

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SENATE BILL 1178

AN ACT

AMENDING TITLE 11, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 5;
AMENDING TITLE 42, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING
SECTION 42-6112; RELATING TO COUNTY JUDGMENT BONDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 11, chapter 4, Arizona Revised Statutes, is amended
3 by adding article 5, to read:

4 ARTICLE 5. COUNTY JUDGMENT BONDS

5 11-681. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "BOARD" MEANS THE COUNTY BOARD OF SUPERVISORS.

8 2. "BOND RELATED EXPENSES" MEANS ANY EXPENSES INCURRED BY THE COUNTY
9 TO ISSUE AND ADMINISTER BONDS ISSUED UNDER THIS ARTICLE, INCLUDING
10 UNDERWRITING FEES AND COSTS, TRUSTEE FEES, FINANCIAL CONSULTANT FEES,
11 PRINTING AND ADVERTISING COSTS, PAYING AGENT FEES, TRANSFER AGENT FEES,
12 LEGAL, ACCOUNTING, FEASIBILITY CONSULTANT AND OTHER PROFESSIONAL FEES AND
13 EXPENSES, CREDIT ENHANCEMENT FEES, ATTORNEY AND ACCOUNTING FEES AND EXPENSES
14 RELATED TO CREDIT ENHANCEMENT, BOND INSURANCE OR LIQUIDITY ENHANCEMENT,
15 REMARKETING FEES, RATING AGENCY FEES AND COSTS, TRAVEL AND TELECOMMUNICATIONS
16 EXPENSES AND ALL OTHER EXPENSES CONSIDERED NECESSARY BY THE COUNTY BOARD OF
17 SUPERVISORS IN ORDER TO MARKET AND ADMINISTER THE BONDS.

18 3. "BONDS" MEANS THE BONDS ISSUED PURSUANT TO THIS ARTICLE.

19 4. "COUNTY JUDGMENT PURPOSE" INCLUDES THE FOLLOWING PURPOSES:

20 (a) THE PAYMENT OF OBLIGATIONS OF THE COUNTY RESULTING FROM A FINAL
21 COURT JUDGMENT AGAINST THE COUNTY, COURT COSTS AND ATTORNEY FEES, INCLUDING
22 OUTSIDE LEGAL COUNSEL RETAINED BY THE COUNTY, BUT NOT COSTS INCURRED BY THE
23 COUNTY ATTORNEY IN CONNECTION WITH THE JUDGMENT.

24 (b) THE PAYMENT OF BOND RELATED EXPENSES.

25 11-681.01. Authorization of county judgment bonds

26 A. THE BOARD OF SUPERVISORS MAY ISSUE NEGOTIABLE BONDS PURSUANT TO
27 THIS ARTICLE IN SUCH PRINCIPAL AMOUNT AS, IN THE OPINION OF THE BOARD IS
28 NECESSARY TO:

29 1. PROVIDE SUFFICIENT MONIES FOR ANY COUNTY JUDGMENT PURPOSE.

30 2. PAY NECESSARY BOND RELATED EXPENSES.

31 3. ESTABLISH AND FULLY OR PARTIALLY FUND ANY RESERVES OR SINKING
32 ACCOUNTS ESTABLISHED BY THE BOND RESOLUTION.

33 4. ISSUE REFUNDING BONDS IF THE BOARD CONSIDERS REFUNDING TO BE
34 EXPEDIENT. THE BOARD MAY PROVIDE FOR INVESTING AND HOLDING THE PROCEEDS OF
35 THE REFUNDING BONDS IN TRUST FOR THE BENEFIT OF THE HOLDERS OF THE BONDS
36 BEING REFUNDED.

37 5. REFUND ANY BONDS ISSUED PURSUANT TO THIS ARTICLE IF THE BONDS ARE
38 SECURED FROM THE SAME SOURCE OF REVENUES AS THE BONDS AUTHORIZED IN THIS
39 ARTICLE BY ISSUING NEW BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE
40 NOT MATURED.

41 6. ISSUE BONDS PARTLY TO REFUND OUTSTANDING BONDS AND PARTLY FOR ANY
42 COUNTY JUDGMENT PURPOSE CONSISTENT WITH THIS ARTICLE.

43 B. THE BOARD SHALL AUTHORIZE THE BONDS BY RESOLUTION. THE RESOLUTION
44 SHALL PRESCRIBE:

45 1. THE MANNER AND METHOD OF SALE.

1 2. THE RATE OR RATES OF INTEREST, WHICH MAY BE FIXED OR VARIABLE, THE
2 DATE OR DATES ON WHICH INTEREST IS PAYABLE AND THE DENOMINATIONS OF THE
3 BONDS.

4 3. THE DATE OR DATES OF THE BONDS AND MATURITY.

5 4. THE MANNER OF EXECUTING THE BONDS.

6 5. THE MEDIUM AND PLACE OF PAYMENT.

7 6. THE TERMS OF REDEMPTION, WHICH MAY PROVIDE FOR A PREMIUM FOR EARLY
8 REDEMPTION.

9 11-681.02. Issuance and sale of bonds; notice

10 A. THE BOARD SHALL ISSUE THE BONDS IN THE MANNER, METHOD, NUMBER AND
11 AMOUNT PROVIDED IN THE RESOLUTION.

12 B. THE BOARD SHALL PROVIDE NOTICE OF ITS INTENTION TO ISSUE BONDS IN A
13 MANNER CONSISTENT WITH MARKET PRACTICE.

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

22 D. THE NET PROCEEDS FROM THE SALE OF THE BONDS SHALL BE DEPOSITED IN
23 THE BOND PROCEEDS FUND ESTABLISHED PURSUANT TO SECTION 11-681.03.

24 E. TITLE 35, CHAPTER 3, ARTICLE 7 APPLIES TO THE BOARD AND TO BONDS
25 ISSUED UNDER THIS ARTICLE.

26 11-681.03. Bond proceeds fund; debt service fund

27 A. IF THE COUNTY ISSUES BONDS UNDER THIS ARTICLE, THE BOARD SHALL
28 ESTABLISH A BOND PROCEEDS FUND CONSISTING OF THE NET PROCEEDS RECEIVED FROM
29 THE SALE OF THE BONDS. THE COUNTY MAY USE MONIES IN THE BOND PROCEEDS FUND
30 ONLY FOR COUNTY JUDGMENT PURPOSES.

31 B. THE BOARD SHALL ESTABLISH A DEBT SERVICE FUND DESIGNATED AND
32 DEDICATED FOR REPAYMENT OF THE BONDS, BOND RELATED EXPENSES AND RELATED
33 EXPENSES ASSOCIATED WITH REDEEMING THE BONDS, CONSISTING OF COUNTY EXCISE TAX
34 REVENUES PURSUANT TO SECTION 42-6112 AND ANY OTHER EXCISE TAX REVENUES
35 PLEDGED BY THE COUNTY FOR THAT PURPOSE. MONIES IN THE DEBT SERVICE FUND MAY
36 BE USED ONLY FOR THE PURPOSES AUTHORIZED BY THIS ARTICLE. THE BOARD MAY
37 SEGREGATE THE DEBT SERVICE FUND INTO ANY NUMBER OF ACCOUNTS OR SUBACCOUNTS
38 CONSIDERED NECESSARY TO SECURE BONDS ISSUED UNDER THIS ARTICLE.

39 C. THE COUNTY TREASURER SHALL ADMINISTER AND ACCOUNT FOR THE BOND
40 PROCEEDS FUND AND THE DEBT SERVICE FUND.

41 D. NO MONIES DERIVED FROM SELLING BONDS UNDER THIS ARTICLE OR PLEDGED
42 OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE
43 BONDS MAY BE PAID INTO, OR COMMINGLED WITH MONIES IN, THE COUNTY GENERAL
44 FUND. THE TREASURER SHALL DEPOSIT ALL SUCH MONIES IN SPECIAL ACCOUNTS OR IN
45 SEPARATE FINANCIAL INSTITUTIONS THAT THE BOARD DESIGNATES.

1 E. THE MONIES IN THE BOND PROCEEDS FUND AND DEBT SERVICE FUND SHALL BE
2 DISBURSED ONLY AS THE BOARD DIRECTS AND ACCORDING TO THE TERMS OF ANY
3 AGREEMENTS WITH THE HOLDER OR HOLDERS OF THE BONDS.

4 F. THIS SECTION DOES NOT LIMIT THE POWER OF THE BOARD TO AGREE IN
5 CONNECTION WITH THE ISSUANCE OF THE BONDS AS TO THE CUSTODY AND DISPOSITION
6 OF THE MONIES RECEIVED FROM SELLING BONDS OR FROM THE COUNTY EXCISE TAX
7 REVENUES PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR
8 HOLDERS OF THE BONDS.

9 11-681.04. Securing principal and interest

10 IN CONNECTION WITH ISSUING BONDS AUTHORIZED BY THIS ARTICLE AND TO
11 ENHANCE THE SECURITY OF THE BONDS, THE BOARD BY RESOLUTION MAY:

12 1. SEGREGATE THE DEBT SERVICE FUND INTO ONE OR MORE ACCOUNTS AND
13 SUBACCOUNTS.

14 2. PROVIDE THAT THE BONDS ISSUED UNDER THIS ARTICLE ARE SECURED BY A
15 FIRST LIEN ON THE MONIES PAID INTO THE DEBT SERVICE FUND AND PLEDGE AND
16 ASSIGN TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS
17 ALL OR PART OF THE MONIES IN THE DEBT SERVICE FUND OR AN ACCOUNT OR
18 SUBACCOUNT AS NECESSARY TO SECURE AND PAY THE PRINCIPAL, THE INTEREST AND ANY
19 PREMIUM ON THE BONDS AS THEY COME DUE.

20 3. ESTABLISH PRIORITIES AMONG BONDHOLDERS BASED ON CRITERIA ADOPTED BY
21 THE BOARD.

22 4. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING ACCOUNTS.

23 5. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT
24 WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS THE HOLDERS
25 OF WHICH MUST CONSENT TO AND THE MANNER IN WHICH THE CONSENT MAY BE GIVEN.

26 6. PROVIDE FOR PAYMENT OF BOND RELATED EXPENSES FROM THE PROCEEDS OF
27 THE SALE OF THE BONDS OR OTHER REVENUES AVAILABLE TO THE BOARD.

28 7. PROVIDE FOR THE SERVICES OF TRUSTEES, COTRUSTEES, AGENTS,
29 CONSULTANTS AND OTHER SPECIALIZED SERVICES WITH RESPECT TO THE BONDS.

30 8. PROVIDE ADDITIONAL SECURITY FOR THE BONDS IN THE FORM OF A LINE OF
31 CREDIT, LETTER OF CREDIT, INSURANCE POLICY OR OTHER SECURITY AND:

32 (a) PAY THE COST OF THE ADDITIONAL SECURITY FROM AMOUNTS PRODUCED FROM
33 THE BOND ISSUE OR FROM OTHER AVAILABLE SOURCES.

34 (b) ENTER INTO REIMBURSEMENT OBLIGATIONS IN CONNECTION WITH THE
35 ADDITIONAL SECURITY.

36 9. REFUND ANY BONDS ISSUED PURSUANT TO THIS ARTICLE, IF THE NEW BONDS
37 ARE SECURED FROM THE SAME SOURCE OF REVENUES AS THE ORIGINAL BONDS, BY
38 ISSUING NEW BONDS, WHETHER AT OR BEFORE MATURITY OF THE BONDS BEING REFUNDED.

39 10. ISSUE BONDS PARTLY TO REFUND OUTSTANDING BONDS AND PARTLY FOR ANY
40 OTHER PURPOSE CONSISTENT WITH THIS ARTICLE.

41 11. TAKE ANY OTHER ACTION THAT IN ANY WAY MAY AFFECT THE SECURITY AND
42 PROTECTION OF THE BONDS OR INTEREST ON THE BONDS.

43 11-681.05. Lien of pledge

44 A. ANY PLEDGE MADE UNDER THIS ARTICLE IS VALID AND BINDING FROM THE
45 TIME WHEN THE PLEDGE IS MADE.

1 B. THE MONIES PLEDGED AND RECEIVED BY THE BOARD TO BE PLACED IN THE
2 DEBT SERVICE FUND ARE IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT
3 ANY FUTURE PHYSICAL DELIVERY OR FURTHER ACT. ANY LIEN OF ANY PLEDGE IS VALID
4 AND BINDING AGAINST ALL PARTIES WHO HAVE CLAIMS OF ANY KIND AGAINST THE
5 COUNTY, REGARDLESS OF WHETHER THE PARTIES HAVE NOTICE OF THE LIEN. THE
6 OFFICIAL RESOLUTION OR TRUST INDENTURE OR ANY INSTRUMENT BY WHICH THIS PLEDGE
7 IS CREATED, WHEN ADOPTED BY THE BOARD, IS NOTICE TO ALL CONCERNED OF THE
8 CREATION OF THE PLEDGE, AND THOSE INSTRUMENTS NEED NOT BE RECORDED IN ANY
9 OTHER PLACE TO PERFECT THE PLEDGE.

10 11-681.06. Bond purchase; cancellation

11 THE BOARD MAY PURCHASE BONDS FOR CANCELLATION, USING ANY AVAILABLE
12 MONIES, AT A PRICE NOT EXCEEDING THE FOLLOWING:

13 1. IF THE BONDS ARE REDEEMABLE AT THE TIME OF PURCHASE, THE APPLICABLE
14 REDEMPTION PRICE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE.

15 2. IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE, THE
16 APPLICABLE REDEMPTION PRICE ON THE FIRST DATE ON WHICH THE BONDS BECOME
17 SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THAT DATE.

18 11-681.07. Payment of bonds

19 A. THE BONDS SHALL BE PAID SOLELY FROM MONIES FROM THE DEBT SERVICE
20 FUND.

21 B. THE COUNTY TREASURER SHALL CANCEL ALL BONDS WHEN PAID.

22 11-681.08. Use of surplus monies

23 A. IF A BALANCE REMAINS IN THE BOND PROCEEDS FUND AFTER ALL COUNTY
24 JUDGMENT PURPOSES HAVE BEEN PAID, THE REMAINING BALANCE SHALL BE USED TO
25 REDUCE THE COUNTY PRIMARY PROPERTY TAX LEVY IN THE FOLLOWING YEAR.

26 B. IF A BALANCE REMAINS IN THE DEBT SERVICE FUND AFTER THE RETIREMENT
27 AND PAYMENT OF ALL BONDS, INTEREST AND OTHER CHARGES RELATED TO BONDS ISSUED
28 UNDER THIS ARTICLE, THE REMAINING BALANCE SHALL BE USED TO REDUCE THE COUNTY
29 PRIMARY PROPERTY TAX LEVY IN THE FOLLOWING YEAR.

30 11-681.09. Investment of monies in the bond proceeds fund and
31 the debt service fund

32 A. THE BOARD MAY AUTHORIZE THE COUNTY TREASURER TO INVEST MONIES IN
33 THE BOND PROCEEDS FUND IN THE MANNER PRESCRIBED BY THIS SECTION. THE ORDER
34 DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE PROCEEDS FROM THE
35 SALE OF THE BONDS WILL BE NEEDED FOR USE, AND THE TREASURER SHALL MAKE THE
36 INVESTMENT IN SUCH A WAY AS TO MATURE AT THE SPECIFIED DATE. ALL MONIES
37 EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE INVESTMENT OF THE MONIES IN
38 THE BOND PROCEEDS FUND SHALL BE CREDITED TO THE DEBT SERVICE FUND.

39 B. THE BOARD MAY AUTHORIZE THE COUNTY TREASURER TO INVEST AND REINVEST
40 ANY MONIES IN THE DEBT SERVICE FUND AS PROVIDED BY THIS SECTION. ALL MONIES
41 EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE INVESTMENT OF THE MONIES IN
42 THE DEBT SERVICE FUND SHALL BE CREDITED TO THAT FUND.

43 C. THE MONIES IN EITHER THE BOND PROCEEDS FUND OR THE DEBT SERVICE
44 FUND MAY BE INVESTED AND REINVESTED IN ANY OF THE FOLLOWING:

45 1. UNITED STATES TREASURY OBLIGATIONS.

1 (b) INSURANCE COMPANIES, ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN
2 INSURANCE BUSINESS.

3 (c) FINANCIAL INSTITUTIONS, INVESTMENT COMPANIES AND OTHER PERSONS
4 CARRYING ON A BANKING BUSINESS.

5 (d) FIDUCIARIES.

6 (e) ALL OTHER PERSONS WHO ARE AUTHORIZED TO INVEST IN GOVERNMENT
7 OBLIGATIONS.

8 6. ARE SECURITIES THAT MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES
9 OF THIS STATE AND COUNTIES, MUNICIPALITIES AND OTHER POLITICAL SUBDIVISIONS
10 OF THIS STATE FOR PURPOSES THAT REQUIRE THE DEPOSIT OF GOVERNMENT BONDS OR
11 OBLIGATIONS.

12 11-681.11. Effect of changing circumstances on bonds; agreement
13 of state

14 A. BONDS ISSUED UNDER THIS ARTICLE REMAIN VALID AND BINDING
15 OBLIGATIONS OF THE COUNTY NOTWITHSTANDING THAT BEFORE THE DELIVERY OF THE
16 BONDS ANY OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE BONDS CEASE TO BE
17 OFFICERS OF THE COUNTY.

18 B. AN AMENDMENT OF ANY PROVISION IN THIS ARTICLE DOES NOT DIMINISH OR
19 IMPAIR THE VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE OR THE REMEDIES AND
20 RIGHTS OF BONDHOLDERS.

21 C. THIS STATE PLEDGES TO AND AGREES WITH THE BONDHOLDERS THAT THIS
22 STATE WILL NOT LIMIT, ALTER OR IMPAIR THE RIGHTS VESTED IN THE COUNTY TO
23 COLLECT THE MONIES, INCLUDING COUNTY EXCISE TAX REVENUES UNDER SECTION
24 42-6112, OR AN EQUIVALENT SOURCE, NECESSARY TO PRODUCE SUFFICIENT REVENUE TO
25 FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS, OR IN
26 ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL ALL BONDS
27 ISSUED UNDER THIS ARTICLE, TOGETHER WITH INTEREST ON THE BONDS, INTEREST ON
28 ANY UNPAID INSTALLMENTS OF PRINCIPAL OR INTEREST AND ALL COSTS AND EXPENSES
29 IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE
30 BONDHOLDERS, ARE FULLY MET AND DISCHARGED. THE BOARD MAY INCLUDE THIS PLEDGE
31 AND UNDERTAKING IN ITS RESOLUTIONS AND INDENTURES AUTHORIZING AND SECURING
32 ITS BONDS.

33 11-681.12. Validity of bonds; legal opinion

34 A. THIS ARTICLE CONSTITUTES FULL AUTHORITY FOR AUTHORIZING AND ISSUING
35 COUNTY JUDGMENT BONDS WITHOUT REFERENCE TO ANY OTHER LAW OF THIS STATE. NO
36 OTHER STATUTE WITH REGARD TO AUTHORIZING OR ISSUING OBLIGATIONS OR THAT IN
37 ANY WAY IMPEDES OR RESTRICTS PERFORMING THE ACTS AUTHORIZED BY THIS ARTICLE
38 MAY BE CONSTRUED TO APPLY TO ANY PROCEEDINGS TAKEN OR ACTS DONE PURSUANT TO
39 THIS ARTICLE.

40 B. THE BOARD MAY SUBMIT BONDS TO BE ISSUED UNDER THIS ARTICLE TO THE
41 COUNTY ATTORNEY OR OTHER LEGAL COUNSEL AFTER ALL PROCEEDINGS FOR AUTHORIZING
42 THE BONDS HAVE BEEN COMPLETED. WITHIN FIFTEEN DAYS AFTER SUBMISSION, THE
43 COUNTY ATTORNEY OR COUNSEL SHALL EXAMINE AND PASS ON THE VALIDITY OF THE
44 BONDS AND THE REGULARITY OF THE PROCEEDINGS. IF COUNSEL DETERMINES THAT THE
45 BONDS AND PROCEEDINGS COMPLY WITH THIS ARTICLE, AND IF THE BONDS WHEN

1 DELIVERED AND PAID FOR WILL CONSTITUTE BINDING AND LEGAL OBLIGATIONS OF THE
2 COUNTY, THE COUNTY ATTORNEY OR COUNSEL SHALL RENDER A LEGAL OPINION IN
3 SUBSTANCE THAT THE BONDS ARE ISSUED ACCORDING TO THE CONSTITUTION AND LAWS OF
4 THIS STATE.

5 C. THE BONDS SHALL RECITE THAT THEY ARE REGULARLY ISSUED PURSUANT TO
6 THIS ARTICLE. THAT RECITAL, TOGETHER WITH THE LEGAL OPINION UNDER SUBSECTION
7 B, CONSTITUTES PRIMA FACIE EVIDENCE OF THE LEGALITY AND VALIDITY OF THE
8 BONDS. FROM AND AFTER THE SALE AND DELIVERY OF THE BONDS, THEY ARE
9 INCONTESTABLE BY ANY PARTY.

10 Sec. 2. Title 42, chapter 6, article 3, Arizona Revised Statutes, is
11 amended by adding section 42-6112, to read:

12 42-6112. County excise tax for county judgment bonds

13 A. A COUNTY, BY RESOLUTION THAT IS DATED ON OR BEFORE DECEMBER 31,
14 2011 AND THAT IS APPROVED BY A UNANIMOUS VOTE OF THE BOARD OF SUPERVISORS,
15 MAY LEVY AND, IF LEVIED, THE DEPARTMENT SHALL COLLECT A COUNTY EXCISE TAX ON
16 EACH PERSON ENGAGING OR CONTINUING IN THE COUNTY IN A BUSINESS TAXED UNDER
17 CHAPTER 5, ARTICLE 1 OF THIS TITLE AND UNDER SECTION 42-5352, SUBSECTION A.
18 THE TAX AUTHORIZED BY THIS SECTION IS IN ADDITION TO ANY TAX AUTHORIZED
19 PURSUANT TO SECTION 42-6103.

20 B. THE EXCISE TAX LEVIED PURSUANT TO THIS SECTION SHALL BE AT A RATE
21 ADOPTED BY THE BOARD OF SUPERVISORS IN THE RESOLUTION LEVYING THE TAX,
22 APPLIED AS A PERCENTAGE OF THE TAX RATES PRESCRIBED ON THE DATE OF THE
23 RESOLUTION BY SECTION 42-5010, SUBSECTION A ON EACH CLASS OF BUSINESS SUBJECT
24 TO THE TRANSACTION PRIVILEGE TAX IMPOSED BY CHAPTER 5, ARTICLE 1 OF THIS
25 TITLE AND THE JET FUEL EXCISE TAX IMPOSED BY SECTION 42-5352, SUBSECTION A,
26 BUT NOT MORE THAN TEN PER CENT THROUGH MAY 31, 2013 AND THIRTY PER CENT
27 THEREAFTER.

28 C. EACH MONTH THE STATE TREASURER SHALL TRANSMIT THE NET REVENUES
29 COLLECTED PURSUANT TO THIS SECTION TO THE TREASURER OF THE COUNTY LEVYING THE
30 TAX FOR CREDIT TO THE COUNTY'S DEBT SERVICE FUND ESTABLISHED PURSUANT TO
31 SECTION 11-681.03.

32 D. A TAX LEVIED PURSUANT TO THIS SECTION TERMINATES WHEN ALL DEBT
33 SERVICE COSTS HAVE BEEN PAID RELATING TO COUNTY JUDGMENT BONDS ISSUED
34 PURSUANT TO TITLE 11, CHAPTER 4, ARTICLE 5. NOT MORE THAN THIRTY DAYS BEFORE
35 THE FINAL DEBT SERVICE PAYMENT IS DUE, THE BOARD OF SUPERVISORS SHALL NOTIFY
36 THE DEPARTMENT BY CERTIFIED MAIL OF THE TERMINATION OF THE TAX. ANY SURPLUS
37 MONIES THAT ARE NOT ENCUMBERED FOR DEBT SERVICE PURPOSES SHALL BE USED TO
38 REDUCE THE COUNTY PRIMARY PROPERTY TAX LEVY IN THE FOLLOWING YEAR.