 OR ADDITIONS TO, PROPERTY COLLECTED IN THE FIRST TAX YEAR SHALL BE CREDITED
10 TO THE DECOMMISSIONING ACCOUNT IN THE GENERAL FUND.

11 6. TRANSMIT THE REMAINDER OF THE TAX REVENUES TO THE STATE TREASURER
12 FOR CREDIT TO THE STATE GENERAL FUND.

13 B. THE TAX IMPOSED BY THIS SECTION IS IN LIEU OF ALL OTHER AD VALOREM
14 TAXES ON PERSONAL PROPERTY AND IMPROVEMENTS CONSTITUTING ELECTRIC GENERATION
15 FACILITIES THAT ARE CLASSIFIED AS CLASS TEN PURSUANT TO SECTION 42-12010.
16 PROPERTY THAT IS SUBJECT TO TAX UNDER THIS SECTION IS NOT SUBJECT TO THE LEVY
17 OF TAX BY ANY COUNTY, CITY, TOWN, COMMUNITY COLLEGE DISTRICT, SCHOOL
18 DISTRICT, SPECIAL TAXING DISTRICT OR OTHER TAXING JURISDICTION IN THIS STATE.

19 C. DELINQUENT TAXES UNDER THIS SECTION BEAR INTEREST AT THE RATE
20 DETERMINED PURSUANT TO SECTION 42-1123.

21 D. THE VALUATIONS THAT ARE USED FOR TAX PURPOSES PURSUANT TO THIS
22 ARTICLE ARE A MATTER OF PUBLIC RECORD AND ARE NOT CONFIDENTIAL INFORMATION
23 UNDER CHAPTER 2, ARTICLE 1 OF THIS TITLE.

24 E. THE TAX IMPOSED BY THIS ARTICLE:

25 1. IS A DEBT OF THE BUSINESS ENTITY THAT OWNS THE GENERATION FACILITY.

26 2. MAY BE COLLECTED BY AN ACTION INSTITUTED AND PROSECUTED BY THE
27 ATTORNEY GENERAL ON THE DIRECTOR'S REQUEST.

28 3. IS A LIEN PURSUANT TO SECTION 42-17154 AGAINST THE ASSESSED
29 GENERATION FACILITY.

30 Sec. 8. Renumber

31 Section 42-15010, Arizona Revised Statutes, is renumbered as section
32 42-15011.

33 Sec. 9. Title 42, chapter 15, article 1, Arizona Revised Statutes, is
34 amended by adding a new section 42-15010, to read:

35 42-15010. Assessed valuation of class ten property

36 A. FOR TAX YEARS THROUGH DECEMBER 31, 2012, THE ASSESSED VALUATION OF
37 CLASS TEN PROPERTY IS THE SAME PERCENTAGE OF FULL CASH VALUE OR LIMITED
38 VALUATION AS PRESCRIBED BY SECTION 42-15001.

39 B. FOR EACH TAX YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2012, THE
40 DEPARTMENT SHALL ANNUALLY ADJUST THE ASSESSMENT PERCENTAGE OF CLASS TEN
41 PROPERTY, ROUNDED TO ONE-TENTH OF ONE PER CENT, TO MAINTAIN THE SAME
42 AGGREGATE STATEWIDE ASSESSED VALUATION OF ALL PROPERTY IN CLASS TEN AS IN THE
43 PRECEDING VALUATION YEAR PLUS FORTY PER CENT OF THE ASSESSED VALUATION
44 ATTRIBUTABLE TO ANY NEW CONSTRUCTION OF, OR ADDITIONS TO, CLASS TEN PROPERTY
45 DURING THE PRECEDING VALUATION YEAR.

1 Sec. 10. Section 48-3713, Arizona Revised Statutes, is amended to
2 read:

3 48-3713. Powers of district

4 A. The district, acting through its board, shall:

5 1. Enter into a contract or contracts with the secretary to accomplish
6 the purposes of this chapter.

7 2. Provide for the repayment of construction costs, interest and
8 annual operation, maintenance and replacement costs allocated to the district
9 and payment of administrative costs and expenses of the district.

10 3. Levy an annual tax to defray district costs and expenses and to
11 effect repayment of a portion of the district's obligation to the United
12 States. Such tax levy shall not exceed ten cents per each one hundred
13 dollars of assessed valuation of the taxable property within the district.

14 4. Establish and cause to be collected charges for water consistent
15 with federal reclamation law and contracts entered into between the district
16 and the secretary pursuant to this chapter.

17 5. Cooperate and contract with the secretary to carry out the
18 provisions of the reclamation act of June 17, 1902 (32 Stat. 388), and acts
19 amendatory thereof or supplementary thereto, including the Colorado river
20 basin project act (82 Stat. 885).

21 6. Establish and maintain reserve accounts in amounts which may be
22 required by any contract between the district and the secretary and in such
23 additional amounts as may be deemed necessary to accomplish the purposes of
24 this chapter.

25 7. Coordinate and cooperate with the Arizona water banking authority.

26 B. The district, acting through its board, may:

27 1. Contract with the United States to be the operating agent of the
28 central Arizona project and to maintain all or portions of the project and
29 subcontract with others for the operation or maintenance of portions of the
30 project.

31 2. Acquire in any lawful manner real and personal property of every
32 kind necessary or convenient for the uses and purposes of the district.

33 3. Acquire electricity or other forms of energy necessary for the
34 operation of the central Arizona project. Effective retroactively to taxable
35 years beginning from and after December 31, 1984, the acquisition of
36 electricity or other forms of energy by the district for the purposes of
37 pumping central Arizona project water shall not be subject to any state or
38 municipal transaction privilege or use tax.

39 4. Contract for or perform feasibility studies of water storage,
40 storage facilities and recovery wells.

41 5. Acquire, develop, construct, operate, maintain and acquire permits
42 for water storage, storage facilities and recovery wells pursuant to title
43 45, chapter 3.1 using surplus central Arizona project water.

44 6. Enter into contracts to acquire, permit, develop, construct,
45 operate and maintain water storage, storage facilities and recovery wells

1 with any person pursuant to title 45, chapter 3.1. Such projects may utilize
2 water, including central Arizona project water, which such persons have the
3 right to store pursuant to title 45, chapter 3.1.

4 7. Plan, analyze, propose, apply for, construct, operate, maintain and
5 dismantle state demonstration projects for water storage and recovery under
6 title 45, chapter 3.1, article 6.

7 8. Acquire real property for state demonstration projects for water
8 storage and recovery under title 45, chapter 3.1 by purchase, lease,
9 donation, dedication, exchange or other lawful means in areas suitable for
10 demonstration projects for water storage and recovery of state water in
11 counties in which the district has water transportation facilities.

12 9. Advance monies necessary for the installation, construction,
13 repair, maintenance or replacement of capital improvements related to any
14 water storage, storage facilities and recovery wells or any other
15 replenishment activities of the district undertaken pursuant to article 4 of
16 this chapter. Monies advanced under this paragraph bear interest as
17 determined by the board. Repayment of the advances shall be amortized over
18 the useful life of the capital improvements, as determined by the board.
19 Utilization of excess capacity in a state demonstration project for
20 replenishment purposes pursuant to section 48-3772, subsection B, paragraph 8
21 does not constitute the advancement of monies under this paragraph.

22 10. Advance monies for the payment of the operation and administrative
23 costs and expenses of the district relating to performance of the groundwater
24 replenishment obligations under article 4 of this chapter, including
25 replenishment reserve activities and reasonable reserves. Monies advanced
26 under this paragraph shall bear interest as determined by the board.
27 Repayment of the advances may be amortized over a reasonable period, as
28 determined by the board.

29 11. Assign to the account of the district at fair value long-term
30 storage credits, as defined in section 45-802.01, held by the district.

31 12. Provide technical and operational support to the Arizona water
32 banking authority and shall be reimbursed by the Arizona water banking
33 authority for providing that support.

34 13. Appoint certain employees of the district as peace officers only
35 for purposes of providing law enforcement on property which is under the
36 control of the district. The district shall not have any more than ten
37 employees designated as peace officers at any one time.

38 14. ENTER INTO FINANCIAL AGREEMENTS WITH THE ENERGY PARK AUTHORITY FOR
39 THE CONSTRUCTION OF ONE OR MORE ELECTRICAL GENERATION FACILITIES, GENERATE
40 ELECTRICITY AT THE FACILITY AND SELL, DELIVER OR DISTRIBUTE ELECTRICITY
41 GENERATED BUT NOT NEEDED BY THE DISTRICT FOR THE PURPOSES OF OPERATING THE
42 CENTRAL ARIZONA PROJECT, EXCEPT THAT THE DISTRICT MAY NOT SELL, DELIVER OR
43 DISTRIBUTE ELECTRICITY TO A RETAIL ELECTRIC CUSTOMER AS DEFINED IN SECTION
44 30-801.

1 ~~14.~~ 15. Except for electric capacity and energy allocated to the
2 Arizona power authority under the Hoover power plant act of 1984 (P.L.
3 98-381; 98 Stat. 1333), sell, resell, deliver or distribute electricity or
4 other forms of energy acquired by the district for purposes of operating the
5 central Arizona project but not needed by the district for such purposes,
6 except that the district may not sell, resell, deliver or distribute
7 electricity to a retail electric customer as defined in section 30-801.

8 C. The authority granted under title 45, chapter 3.1, article 6 does
9 not authorize the district to withdraw and use groundwater that exists
10 naturally in the basin in which the stored water is located. The authority
11 provided in subsection B, paragraph 7 of this section is in addition to and
12 distinct from any authority granted to the district by subsection B,
13 paragraphs 5 and 6 of this section.

14 D. The functions of the district under subsection B, paragraph 5 of
15 this section may be performed on behalf of the district by other persons
16 under contract with the district.

17 E. The district may enter into and carry out subcontracts with water
18 users for the delivery of water through the facilities of the central Arizona
19 project. Such contracts as may be entered into between the district and the
20 secretary and between the district and water users shall be subject to the
21 provisions of the Colorado river basin project act (P.L. 90-537; 82 Stat.
22 885). Before entering into such contracts the district shall determine that
23 the proposed contract or proposed amendment, and all related exhibits and
24 agreements, have been submitted to the director of water resources as
25 required by section 45-107, subsection D.

26 F. The district may in conjunction with any other marketing entity or
27 entities be a marketing entity under section 107 of the Hoover power plant
28 act of 1984 (P.L. 98-381; 98 Stat. 1333) solely for the limited purposes of
29 establishing and collecting the additional rate components authorized by that
30 act and may enter into contracts for that purpose. This subsection does not
31 limit the authority of the district under subsection B, paragraph 3 of this
32 section and does not prohibit the United States western area power
33 administration or the Arizona power authority from making incidental
34 disposition of power acquired by the district for purposes of operating the
35 central Arizona project but not needed by the district for such purposes.

36 G. Persons who are appointed as peace officers by the district
37 pursuant to subsection B of this section shall provide law enforcement on the
38 property which is under the control of the district. District peace officers
39 shall not preempt the authority and jurisdiction of other police agencies of
40 this state or its political subdivisions. A district peace officer shall
41 notify appropriate agencies of this state and its political subdivisions
42 after making a felony arrest or beginning a felony investigation within the
43 jurisdiction of that agency. District peace officers shall have at least
44 those qualifications prescribed by section 41-1822 and are not eligible to
45 participate in the public safety personnel retirement system. The district

1 is not eligible to receive funds from the peace officers' training fund
2 specified in section 41-1825. The district shall reimburse the Arizona peace
3 officer standards and training board for all training expenses incurred by
4 the board for the district and all audit expenses incurred by the board in
5 reviewing compliance by the district with peace officer standards and law
6 enforcement standards established by the board.

7 Sec. 11. Legislative findings

8 The legislature finds that:

9 1. There are extensive reserves of energy in this state and
10 insufficient facilities to warrant the timely development and marketing of
11 those reserves.

12 2. Timely development of energy sources in this state will stabilize
13 and increase revenue to the state.

14 3. New infrastructure will increase development of energy sources in
15 this state.

16 4. It is in the public interest of the citizens of this state to
17 promote the economic welfare of the state and its residents by increasing
18 employment, stimulating economic activity, augmenting sources of tax revenue,
19 fostering economic stability and improving the balance of the state's
20 economy.