

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2333

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-1484, Arizona Revised Statutes, is amended to  
3 read:

4 15-1484. Powers to secure bonds

5 A. In connection with the issuance of the bonds authorized by section  
6 15-1483, or in order to secure the payment of such bonds and interest  
7 thereon, the board shall have power by resolution to:

8 1. Fix and maintain tuitions, fees, rentals and other charges from  
9 students, faculty members and others using or being served by, or having the  
10 right to use or the right to be served by, any project.

11 2. Provide that bonds issued under this article may be secured by a  
12 first, exclusive and closed lien on all or any certain part of the income and  
13 revenue derived from, and shall be payable from tuitions, fees, rentals and  
14 other charges from students, faculty members and others using or being served  
15 by, or having the right to use or the right to be served by, any project.

16 3. Pledge and assign to, or in trust for the benefit of, the holder or  
17 holders of the bonds issued hereunder an amount of the income and revenue  
18 derived from tuitions, fees, rentals and other charges from students, faculty  
19 members and others using or being served by, or having the right to use or  
20 the right to be served by, any project.

21 4. Covenant with or for the benefit of the holder or holders of bonds  
22 issued under this article to acquire any project, that as long as any such  
23 bonds remain outstanding and unpaid the board will fix, maintain and collect  
24 in such installments as may be agreed upon an amount of the tuitions, fees,  
25 rentals and other charges from students, faculty members and others using or  
26 being served by, or having the right to use or the right to be served by, any  
27 project, which shall be sufficient to pay when due the bonds issued hereunder  
28 to acquire such project, and interest thereon, and to create and maintain

1 reasonable reserves therefor and to pay the costs of operation and  
2 maintenance of such project including, but not limited to, reserves for  
3 extraordinary repairs, insurance and maintenance, which costs of operation  
4 and maintenance shall be determined by the board in its absolute discretion.

5 5. Make and enforce and agree to make and enforce parietal rules that  
6 shall insure the use of any project by all students in attendance at the  
7 institution to the maximum extent to which such project is capable of serving  
8 such students, or if any part of the project is designed for occupancy as  
9 living quarters for the faculty members, by as many faculty members as may be  
10 served thereby.

11 6. Covenant that as long as any of the bonds issued under this article  
12 remain outstanding and unpaid it will not, except upon such terms and  
13 conditions as may be determined:

14 (a) Voluntarily create or cause to be created any debt, lien, pledge,  
15 assignment, encumbrance or other charge having priority to or being on a  
16 parity with the lien of the bonds issued under this article upon any of the  
17 income and revenues derived from tuitions, fees, rentals and other charges  
18 from students, faculty members and others using or being served by, or having  
19 the right to use or the right to be served by, any project.

20 (b) Convey or otherwise alienate the project to acquire which such  
21 bonds shall have been issued or the real estate upon which such project shall  
22 be located, except at a price sufficient to pay all the bonds then  
23 outstanding issued under this article to acquire such project and interest  
24 accrued thereon, and then only in accordance with any agreements with the  
25 holder or holders of such bonds.

26 (c) Mortgage or otherwise voluntarily create or cause to be created  
27 any encumbrance on the project to acquire which such bonds shall have been  
28 issued or the real estate upon which it shall be located.

29 7. Covenant as to the procedure by which the terms of any contract  
30 with a holder or holders of such bonds may be amended or abrogated, the  
31 amount or percentage of bonds the holder or holders of which must consent to  
32 an amendment or abrogation and the manner in which such consent may be given.

1           8. Vest in a trustee or trustees the right to receive all or any part  
2 of the income and revenue pledged and assigned to, or for the benefit of, the  
3 holder or holders of bonds issued hereunder, and to hold, apply and dispose  
4 of the same and the right to enforce any covenant made to secure or pay or in  
5 relation to the bonds; execute and deliver a trust agreement or trust  
6 agreements which may set forth the powers and duties and the remedies  
7 available to such trustee or trustees and limiting the liabilities thereof  
8 and describing what occurrences shall constitute events of default and  
9 prescribing the terms and conditions upon which such trustee or trustees or  
10 the holder or holders of bonds of any specified amount or percentage of such  
11 bonds may exercise such rights and enforce any and all such covenants and  
12 resort to such remedies as may be appropriate.

13           9. Vest in a trustee or trustees or the holder or holders of any  
14 specified amount or percentage of bonds the right to apply to any court of  
15 competent jurisdiction for, and have granted, the appointment of a receiver  
16 or receivers of the income and revenue pledged and assigned to or for the  
17 benefit of the holder or holders of such bonds, which receiver or receivers  
18 may have and be granted such powers and duties as such court may order or  
19 decree for the protection of the bondholders.

20           10. Make covenants with any federal agency, private agency, corporation  
21 or individual to perform any and all acts and to do any and all such things  
22 as may be necessary or convenient or desirable in order to secure such bonds  
23 or as may in the judgment of the board tend to make the bonds more  
24 marketable, notwithstanding that such acts or things may not be enumerated  
25 herein, and to lease any project for the best interests of the institution,  
26 and to perform all acts and to do all things not inconsistent with the  
27 constitution of this state as may be necessary or convenient or desirable for  
28 the issuance of such bonds and for their security.

29           11. Enter into any and all contracts and agreements necessary to  
30 accomplish the acquisition of the project or projects including agreements  
31 for construction, engineering and architectural services and agreements

1 covering disposition and application of the proceeds received from the sale  
2 of the bonds.

3 B. No bond shall be issued for any institution which causes the total  
4 aggregate face amount of all bonds issued ~~for classrooms to exceed the~~  
5 ~~greater of twenty five per cent of all bonds then issued for such institution~~  
6 ~~or one million dollars. For purposes of this subsection, classroom does not~~  
7 ~~include any building which would have been included within the definition of~~  
8 ~~project prior to September 30, 1988~~ TO HAVE A TOTAL PROJECTED DEBT SERVICE  
9 THAT EXCEEDS, IN ANY FISCAL YEAR, MORE THAN EIGHT PER CENT OF SUCH  
10 INSTITUTION'S TOTAL PROJECTED EXPENDITURES LESS ANY PROJECTED EXPENDITURES  
11 FOR RETIREMENT OF GENERAL OBLIGATION BONDS PRINCIPAL OR INTEREST, OR BOTH.  
12 GENERAL OBLIGATION BONDS ARE EXCLUDED FROM THIS PROVISION."

13 Amend title to conform

TOM FORESE

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2/10/12  
10:23 AM  
H:lae