House Engrossed

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

HOUSE BILL 2483

AN ACT

AMENDING SECTIONS 3-204, 3-206, 3-207, 3-609, 3-1008, 3-1261, 3-1422, 4-221, 5-399.01, 6-395.09, 6-401, 6-487, 6-872, 6-991.12, 9-121, 9-122, 9-212, 9-219, 9-246, 9-282, 9-402, 9-405, 9-441.03, 9-451, 9-461.06, 9-461.09, 9-462.04, 9-462.06, 9-463.06, 9-471, 9-502, 9-507, 9-511.01, 9-524, 9-529, 9-553, 9-812, 9-1104, 9-1131, 9-1304, 10-140, 10-141, 10-1407, 10-1623, 10-2014, 10-2070, 10-2077, 10-2136, 10-2143, 10-3140, 10-3141, 10-11202, 10-11253, 10-11407, 10-11623, 11-134, 11-137, 11-172, 11-251, 11-251.05, 11-254.01, 11-255, 11-256, 11-256.01, 11-264.01, 11-273, 11-282, 11-373, 11-377, 11-391, 11-636, 11-701, 11-721, 11-801, 11-805, 11-808, 11-813, 11-814, 11-821, 11-833, 11-903, 11-936, 11-1403, 11-1704, 12-883, 12-991, 12-1145, 12-1212, 12-1621, 13-4202, 13-4307, 14-1401, 14-3801, 15-213, 15-241, 15-395, 15-450, 15-455, 15-904, 15-905, 15-905.01, 15-1030, 15-1404, 15-1461, 15-1461.01, 15-1626, 15-2106, 16-214, 16-223, 16-227, 16-228, 16-449, 17-453, 20-668, 20-706, 23-1326, 26-347, 27-221, 27-511, 27-554, 27-556, 27-557, 27-669, 27-670, 27-929, 27-1230, 28-2093, 28-2422.02, 28-4594, 28-4841, 28-4882, 28-6702, 28-6713, 28-6743, 28-6802, 28-6923, 28-6952, 28-7095, 28-7507, 28-7567, 28-8243, 28-8331, 28-8425, 28-8524, 29-633, 29-635, 29-1103, 31-445, 32-2188.01, 32-2194.33, 33-808, 33-952, 33-1023, 34-201, 34-603, 34-604, 35-424, 35-454, 35-457, 35-459, 36-183.02, 36-1479, 36-1480, 36-1481, 36-2234, 37-237, 37-239, 37-281.01, 37-312, 37-332, 37-602, 37-604.01, 37-609, 37-615, 37-802, 37-803, 37-1002, 37-1032, 37-1123, 37-1126, 39-201, 39-202, 39-203, 39-204, 39-205, 39-221, 40-283, 40-344, 40-806, 40-1002, 40-1121, 40-1122, 40-1131, 40-1139, 40-1143, 41-109, 41-563.01, 41-1276, 41-1609.02, 41-1713, 41-2533, 42-1124, 42-2056, 42-6054,

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(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 3-204, Arizona Revised Statutes, is amended to read:

3-204. Summary abatement of imminently dangerous nuisance; procedure; expense; lien; public sale; reimbursement costs and penalties to state for certain abatements

A. If, in the opinion of the director, the danger to the agricultural and horticultural industry of the state is imminent if the nuisance caused by a plant or thing is not speedily abated or suppressed, and if he finds it is practical to summarily abate the nuisance, either by the destruction of the plant or thing or by the treatment thereof so as to destroy or eradicate the crop pest or disease without actually destroying the plant or thing, the director shall in writing direct the owner or person in charge of the nuisance, if he is found in the county, forthwith and at his expense to abate and suppress the nuisance in the manner provided in the written direction. If the owner or person in charge fails or neglects to comply with the direction for a period of five days after the date on which the direction was delivered to or served ~~upon~~ ON him, ~~then~~ the director shall summarily abate the nuisance in the manner specified in the written direction.

B. If the owner or person in charge or control of the nuisance is a nonresident of the state or cannot, after reasonable diligence by the director, be found within the county where the nuisance exists, the director shall publish the notice and the direction ~~one time in a newspaper published~~ ON A PUBLIC MEDIUM PUBLISHED in the county, and shall post a copy at, on or in the immediate vicinity of the nuisance, and after seven days from the first publication and posting, the director shall abate the nuisance in the manner specified in the direction.

C. If the nuisance is abated by the director, the expense shall be borne by the state, but, when the abatement does not involve the destruction of the plant or thing and it has some value after the crop pest or disease has been eradicated, then the state shall have a first claim and lien thereon for the payment of expenses incurred in the abatement of the nuisance.

D. The director shall notify the owner or person in charge or control of the nuisance of the amount of the expenses, and that unless the amount is paid within ten days after the date of service of the notice ~~upon~~ ON the owner or person in charge, the plant or thing will be sold at public sale, and the proceeds, or so much thereof as may be necessary, applied to the payment of the expenses. The notice shall be personally served or posted as required in this section for notices to abate.

E. If the owner or person in charge of the plant or thing fails to pay the expenses within the time specified in the notice, the director shall give public notice of the time and place of sale with a description of the plant or thing to be sold, and the amount of expenses against it, which shall include costs of publication, posting and service of notice. The notice of

sale shall be published and posted as provided in this section for the publication and posting of direction to suppress the nuisance.

F. The owner or person in charge of a plant or thing constituting the nuisance may waive in writing the service of all directions and notices in connection with the abatement or sale thereof.

G. If the director is required to abate the nuisance of cotton or cotton stubble ~~which~~ THAT is not destroyed before a date established by the director or is required to abate the nuisance of cotton planted before a date established by the director, unless the director waives such dates due to variations in weather conditions, following the refusal by the owner or person in charge or control of the nuisance to do so, the owner or person in charge or control of the nuisance shall reimburse the department for the actual costs of the state's abatement of the nuisance. An injunction shall not be granted to stay this state from abating the nuisance. To collect the costs of reimbursement, the director may either request reimbursement from the cotton research and protection council under programs of the council to abate cotton fields or from the owner or person in charge. If the actual costs of abatement are not paid within ten days after the owner or person in charge receives notice of the amount of the costs, the director may impose a penalty of fifty per cent of the costs of abatement and may prepare and file or record in the office of the county recorder of the county where the land is situated a notice of lien, setting forth the amount of the unpaid costs, the amount of the penalty and the name of the owner or person in charge. ~~Upon such~~ ON THAT recording, the amount required to be reimbursed becomes a lien on the land subordinate only to any lien for state and local taxes. The director may issue a notice of abatement penalty to be applied to any rebate authorized pursuant to section 3-1083, subsection B, paragraph 4 and section 3-1087, subsection B. All penalties collected under this section shall be deposited in the cotton research and protection council fund established by section 3-1085.

Sec. 2. Section 3-206, Arizona Revised Statutes, is amended to read:

3-206. Destruction of noninfected crops on abatement of nuisance; procedure; hearing; evidence; compensation

A. If the plants constituting the nuisance consist of growing crops, trees, orchards, vines or shrubbery, and the infestation or infection is by a plant pest or disease of such a nature, or if the location of the plants with respect to other plants not infested or infected is a part of the same crop, or is growing immediately adjacent to the infested or infected plants, and the director believes it is impractical to abate the nuisance, and to suppress, eradicate or control the crop pest or disease without destroying the whole of the crop, trees, orchard, vines or shrubbery of which the infested or infected plants are a part, or without serious injury to uninfected or uninfested plants, ~~then~~ the director may adopt proper measures to control, eradicate and suppress the crop pest or disease, although it causes a destruction of the crops, trees, orchards, vines and shrubbery, or

an injury to uninfected or uninfested plants ~~which~~ THAT are a part of the crops, trees, orchards, vines or shrubbery.

B. Before proceeding with abatement of the nuisance or suppressing, eradicating or controlling the crop pest or disease, the director shall serve written notice ~~upon~~ ON the owner or person in charge of the premises on which the nuisance is located, specifying the infestation or infection and directing the person to appear at a hearing to be held at a time and place within the county where the nuisance exists, and show cause why the crop, trees, orchard, vines or shrubbery should not be destroyed in whole or in part.

C. The notice shall be personally served on the person, if he is found within the county where the nuisance exists, at least five days ~~prior to~~ BEFORE the hearing. If the person is a nonresident or cannot be found in the county, ~~then~~ the notice shall be published ~~in a newspaper published~~ in the county ON A PUBLIC MEDIUM for at least seven days ~~prior to~~ BEFORE the hearing, and in addition, a copy thereof shall be posted in a conspicuous place on or at the premises involved for a like period.

D. Any interested party may appear at the hearing and be heard, either in person or by attorney. The hearing officer shall preserve a record of all evidence introduced, and at the conclusion of the hearing shall enter an order conforming to his findings.

E. Any crop or portion thereof ~~which~~ THAT is destroyed pursuant to this section shall be paid for from the general fund. The payments shall equal sixty per cent of its value at the time of destruction. If the damages are disputed the director may settle the dispute by arbitration.

Sec. 3. Section 3-207, Arizona Revised Statutes, is amended to read:

3-207. Crop pest or disease menacing state; notice of hearing; publication

A. When a crop pest or disease is discovered within this state, or any section of an adjoining state or country, ~~which~~ THAT the director believes menaces or threatens serious injury to the horticultural or agricultural industry of this state unless the crop pest or disease is eradicated, suppressed or controlled so as not to cause the threatened injury, and if the director believes it impractical to prevent the threatened injury except by destruction in whole or part of uninfested or uninfected plants within this state ~~which~~ THAT would, if not destroyed or injured, permit the crop pest or disease to be introduced into this state or cause its spread and dissemination either within or without the state, ~~he~~ THE DIRECTOR shall give public notice of the menace stating the character thereof, its present location and the crops to which it is injurious. The notice shall direct all persons interested:

1. To appear at the division office at a time therein specified to consider measures for the suppression, eradication or control of the threatened injury.

2. To show cause why the director should not order the destruction or injury of all or such portion of the plants~~, which,~~ THAT if not destroyed or injured~~,~~ will become the means of introducing the crop pest or disease into the state or of spreading it to other places, or to show cause why a quarantine zone should not be established.

B. The notice shall be published at least seven days ~~prior to~~ BEFORE the hearing ~~in at least one newspaper for at least one insertion~~ ON A PUBLIC MEDIUM PUBLISHED in each county wherein the director deems it necessary to destroy or injure the plants, and ~~in a newspaper~~ ON A PUBLIC MEDIUM published at Phoenix.

Sec. 4. Section 3-609, Arizona Revised Statutes, is amended to read:

3-609. Financial condition of milk handlers; security; recovery on default; applicability

A. A handler shall not engage or continue in business and the associate director shall deny, suspend or revoke any license issued to the handler under this chapter unless the associate director is satisfied that the handler's financial condition reasonably assures the ability to promptly pay producers for the milk the handler purchases. Before the associate director issues or renews the license, the handler must file with the division financial statements for the handler's most recent complete fiscal year together with the auditor's report issued by a certified public accountant registered in this state. If the handler's fiscal year ends in the fourth quarter of the calendar year, the associate director may extend the time for filing the financial statement for up to one hundred twenty days. The handler shall also file interim financial statements within one hundred twenty days following the end of the sixth month of the handler's fiscal year, prepared consistent with the annual financial statement and certified by the handler's chief financial officer, covering the first six months of the handler's fiscal year. The associate director may require additional financial information or certificates at any time. The financial statements:

1. Shall comply with generally accepted accounting principles.

2. Shall STATE by separate certificate of the certified public accountant ~~state~~ the handler's current ratio of current assets to current liabilities as of the end of the handler's fiscal year. The certificate accompanying the interim financial statement shall be signed by the handler's chief financial officer.

3. Are confidential and are not open for public inspection.

B. If the associate director either receives a certificate under subsection A, paragraph 2 OF THIS SECTION that shows a current ratio of current assets to current liabilities of less than 1.2:1.0 or determines at any time that the financial condition of a handler does not reasonably ~~assure~~ ENSURE payment when due for milk the handler purchases, or if the handler fails to pay for milk when payment is due as provided by applicable law or by

agreement between the handler and producer, the associate director shall require that the handler:

1. File a bond or other security acceptable to the associate director in an amount not to exceed one hundred ten per cent of the sum reasonably anticipated to be due and accrued at any time for the milk purchased by the handler. The security shall be payable or assigned to the associate director for the benefit of producers damaged by the handler's default in paying for milk.

2. Receive no milk on credit until acceptable security is filed.

C. On or before March 1 and September 1 of each year, each handler shall provide written notice to producers from whom it has purchased milk during the preceding six months stating the financial basis on which the handler's license was issued and the type and amount of security, if any, the handler filed under subsection B, paragraph 1 OF THIS SECTION. A handler shall not receive a quantity of milk that will increase the amount due and accrued from the handler above the amount represented as a basis for issuing the license under subsection A OF THIS SECTION without first notifying the associate director.

D. On request and on the producer's prior written agreement to maintain its confidentiality, the associate director shall provide a producer with a copy of any financial statement, information or certificate filed under subsection A OF THIS SECTION by a handler that has purchased milk from that producer.

E. A producer who has not been paid by a handler for milk when payment was due as provided by applicable law or by agreement may file a verified proof of claim with the division. On receipt of the claim or any other evidence of default, the associate director, by order, may require all interested creditors to file verified proofs of claim on or before a stated date or be barred from participating in any recovery under this subsection. Notice of the order shall be posted on the handler's premises and published ~~once each week for three consecutive weeks in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the affected area with the final notice being published at least thirty days before the last date stated in the order for filing claims. On audit and investigation the associate director shall allow or disallow each claim and, if allowed, include interest at the rate of ten per cent per year from the date of default. The associate director shall mail notice of the allowance or disallowance of each claim and if allowed, the rate of interest that applies by certified mail to each claimant and to the handler and the handler's surety. The associate director shall demand, collect and receive the amount necessary to satisfy all allowed claims plus interest from the handler, the security provided by the handler or the handler's surety or sureties. The director, on the recommendation of the associate director, may also commence an action in superior court in Maricopa county for that purpose. The associate director shall distribute all monies received for satisfying the claims plus interest to the claimants,

in full or pro rata as the case may be. The associate director shall disallow:

1. Claims for the value of milk ~~which~~ THAT were due and payable more than thirty days before the associate director received the first claim or notice of default.

2. Claims covering transactions in which the producer has granted to the handler any voluntary extension of credit in writing.

F. The associate director shall deny, suspend or revoke a handler's license for failure to comply with any provision of this section. On request, the director shall review any action by the associate director under this subsection.

G. The whole claim, including interest and any judgment for the claim, of any person against a handler on account of milk sold or delivered to the handler is entitled to the same preference in any insolvency or other creditor's proceedings as is provided by any other statute to claims for labor. Two or more producers may file a consolidated claim, and, when so filed, the preference is allowed on the amount due each producer. This preference shall also be allowed in bankruptcy proceedings to the extent permitted by federal law. This subsection does not affect or impair any other lien, security or priority for the claim or judgment.

H. This section applies to producers in any state that sell milk to a handler that is licensed by the division, but this section does not apply to the sale of milk in interstate commerce to an out-of-state handler that is not licensed by the division.

Sec. 5. Section 3-1008, Arizona Revised Statutes, is amended to read:

3-1008. Issuance of revenue bonds; provisions of bonds; sale

A. Bonds issued under this article shall be authorized by resolution of the Arizona exposition and state fair board and may be issued in one or more series and shall bear the date of their issuance, mature at such time or times during a period of not to exceed thirty years from date of issuance, be in such denomination or denominations and in the form, coupon, registered, or registered as to principal only, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, payable in the medium of payment, at the place or places and subject to the terms of redemption, with or without premium, as the resolution or the bonds so issued may provide. Notwithstanding any provisions of law to the contrary, bonds issued pursuant to this section are negotiable.

B. The bonds shall provide that:

1. No holder may compel the state or any subdivision thereof to exercise its appropriation or taxing power.

2. The bond does not constitute a debt of the state and is payable only from revenues from the operation of the Arizona coliseum and exposition center and its facilities.

C. The bonds may be sold at public or private sale, at not less than the par value thereof with all accrued interest to date of delivery. ~~In the~~

~~event such~~ IF THE bonds are sold at public sale, the Arizona exposition and state fair board shall call for bids by publishing a notice inviting proposals for the purchase of the bonds at least once a week for two successive weeks ~~prior to~~ BEFORE the date fixed for sale of the bonds~~, in a daily or weekly newspaper, published and of general circulation in Maricopa county, and designated for such purpose, which~~ ON A PUBLIC MEDIUM PUBLISHED IN MARICOPA COUNTY. THE notice shall be in the form the board ~~shall prescribe~~ PRESCRIBES. Pending preparation of the definitive bonds, interim receipts or certificates may be issued to the purchaser of the bonds in the form and containing the provisions determined by the Arizona exposition and state fair board.

Sec. 6. Section 3-1261, Arizona Revised Statutes, is amended to read:

3-1261. Adoption and recording of brand and earmark; brand as property right; sale or transfer

A. Every person owning range livestock in this state shall adopt and record a brand with the division with which to brand such livestock. Branding shall be performed by a hot iron, freezing, acid or any other method that will result in a permanent mark. Any person owning range livestock may also record an earmark with which to mark such livestock as long as the earmark is not recorded for use by neighboring range livestock owners. Sheep shall be marked distinctly with a mark or device sufficient to distinguish them. Every owner of other animals may adopt a brand or earmark with which to brand or earmark such animals.

B. No two brands of the same design or figure shall be adopted or recorded, but the associate director may~~, in his discretion,~~ reject and refuse to record a brand or mark similar to or conflicting with a previously adopted and recorded brand or mark.

C. Before a new brand is recorded, it shall be advertised ~~in some newspaper, journal or bulletin~~ ON A PUBLIC MEDIUM, published in ~~the~~ THIS state, at least once, and if no objection to the brand is filed in writing, it shall be recorded as provided in this article.

D. The brand adopted and recorded is the property of the person adopting and recording it, and the right to use it may be sold, leased or transferred.

E. ~~No~~ A sale or transfer of the brand is NOT valid except by bill of sale duly signed and acknowledged as deeds for conveyance of real estate are acknowledged, and recorded with the division.

F. The owner of the recorded brand shall sign the lease of the brand and file a copy of the lease with the division.

G. It is unlawful to apply a recorded brand in any location on an animal except as specified on the brand registration certificate. The application of a brand in any other location is the equivalent of the use of an unrecorded brand.

H. The division shall make recorded brands available to feedlots that are licensed in this state to identify livestock while in the feedlot for

feeding purposes. The division shall issue the brand on request by the feedlot without charge, in a timely manner and with a minimum of administrative requirements. Brands issued under this subsection are not registered brands and are not prima facie evidence of ownership outside the feedlot.

Sec. 7. Section 3-1422, Arizona Revised Statutes, is amended to read:

3-1422. Publication of order forming no-fence district

The order of the board of supervisors that a no-fence district be formed shall be published once each week ~~in a newspaper published~~ ON A PUBLIC MEDIUM PUBLISHED in the county for four successive weeks, and from and after completion of the publication, ~~no~~ A fence shall NOT be required around the lands in the no-fence district, and it shall be unlawful for livestock thereafter to run at large in the district.

Sec. 8. Section 4-221, Arizona Revised Statutes, is amended to read:

4-221. Registration of stills; forfeiture; sale; proceeds

A. Every person having in his possession or custody or under his control a still or distilling apparatus shall register it with the director under the rules the director may prescribe, and every still or distilling apparatus not so registered, together with all mash, wort or wash, for distillation or for the production of spirits or alcohol, and all finished products, together with all personal property in the possession or custody of, or under the control of any person, which may be used in the manufacture or transportation of spirituous liquors, and which is found in the building or in any yard or enclosure connected with the building in which the unregistered still or distilling apparatus is located, shall be forfeited to ~~the~~ THIS state.

B. The still, distilling apparatus, mash, wort, wash or finished products shall forthwith be destroyed by any peace officer, and all personal property forfeited to ~~the~~ THIS state shall be sold at public auction to the highest bidder for cash on five days' notice.

C. The notice shall be posted at the courthouse in the county in which the personal property was seized or at the office of the director and shall be published ~~in a newspaper of general circulation published~~ ON A PUBLIC MEDIUM PUBLISHED in this state ~~which~~ THAT is nearest to the place where the personal property was seized. After paying the expenses of the publication and the expenses of sale from the proceeds of the sale, any balance shall be paid into the general fund of ~~the~~ THIS state.

Sec. 9. Section 5-399.01, Arizona Revised Statutes, is amended to read:

5-399.01. Abandoned watercraft; notice of intent to transfer ownership

A. On receipt of a report as required by this article, the director shall determine the names and addresses of the owner and lienholder, if known, or any other person identified on the department's record who may have an interest in the watercraft by either:

1. Searching the department records.

2. Asking the watercraft registration agency of another state if the watercraft is registered in that state.

B. On receipt of information from reports pursuant to section 5-399 and after determining the names and addresses of the owner and lienholder, if known, or any other person identified on the department's record who may have an interest in the watercraft, the director shall notify all interested persons by mail within five business days for a watercraft with a record in this state or within thirty days for all other watercraft. The notice shall include:

1. A complete description of the watercraft.

2. A notice of intent to transfer ownership of the watercraft to the towing company in possession of the watercraft if within thirty days from the date indicated in the notification by the department the owner or lienholder, if known, or a person who has an interest in the watercraft does not notify the department of the owner's, lienholder's, if known, or person's interest in the watercraft and claim the watercraft.

3. The watercraft's hull identification number.

4. The state issued registration number assigned to the watercraft.

5. The place from which and date the watercraft was towed.

6. The storage location of the watercraft.

C. If the records of the department or out-of-state jurisdiction do not disclose the names and addresses of the owner and lienholder, if any, or any other person identified on the department's record who may have an interest in the watercraft, or if the notice is returned marked unclaimed or address unknown, the department shall publish a notice of the intent of the director to transfer ownership of the towed watercraft pursuant to this article ~~once in a newspaper or other publication of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the watercraft was towed. The published notice shall include a statement of the intent of the director to transfer ownership of the watercraft after ten days of the published notice, and the department shall make available to the public a complete description of abandoned watercraft subject to transfer of ownership.

D. The towing company that filed the report shall notify the director within twenty-four hours and in the manner prescribed by the director if the watercraft is released or returned to or redeemed or repossessed by the lawful owner or lienholder, if any, or any other known person who is identified on the department's record who may have an interest in the watercraft.

Sec. 10. Section 6-395.09, Arizona Revised Statutes, is amended to read:

6-395.09. Notice to claimants on liquidation

As soon after the commencement of liquidation as practicable, the receiver shall cause notice of the liquidation to be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which

the bank has an office, once a week for eight successive weeks. The notice shall demand that all persons who have claims against the bank present them to the receiver and make legal proof thereof, in accordance with the procedure prescribed in the notice. The receiver shall mail a copy of the notice at the address shown on the records of the bank, to each person who appears from the records to be a creditor of the bank, with the advice of the nature and amount of the purported indebtedness, provided that the notice in respect to any indebtedness to which the federal deposit insurance corporation claims complete subrogation need be made only to the corporation. The receiver's advice of a purported indebtedness shall not bind the receiver on the validity or the amount of any claim based thereon.

Sec. 11. Section 6-401, Arizona Revised Statutes, is amended to read:

6-401. Definitions

In this chapter, unless the context otherwise requires:

1. "Account" means withdrawable capital deposited with or invested in an association in accordance with any plan authorized by ~~the provisions of~~ this chapter unless such term is otherwise designated or qualified.

2. "Aggregate withdrawal value" means the sum of all payments made on all accounts of the association, all dividends and bonuses credited or allocated to such accounts and all dividends credited to "divided profits" for subsequent crediting to accounts ~~upon~~ ON maturity, less all withdrawals, retirements and other proper deductions from accounts and all unpaid charges on the accounts.

3. "Association" means every association to which this chapter applies as defined in the section concerning scope of chapter.

4. "Community" means a city, incorporated town, unincorporated town, community or village.

5. "Continuing association" means the association ~~which~~ THAT continues to exist after a merger of associations has been effected.

6. "Federal association" means a savings and loan association or savings association operating under the laws and regulations of the United States.

7. "Impaired" or "impairment", with respect to capital, means a condition in which the value of the association's assets is less than the aggregate amount of the association's liabilities to creditors, the aggregate value of its accounts and the aggregate par value of its guaranty capital.

8. "Improved real estate" means real estate ~~which~~ THAT is, or ~~which~~ THAT from the proceeds of the loan will become, a home, A combination of home and business property or other improved real estate.

9. "Insurance corporation" means the federal deposit insurance corporation or such other instrumentality of, or corporation chartered by, the United States as may be established for the purpose of insuring the accounts of savings and loan associations.

10. "Insured association" means an association, the accounts of which are insured wholly or in part by an insurance corporation.

11. "Investment" means to put funds to use in order to secure profits.

12. "Mail" or "mailed" means, with respect to a writing or notice, deposit in a United States post-office mailing facility in this state with postage prepaid and correctly addressed to the proper person at ~~his~~ THE address stated on the association's records or otherwise agreed ~~upon~~ ON or if no address has been so established then to the last known address.

13. "Merger" includes consolidation.

14. "Merging association" means an association ~~which~~ THAT plans or effects a merger with one or more other associations in accordance with the provisions of this chapter concerning merger.

15. "Other improved real estate" means real estate other than a home or combination home and business property ~~which~~ THAT, because of its state of improvement, or improvement from the proceeds of the loan, will produce sufficient income to maintain the property and retire the loan in accordance with the terms of the loan.

16. "Participating interests" means the purchase or acquisition of an interest in an existing permanent mortgage loan.

17. "Prior act" means any statute of this state ~~which, prior to the effective date of this chapter,~~ THAT, BEFORE JUNE 25, 1960, has governed the formation or operation of associations of the type described in the section of this chapter concerning scope of the chapter.

18. "Profits" means, as determined by the application of proper accounting principles, gross income less the aggregate of operating and other expenses, losses actually sustained and not charged to reserves under ~~the provisions of~~ this chapter and interest paid or accrued on borrowings and ~~non-recurring~~ NONRECURRING charges.

19. "Publication", "publish" or "published" means printed in the English language ~~in a newspaper of general circulation published~~ ON A PUBLIC MEDIUM PUBLISHED in the community in which the association's business office is located ~~or if no such newspaper exists in said community then in the county in which such business office is located~~. Unless otherwise specified in this chapter publication shall be made once each week for two successive weeks.

20. "Total assets" means the total value of all loan contracts without deduction for the withdrawal value of any accounts of the association held as collateral for loans and the total value of all other assets of the association as determined by the application of proper accounting principles.

21. "Withdrawal value" of an account means the sum of all payments made by the holder on the account and all dividends and bonuses credited or allocated to such account less all withdrawals, retirements and other proper deductions from the account and all unpaid charges on the account.

Sec. 12. Section 6-487, Arizona Revised Statutes, is amended to read:

6-487. Proposal of plan; petition; notice of hearing

A. A plan may be proposed by the superintendent or by an association subject to the approval of the superintendent. If proposed by an

association, the proposal shall be through its board of directors, or by the holders of accounts equal in amount to not less than fifty per cent of the total accounts of the association, or by the holders of not less than a majority of the outstanding shares of guaranty capital of the association, if any.

B. The plan shall be presented by the proponents to the superior court of the county in which the principal place of business of the association is located, with a petition that the court determine the fairness of the plan and the conditions requisite to the plan becoming operative. The petition shall set forth the plan and the fact that it has been proposed or approved by the superintendent and any other facts ~~which~~ THAT are deemed material to a consideration of the fairness of the plan.

C. ~~Upon~~ ON filing the petition, the court shall fix the time and place for hearing it, and shall direct the association to deliver to the proponents, or, in the discretion of the court, to the superintendent, a list of the names and addresses of the holders of accounts, holders of shares of guaranty capital, if any, creditors of the association, and of all other persons affected by the plan, and the association shall comply with the direction.

D. Thereafter the proponents of the plan, not less than twenty days before the date fixed for the hearing, shall mail or cause to be mailed to each of the persons shown on the list furnished pursuant to direction of the court and to all other persons affected by the plan~~,~~ notice of the time and place fixed by the court for the hearing and either a copy of the plan or a summary thereof. Any summary shall be prepared or approved by the superintendent. The notices shall be mailed, postage prepaid, to the respective addresses as shown on the list, or if no address is there shown, to the last known available address. The proponents of the plan shall also post notice of the time and place fixed for the hearing in three public places in the county not less than twenty days before the day fixed for the hearing and shall publish the notice ~~at least once in a newspaper of general circulation published~~ ON A PUBLIC MEDIUM PUBLISHED in the county not less than twenty nor more than thirty days ~~prior to~~ BEFORE the day fixed for the hearing.

E. A copy of the plan shall be kept by the superintendent available for public inspection, and he shall take other steps as he deems necessary for making the plan and all notices and facts in connection therewith available to the interested parties.

Sec. 13. Section 6-872, Arizona Revised Statutes, is amended to read:

6-872. Court accountings

A. Unless ordered by a court of competent jurisdiction, a bank, savings and loan association or trust company operating a common trust fund pursuant to section 6-871 is not required to render a court accounting with regard to such funds. It may, by application to the superior court, secure approval of such an accounting on conditions as the court may establish.

B. When an accounting of a common trust fund is presented to a court for approval, the court shall assign a time and place for hearing and order notice thereof by:

1. Publication once a week for three weeks, the first publication to be not less than twenty days ~~prior to~~ BEFORE the date of hearing, of a notice ~~in a newspaper having a circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the home office of the bank, savings and loan association or trust company operating the common trust fund is located.

2. Mailing not less than fourteen days ~~prior to~~ BEFORE the date of the hearing a copy of the notice to all beneficiaries of the trusts participating in the common trust fund whose names are known to the bank, savings and loan association or trust company from the records kept by it in the regular course of business in the administration of such trusts, directed to them at the addresses shown by the records.

3. Such further notice, if any, as the court may order.

Sec. 14. Section 6-991.12, Arizona Revised Statutes, is amended to read:

6-991.12. Notice of claim to judgment debtor; response

A. Within the same time prescribed by section 6-991.11, subsection C for applying for payment from the mortgage recovery fund, an aggrieved party who applies for payment shall serve notice of the claim on the judgment debtor, together with a copy of the application. The notice shall be in the following form:

NOTICE

> Based on a judgment against you in favor of (enter name of claimant), application is being made to the Arizona department of financial institutions for payment from the mortgage recovery fund.
>
> If you wish to contest payment from the mortgage recovery fund, you must file a written response to the application. The superintendent of financial institutions must receive your response at (address) within thirty-five calendar days after the date this notice is (mailed, delivered, first published). You must also send a copy of the response to the claimant. If you fail to respond as required, you waive your right to present your objections to payment.

B. If the judgment debtor holds a current license issued by the department, the notice and copy of the application may be served by certified mail, return receipt requested, addressed to the judgment debtor's latest business or residence address on file with the department. If the judgment debtor does not hold a current license and if personal delivery cannot be effected by exercising reasonable diligence, the claimant must publish the notice once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the judgment debtor was last known to reside.

C. If the judgment debtor fails to file a written response to the application with the department within thirty-five calendar days after service under subsection B of this section or after the first publication of the notice, the judgment debtor is not entitled to notice of any action taken or proposed to be taken by the superintendent with respect to the claim.

Sec. 15. Section 9-121, Arizona Revised Statutes, is amended to read:

9-121. Consolidation of towns

A. When the common councils of two incorporated towns having a common boundary and located in a county having a population of less than one hundred fifty thousand persons each pass a resolution requesting an election for the purpose of consolidating the two towns into one incorporated town, the board of supervisors of the county ~~shall~~, within sixty days after certified copies of the resolutions of the two towns are filed with the clerk of the board of supervisors, SHALL adopt a resolution calling an election ~~upon~~ ON the question of the consolidation, and the question of the name of the new proposed town. ~~, which~~ THE election shall be held on a date prescribed by section 16-204 but not more than one hundred eighty days after the county resolution is filed. The resolution shall set forth the following:

1. The date on which the election is to be held.

2. The places where votes may be cast, and at least one place shall be designated within the corporate limits of each of the two towns.

3. The hours between which the polling places will be open.

4. The name of the proposed consolidated town listing two to four choices.

B. The election resolution shall be published in full at least once, not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of the election ~~in a newspaper published~~ ON A PUBLIC MEDIUM PUBLISHED in the county. If there is no ~~such newspaper~~ PUBLIC MEDIUM, the resolution shall be posted in five conspicuous places in each of the municipalities not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of the election.

C. At the election, the ballot shall contain and may be limited to the following:

1. The phrases "for the consolidation" and "against the consolidation". To the right of and opposite each phrase shall be placed a square approximately the size of squares placed opposite the names of candidates on ballots. The voter shall indicate his vote for the consolidation or against the consolidation by inserting the mark "X" in the square opposite the appropriate phrase. No other question, word nor figure need be printed on the ballot. The ballot need not be any particular size nor need sample ballots be printed, posted or distributed.

2. The phrase "if consolidation is approved, choose one of the following as the name of the new proposed town." To the right of and opposite each suggested name shall be placed a square approximately the size of squares placed opposite the names of candidates on ballots. The voter

shall indicate the vote for the name of the new proposed town by inserting the mark "X" in one square only opposite the name chosen.

D. Only qualified electors of the towns shall vote on the question. If a majority of the qualified electors voting thereon, in each incorporated town, ~~votes~~ VOTE for consolidation, ~~then~~ the board of supervisors ~~shall~~ by an order entered of record by the board SHALL declare the two incorporated towns consolidated into one incorporated town, and the order of the board shall designate the name of the town, which shall be the name chosen by the most voters in the election as set forth in the resolution calling the election.

E. Except as otherwise provided in this article, the manner of conducting the registration and election, keeping the poll lists, making the returns, declaring the results and doing all acts relating to the election shall conform to the procedure provided by law for the registration and qualification of electors and holding elections wherein the question of issuance of bonds of municipal corporations is submitted to an election.

F. The first common council for the new town shall be appointed by the board of supervisors in the manner provided in section 9-231, for towns newly incorporated.

G. The incorporated limits of the new town shall be the combined corporate limits of the two former incorporated towns at the time of the election. The ordinances and resolutions of the former towns shall continue in force unless repealed or changed by the new common council. In case of conflict between ordinances or resolutions, the ordinance or resolution of the former town having the largest population at the last federal decennial census shall prevail. The new town shall be liable for all debts and liabilities of the two former towns, and shall be entitled to receive all property and rights of action belonging to the former towns.

H. Towns incorporated pursuant to this article shall have all powers, duties, rights and privileges granted to incorporated towns under the laws and constitution of the state of Arizona.

Sec. 16. Section 9-122, Arizona Revised Statutes, is amended to read:

9-122. Unification of a city and a town

A. If the common council of a city and the common council of a town whose boundaries are within five miles of each other at one or more points pass a resolution requesting an election for the purpose of unifying the city and the town into one incorporated city, and a petition is received from the unincorporated areas that separate the city or town boundaries or are contiguous to the boundaries and is signed by at least ten per cent of the qualified electors in such unincorporated area, within sixty days, the board of supervisors of the county shall adopt a resolution calling an election on the question of the unification and the question of the name of the new proposed city. The election shall be held on a date prescribed by section 16-204 but not more than one hundred eighty days after the county resolution is filed. The resolution shall set forth the following:

1. The date on which the election is to be held.

2. The places where votes may be cast. At least one place shall be designated within the corporate limits of the city and the town and the unincorporated area proposing the unification.

3. The hours between which the polling places will be open.

4. The name of the proposed unified city.

B. The election resolution shall be published in full at least once, not less than thirty nor more than sixty days before the date of the election, ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county. If there is no ~~such newspaper~~ PUBLIC MEDIUM, the resolution shall be posted in five conspicuous places in each of the municipalities and the affected unincorporated areas not less than thirty nor more than sixty days before the date of the election.

C. At the election, the ballot shall contain and may be limited to the phrases "for the unification" and "against the unification". A square approximately the size of the squares placed opposite the names of candidates on ballots shall be placed to the right of and opposite each phrase. A voter shall indicate a vote for the unification or against the unification by marking the ballot pursuant to the ballot instructions. The ballot is not required to be any particular size, and sample ballots are not required.

D. Only qualified electors of the city, the town and the unincorporated areas shall vote on the question. If a majority of the qualified electors voting on the question in each area ~~votes~~ VOTE for unification, the board of supervisors shall declare by an order entered of record the city, town and unincorporated areas unified into one incorporated city. The order of the board shall designate the name of the city.

E. Except as otherwise provided in this article, the manner of conducting the registration and election, keeping the poll lists, making the returns, declaring the results and doing all acts relating to the election shall conform to the procedure provided by law for the registration and qualification of electors and holding elections in which the question of issuance of bonds of municipal corporations is submitted to an election.

F. The board of supervisors shall appoint the first common council for the new city. The board of supervisors shall appoint seven members, at least two of whom shall be from each of the three areas unified. Following appointment, the council shall designate one of its members to serve as mayor. At the earliest possible date following the formation of the new city, the new city shall be divided by the appointed council into six districts, and an election shall be called to fill the six council districts and elect at large a directly elected mayor. The mayor and council members shall serve four-year staggered terms. At the first election, the three council members with the highest vote shall serve four-year terms and the three other council members elected shall serve two-year terms in order to accomplish staggered terms for future elections.

G. The incorporated limits of the new city shall be those shown on the resolutions from the incorporated city and town and shall be their combined

corporate limits plus the unincorporated areas that appear on the petition submitted pursuant to subsection A of this section and that are between or adjacent to the city and the town. In no event shall any such petition include land or improvements utilized for mining, metallurgical or related environmental remediation purposes without written consent of the landowner. The ordinances and resolutions of the former city, town and county shall continue in force unless repealed or changed by the new common council, including franchises and transaction privilege taxes. In the case of conflict between ordinances or resolutions, the ordinances or resolutions of the former city or town with the larger population shall prevail, except that zoning regulations applying to property at the time of unification shall remain in effect until the council of the new unified city adopts a zoning ordinance applying to the property. The new city shall be liable for all debts and liabilities of the former city and town and shall be entitled to receive all property and rights of action belonging to the former city and town.

H. A city incorporated pursuant to this section has all powers, duties, rights and privileges granted to incorporated cities and towns under the laws and constitution of this state. For purposes of state shared revenues, including state transaction privilege tax, state income tax, vehicle license taxes~~,~~ AND highway user revenues ~~and local transportation assistance fund monies~~, a combined amount that would have been distributed to the former town and city unified shall be distributed to the new city until a combined census count including the unincorporated areas can be obtained. Once the combined census count is obtained, the updated census count shall be used for the distribution of the state shared revenues retroactive to the first of the month following unification. ~~The annual population estimate of the unified city prepared by the department of economic security shall be used for distribution of local transportation assistance fund monies.~~

I. The unified city shall have a property tax levy limit calculated as the combined maximum allowable levy limit of the town and city unless another levy limit is approved by the voters of the unified city at a regularly scheduled election. The expenditure limit of the unified city shall be the alternative expenditure limitation of the largest city until the fiscal year following the unified city's first general election. At such election, the council may propose an alternative expenditure limitation or permanent base adjustment and if not approved the unified city's expenditure limitation shall be calculated using the formula provided for a newly incorporated city unless subsequently changed by the voters.

Sec. 17. Section 9-212, Arizona Revised Statutes, is amended to read:

9-212. Disincorporation; petition; notice; publication

A. When one-half or more of the property taxpayers who are bona fide residents and electors appearing on the last assessment roll of an incorporated city or town present a petition in writing to the board of supervisors for the disincorporation of the city or town, the board shall

receive, and the clerk shall file, the petition and record it at length in the record of the proceedings of the board.

B. Thereupon the board shall immediately publish, as provided by section 39-204, a notice ~~which shall contain~~ THAT CONTAINS the petition at length, and designate a time and place within the corporation when and where a vote will be taken by the qualified electors of the corporation who are property taxpayers therein ~~upon~~ ON the question of granting or refusing the petition for disincorporation.

C. If there is no ~~newspaper~~ PUBLIC MEDIUM published as often as once a week in the corporation, ~~then~~ notice shall be given by the board of supervisors by posting notice in three public places in the corporation, at least thirty days before the designated election day.

D. After the expiration of the time of publication or posting notice, and proof by affidavit to the satisfaction of the board is made of the publication or posting, the notice and proof of publication shall be recorded at length on the record of proceedings of the board, and the record shall be conclusive evidence of the facts contained therein.

Sec. 18. Section 9-219, Arizona Revised Statutes, is amended to read:

9-219. General powers of trustees; publication of ordinance; sale of property

A. The board of trustees may:

1. Pass ordinances for the government of the corporation, its officers and the people within its corporate limits not inconsistent or in conflict with the laws of this state.

2. Provide for preserving the peace, and define the punishment by fine~~,~~ OR imprisonment, or both, for the violation of ordinances so passed.

3. Establish a board of health and establish and maintain pest houses, and guard against the introduction or spread of contagious diseases, and preserve a sanitary condition of all places within the corporate limits.

4. Employ legal counsel at a stated salary or fee.

5. Restrain, under penalties, the running at large of cattle or other animals, and provide rules for impounding them, and provide for taxing dogs and penalties for the nonpayment of such taxes, or the killing of dogs running at large in the corporate limits.

6. Prohibit, by fine or imprisonment, or both, any theatrical or other performance, show or exhibition it deems injurious to the morals or good order of the corporation.

7. Fix the amount of license to be paid for carrying on any business, game or amusement, and prescribe the manner of collection or payment of the license for stated periods in advance, and fix penalties for nonpayment by fine~~,~~ OR imprisonment, or both.

8. Regulate, by ordinance, the days and the hours that places where any kind of amusement is carried on shall be closed.

9. Prohibit, with proper penalty, by fine or imprisonment, or both, the sale, furnishing~~,~~ or giving away of spirituous or malt liquors.

B. The board ~~may~~, by ordinance, in all cases not enumerated in this section, MAY protect the public health and preserve the public peace, and prescribe punishment by fine or imprisonment, or both, for the violation of such ordinances, and it may designate the place of imprisonment in a jail or prison in the county for violations of the ordinances of the corporation.

C. The board may provide for the deposit of all monies received for licenses and fines to such fund as may be necessary to pay the expenses of the government of the corporation or its indebtedness, or the indebtedness of the disincorporated corporation.

D. Before any general ordinance of the corporation shall take effect, it shall be passed by a vote of a majority of the board of trustees, be recorded by the clerk in a book provided for that purpose~~,~~ and be published at least once a week for two successive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the corporation, to be designated by the board. If there is no ~~newspaper~~ PUBLIC MEDIUM published in the corporation, the ordinance shall be published by posting copies thereof in three public places in the corporation two weeks before it shall be operative. Proof of the publication or posting shall be made by affidavit and recorded by the clerk.

E. The board of trustees may sell and convey, lease or rent real or personal property belonging to the corporation for a price and on terms it deems expedient and advantageous to the interest of the corporation, but no sale of any property shall be entered into or made by the trustees until a resolution of intention has been published ~~in some newspaper~~ ON A PUBLIC MEDIUM PUBLISHED in the corporation, if there is one, in the manner provided by section 9-402, or by posting a notice in at least three conspicuous public places for a period of two weeks before such sale.

F. Before exercising the powers enumerated in SECTION 9-220, paragraphs 3, 4, 5, 6 and 7 ~~of section 9-220~~, the board shall cause a resolution of intention to be spread on ~~their~~ ITS minutes, and publish it ~~in some daily or weekly newspaper~~ ON A PUBLIC MEDIUM at least two weeks, or post it for the same period, as the board deems to the best interest of the corporation, ~~prior to~~ BEFORE the time of hearing the petition or ordering such improvement or expenditure.

Sec. 19. Section 9-246, Arizona Revised Statutes, is amended to read:

9-246. Publication of financial statement

The common council ~~shall~~, at least ten days before the biennial election, SHALL publish ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the town, or if there is none, ~~then~~ SHALL post in three or more public places in the town, a full and correct statement of all monies received into the treasury of the town since the last report, and the sources from which they were severally derived, and also of all disbursements and expenditures and the account ~~upon~~ ON which the disbursement was made.

Sec. 20. Section 9-282, Arizona Revised Statutes, is amended to read:

9-282. Proposed charter; publication; election; approval by governor

A. The board ~~shall~~, within ninety days after the election, SHALL prepare and propose a charter for the city. The proposed charter shall be approved and signed in duplicate by the members of the board, or a majority of them, who shall file one copy with the chief executive officer of the city and the other with the county recorder of the county in which the city is located.

B. The proposed charter shall then be published ~~in one or more newspapers of general circulation~~ ON A PUBLIC MEDIUM published within the city for at least twenty-one days ~~if in a daily paper, or in three consecutive issues if in a weekly paper~~, and the first publication shall be made within twenty days after completion of the proposed charter.

C. The proposed charter shall be submitted within thirty days and not earlier than twenty days after the publication to the vote of the qualified electors of the city at a general or special election. If a majority of the electors voting thereon ratify the proposed charter, it shall be submitted to the governor for ~~his~~ approval, who shall approve it if IT IS not in conflict with the constitution or the laws of ~~the~~ THIS state.

Sec. 21. Section 9-402, Arizona Revised Statutes, is amended to read:

9-402. Sale and disposition of property; advertising for bids; publication; donation; easements

A. A city or town may sell and convey all or any part of its real or personal property, whether or not the property is devoted exclusively to public use.

B. The sale shall not be made until an invitation for bids for the purchase of the property has been published as provided by section 39-204 and notice has been posted in three or more public places within the city or town.

C. If no ~~newspaper~~ PUBLIC MEDIUM is published within the city or town, ~~then~~ the invitation for bids shall be published as provided by section 39-204, and by posting notices for bidders in three or more public places within the city or town.

D. A city or town may donate lost and found or unclaimed personal property in its custody for at least ninety days to nonprofit charitable organizations.

E. Notwithstanding subsections A and B of this section, a city or town may convey to the appropriate property owner without receiving payment an easement that the city or town no longer needs.

Sec. 22. Section 9-405, Arizona Revised Statutes, is amended to read:

9-405. Sale, lease or exchange of surplus property to federal government

A. Notwithstanding ~~the provisions of~~ section 9-402, 9-403 or 9-241, the governing body of a city or town may sell, lease or otherwise grant to

the United States for governmental purposes any real property owned by it and surplus to its needs. The determination of the governing body that such property is surplus shall be final, and the property may be sold to the United States for such consideration as may be agreed ~~upon~~ ON between the governing body and officials of the federal government, including the exchange of land for land under the land exchange acts of the United States.

B. Not less than ten days ~~prior to~~ BEFORE the actual sale, lease or other disposition of such property, the governing body of the city or town shall cause to be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the county, or, if there is no ~~such newspaper~~ PUBLIC MEDIUM, ~~then~~ by posting in three public places within the county~~,~~ a notice of the intent to dispose of the property, together with a description of the property and the terms and conditions of the proposed sale, lease or other disposition ~~thereof~~.

C. The sale shall be conducted without formalities, advertisement for bids or consideration of bids by other persons, but where the value of real estate proposed to be disposed of exceeds the amount of fifty thousand dollars, such sale, lease or exchange shall not be made unless first authorized by the voters of such city or town at a special election to be called and held in accordance with ~~the provisions of~~ section 9-403.

D. ~~Nothing in~~ This section ~~shall be deemed to~~ DOES NOT affect ~~the provisions of~~ sections 28-8411 and 28-8414.

Sec. 23. Section 9-441.03, Arizona Revised Statutes, is amended to read:

9-441.03. Issuance of bonds

A. A municipality may issue bonds to finance any housing development project under this article, including the payment of principal and interest on any advances for surveys and plans for housing development projects, and may also issue refunding bonds for the payment or retirement of such bonds previously issued by it. The bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues and monies of the municipality derived from or held in connection with its undertaking and carrying out of housing development projects under this article, whether or not they are financed in whole or in part with the proceeds of such bonds, but payment of the bonds, both as to principal and interest, may be further or exclusively secured by a pledge or any loan, grant or contribution from the federal government or any other source, whether public or private, in aid of any housing development areas of the municipality established pursuant to this article and by a mortgage of any such housing development areas.

B. The bonds and other obligations of the municipality issued pursuant to subsection A OF THIS SECTION are not a general obligation or general debt of the municipality, this state or any of its political subdivisions, and neither the municipality, this state nor any of its political subdivisions are generally liable for the bonds or obligations. The bonds or obligations shall not give rise to a general obligation or liability of the municipality,

this state or any of its political subdivisions, or a charge against their general credit or taxing powers, and shall not be payable from any monies or properties other than those monies or properties specifically described in subsection A OF THIS SECTION, and the bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds issued under this article are declared to be issued for an essential public and governmental purpose and, together with interest and income, are exempt from all taxes.

C. Bonds issued under this section shall be authorized by a resolution of the local governing body, may be issued in one or more series and shall bear a date or dates, be payable on demand or mature at a time or times, bear interest at a rate or rates that may be fixed or variable, be in a denomination or denominations, be in a form, carry conversion or registration privileges, have rank or priority, be executed in a manner, be payable in a medium of payment, at a place or places, and be subject to terms of redemption, with or without premium, as provided by the resolution, trust indenture or mortgage issued for the bonds.

D. The bonds or any bonds issued to refund the bonds may be sold at public or private sale or by an ~~on-line~~ ONLINE bidding process at a price or prices determined by the local governing body or may be exchanged for other bonds. If bonds are sold at public sale, notice shall be published once at least ten days before the sale ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of operation or in another medium of publication as the municipality determines. If bonds are sold through an ~~on-line~~ ONLINE bidding process, bids for the bonds that are entered into the system may be concealed until a specified time or disclosed in the ~~on-line~~ ONLINE bidding process, may be subject to improvement in favor of the municipality before a specified time and may be for an entire issue of bonds or specified maturities according to the manner, terms and notice provisions ordered by the governing body. For purposes of this subsection, "~~on-line~~ ONLINE bidding process" means a procurement process in which the governing body receives bids electronically over the internet in a real-time, competitive bidding event.

E. If any other public officials of the municipality whose signatures appear on any bonds issued under this article cease to be officials before delivery of the bonds, their signatures are valid and sufficient for all purposes the same as if the officials had remained in office until delivery. Bonds issued pursuant to this article are fully negotiable.

F. In any action or proceedings involving the validity or enforceability of any bond issued under this article or the security for the bond, the recitation in substance in the bond that it has been issued by the municipality in connection with a housing development area is conclusive proof that the bond was issued for that purpose, and that area is conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this article.

G. Neither the members of the local governing body nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

Sec. 24. Section 9-451, Arizona Revised Statutes, is amended to read:

9-451. Procedure for vacating cemeteries

A. When a cemetery or ground used as a cemetery within the corporate limits of a city or town has been abandoned and ceases to be used for such purposes, or when in the judgment of the governing body of the city or town, the cemetery or ground so used is unfit or unsuited for cemetery purposes, or becomes obnoxious, or can be used for other public purposes to better advantage, the governing body ~~may~~ by resolution MAY direct that the cemetery or ground used as a cemetery be vacated.

B. ~~Upon~~ ON the passage of an ordinance or resolution vacating a cemetery, public notice ~~thereof~~ shall be published ~~in the official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the city or town for at least four consecutive weeks.

C. If, within six months ~~from~~ AFTER the date of the first publication of notice, the remains of any person buried within the cemetery are claimed by a relative of the person for reburial, the remains shall be delivered to the relative.

D. At the expiration of the six months period, the remains of persons buried in the cemetery ~~which~~ THAT can be identified or ~~which~~ THAT have monuments or gravestones at the respective graves and ~~which~~ THAT have not been claimed by relatives shall be removed to some other cemetery or suitable place, and all monuments and gravestones shall also be removed, replaced and reset at the respective graves as before removal. In addition, each grave shall be numbered in numerical order, the numbers to be carved on a suitable slab of stone or hardwood and placed at the foot of the grave, and a list of the names of those buried and the number of the grave in which the remains rest shall be recorded in the office of the city or town clerk~~,~~ AND the expense ~~thereof to be~~ paid by the city or town.

E. At the expiration of six months after notice, the governing body may order that the remains of persons ~~which~~ THAT have not been claimed, ~~and~~ THAT cannot be identified and THAT have no monuments or gravestones at the graves~~,~~ be removed and buried as set forth in this section, ~~or~~ be removed and cremated~~,~~ or BE left in the vacated cemetery and the surface of the ground leveled.

F. When a cemetery ~~which~~ THAT is the property of a municipal corporation is vacated or partially vacated, the cemetery shall be used as a public park.

G. A map or plat shall be recorded in the office of the city or town clerk showing the exact location in the cemetery of the remains of persons remaining in the cemetery. A monument shall be erected in some suitable location bearing the names, if possible, of the persons whose remains are allowed to remain in the cemetery.

Sec. 25. Section 9-461.06, Arizona Revised Statutes, is amended to read:

9-461.06. Adoption and amendment of general plan; expiration and readoption

A. In municipalities that have territory in a high noise or accident potential zone as defined in section 28-8461, the legislature finds that in general plans and amendments to general plans land use compatibility with the continued operation of a military airport or ancillary military facility as defined in section 28-8461 is a matter of statewide concern.

B. The general plan and any amendment to such plan shall be adopted or readopted in the manner provided in this article.

C. The governing body shall:

1. Adopt written procedures to provide effective, early and continuous public participation in the development and major amendment of general plans from all geographic, ethnic and economic areas of the municipality. The procedures shall provide for:

(a) The broad dissemination of proposals and alternatives.

(b) The opportunity for written comments.

(c) Public hearings after effective notice.

(d) Open discussions, communications programs and information services.

(e) Consideration of public comments.

2. Consult with, advise and provide an opportunity for official comment by public officials and agencies, the county, school districts, associations of governments, public land management agencies, the military airport if the municipality has territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, other appropriate government jurisdictions, public utility companies, civic, educational, professional and other organizations, property owners and citizens generally to secure maximum coordination of plans and to indicate properly located sites for all public purposes on the general plan.

D. At least sixty days before the general plan or an element or major amendment of a general plan is noticed pursuant to subsection E of this section, the planning agency shall transmit the proposal to the planning commission, if any, and the governing body and shall submit a copy for review and further comment to:

1. The planning agency of the county in which the municipality is located.

2. Each county or municipality that is contiguous to the corporate limits of the municipality or its area of extraterritorial jurisdiction.

3. The regional planning agency within which the municipality is located.

4. The Arizona commerce authority or any other state agency that is subsequently designated as the general planning agency for this state.

5. The department of water resources for review and comment on the water resources element, if a water resources element is required.

6. If the general plan or an element or amendment of the general plan is applicable to territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the military airport.

7. If the general plan or an element or major amendment of the general plan is applicable to property in the high noise or accident potential zone of a military airport or ancillary military facility as defined in section 28-8461, the attorney general. For the purposes of this paragraph, "major amendment" means a substantial alteration of the municipality's land use mixture or balance as established in the municipality's existing general plan land use element.

8. Any person or entity that requests in writing to receive a review copy of the proposal.

E. If the municipality has a planning commission, after considering any recommendations from the review required under subsection D of this section the planning commission shall hold at least one public hearing before approving a general plan or any amendment to such plan. When the general plan or any major amendment is being adopted, planning commissions in municipalities having populations over twenty-five thousand persons shall hold two or more public hearings at different locations within the municipality to promote citizen participation. Notice of the time and place of a hearing and availability of studies and summaries related to the hearing shall be given at least fifteen and not more than thirty calendar days before the hearing by:

1. Publication at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published or circulated in the municipality, or if there is none, the notice shall be posted in at least ten public places in the municipality.

2. Such other manner in addition to publication as the municipality may deem necessary or desirable.

F. Action by the planning commission on the general plan or any amendment to the plan shall be transmitted to the governing body of the municipality.

G. Before adopting the general plan, or any amendment to it, the governing body shall hold at least one public hearing. Notice of the time and place of the hearing shall be given in the time and manner provided for the giving of notice of the hearing by the planning commission as specified in subsection E of this section.

H. The adoption or readoption of the general plan or any amendment to such plan shall be by resolution of the governing body of the municipality, after notice as provided for in subsection E of this section. The adoption or readoption of or a major amendment to the general plan shall be approved by affirmative vote of at least two-thirds of the members of the governing body of the municipality. All major amendments to the general plan proposed

for adoption by the governing body of a municipality shall be presented at a single public hearing during the calendar year the proposal is made. The general plan, or any amendment to the plan, shall be endorsed in the manner provided by the governing body to show that it has been adopted by the governing body. If the municipality includes property in the high noise or accident potential zone of a military airport or ancillary military facility as defined in section 28-8461, the governing body of the municipality shall send notice of the approval, adoption or readoption of the general plan or major amendment to the general plan to the attorney general by certified mail, return receipt requested, within three business days after the approval, adoption or readoption. If the attorney general determines the approval, adoption or readoption of the general plan or major amendment to the general plan is not in compliance with section 28-8481, subsection J, the attorney general shall notify the municipality by certified mail, return receipt requested, of the determination of noncompliance. The municipality shall receive the notice from the attorney general within twenty-five days after the notice from the municipality to the attorney general is mailed pursuant to this subsection. The effective date of any approval, adoption or readoption of, or major amendment to, the general plan shall be thirty days after the governing body's receipt of the attorney general's determination of noncompliance. Within thirty days after the receipt of a determination of noncompliance by the attorney general as prescribed by this section, the governing body of the municipality shall reconsider any approval, adoption or readoption of, or major amendment to, the general plan that impacts property in the high noise or accident potential zone of a military airport or ancillary military facility as defined in section 28-8461. If the governing body reaffirms a prior action subject to an attorney general's determination of noncompliance pursuant to this section, the attorney general may institute a civil action pursuant to section 28-8481, subsection L. If the governing body timely sends notice pursuant to this subsection and the attorney general fails to timely notify the governing body of a determination of noncompliance, the general plan or major amendment to the general plan shall be deemed to comply with section 28-8481, subsection J. If the motion to adopt or readopt a general plan or an amendment to the general plan fails to pass, the governing body may reconsider the motion in any manner allowed by the governing body's rules of procedure, but any subsequent motion for the adoption or readoption of the general plan or a major amendment to the general plan must be approved by an affirmative vote of at least two-thirds of the members of the governing body. For the purposes of this subsection, "major amendment" means a substantial alteration of the municipality's land use mixture or balance as established in the municipality's existing general plan land use element. The municipality's general plan shall define the criteria to determine if a proposed amendment to the general plan effects a substantial alteration of the municipality's land use mixture or balance as established in the municipality's existing general plan land use element.

I. If the municipality does not have a planning commission, the only procedural steps required for the adoption of the general plan, or any amendment to such plan, shall be those provided in this article for action by the governing body.

J. A copy of the adopted general plan of a municipality shall be sent to the planning agency of the county within which the municipality is located, and such plan or any portion of the plan may be adopted as a part of the county general plan.

K. A general plan, with any amendments, is effective for up to ten years from the date the plan was initially adopted and ratified pursuant to subsection M of this section, or until the plan is readopted pursuant to this subsection and ratified pursuant to subsection M of this section or a new plan is adopted pursuant to this subsection and ratified pursuant to subsection M of this section, and becomes effective. On or before the tenth anniversary of the plan's most recent adoption, the governing body of the municipality shall either readopt the existing plan for an additional term of up to ten years or shall adopt a new general plan as provided by this article.

L. Except for general plans that are required to be submitted to the voters for ratification pursuant to subsection M of this section, the adoption or readoption of a general plan, and any amendment to a general plan, shall not be enacted as an emergency measure and is subject to referendum as provided by article IV, part 1, section 1, subsection (8), Constitution of Arizona, and title 19, chapter 1, article 4.

M. The governing body of a city or town having a population of more than two thousand five hundred persons but less than ten thousand persons and whose population growth rate exceeded an average of two per cent per year for the ten year period before the most recent United States decennial census, and any city or town having a population of ten thousand or more persons, shall submit each new general plan adopted pursuant to subsection K of this section to the voters for ratification at the next regularly scheduled municipal election or at a special election scheduled at least one hundred twenty days after the governing body adopted the plan pursuant to section 16-204. The governing body shall include a general description of the plan and its elements in the municipal election pamphlet and shall provide public copies of the plan in at least two locations that are easily accessible to the public and may include posting on the municipality's official internet website. If a majority of the qualified electors voting on the proposition approves the new plan, it shall become effective as provided by law. If a majority of the qualified electors voting on the proposition fails to approve the new plan, the current plan remains in effect until a new plan is approved by the voters pursuant to this subsection. The governing body shall either resubmit the proposed new plan, or revise the new plan as provided by this section, for subsequent submission to the voters at the next regularly scheduled municipal election or at a special election scheduled at least one

hundred twenty days after the governing body readopted the new or revised new plan. All subsequent adoptions and submissions of the new plan or revised plans must comply with the procedures prescribed by this section until the plan is ratified.

N. In applying an open space element or a growth element of a general plan a municipality shall not designate private land or state trust land as open space, recreation, conservation or agriculture unless the municipality receives the written consent of the landowner or provides an alternative, economically viable designation in the general plan or zoning ordinance, allowing at least one residential dwelling per acre. If the landowner is the prevailing party in any action brought to enforce this subsection, a court shall award fees and other expenses to the landowner. A municipality may designate land as open space without complying with the requirements of this subsection if the land was zoned as open space and used as a golf course pursuant to a zoning ordinance adopted pursuant to article 6.1 of this chapter before May 1, 2000 and the designation does not impose additional conditions, limitations or restrictions on the golf course, unless the land is state trust land that was not planned and zoned as open space pursuant to title 37, chapter 2, article 5.1.

O. A person, after having participated in the public hearing pursuant to subsection H of this section, may file a petition for special action in superior court to review the governing body's decision that does not comply with the mandatory requirement prescribed in section 9-461.05, subsection C, paragraph 1, subdivision (g) within thirty days after the governing body has rendered its decision. The court may affirm, reverse or remand to the governing body, in whole or in part, the decision reviewed for further action that is necessary to comply with the mandatory requirements prescribed in section 9-461.05, subsection C, paragraph 1, subdivision (g).

Sec. 26. Section 9-461.09, Arizona Revised Statutes, is amended to read:

9-461.09. Procedure for adoption of specific plans and regulations

A. If a municipality has a planning commission, the planning commission shall hold at least one public hearing on a specific plan or regulation ~~prior to~~ BEFORE any hearing by the legislative body. Notice of the time and place of such hearing shall be given at least fifteen and not more than thirty calendar days before the hearing by:

1. Publication at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published or circulated in the municipality, or if there is none, by posting in at least ten public places in the municipality.

2. Such other manner in addition to publication as the municipality may deem necessary or desirable.

B. A copy of any specific plan, regulation or amendment together with the recommendation of the planning commission shall be submitted to the

legislative body accompanied by a statement of the planning commission's reasons for such recommendation.

C. ~~Upon~~ ON receipt of a copy of any proposed specific plan, regulation or amendment of such plan or regulation, the legislative body ~~may~~ by ordinance or resolution MAY adopt the plan or regulation. Before adopting the proposed specific plan or regulation, the legislative body shall hold at least one public hearing. Notice of the time and place of such hearing shall be given in the time and manner provided for the giving of notice of the hearing by the planning commission as provided in subsection A OF THIS SECTION. The specific plan or regulation, as adopted, shall be designated as a specific plan or regulation.

D. If the municipality does not have a planning commission, the only procedural steps required for the adoption of a specific plan, regulation or any amendment to a specific plan or regulation are those provided in this article for action by the legislative body.

Sec. 27. Section 9-462.04, Arizona Revised Statutes, is amended to read:

9-462.04. Public hearing required

A. If the municipality has a planning commission or a hearing officer, the planning commission or hearing officer shall hold a public hearing on any zoning ordinance. Notice of the time and place of the hearing including a general explanation of the matter to be considered and including a general description of the area affected shall be given at least fifteen days before the hearing in the following manner:

1. The notice shall be published at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published or circulated in the municipality, or if there is none, it shall be posted on the affected property in such a manner as to be legible from the public right-of-way and in at least ten public places in the municipality. A posted notice shall be printed so that the following are visible from a distance of one hundred feet: the word "zoning", the present zoning district classification, the proposed zoning district classification and the date and time of the hearing.

2. In proceedings involving rezoning of land ~~which~~ THAT abuts other municipalities or unincorporated areas of the county or a combination thereof, copies of the notice of public hearing shall be transmitted to the planning agency of such governmental unit abutting such land. In proceedings involving rezoning of land that is located within the territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the municipality shall send copies of the notice of public hearing by first class mail to the military airport. In addition to notice by publication, a municipality may give notice of the hearing in such other manner as it may deem necessary or desirable.

3. In proceedings that are not initiated by the property owner involving rezoning of land ~~which~~ THAT may change the zoning classification, notice by first class mail shall be sent to each real property owner, as

shown on the last assessment of the property, of the area to be rezoned and all property owners, as shown on the last assessment of the property, within three hundred feet of the property to be rezoned.

4. In proceedings involving one or more of the following proposed changes or related series of changes in the standards governing land uses, notice shall be provided in the manner prescribed by paragraph 5 OF THIS SUBSECTION:

(a) A ten per cent or more increase or decrease in the number of square feet or units that may be developed.

(b) A ten per cent or more increase or reduction in the allowable height of buildings.

(c) An increase or reduction in the allowable number of stories of buildings.

(d) A ten per cent or more increase or decrease in setback or open space requirements.

(e) An increase or reduction in permitted uses.

5. In proceedings governed by paragraph 4 OF THIS SUBSECTION, the municipality shall provide notice to real property owners pursuant to at least one of the following notification procedures:

(a) Notice shall be sent by first class mail to each real property owner, as shown on the last assessment, whose real property is directly governed by the changes.

(b) If the municipality issues utility bills or other mass mailings that periodically include notices or other informational or advertising materials, the municipality shall include notice of such changes with such utility bills or other mailings.

(c) The municipality shall publish such changes ~~prior to~~ BEFORE the first hearing on such changes ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality. ~~The changes shall be published in a "display ad" covering not less than one-eighth of a full page.~~

6. If notice is provided pursuant to paragraph 5, subdivision (b) or (c) OF THIS SUBSECTION, the municipality shall also send notice by first class mail to persons who register their names and addresses with the municipality as being interested in receiving such notice. The municipality may charge a fee not to exceed five dollars per year for providing this service and may adopt procedures to implement this paragraph.

7. Notwithstanding the notice requirements set forth in paragraph 4 OF THIS SUBSECTION, the failure of any person or entity to receive notice shall not constitute grounds for any court to invalidate the actions of a municipality for which the notice was given.

B. If the matter to be considered applies to territory in a high noise or accident potential zone as defined in section 28-8461, the notice prescribed in subsection A of this section shall include a general statement that the matter applies to property located in the high noise or accident potential zone.

C. After the hearing, the planning commission or hearing officer shall render a decision in the form of a written recommendation to the governing body. The recommendation shall include the reasons for the recommendation and be transmitted to the governing body in such form and manner as may be specified by the governing body.

D. If the planning commission or hearing officer has held a public hearing, the governing body may adopt the recommendations of the planning commission or hearing officer without holding a second public hearing if there is no objection, request for public hearing or other protest. The governing body shall hold a public hearing if requested by the party aggrieved or any member of the public or of the governing body, or, in any case, if no public hearing has been held by the planning commission or hearing officer. In municipalities with territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the governing body shall hold a public hearing if, after notice is transmitted to the military airport pursuant to subsection A of this section and before the public hearing, the military airport provides comments or AN analysis concerning the compatibility of the proposed rezoning with the high noise or accident potential generated by military airport or ancillary military facility operations that may have an adverse impact on public health and safety, and the governing body shall consider and analyze the comments or analysis before making a final determination. Notice of the time and place of the hearing shall be given in the time and manner provided for the giving of notice of the hearing by the planning commission as specified in subsection A of this section. In addition a municipality may give notice of the hearing in such other manner as it may deem necessary or desirable.

E. A municipality may enact an ordinance authorizing county zoning to continue in effect until municipal zoning is applied to land previously zoned by the county and annexed by the municipality, but in no event for longer than six months after the annexation.

F. A municipality is not required to adopt a general plan ~~prior to~~ BEFORE the adoption of a zoning ordinance.

G. If there is no planning commission or hearing officer, the governing body of the municipality shall perform the functions assigned to the planning commission or hearing officer.

H. If the owners of twenty per cent or more either of the area of the lots included in a proposed change, or of those immediately adjacent in the rear or any side thereof extending one hundred fifty feet therefrom, or of those directly opposite thereto extending one hundred fifty feet from the street frontage of the opposite lots, file a protest in writing against a proposed amendment, it shall not become effective except by the favorable vote of three-fourths of all members of the governing body of the municipality. If any members of the governing body are unable to vote on such a question because of a conflict of interest, ~~then~~ the required number of votes for passage of the question shall be three-fourths of the remaining

membership of the governing body, provided that such required number of votes shall in no event be less than a majority of the full membership of the legally established governing body.

I. In applying an open space element or a growth element of a general plan, a parcel of land shall not be rezoned for open space, recreation, conservation or agriculture unless the owner of the land consents to the rezoning in writing.

J. Notwithstanding ~~the provisions of~~ section 19-142, subsection B, a decision by the governing body involving rezoning of land ~~which~~ THAT is not owned by the municipality and ~~which~~ THAT changes the zoning classification of such land may not be enacted as an emergency measure and such change shall not be effective for at least thirty days after final approval of the change in classification by the governing body.

Sec. 28. Section 9-462.06, Arizona Revised Statutes, is amended to read:

9-462.06. Board of adjustment

A. The legislative body ~~shall~~, by ordinance, SHALL establish a board of adjustment, which shall consist of not less than five nor more than seven members appointed by the legislative body in accordance with provisions of the ordinance, except that the ordinance may establish the legislative body as the board of adjustment. The legislative body ~~may~~, by ordinance, MAY delegate to a hearing officer the authority to hear and decide on matters within the jurisdiction of the board of adjustment as provided by this section, except that the right of appeal from the decision of a hearing officer to the board of adjustment shall be preserved.

B. The ordinance shall provide for public meetings of the board, for a chairperson with the power to administer oaths and take evidence, and that minutes of its proceedings showing the vote of each member and records of its examinations and other official actions be filed in the office of the board as a public record.

C. A board of adjustment shall hear and decide appeals from the decisions of the zoning administrator, shall exercise such other powers as may be granted by the ordinance and SHALL adopt all rules and procedures necessary or convenient for the conduct of its business.

D. Appeals to the board of adjustment may be taken by persons aggrieved or by any officer, department, board or bureau of the municipality affected by a decision of the zoning administrator, within a reasonable time, by filing with the zoning administrator and with the board a notice of appeal specifying the grounds thereof. The zoning administrator shall immediately transmit all records pertaining to the action appealed from to the board.

E. An appeal to the board stays all proceedings in the matter appealed from, unless the zoning administrator certifies to the board that, in the zoning administrator's opinion by the facts stated in the certificate, a stay would cause imminent peril to life or property. ~~Upon~~ ON such certification proceedings shall not be stayed, except by restraining order granted by the

board or by a court of record on application and notice to the zoning administrator. Proceedings shall not be stayed if the appeal requests relief ~~which~~ THAT has previously been denied by the board except pursuant to a special action in superior court as provided in subsection K of this section.

F. The board shall fix a reasonable time for hearing the appeal, and shall give notice of hearing by both publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM in accordance with section 9-462.04 and posting the notice in conspicuous places close to the property affected.

G. A board of adjustment shall:

1. Hear and decide appeals in which it is alleged there is an error in an order, requirement or decision made by the zoning administrator in the enforcement of a zoning ordinance adopted pursuant to this article.

2. Hear and decide appeals for variances from the terms of the zoning ordinance only if, because of special circumstances applicable to the property, including its size, shape, topography, location~~,~~ or surroundings, the strict application of the zoning ordinance will deprive such property of privileges enjoyed by other property of the same classification in the same zoning district. Any variance granted is subject to such conditions as will ~~assure~~ ENSURE that the adjustment authorized shall not constitute a grant of special privileges inconsistent with the limitations ~~upon~~ ON other properties in the vicinity and zone in which such property is located.

3. Reverse or affirm, wholly or partly, or modify the order, requirement or decision of the zoning administrator appealed from, and make such order, requirement, decision or determination as necessary.

H. A board of adjustment may not:

1. Make any changes in the uses permitted in any zoning classification or zoning district, or make any changes in the terms of the zoning ordinance provided the restriction in this paragraph shall not affect the authority to grant variances pursuant to this article.

2. Grant a variance if the special circumstances applicable to the property are self-imposed by the property owner.

I. If the legislative body is established as the board of adjustment, it shall exercise all of the functions and duties of the board of adjustment in the same manner and to the same effect as provided in this section.

J. In a municipality with a population of more than one hundred thousand persons according to the latest United States decennial census, the legislative body, by ordinance, may provide that a person aggrieved by a decision of the board or a taxpayer, officer or department of the municipality affected by a decision of the board may file, at any time within fifteen days after the board has rendered its decision, an appeal with the clerk of the legislative body. The legislative body shall hear the appeal in accordance with procedures adopted by the legislative body and may affirm or reverse, in whole or in part, or modify the board's decision.

K. A person aggrieved by a decision of the legislative body or board or a taxpayer, officer or department of the municipality affected by a decision of the legislative body or board ~~may~~, at any time within thirty days after the board, or the legislative body, if the board decision was appealed pursuant to subsection J of this section, has rendered its decision, MAY file a complaint for special action in the superior court to review the legislative body or board decision. Filing the complaint does not stay proceedings on the decision sought to be reviewed, but the court ~~may~~, on application, MAY grant a stay and on final hearing may affirm or reverse, in whole or in part, or modify the decision reviewed.

Sec. 29. Section 9-463.06, Arizona Revised Statutes, is amended to read:

9-463.06. Standards for enactment of moratorium; land development; limitations; definitions

A. A city or town shall not adopt a moratorium on construction or land development unless it first:

1. Provides notice to the public published once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the community at least thirty days before a final public hearing to be held to consider the adoption of the moratorium.

2. Makes written findings justifying the need for the moratorium in the manner provided for in this section.

3. Holds a public hearing on the adoption of the moratorium and the findings that support the moratorium.

B. For urban LAND or ~~urbanizable~~ land SUBJECT TO POTENTIAL URBANIZATION, a moratorium may be justified by demonstration of a need to prevent a shortage of essential public facilities that would otherwise occur during the effective period of the moratorium. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. A showing of the extent of need beyond the estimated capacity of existing essential public facilities expected to result from new land development, including identification of any essential public facilities currently operating beyond capacity and the portion of this capacity already committed to development, or in the case of water resources, a showing that, in an active management area AS DEFINED IN SECTION 45-402, an assured water supply cannot be provided or, outside an active management area, a sufficient water supply cannot be provided, to the new land development, including identification of current water resources and the portion already committed to development.

2. That the moratorium is reasonably limited to those areas of the city or town where a shortage of essential public facilities would otherwise occur and on property that has not received development approvals based ~~upon~~ ON the sufficiency of existing essential public facilities.

3. That the housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining essential public facility capacity.

C. A moratorium not based on a shortage of essential public facilities under subsection B of this section may be justified only by a demonstration of compelling need for other public facilities, including police and fire facilities. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. For urban LAND or ~~urbanizable~~ land SUBJECT TO POTENTIAL URBANIZATION:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city or town are not unreasonably restricted by the adoption of the moratorium.

(c) ~~Stating~~ The reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(d) That the city or town has determined that the public harm that would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands and the overall impact of the moratorium on population distribution.

(e) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

2. For rural land:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) ~~Stating~~ The reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(c) That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium.

(d) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

D. Any moratorium adopted pursuant to this section does not affect any express provision in a development agreement entered into pursuant to section 9-500.05 or ~~as defined in section~~ 11-1101 governing the rate, timing and sequencing of development, nor does it affect rights acquired pursuant to a protected development right granted according to chapter 11 of this title or title 11, chapter 9. Any moratorium adopted pursuant to this section shall provide a procedure pursuant to which an individual landowner may apply for a waiver of the moratorium's applicability to its property by claiming rights

obtained pursuant to a development agreement, a protected development right or any vested right or by providing the public facilities that are the subject of the moratorium at the landowner's cost.

E. A moratorium adopted under subsection C, paragraph 1 of this section shall not remain in effect for more than one hundred twenty days, but such a moratorium may be extended for additional periods of time of up to one hundred twenty days if the city or town adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

1. Verify the problem requiring the need for the moratorium to be extended.

2. Demonstrate that reasonable progress is being made to alleviate the problem resulting in the moratorium.

3. Set a specific duration for the renewal of the moratorium.

F. A city or town considering an extension of a moratorium shall provide notice to the general public published once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the community at least thirty days before a final hearing is held to consider an extension of a moratorium.

G. ~~Nothing in~~ This section ~~shall~~ DOES NOT prevent a city or town from complying with any state or federal law, regulation or order issued in writing by a legally authorized governmental entity.

H. A landowner aggrieved by a municipality's adoption of a moratorium pursuant to this section may file, at any time within thirty days after the moratorium has been adopted, a complaint for a trial de novo in the superior court on the facts and the law regarding the moratorium. All matters presented to the superior court pursuant to this section have preference on the court calendar on the same basis as condemnation matters and the court shall further have the authority to award reasonable attorney fees incurred in the appeal and trial pursuant to this section to the prevailing party.

I. ~~In~~ FOR THE PURPOSES OF this section:

1. "Compelling need" means a clear and imminent danger to the health and safety of the public.

2. "Essential public facilities" means water, sewer and street improvements to the extent that these improvements and water resources are provided by the city, town or private utility.

3. "Moratorium on construction or land development" means engaging in a pattern or practice of delaying or stopping issuance of permits, authorizations or approvals necessary for the subdivision and partitioning of, or construction on, any land. It does not include denial or delay of permits or authorizations because they are inconsistent with applicable statutes, rules, zoning or other ordinances.

4. "Rural land" means all property in the unincorporated area of a county or in the incorporated area of the city or town with a population of two thousand nine hundred or less persons according to the most recent United States decennial census.

5. "Urban LAND or ~~urbanizable~~ land SUBJECT TO POTENTIAL URBANIZATION" means all property in the incorporated area of a city or town with a population of more than two thousand nine hundred persons according to the most recent United States decennial census.

6. "Vested right" means a right to develop property established by the expenditure of substantial sums of money pursuant to a permit or approval granted by the city, town or county.

Sec. 30. Section 9-471, Arizona Revised Statutes, is amended to read:

9-471. Annexation of territory; procedures; notice; petitions; access to information; restrictions

A. The following procedures are required to extend and increase the corporate limits of a city or town by annexation:

1. A city or town shall file in the office of the county recorder of the county in which the annexation is proposed a blank petition required by paragraph 4 of this subsection setting forth a description and an accurate map of all the exterior boundaries of the territory contiguous to the city or town proposed to be annexed, except that a city or town shall not file an annexation petition that includes any territory for which an unsuccessful annexation was attempted by the same city or town until at least forty-five days after completion of the unsuccessful attempt. A property owner may waive the forty-five day waiting period for the owner's property that was part of the original unsuccessful annexation. Notice and a copy of the filing shall be given to the clerk of the board of supervisors and to the county assessor. The accurate map shall include all county rights-of-way and roadways that are within or contiguous to the exterior boundaries of the area of the proposed annexation. If state land, other than state land utilized as state rights-of-way or land held by the state by tax deed, is included in the territory, written approval of the state land commissioner and the selection board established by section 37-202 shall also be filed. For the purposes of this paragraph, "unsuccessful annexation" means an annexation attempt that was withdrawn or that was not completed pursuant to this section.

2. Signatures on petitions filed for annexation shall not be obtained for a waiting period of thirty days after filing the blank petition.

3. After filing the blank petition pursuant to paragraph 1 of this subsection, the governing body of the city or town shall hold a public hearing within the last ten days of the thirty-day waiting period to discuss the annexation proposal. The public hearing shall be held in accordance with title 38, chapter 3, article 3.1, except that, notwithstanding section 38-431.02, subsections C and D, the following notices of the public hearing to discuss the annexation proposal shall be given at least six days before the hearing:

(a) Publication at least once ~~in a newspaper of general circulation, which~~ ON A PUBLIC MEDIUM THAT is published or circulated in the city or town and the territory proposed to be annexed, at least fifteen days before the end of the waiting period.

(b) Posting in at least three conspicuous public places in the territory proposed to be annexed.

(c) Notice by first class mail sent to the chairman of the board of supervisors of the county in which the territory proposed to be annexed is located.

(d) Notice by first class mail with an accurate map of the territory proposed to be annexed sent to each owner of the real and personal property as shown on the ~~list~~ STATEMENT furnished pursuant to subsection G of this section that would be subject to taxation by the city or town in the event of annexation in the territory proposed to be annexed. For the purposes of this subdivision, "real and personal property" includes mobile, modular and manufactured homes and trailers only if the owner also owns the underlying real property.

4. Within one year after the last day of the thirty-day waiting period, a petition in writing signed by the owners of one-half or more in value of the real and personal property and more than one-half of the persons owning real and personal property that would be subject to taxation by the city or town in the event of annexation, as shown by the last assessment of the property, may be circulated and filed in the office of the county recorder. For the purposes of this paragraph, "real and personal property" includes mobile, modular and manufactured homes and trailers only if the owner also owns the underlying real property.

5. ~~No~~ Alterations increasing or reducing the territory sought to be annexed shall NOT be made after a petition has been signed by a property owner.

6. The petitioner shall determine and submit a sworn affidavit verifying that no part of the territory for which the filing is made is already subject to an earlier filing for annexation. The county recorder shall not accept a filing for annexation without the sworn affidavit.

B. All information contained in the filings, the notices, the petition, THE tax and property rolls and other matters regarding a proposed or final annexation shall be made available by the appropriate official for public inspection during regular office hours.

C. Any city or town, the attorney general, the county attorney~~,~~ or any other interested party ~~may upon~~ ON verified petition MAY move to question the validity of the annexation for failure to comply with this section. The petition shall set forth the manner in which it is alleged the annexation procedure was not in compliance with this section and shall be filed within thirty days after adoption of the ordinance annexing the territory by the governing body of the city or town and not otherwise. The burden of proof shall be ~~upon~~ ON the petitioner to prove the material allegations of the verified petition. ~~No~~ AN action shall NOT be brought to question the validity of an annexation ordinance unless brought within the time and for the reasons provided in this subsection. All hearings provided by this section and all appeals therefrom shall be preferred and heard and determined

in preference to all other civil matters, except election actions. In the event more than one petition questioning the validity of an annexation ordinance is filed, all such petitions shall be consolidated for hearing. If two or more cities or towns show the court that they have demonstrated an active interest in annexing any or all of the area proposed for annexation, the court shall consider any oral or written agreements or understandings between or among the cities and towns in making its determination pursuant to this subsection.

D. The annexation shall become final after the expiration of thirty days ~~from~~ AFTER the adoption of the ordinance annexing the territory by the city or town governing body, provided the annexation ordinance has been finally adopted in accordance with procedures established by statute, charter provisions or local ordinances, whichever is applicable, subject to the review of the court to determine the validity ~~thereof~~ OF THE ANNEXATION ORDINANCE if petitions in objection have been filed. After adoption of the annexation ordinance, the clerk of the city or town shall provide a copy of the adopted annexation ordinance to the clerk of the board of supervisors of each county that has jurisdiction over the annexed area within sixty days of the annexation becoming final.

E. For the purpose of determining the sufficiency of the percentage of the value of property under this section, ~~such~~ THE values of property shall be determined as follows:

1. In the case of property assessed by the county assessor, values shall be the same as shown by the last assessment of the property.

2. In the case of property valued by the department of revenue, values shall be appraised by the department in the manner provided by law for municipal assessment purposes.

F. For the purpose of determining the sufficiency of the percentage of persons owning property under this section, the number of persons owning property shall be determined as follows:

1. In the case of property assessed by the county assessor, the number of persons owning property shall be as shown on the last assessment of the property.

2. In the case of property valued by the department of revenue, the number of persons owning property shall be as shown on the last valuation of the property.

3. If an undivided parcel of property is owned by multiple owners, ~~such~~ THOSE owners shall be deemed as one owner for the purposes of this section.

4. If a person owns multiple parcels of property, ~~such~~ THAT owner shall be deemed as one owner for the purposes of this section.

G. The county assessor and the department of revenue, respectively, shall furnish to the city or town proposing an annexation, within thirty days after a request, ~~therefor~~ a statement in writing showing the owner, the address of each owner and the appraisal and assessment of all such property.

H. Territory is not contiguous for the purposes of subsection A, paragraph 1 of this section unless:

1. It adjoins the exterior boundary of the annexing city or town for at least three hundred feet.

2. It is, at all points, at least two hundred feet in width, excluding rights-of-way and roadways.

3. The distance from the existing boundary of the annexing city or town where it adjoins the annexed territory to the furthest point of the annexed territory from ~~such~~ THAT boundary is no more than twice the maximum width of the annexed territory.

I. A city or town shall not annex territory if as a result of ~~such~~ THAT annexation unincorporated territory is completely surrounded by the annexing city or town.

J. Notwithstanding any provisions of this article to the contrary, any town incorporated ~~prior to~~ BEFORE 1950 ~~which~~ THAT had a population of less than two thousand persons by the 1970 census and ~~which~~ THAT is bordered on at least three sides by Indian lands may annex by ordinance territory owned by the state within the same county for a new townsite ~~which~~ THAT is not contiguous to the existing boundaries of the town.

K. Subsections H and I of this section do not apply to territory ~~which~~ THAT is surrounded by the same city or town or ~~which~~ THAT is bordered by the same city or town on at least three sides.

L. A city or town annexing an area shall adopt zoning classifications that permit densities and uses no greater than those permitted by the county immediately before annexation. Subsequent changes in zoning of the annexed territory shall be made according to existing procedures established by the city or town for the rezoning of land.

M. The annexation of territory within six miles of territory included in a pending incorporation petition filed with the county recorder pursuant to section 9-101.01, subsection D shall not cause an urbanized area to exist pursuant to section 9-101.01 that did not exist ~~prior to~~ BEFORE the annexation.

N. As an alternative to the procedures established in this section, a county right-of-way or roadway may be annexed to an adjacent city or town by mutual consent of the governing bodies of the county and city or town if the property annexed is adjacent to the annexing city or town for the entire length of the annexation and if the city or town and county each approve the proposed annexation as a published agenda item at a regular public meeting of their governing bodies.

O. On or before the date the governing body adopts the ordinance annexing territory, the governing body shall have approved a plan, policy or procedure to provide the annexed territory with appropriate levels of infrastructure and services to serve anticipated new development within ten years after the date when the annexation becomes final pursuant to subsection D of this section.

P. If a property owner prevails in any action to challenge the annexation of the property owner's property, the court shall allow the property owner reasonable attorney fees and costs relating to the action from the annexing municipality.

Q. A city or town may annex territory that is a county owned park or a park operated on public lands by a county as part of a management agreement if otherwise agreed to by the board of supervisors. If the board of supervisors does not agree to the annexation, the county owned park or park operated on public lands by a county as part of a management agreement shall be excluded from the annexation area, notwithstanding subsections H and I of this section. A county owned park or park operated on public lands by a county as part of a management agreement that is excluded from the annexation area pursuant to this subsection may subsequently be annexed with the permission of the board of supervisors notwithstanding any other provision of this section. For the purposes of this subsection, "public lands":

1. Has the same meaning prescribed in section 37-901.

2. Does not include lands owned by a flood control district.

Sec. 31. Section 9-502, Arizona Revised Statutes, is amended to read:

9-502. Petition for franchise; publication; election; term; expenditures

A. A person desiring to obtain a franchise to operate a public utility from a municipal corporation shall present the franchise desired to the governing body of the municipal corporation, and it shall be filed among its records.

B. If the governing body deems the granting of the franchise beneficial to the municipal corporation, it shall pass a resolution, to be spread ~~upon~~ ON its record, stating that fact, and shall submit the question to the qualified electors as to whether or not the franchise shall be granted at the following regular election held in the municipal corporation or at a special election called for that purpose.

C. The proposed franchise shall be published in full ~~in some newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the municipal corporation for at least thirty consecutive days ~~prior to~~ BEFORE the election.

D. If a majority of the votes cast ~~is~~ ARE in favor of granting the franchise, the governing body shall grant the franchise only in the form filed and published.

E. A franchise shall not be granted for a longer term than twenty-five years.

F. An election held pursuant to this section shall be held on a date prescribed by section 16-204.

G. A public utility that spends only its own monies or resources in support of its proposed franchise from a municipal corporation to operate a public utility is exempt from the requirements of title 16, chapter 6.

Sec. 32. Section 9-507, Arizona Revised Statutes, is amended to read:

9-507. Application for license; hearing; terms; conditions

A. Any person desiring to obtain a license to construct, operate and maintain a cable television system from a licensing authority shall make application to such licensing authority in the form specified by the licensing authority and shall comply with requirements specified by the licensing authority.

B. ~~Prior to~~ BEFORE the issuance of a license, the licensing authority shall provide for the holding of a public hearing within the proposed service area, following reasonable notice to the public, at which every applicant and its proposals shall be examined and the public and all interested parties afforded a reasonable opportunity to be heard. Reasonable notice to the public shall include causing notice of the time and place of such hearing to be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the proposed service area once a week for two consecutive weeks. The first publication shall be not less than fourteen days before the day of such hearing. If there is no ~~such newspaper~~ PUBLIC MEDIUM in the proposed service area, ~~then~~ notice shall be posted in a conspicuous place in the city or town hall, if applicable, or other suitable location determined by the respective licensing authority for a period of not less than fourteen days before the day of such hearing.

Sec. 33. Section 9-511.01, Arizona Revised Statutes, is amended to read:

9-511.01. Water and wastewater business; rates; procedures; responsibility for payments

A. A municipality engaging in a domestic water or wastewater business shall not increase any water or wastewater rate or rate component, fee or service charge without complying with the following:

1. Prepare a written report or supply data supporting the increased rate or rate component, fee or service charge. A copy of the report shall be made available to the public by filing a copy in the office of the clerk of the municipality governing board at least thirty days before the public hearing described in paragraph 2 OF THIS SUBSECTION.

2. Adopt a notice of intention by motion at a regular council meeting to increase water or wastewater rates or rate components, fees or service charges and set a date for a public hearing on the proposed increase that shall be held not less than thirty days after adoption of the notice of intention. A copy of the notice of intention showing the date, time and place of the hearing shall be published one time ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the boundaries of the municipality not less than twenty days before the public hearing date.

B. After holding the public hearing, the governing body may adopt, by ordinance or resolution, the proposed rate or rate component, fee or service charge increase or any lesser increase.

C. Notwithstanding section 19-142, subsection B, the increased rate or rate component, fee or service charge shall become effective thirty days after adoption of the ordinance or resolution.

D. Any proposed water or wastewater rate or rate component, fee or service charge adjustment or increase shall be just and reasonable.

E. Rates and charges demanded or received by municipalities for water and wastewater service shall be just and reasonable. Every unjust or unreasonable rate or charge demanded or received by a municipality is prohibited and unlawful.

F. For residential property of four or fewer units, a municipality shall not require payment of unpaid water and wastewater service rates and charges by anyone other than the person who the municipality has contracted with to provide the service, who physically resides or resided at the property and who receives or received the service. A property owner, an immediate family member of the person who does not reside at the property or any other entity, at its sole discretion, may contract for water and wastewater service with a municipality and shall provide payment.

G. For residential property of four or fewer units, a municipality shall not refuse service within the municipality's service area for the unpaid water and wastewater rates and charges to anyone other than the person who physically resided and received the service at the property. A property owner, at the owner's sole discretion, may contract for water and wastewater service with a municipality and shall provide payment for that service.

Sec. 34. Section 9-524, Arizona Revised Statutes, is amended to read:

9-524. Election order and call; publication; posting

A. The governing body shall order and call an election ~~upon~~ ON the question of the issuance of bonds. The order and call shall state in substance:

1. The maximum amount of bonds to be issued.

2. The purpose for which the bonds are to be issued.

3. The maximum rate of interest ~~which~~ THAT the bonds are to bear.

4. A brief concise statement, which need not include any detail other than the mere statement of the fact, showing that the bonds will be payable solely from revenues unless the bonds are to be tax secured bonds in which case the order and call shall state in substance that the bonds shall be payable from revenues and shall additionally be payable from taxes levied upon all taxable property in the municipality.

5. The date on which the election is to be held as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

6. The places where votes may be cast.

7. The hours between which polling places will be open.

B. The order and call of election shall be published in full at least once, not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of the election, ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county ~~and of general circulation in the municipality~~. If there is no ~~such~~

~~newspaper~~ PUBLIC MEDIUM, the order and call shall be printed in full and posted in five conspicuous places in the municipality not less than fifteen nor more than thirty days prior to the date of the election.

C. If the bonds are to be tax secured bonds, the order and call of election shall state, in addition to the requirements of subsection A of this section, the matters required by title 35, chapter 3, article 3 and shall be posted and published as required by that article rather than as provided in subsection B of this section.

Sec. 35. Section 9-529, Arizona Revised Statutes, is amended to read:

9-529. Form of bonds; payment and call; interest; sale; bids; interim receipts; rates and procedures; definition

A. Bonds issued under this article shall be fully negotiable within the meaning and for all purposes of title 47. They may be in one or more series, may bear dates, may be payable in a medium of payment, at places, may carry registration privileges, shall be executed in a manner, may contain other terms, covenants and conditions, and SHALL be in a form as the governing body may by resolution prescribe. They shall be payable at one time, or from time to time, in a manner and in maturities not longer than thirty years from their date as the governing body may prescribe. Any or all of the bonds may be callable at times, on terms and in a manner as the governing body by resolution may prescribe.

B. Any or all of the bonds may be sold by calling for bids at public sale or through an ~~on-line~~ ONLINE bidding process, or bonds may be sold under an accelerated bidding process. If sold under an accelerated bidding process, the bonds shall be sold at the lowest cost the governing body deems then available after having received at least three pricing quotations from recognized purchasers of bonds of the type being sold, and if sold at public sale or through an ~~on-line~~ ONLINE bidding process to the person offering the best bid.

C. The bonds may be sold below, at or above par. If the bonds are sold below par, the aggregate amount of discount plus interest to be paid on the bonds must not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the governing body at the maximum rate set out in the resolution calling the election at which the bonds were voted.

D. If sold at public sale, the governing body shall call for bids by giving notice of the sale at least once a week for two successive weeks in cities having a population of fifteen thousand or more persons according to the most recent federal census, and once a week for four successive weeks in all other cities and towns by publication ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county. The notice shall be in the form the governing body prescribes. If bonds are sold through an ~~on-line~~ ONLINE bidding process, bids for the bonds that are entered into the system may be concealed until a specified time or disclosed in the ~~on-line~~ ONLINE bidding process, may be subject to improvement in favor

of the municipality before a specified time and may be for an entire issue of bonds or specified maturities according to the manner, terms and notice provisions ordered by the governing body. These bids shall be for the entire bond issue unless the governing body by resolution allows bidding in parcels for less than the entire issue.

E. Notwithstanding any other provision of this section, bonds may be sold to natural persons residing in this state by negotiated sale on terms the governing body deems to be the best then available and may bear interest payable at such times as determined by the governing body. The bonds may be sold below, at or above par, but if an issue of bonds is sold below par, the aggregate amount of discount plus interest to be paid on the bonds must not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the governing body at the maximum rate set out in the resolution calling the election at which the bonds were voted.

F. Pending preparation of the definitive bonds, interim receipts or certificates may be issued to the purchasers of the bonds in a form and with provisions as the governing body may determine.

G. Bonds issued by municipalities may bear interest at any rate or rates not in excess of the maximum rate of interest set forth in the resolution calling the election, payable at the times determined by the governing body, provided that each bond may be evidenced by one instrument, or if commercial paper by a succession of instruments each bearing interest payable only at maturity. Bonds or commercial paper issued under this article shall be subject to the following:

1. The bonds may bear interest at a fixed, variable or combination rate, none of which exceeds the maximum rate of interest set forth in the resolution calling the election.

2. A variable rate shall be based on any objective measure of the current value of money borrowed such as the announced prime rate of a bank, the rates borne by obligations of the United States or an index or other formula provided for by the governing body. The governing body shall employ a recognized agent in municipal bonds to market and remarket the bonds or commercial paper issued and to establish an interest rate in accordance with the approved index or formula.

3. The governing body may grant to the owner of any bond a right to tender or may require the tender of the bond for payment or purchase at one or more times before maturity and may enter into appropriate agreements with any bank, other financial institution, insurance company or indemnity company for the purchase of bonds so tendered. The agreement may provide that while the bonds are held by the bank, financial institution, insurance company or indemnity company the bonds may bear interest at a rate higher than when the bonds are held by other owners, but not in excess of the maximum rate of interest set forth in the resolution calling the election.

4. If bonds are tendered before maturity under an agreement to pay for or purchase bonds when tendered, the municipality may provide for the purchase and resale of the bonds pursuant to the tenders without extinguishing the obligation represented by them or incurring a new obligation on the resale, whether or not the bonds are represented by the same instruments when purchased as when resold.

5. Compensation for the resale of the bonds shall not be based on or measured by the difference between the price at which the bonds are purchased and the price at which they are resold.

6. The governing body may:

(a) Contract with a bank, other financial institution, insurance company or indemnity company to provide additional security for the bonds in the form of a line of credit, letter of credit, insurance policy or other security.

(b) Pay the costs of the additional security from amounts provided in the bond issue or from other available sources and may enter into reimbursement obligations in connection with the cost of the additional security.

7. Any reimbursement obligation entered into with the bank, financial institution, insurance company or indemnity company shall not provide for the payment of interest in excess of the maximum rate of interest set forth in the resolution calling the election. The reimbursement obligation does not constitute a general obligation of the municipality and is payable from the same source as the bonds, or from other available revenues, as determined by the governing body. However, use of other available revenues does not create an indebtedness under article IX, section 8, Constitution of Arizona.

8. Variable rate bonds and commercial paper may be sold at competitive public sale, through an ~~on-line~~ ONLINE bidding process or at negotiated sale. A competitive public sale may be accomplished pursuant to a notice of sale published at the times and in the manner provided in this section. The notice shall provide terms and conditions as may be determined by the governing body.

9. If bonds are to be issued in the form of commercial paper, the governing body shall first establish the schedule for the maturities of the bonds within the maximum period permitted by the voted proposition. The individual instruments representing the bonds may mature over shorter periods and may be retired before maturity with proceeds of subsequent instruments, or with the proceeds of definitive bonds, but they shall be finally paid according to the schedule of bond maturities or earlier.

10. Bonds issued in the form of commercial paper may be sold through an agent in the form of instruments ~~which~~ THAT mature at intervals the agent determines to be most advantageous to the issuer after giving public notice to potential investors as determined by the governing body.

11. Bonds may be issued as compound interest bonds bearing interest payable only at maturity but compounded periodically until that date at a

fixed rate no higher than the rate set forth in the resolution calling the election.

H. For THE purposes of this section, "~~on line~~ ONLINE bidding process" means a procurement process in which the governing body receives bids electronically over the internet in a real-time, competitive bidding event.

Sec. 36. Section 9-553, Arizona Revised Statutes, is amended to read:

9-553. Application for license; hearing; terms; conditions

A. Any person desiring to obtain a license to construct, operate and maintain an industrial gas pipeline from a licensing authority shall apply to the licensing authority in a form specified by the licensing authority and shall comply with requirements specified by the licensing authority.

B. ~~Prior to~~ BEFORE the issuance of a license, the licensing authority shall hold a public hearing within the city, town or county where application has been made, following reasonable notice to the public, at which every applicant and its proposals shall be examined and the public and all interested parties afforded a reasonable opportunity to be heard. Reasonable notice to the public includes causing notice of the time and place of the hearing to be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city, town or county where application has been made once a week for two consecutive weeks. The first publication shall not be less than fourteen days before the day of the hearing. If there is no ~~such newspaper~~ PUBLIC MEDIUM in the city, town or county where application has been made, notice shall be posted in a conspicuous place in the city or town hall, if applicable, or other suitable location determined by the respective licensing authority for a period of not less than fourteen days before the day of the hearing.

Sec. 37. Section 9-812, Arizona Revised Statutes, is amended to read:

9-812. Publication of notices and ordinances

A. Notices of election, invitations for bids, notices of letting contracts, laws and ordinances~~,~~ and other notices of a public character issued by authority of the governing body of any city or town~~,~~ shall be published as provided by section 39-204.

B. In cases of laws or ordinances enacted on behalf of a private person, he shall pay the expense of publication~~,~~ and may designate the ~~newspaper~~ PUBLIC MEDIUM.

Sec. 38. Section 9-1104, Arizona Revised Statutes, is amended to read:

9-1104. Notice of entry of land as townsite; statement and filing of claims to land

A. The trustee shall ~~then~~ cause a notice to be published ~~in all the newspapers~~ ON A PUBLIC MEDIUM published in the city or town, or if no ~~newspaper~~ PUBLIC MEDIUM is published therein, ~~then~~ by posting the notice in five public places in the city or town for sixty days successively, giving notice of the entry of the land and requiring every claimant of a lot to file a statement of ~~his~~ claim in the office of the trustee on or before ninety days from the first publication. The statement shall be in writing, signed

and sworn to by the claimant, or if absent from the county, by his agent, and shall be recorded in a book to be kept for that purpose by the trustee. It shall specify the grounds of the claim, particularly describe the lots claimed, the date and name, as near as possible, of the first actual occupant, what improvements have been made thereon, and that at the time of making the statement the lots are actually possessed and occupied by the claimant, or that the right to possession and occupation is in him, if then occupied by another.

B. The statement to the trustee shall be accompanied by a fee of twenty cents a folio for filing and recording. The claimant, ~~shall~~ within sixty days after expiration of the time for filing claims, SHALL make proof of the facts alleged in his statement before the trustee. No proof can be made after that time, unless the claimant has appeared within that time and obtained and had entered in the records an order of continuance by the trustee.

Sec. 39. Section 9-1131, Arizona Revised Statutes, is amended to read:

9-1131. Disposal of unclaimed lots acquired prior to statehood

A. Every trustee of lands acquired ~~prior to~~ BEFORE February 14, 1912, under the act of Congress entitled "an act for the relief of inhabitants of cities and towns upon the public lands," approved March 2, 1867, or his successor in office, may sell at public auction to the highest bidder for cash~~,~~ any parcel of such lands undisposed of within the townsite, the title to which remains in the trustee or his successor in office, when he deems it advisable to sell. He shall appoint three disinterested persons to appraise the parcels he desires to sell, and they shall faithfully and impartially appraise the value of the parcels and shall certify their appraisal under oath to the trustee. Each of the appraisers shall receive five dollars per day for each day they are actually engaged in making the appraisement.

B. ~~Upon~~ ON making the appraisement, the trustee shall give notice of the sale by publication for not less than once each week for two successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the city or town~~, or if there is none, then in the newspaper of general circulation published nearest the land to be sold~~. The notice shall describe the parcels of land to be sold and the time, place and condition of sale. At the time and place specified in the notice, the trustee shall offer the parcels of land for sale separately to the highest bidder, but for not less than the appraised value thereof. The trustee shall execute a deed to the highest bidder ~~upon~~ ON payment of the purchase price.

Sec. 40. Section 9-1304, Arizona Revised Statutes, is amended to read:

9-1304. Adoption of citywide residential rental property licensing, registration or inspection program; requirements

A. A city or town may adopt a citywide residential rental property inspection program only if the following occurs:

1. The city or town conducts a public hearing and adopts the rental property inspection program ordinance or resolution at a regularly held city or town council meeting that occurs at least thirty days after the public hearing.

2. The ordinance or resolution is adopted by at least a three-fourths vote of the entire council.

3. The city or town notifies all owners of residential rental properties who are then currently registered with the county assessor of the county in which the property is located.

4. The notice to owners is mailed by first class mail at least twenty days in advance of the required public hearing.

5. A notice of the public hearing is published ~~in a local newspaper of general circulation~~ ON A PUBLIC MEDIUM and any official municipal ~~web site~~ WEBSITE not less than two weeks before the required public hearing.

B. A city or town shall not adopt a residential rental licensing requirement for residential rental properties or property owners. This subsection does not prohibit a city or town that imposes a sales tax on rent from requiring a transaction privilege tax license for residential rental property owners.

C. A city or town shall not adopt a residential rental registration requirement. A city or town shall obtain rental registration information only from the county assessor's office for the county in which the residential rental property is located.

Sec. 41. Section 10-140, Arizona Revised Statutes, is amended to read:

10-140. Definitions

In chapters 1 through 17 of this title, unless the context otherwise requires:

1. "Acknowledged" or "acknowledgment" means either an acknowledgment pursuant to title 33, chapter 4, article 5 or the signature, without more, of the person or persons signing the instrument, in which case the signature or signatures constitute the affirmation or acknowledgment of the signatory, under penalties of perjury, that the instrument is the act and deed of the signatory and that the facts stated in the instrument are true.

2. "Act of the board of directors" means either:

(a) An act of the majority of the directors present at a duly called meeting at which a quorum is present, unless the act of a greater number is required by chapters 1 through 17 of this title, the articles of incorporation or the bylaws.

(b) Action taken by written consent of the directors in accordance with chapters 1 through 17 of this title.

3. "Act of the shareholders" means either:

(a) An act adopted or rejected by a majority of the votes entitled to be cast by each class of shareholders entitled to vote on the act at a duly called meeting at which a quorum is present, unless a greater number of votes

is required by chapters 1 through 17 of this title, the articles of incorporation or the bylaws.

(b) An action taken by written consent of the shareholders in accordance with chapters 1 through 17 of this title.

4. "Address" means a mailing address.

5. "Affiliate" means a person that directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with the person specified.

6. "Articles of incorporation" means the original or restated articles of incorporation or articles of merger and all amendments to the articles of incorporation or merger and includes amended and restated articles of incorporation and articles of amendment and merger.

7. "Authorized shares" means the shares of all classes that a domestic or foreign corporation is authorized to issue.

8. "Board of directors" means the group of persons vested with the management of the affairs of the corporation irrespective of the name by which the group is designated and includes the governing body or bodies of a water users' association if the articles of incorporation of such water users' association provide for a governing body or bodies denominated other than as a board of directors.

9. "Business day" means a day that is not a Saturday, a Sunday or any other legal holiday in this state.

10. "Bylaws" means the code of rules adopted for the regulation or management of the affairs of the corporation irrespective of the name by which those rules are designated.

11. "Certificate of disclosure" means the certificate of disclosure described in section 10-202.

12. "Commission" means the Arizona corporation commission.

13. "Conspicuous" means so written that a reasonable person against whom the writing is to operate should have noticed it. For example, printing in italics, boldface or contrasting color or typing in capitals or underlined is conspicuous.

14. "Corporation" or "domestic corporation" means a corporation for profit that is not a foreign corporation and that is incorporated under or subject to chapters 1 through 17 of this title.

15. "Court" means the superior court of this state.

16. "Deliver" includes SENDING BY mail, private courier or telefacsimile transmission.

17. "Delivery" means actual receipt by the person or entity to which directed.

18. "Dissolved" means the status of a corporation on either:

(a) Effectiveness of articles of dissolution pursuant to section 10-1403, subsection B or section 10-1421, subsection B.

(b) A decree pursuant to section 10-1433, subsection B becoming final.

19. "Distribution" means a direct or indirect transfer of money or other property, except its own shares, or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of any of the following:

(a) A declaration or payment of a dividend.

(b) Any purchase, redemption or other acquisition of shares.

(c) A distribution of indebtedness.

(d) Otherwise.

20. "Effective date of notice" is as prescribed in section 10-141.

21. "Employee" includes an officer but not a director. A director may accept duties that make the director also an employee.

22. "Entity" includes a corporation, foreign corporation, not for profit corporation, profit and not for profit unincorporated association, nonprofit corporation, close corporation, corporation sole or limited liability company, a professional corporation, association or limited liability company, a business trust, estate, partnership, registered limited liability partnership, trust or joint venture, two or more persons having a joint or common economic interest, any person other than an individual and a state, the United States and a foreign government.

23. "Executed by the corporation" means executed by manual or facsimile signature on behalf of the corporation by a duly authorized officer or, if the corporation is in the hands of a receiver or trustee, by the receiver or trustee.

24. "Filing" means the commission completing the following procedure with respect to any document delivered for that purpose:

(a) Determining that the filing fee requirements of section 10-122 have been satisfied.

(b) Determining that the document appears in all respects to conform to the requirements of chapters 1 through 17 of this title.

(c) On making the determinations, endorsement of the word "filed" with the applicable date on or attached to the document and the return of copies to the person who delivered the document or the person's representative.

25. "Foreign corporation" means a corporation for profit that is incorporated under a law other than the law of this state.

26. "Governmental subdivision" includes an authority, county, district, municipality and political subdivision.

27. "Includes" and "including" denotes a partial definition.

28. "Individual" includes the estate of an incompetent or deceased individual.

29. "Insolvent" means inability of a corporation to pay its debts as they become due in the usual course of its business.

30. "Known place of business" means the known place of business required to be maintained pursuant to section 10-501.

31. "Liquidate its assets and business" includes the distribution of assets, the payment of obligations and debts, the discontinuance of business or any one or more of the distribution, payment or discontinuance.

32. "Mail", "to mail" or "have mailed" means to deposit or have deposited a communication in the United States mail with first class or airmail postage prepaid.

33. "Means" denotes an exhaustive definition.

~~34. "Newspaper" has the meaning set forth in section 39-201.~~

~~35.~~ 34. "Notice" and "notify" are as prescribed in section 10-141.

~~36.~~ 35. "Person" includes an individual and entity.

~~37.~~ 36. "President" means that officer designated as the president in the articles of incorporation or bylaws or, if not so designated, that officer authorized in the articles of incorporation, bylaws or otherwise to perform the functions of the chief executive officer, irrespective of the name by which designated.

~~38.~~ 37. "Principal office" means the office, in or out of this state, so designated in the annual report where the principal executive offices of a domestic or foreign corporation are located or in any other document executed by the corporation by an officer and delivered to the commission for filing. If an office has not been so designated, principal office means the known place of business of the corporation.

~~39.~~ 38. "Proceeding" includes a civil suit and a criminal, administrative and investigatory action.

39. "PUBLIC MEDIUM" HAS THE SAME MEANING PRESCRIBED IN SECTION 39-201.

40. "Publish" means to publish ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county of the known place of business for three consecutive publications.

41. "Record date" means the date established under chapter 6 or 7 of this title on which a corporation determines the identity of its shareholders and their shareholdings for purposes of chapters 1 through 17 of this title. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed.

42. "Secretary" means that officer designated as the secretary in the articles of incorporation or bylaws or that officer authorized in the articles of incorporation, the bylaws or otherwise to perform the functions of secretary, irrespective of the name by which designated.

43. "Shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

44. "Shares" means the units into which the proprietary interests in a corporation are divided.

45. "State", if referring to a part of the United States, includes a state and commonwealth and their agencies and governmental subdivisions and a

territory and insular possession of the United States and their agencies and governmental subdivisions.

46. "Subscriber" means a person who subscribes for shares in a corporation, whether before or after incorporation.

47. "Treasurer" means that officer designated as the treasurer in the articles of incorporation or bylaws or that officer authorized in the articles of incorporation~~,~~ OR bylaws or otherwise to perform the functions of treasurer, irrespective of the name by which designated.

48. "United States" includes a district, authority, bureau, commission and department and any other agency of the United States.

49. "Vice-president" means an officer designated as the vice-president in the articles of incorporation or bylaws or an officer authorized in the articles of incorporation, the bylaws or otherwise to perform the functions of a vice-president, irrespective of the name by which designated.

50. "Voting group" means all shares of one or more classes or series that under the articles of incorporation or chapters 1 through 17 of this title are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the articles of incorporation or chapters 1 through 17 of this title to vote generally on the matter are for that purpose a single voting group.

51. "Water users' association" means a corporation that operates a federal reclamation project pursuant to a contract with the United States.

Sec. 42. Section 10-141, Arizona Revised Statutes, is amended to read:

10-141. Notice

A. Notice under chapters 1 through 17 of this title must be in writing unless oral notice is reasonable under the circumstances. Oral notice is not permitted if written notice is required under chapters 1 through 17 of this title.

B. Notice may be communicated in person, by telephone, telegraph, teletype, ~~facsimile~~ FAX or other form of wire or wireless communication or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated ~~by a newspaper of general circulation~~ ON A PUBLIC MEDIUM in the area where published or by radio, television or other form of public broadcast communication.

C. Written notice by a domestic or foreign corporation to its shareholders, if in a comprehensible form, is effective when mailed, if mailed postpaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders.

D. Written notice to a domestic or foreign corporation that is authorized to transact business in this state may be addressed to its statutory agent at its known place of business or to the corporation or its secretary at its principal office shown in its most recent annual report on file with the commission, or in the case of a foreign corporation that has not yet delivered an annual report, in its application for a certificate of authority.

E. Except as provided in subsection C OF THIS SECTION, written notice, if in a comprehensible form, is effective at the earliest of the following:

1. When received.

2. Five days after its deposit in the United States mail as evidenced by the postmark, if mailed postpaid and correctly addressed.

3. On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and if the receipt is signed by or on behalf of the addressee.

F. Oral notice is effective when communicated if communicated in a comprehensible manner.

G. If chapters 1 through 17 of this title prescribe notice requirements for particular circumstances, those requirements govern. If articles of incorporation or bylaws prescribe notice requirements~~,~~ THAT ARE not inconsistent with this section or other provisions of chapters 1 through 17 of this title, those requirements govern.

Sec. 43. Section 10-1407, Arizona Revised Statutes, is amended to read:

10-1407. Unknown claims against dissolved corporation

A. A dissolved corporation may also publish notice of its dissolution and request that persons with claims against the corporation present them in accordance with the notice.

B. The notice shall:

1. Be published one time ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the dissolved corporation's known place of business is or was last located.

2. Describe the information that must be included in a claim and provide a mailing address where the claim may be sent.

3. State that a claim against the corporation will be barred unless a proceeding to enforce the claim is commenced within five years after the publication of the notice.

C. If the dissolved corporation publishes a ~~newspaper~~ notice in accordance with subsection B of this section, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within five years after the publication date of the ~~newspaper~~ notice:

1. A claimant who did not receive written notice under section 10-1406.

2. A claimant whose claim was timely sent to the dissolved corporation but not acted on.

3. A claimant whose claim is contingent or based on an event occurring after the effective date of the dissolution.

D. A claim, including a contingent claim or a claim based on an event occurring after the effective date of dissolution, may be enforced under this section either:

1. Against the dissolved corporation to the extent of its undistributed assets.

2. If the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of his pro rata share of the claim or the corporate assets distributed to him in liquidation, whichever is less, but a shareholder's total liability for all claims under this subsection shall not exceed the total amount of assets distributed to him.

Sec. 44. Section 10-1623, Arizona Revised Statutes, is amended to read:

10-1623. Statement of bankruptcy or receivership; interrogatories before subsequent incorporation; violation; classification; definitions

A. On the filing of a petition for bankruptcy or the appointment of a receiver for any corporation, the corporation shall deliver a statement to the commission listing:

1. All officers, directors, trustees and major stockholders of the corporation within one year of filing the petition for bankruptcy or the appointment of a receiver. If a major stockholder is a corporation, the statement shall list the current president, THE chairman of the board of directors and major stockholders of such corporate stockholder.

2. Whether any such person has been an officer, director, trustee or major stockholder of any other corporation within one year of the bankruptcy or receivership of the other corporation.

3. If the answer in paragraph 2 of this subsection is in the affirmative, for each such corporation the following information:

(a) Name and address.

(b) States in which it:

(i) Was incorporated.

(ii) Transacted business.

(c) Dates of operation.

B. The commission shall maintain a suitably indexed list of all such persons. The index is a public record of the commission for purposes of title 39.

C. On receipt for filing of articles of incorporation of a new corporation or application for authority to transact business by a foreign corporation, the commission shall determine whether any person proposed as an officer, director, trustee, incorporator or major stockholder of the new or foreign corporation has been involved two or more times in a corporate bankruptcy, receivership, revocation, administrative dissolution or judicial dissolution commenced by any state. If so, the commission may direct detailed interrogatories to the persons requiring any additional relevant information deemed necessary by the commission and at the same time shall provide public notice of the interrogatory procedure. Any person may request additional interrogatories or may provide additional information to the

commission. The interrogatories shall be completely answered within thirty days after mailing. With respect to corporations incorporated or seeking authority to transact business, articles of incorporation or application for authority shall not be filed until all outstanding interrogatories have been answered to the satisfaction of the commission.

D. Any applicant for filing articles of incorporation or authority to transact business who is dissatisfied with a determination of the commission or any other proceeding under this section may demand and the commission or its designee shall convene a public hearing at the county seat of the county of the corporate headquarters of the proposed corporation. The commission shall give public notice of the hearing at least twenty days before the hearing by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in any county in which a relevant prior bankruptcy or receivership occurred.

E. The commission shall provide the attorney general with a copy of statements furnished pursuant to subsection A OF THIS SECTION and answers to interrogatories propounded pursuant to subsection C OF THIS SECTION on a quarterly updated basis.

F. Any person or corporation failing to comply with the requirements of this section is guilty of a class 1 misdemeanor. Any person making a false statement or giving false information pursuant to this section is guilty of a class 5 felony.

G. ~~In~~ FOR THE PURPOSES OF this section:

1. "Controlling" includes the total shares of stock issued to a husband and wife and their relatives to the first degree of consanguinity.

2. "Major stockholder" means a shareholder possessing or controlling twenty per cent of the issued and outstanding shares or twenty per cent of any proprietary, beneficial or membership interest in the corporation.

Sec. 45. Section 10-2014, Arizona Revised Statutes, is amended to read:

10-2014. General and special meetings of association; notice

The ~~by-laws~~ BYLAWS shall provide for one or more regular meetings annually. The board of directors may call a special meeting at any time, or ten per cent of the members may file a request for a special meeting, stating the specific business to be brought before the association, and the meeting shall thereupon be called by the directors. Notice of all meetings, together with a statement of the purposes thereof, shall be mailed to each member at least ten days ~~prior to~~ BEFORE the meeting, but the ~~by-laws~~ BYLAWS may require that such notice be given by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM.

Sec. 46. Section 10-2070, Arizona Revised Statutes, is amended to read:

10-2070. Use of roads and streets; notice; protest

A. A cooperative shall have the use of, and the right is expressly granted to it to use, the public highways, county highways and streets and

alleys in or outside the service area of the cooperative. The cooperative may construct and operate lines connecting any points within the state and connect at the state boundary with like lines.

B. Within the confines of municipal corporations ~~however~~, use and occupancy of streets shall be under such rights as may be acquired by franchises according to law, and subject to control and regulation by municipal authorities, and the use of public highways, except state highways, by cooperatives not within the confines of an incorporated city or town~~,~~ shall be regulated by the board of supervisors of the county, by license or franchise. The board of supervisors in granting the license or franchise, or at any time after it is granted, may impose such restrictions and limitations as to the use of the public roads as may be deemed best for the public safety or welfare. Every franchise granted under this section shall include provisions requiring the grantee to bear all expenses, including damage and compensation for any alteration of the direction, surface, grade or alignment of any county road, made for the purpose of such franchise.

C. The board of supervisors, before granting the privileges contemplated by this section, shall give public notice of its intention to make the grant, by publishing notice ~~in some newspaper of general circulation~~ ON A PUBLIC MEDIUM, published within the county, for at least once a week for three weeks ~~prior to~~ BEFORE the day set for the consideration of such action. If, on or before such date, more than fifty per cent of the qualified electors of the county petition the board of supervisors to deny the privilege, they shall so act, and any privilege granted contrary to the petition shall be void.

Sec. 47. Section 10-2077, Arizona Revised Statutes, is amended to read:

10-2077. Dissolution

A. A cooperative ~~which~~ THAT has not commenced business may be dissolved by delivering to the corporation commission articles of dissolution, which shall be executed by the cooperative and which shall state:

1. The name of the cooperative.
2. The address of its principal office.
3. That the cooperative has not commenced business.
4. That any monies received by the cooperative, less any part disbursed for expenses of the cooperative, have been returned or paid to those entitled to the monies.
5. That no debt of the cooperative is unpaid.
6. That a majority of the incorporators elect that the cooperative be dissolved.

B. A cooperative ~~which~~ THAT has commenced business may be dissolved in the following manner:

1. The proposition to dissolve shall be submitted to the members of the cooperative at any annual or special meeting, the notice of which shall set forth the proposition.

2. The members at the meeting shall approve, by the affirmative vote of not less than a majority of all members of the cooperative, the proposition that the cooperative be dissolved.

3. ~~Upon~~ ON approval, a certificate of election to dissolve, designated in this subsection as the "certificate", shall be executed by the cooperative.

4. The certificate shall state:

(a) The name of the cooperative.

(b) The address of its principal office.

(c) That the members of the cooperative have duly voted that the cooperative be dissolved.

5. The certificate shall be submitted to the corporation commission for filing.

6. ~~Upon~~ ON filing the certificate with the corporation commission, the cooperative shall cease to carry on its business except to the extent necessary for winding up, but its corporate existence shall continue until articles of dissolution have been filed with the corporation commission.

7. The board of directors shall immediately cause notice of the dissolution proceedings to be mailed to each known creditor of and claimant against the cooperative, and such notice shall be published once a week for two successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the principal office of the cooperative is located.

8. The board of directors shall wind up and settle the affairs of the cooperative, collect monies owing to it, liquidate its property and assets, pay and discharge its debts, obligations and liabilities, other than those to patrons arising by reason of their patronage, and do all other things required to wind up its business. After paying or discharging or adequately providing for the payment or discharge of all its debts, obligations and liabilities, other than those to patrons arising by reason of their patronage, the board of directors shall distribute any remaining sums, first to patrons for the pro rata return of all amounts standing to their credit by reason of their patronage, and second to members for the pro rata repayment of membership fees. Any sums then remaining shall be distributed among its members and former members in proportion to their patronage.

9. The board of directors shall thereupon authorize the execution of articles of dissolution, which shall be executed by the cooperative.

10. The articles of dissolution shall recite that they are executed pursuant to this article and shall state:

(a) The name of the cooperative.

(b) The address of its principal office.

(c) The date on which the certificate of election to dissolve was filed by the corporation commission.

(d) That there are no actions or suits pending against the cooperative.

(e) That all debts, obligations and liabilities of the cooperative have been paid and discharged or that adequate provision has been made for payment and discharge.

(f) That the preceding provisions of this subsection have been duly complied with.

11. The articles of dissolution prepared pursuant to paragraph 10 of this subsection shall be delivered to the commission for filing. Within sixty days after the commission approves the filing, a copy of the articles of dissolution shall be published. An affidavit evidencing the publication may be filed with the commission.

Sec. 48. Section 10-2136, Arizona Revised Statutes, is amended to read:

10-2136. Use of roads and streets; notice; protest

A. A generation and transmission cooperative has the use of, and the right is expressly granted to it to use, the public highways, county highways and streets and alleys in any area of this state. The generation and transmission cooperative may construct and operate lines connecting any points within this state and connect at the state boundary with like lines.

B. Within the confines of municipal corporations, the use and occupancy of streets shall be under such rights as are acquired by franchises according to law and subject to control and regulation by municipal authorities, and the use of public highways, except state highways, by generation and transmission cooperatives not within the confines of an incorporated city or town shall be regulated by the board of supervisors of the county by license or franchise. The board of supervisors in granting the license or franchise, or at any time after it is granted, may impose such restrictions and limitations concerning the use of the public roads as deemed best for the public safety or welfare. Every franchise granted under this section must include provisions requiring the grantee to bear all expenses, including damage and compensation for any alteration of the direction, surface, grade or alignment of any county road, made for the purpose of the franchise.

C. The board of supervisors before granting the privilege contemplated by this section shall give public notice of its intention to make the grant by publishing notice ~~in some newspaper of general circulation~~ ON A PUBLIC MEDIUM, published within the county, for at least once a week for three weeks ~~prior to~~ BEFORE the day set for the consideration of the action. If, on or before the date, more than fifty per cent of the qualified electors of the county petition the board of supervisors to deny the privilege, they shall so act, and any privilege granted contrary to the petition is void.

Sec. 49. Section 10-2143, Arizona Revised Statutes, is amended to read:

10-2143. Dissolution

A. A generation and transmission cooperative that has not commenced business may dissolve voluntarily by delivering to the corporation commission articles of dissolution, executed and acknowledged on behalf of the generation and transmission cooperative by a majority of the incorporators, which shall state:

1. The name of the generation and transmission cooperative.

2. The address of its principal office.

3. The date of its incorporation.

4. That the generation and transmission cooperative has not commenced business.

5. That the amount, if any, actually paid in on account of membership fees, less any part disbursed for necessary expenses, has been returned to those entitled and that all easements have been released to the grantors.

6. That no debt of the generation and transmission cooperative remains unpaid.

7. That a majority of the incorporators elect that the generation and transmission cooperative be dissolved. The articles of dissolution shall be submitted to the corporation commission for filing as provided in this article.

B. A generation and transmission cooperative that has commenced business may dissolve voluntarily and wind up its affairs in the following manner:

1. The proposition that the generation and transmission cooperative be dissolved must be submitted to the members of the generation and transmission cooperative at any meeting. The meeting notice shall state the proposition. The proposed voluntary dissolution is deemed to be approved on the affirmative vote of not less than two-thirds of those members acting through their voting delegates voting at the meeting.

2. On approval, a certificate of election to dissolve, designated the "certificate", shall be executed by the generation and transmission cooperative. The certificate shall be submitted to the corporation commission for filing as provided in this article and shall state:

(a) The name of the generation and transmission cooperative.

(b) The address of its principal office.

(c) The names and addresses of its directors.

(d) The total number of voting delegates of the generation and transmission cooperative and the number of voting delegates who voted for and against the voluntary dissolution of the generation and transmission cooperative.

3. On the filing of the certificate with the corporation commission, the generation and transmission cooperative shall cease to carry on its business except as is necessary for the winding up of business, but its

corporate existence continues until articles of dissolution have been filed with the corporation commission.

4. After the filing of the certificate with the corporation commission, the board of directors shall immediately mail notice of the winding up of proceedings to each known creditor and claimant and publish notice once a week for two successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the principal office of the generation and transmission cooperative is located.

5. The board of directors has full power to wind up and settle the affairs of the cooperative and shall proceed to collect the debts owing to the generation and transmission cooperative, convey and dispose of its property and assets, pay, satisfy and discharge its debts, obligations and liabilities and do all other things required to liquidate its business and affairs and, after paying or adequately providing for the payment of all its debts, obligations and liabilities, shall distribute the remainder of its property and assets among its members without priority in proportion to the aggregate patronage of each member during the seven years next preceding the date of filing the certificate, or, if the generation and transmission cooperative was not in existence for such period, during the period of its existence.

6. When all debts, liabilities and obligations of the generation and transmission cooperative have been paid and discharged or adequate provision has been made for them, and all the remaining property and assets of the generation and transmission cooperative have been distributed to the members pursuant to this section, the board of directors shall authorize the execution of articles of dissolution. The articles of dissolution shall state:

(a) The name of the generation and transmission cooperative.

(b) The address of the principal office of the generation and transmission cooperative.

(c) That the generation and transmission cooperative has previously delivered to the corporation commission a certificate of election to dissolve and the date on which the certificate was filed by the corporation commission.

(d) That all debts, obligations and liabilities of the generation and transmission cooperative have been paid and discharged or that adequate provision has been made for them.

(e) That all the remaining property and assets of the generation and transmission cooperative have been distributed among the members in accordance with this section.

(f) That there are no actions or suits pending against the generation and transmission cooperative.

7. The articles of dissolution prepared pursuant to paragraph 6 of this subsection shall be delivered to the commission for filing. Within sixty days after the commission approves the filing, a copy of the articles

of dissolution shall be published. An affidavit evidencing the publication may be filed with the commission.

Sec. 50. Section 10-3140, Arizona Revised Statutes, is amended to read:

10-3140. Definitions

In chapters 24 through 40 of this title, unless the context otherwise requires:

1. "Acknowledged" or "acknowledgment" means either an acknowledgment pursuant to title 33, chapter 4, article 5 or the signature, without more, of the person or persons signing the instrument, in which case the signature or signatures constitute the affirmation or acknowledgment of the signatory, under penalties of perjury, that the instrument is the act and deed of the signatory and that the facts stated in the instrument are true.

2. "Act of the board of directors" means either:

(a) An act of the majority of the directors present at a duly called meeting at which a quorum is present, unless the act of a greater number is required by chapters 24 through 40 of this title, the articles of incorporation or the bylaws.

(b) Action taken by written consent of the directors in accordance with chapters 24 through 40 of this title.

3. "Act of the members" means either:

(a) An act adopted or rejected by a majority of the votes represented and voting at a duly held meeting at which a quorum is present where affirmative votes also constitute a majority of the required quorum unless a greater number of votes is required by chapters 24 through 40 of this title, the articles of incorporation or the bylaws.

(b) An action taken by written consent of the members in accordance with chapters 24 through 40 of this title.

(c) An action taken by written ballot of the members in accordance with this chapter.

4. "Address" means a mailing address.

5. "Affiliate" means a person that directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with the person specified.

6. "Articles of incorporation" means the original or restated articles of incorporation or articles of merger and all amendments to the articles of incorporation or merger and includes amended and restated articles of incorporation and articles of amendment and merger.

7. "Board", "board of directors" or "board of trustees" means the group of persons vested with the direction of the affairs of the corporation irrespective of the name by which the group is designated, except that no person or group of persons shall be deemed to be the board of directors solely because of powers delegated to that person or group pursuant to section 10-3801, subsection C.

8. "Business day" means a day that is not a Saturday, a Sunday or any other legal holiday in this state.

9. "Bylaws" means the code of rules adopted for the regulation or management of the affairs of the corporation irrespective of the name by which those rules are designated.

10. "Certificate of disclosure" means the certificate of disclosure described in section 10-3202.

11. "Class" refers to a group of memberships that have the same rights with respect to voting, dissolution, redemption and transfer. Rights are the same if they are determined by a formula applied uniformly.

12. "Commission" means the Arizona corporation commission.

13. "Conspicuous" means so written that a reasonable person against whom the writing is to operate should have noticed it. For example, printing in italics, boldface or contrasting color or typing in capitals or underlined is conspicuous.

14. "Corporation" or "domestic corporation" means a nonprofit corporation that is not a foreign corporation and that is incorporated under or subject to chapters 24 through 40 of this title.

15. "Corporation sole" means a corporation formed pursuant and subject to chapter 42, article 1 of this title.

16. "Court" means the superior court of this state.

17. "Delegates" means those persons elected or appointed to vote in a representative assembly for the election of a director or directors or on other matters.

18. "Deliver" includes SENDING BY mail, private courier, fax or electronic mail.

19. "Delivery" means actual receipt by the person or entity to which directed.

20. "Directors" or "trustees" means individuals, designated in the articles of incorporation or bylaws or elected by the incorporators, and their successors and individuals elected or appointed by any other name or title to act as members of the board.

21. "Dissolved" means the status of a corporation on either:

(a) Effectiveness of articles of dissolution pursuant to section 10-11403, subsection B or section 10-11421, subsection B.

(b) A decree pursuant to section 10-11433, subsection B becoming final.

22. "Distribution" means a direct or indirect transfer of money or other property or incurrence of indebtedness by a corporation to or for the benefit of its members in respect of any of its membership interests. A distribution may be in the form of any of the following:

(a) A declaration of payment of a dividend.

(b) Any purchase, redemption or other acquisition of membership interests.

(c) A distribution of indebtedness.

(d) Otherwise.

23. "Effective date of notice" is AS prescribed in section 10-3141.

24. "Electronic mail" means an electronic record as defined in section 44-7002 and that is sent pursuant to section 44-7015, subsection A.

25. "Employee" means an officer, director or other person who is employed by the corporation.

26. "Entity" includes a corporation, foreign corporation, not for profit corporation, business corporation, foreign business corporation, profit and not for profit unincorporated association, close corporation, corporation sole, limited liability company or registered limited liability partnership, a professional corporation, association or limited liability company or registered limited liability partnership, a business trust, estate, partnership, trust or joint venture, two or more persons having a joint or common economic interest, any person other than an individual and a state, the United States and a foreign government.

27. "Executed by the corporation" means executed by manual or facsimile signature on behalf of the corporation by a duly authorized officer or, if the corporation is in the hands of a receiver or trustee, by the receiver or trustee.

28. "Filing" means the commission completing the following procedure with respect to any document delivered for that purpose:

(a) Determining that the filing fee requirements of this title have been satisfied.

(b) Determining that the document appears in all respects to conform to the requirements of chapters 24 through 40 of this title.

(c) On making the determinations, endorsement of the word "filed" with the applicable date on or attached to the document and the return of copies to the person who delivered the document or the person's representative.

29. "Foreign corporation" means a corporation that is organized under a law other than the law of this state and that would be a nonprofit corporation if formed under the laws of this state.

30. "Governmental subdivision" includes an authority, county, district, municipality and political subdivision.

31. "Includes" and "including" denotes a partial definition.

32. "Individual" includes the estate of an incompetent individual.

33. "Insolvent" means inability of a corporation to pay its debts as they become due in the usual course of its business.

34. "Known place of business" means the known place of business required to be maintained pursuant to section 10-3501.

35. "Mail", "to mail" or "have mailed" means to deposit or have deposited a communication in the United States mail with first class postage prepaid.

36. "Means" denotes an exhaustive definition.

37. "Member" means, without regard to what a person is called in the articles of incorporation or bylaws, any person or persons who, pursuant to a

provision of a corporation's articles of incorporation or bylaws, have the right to vote for the election of a director or directors. A person is not a member by virtue of any of the following:

(a) Any rights that person has as a delegate.

(b) Any rights that person has to designate a director or directors.

(c) Any rights that person has as a director.

(d) Being referred to as a member in the articles of incorporation, THE bylaws or any other document, if the person does not have the right to vote for the election of a director or directors.

38. "Membership" refers to the rights and obligations a member or members have pursuant to a corporation's articles of incorporation~~,~~ AND bylaws and chapters 24 through 40 of this title.

~~39. "Newspaper" has the same meaning prescribed in section 39-201.~~

~~40.~~ 39. "Notice" and "notify" are AS prescribed in section 10-3141.

~~41.~~ 40. "Person" includes AN individual and entity.

~~42.~~ 41. "President" means that officer designated as the president in the articles of incorporation or bylaws or, if not so designated, that officer authorized in the articles of incorporation, bylaws or otherwise to perform the functions of the chief executive officer, irrespective of the name by which designated.

~~43.~~ 42. "Principal office" means the office, in or out of this state, so designated in the annual report where the principal executive offices of a domestic or foreign corporation are located or in any other document executed by the corporation by an officer and delivered to the commission for filing. If an office has not been so designated, principal office means the known place of business of the corporation.

~~44.~~ 43. "Proceeding" includes a civil suit and a criminal, administrative and investigatory action.

44. "PUBLIC MEDIUM" HAS THE SAME MEANING PRESCRIBED IN SECTION 39-201.

45. "Publish" means to publish ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county of the known place of business for three consecutive publications.

46. "Record date" means the date, if any, established under chapter 29 or 30 of this title on which a corporation determines the identity of its members and their membership interests for purposes of chapters 24 through 40 of this title. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed.

47. "Secretary" means that officer designated as the secretary in the articles of incorporation or bylaws or that officer authorized in the articles of incorporation, the bylaws or otherwise to perform the functions of secretary, irrespective of the name by which designated.

48. "State" if referring to a part of the United States, includes a state and commonwealth and their agencies and governmental subdivisions and a

territory and insular possession of the United States and their agencies and governmental subdivisions.

49. "Treasurer" means that officer designated as the treasurer in the articles of incorporation or bylaws or that officer authorized in the articles of incorporation, bylaws or otherwise to perform the functions of treasurer, irrespective of the name by which designated.

50. "United States" includes a district, authority, bureau, commission and department and any other agency of the United States.

51. "Vice-president" means an officer designated as a vice-president in the articles of incorporation or bylaws or an officer authorized in the articles of incorporation~~,~~ OR the bylaws or otherwise to perform the functions of a vice-president, irrespective of the name by which designated.

52. "Vote" includes authorization by written ballot and written consent.

53. "Voting power" means the total number of votes entitled to be cast for the election of directors at the time the determination of voting power is made, excluding a vote that is contingent on the happening of a condition or event that has not occurred at the time. If a class is entitled to vote as a class for directors, the determination of voting power of the class shall be based on the percentage of the number of directors the class is entitled to elect out of the total number of authorized directors.

Sec. 51. Section 10-3141, Arizona Revised Statutes, is amended to read:

10-3141. Notice

A. Notice under chapters 24 through 40 of this title must be in writing unless oral notice is reasonable under the circumstances. Oral notice is not permitted if written notice is required under chapters 24 through 40 of this title.

B. Notice may be communicated in person, by telephone, telegraph, teletype, fax, electronic mail or other form of wire or wireless communication, or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated by ~~a newspaper of general circulation~~ PUBLICATION ON A PUBLIC MEDIUM PUBLISHED in the area ~~where published~~ or by radio, television or other form of public broadcast communication.

C. Written notice by a domestic or foreign corporation to its members or directors, if in comprehensible form, is effective when mailed, if correctly addressed to the member's OR DIRECTOR'S address shown on the corporation's current list of members or directors. Notice given by electronic mail, if in comprehensible form, is effective when directed to an electronic mail address shown on the corporation's current list of members or directors.

D. A written notice or report by a domestic or foreign corporation to its members delivered as part of a newsletter, magazine or other publication regularly sent to members shall constitute a written notice or report if

addressed or delivered to the member's address shown in the corporation's current list of members, or in the case of members who are residents of the same household and who have the same address in the corporation's current list of members, if addressed or delivered to one of such members, at the address appearing on the current list of members.

E. Written notice to a domestic or foreign corporation that is authorized to transact business in this state, other than in its capacity as a member, may be addressed to its statutory agent at its known place of business or to the corporation or its secretary at its principal office shown in its most recent annual report on file with the commission, or in the case of a foreign corporation that has not yet delivered an annual report in its application for a certificate of authority.

F. Except as provided in subsection C OF THIS SECTION, written notice, if in a comprehensible form, is effective at the earliest of the following:

1. When received.

2. Five days after its deposit in the United States mail as evidenced by the postmark, if mailed postpaid and correctly addressed.

3. On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and if the receipt is signed by or on behalf of the addressee.

G. Oral notice is effective when communicated if communicated in a comprehensible manner.

H. If chapters 24 through 40 of this title prescribe notice requirements for particular circumstances, those requirements govern. If articles of incorporation or bylaws prescribe notice requirements that are not inconsistent with this section or other provisions of chapters 24 through 40 of this title those requirements govern.

Sec. 52. Section 10-11202, Arizona Revised Statutes, is amended to read:

10-11202. Sale of assets other than in regular course of activities

A. On the terms and conditions and for the consideration determined by the corporation's board of directors, a corporation may sell, lease, exchange or otherwise dispose of all or substantially all of its property, with or without the goodwill, other than in the usual and regular course of its activities.

B. For a proposed transaction to be approved, all of the following shall have occurred:

1. The board of directors shall approve the transaction. If the members of the corporation are entitled to vote on the proposed transaction, the board of directors shall submit the proposed transaction for approval by its members and shall recommend the proposed transaction to the members, unless the board of directors determines that because of a conflict of interest or other special circumstances it should not make a recommendation

and communicates the basis for its determination to the members with the plan.

2. If the members of the corporation are entitled to vote on the proposed transaction, the members entitled to vote on the proposed transaction shall approve the proposed transaction.

3. Each person whose approval is required by the articles of incorporation for the sale, lease, exchange or other disposal shall approve the proposed transaction in writing.

C. The board of directors may condition its submission of the proposed transaction on any basis.

D. If the corporation submits the transaction for member action at a membership meeting, the corporation shall notify each member to which the proposed transaction is to be submitted for approval of the proposed membership meeting in accordance with section 10-3705. The notice shall state that the purpose or one of the purposes of the meeting is to consider the proposed transaction and shall contain or be accompanied by a copy or summary of a description of the transaction.

E. Unless chapters 24 through 40 of this title, the articles of incorporation or the board of directors acting pursuant to subsection C of this section~~,~~ requires a greater vote or voting by class, a majority of the votes cast or a majority of the voting power of the class, whichever is less, shall approve the proposed transaction to be authorized.

F. At any time before consummation of the sale, lease, exchange or other disposition of property, the transaction may be abandoned, subject to any contractual rights, without further action by the members or any other person who approved the transaction, in accordance with the procedure set forth in the resolution proposing the transaction or, if none is set forth, in the manner determined by the board of directors.

G. A transaction that constitutes a distribution is governed by sections 10-11301 and 10-11302 and not by this section.

H. Except as provided in subsection K of this section and chapter 35.1 of this title, any person who intends to purchase, lease or otherwise acquire all or substantially all of the assets of a tax exempt corporation described in section 43-1201, SUBSECTION A, paragraph 4, or all or substantially all of the assets located in this state of a tax exempt foreign corporation THAT IS described in section 501(c)(3) of the internal revenue code of 1986 and THAT is conducting affairs in this state, shall comply with subsection B of this section before such purchase, lease or acquisition if either:

1. The person is a tax exempt organization described in section 43-1201, SUBSECTION A, paragraph 4 or section 501(c)(3) of the internal revenue code of 1986 but intends to use in an unrelated trade or business, determined by applying section 43-1201, SUBSECTION A, paragraph 4 or section 513(a) of the internal revenue code of 1986 to such organization, any substantial portion of the assets to be acquired ~~which~~ THAT were not being used in an unrelated trade or business of the corporation or foreign

corporation conveying the assets immediately before the proposed purchase, lease or acquisition.

2. The person is not a tax exempt organization described in section 43-1201, SUBSECTION A, paragraph 4 or section 501(c)(3) of the internal revenue code of 1986.

I. A person subject to the requirements of subsection H of this section shall give public notice of the intended transaction in accordance with subsection J of this section and shall hold a public hearing on the intended transaction no less than ten days after the first publication of the notice and no less than ten days before the intended purchase, lease or acquisition occurs. The sole purpose of the public hearing is to receive public comment regarding the proposed transaction. The public hearing shall be held before at least two representatives of the person intending to purchase, lease or otherwise acquire the assets of the corporation or foreign corporation and at least two representatives of the corporation or foreign corporation.

J. Notice of the intended transaction shall include the time, date and place of the public hearing, the names of the parties to the transaction, a general summary of the intended transaction, a general description of the assets to be purchased, leased or otherwise acquired and a general description of the intended use of the assets after the completion of the transaction. The notice shall be published three consecutive times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county of the known place of business of the corporation or foreign corporation from which the assets are intended to be purchased, leased or otherwise acquired. The first notice shall be published no less than twenty days before the intended purchase, lease or acquisition occurs.

K. The requirements of subsections I and J of this section do not apply to the purchase, lease or other acquisition of assets under this section from a domestic or foreign corporation as provided in this section if any of the following applies:

1. The transaction involves assets having a book value at the time of the transaction, net of accumulated depreciation, of less than two million dollars.

2. The transaction is in the usual course of business of the transferor or in connection with the mortgage or pledge of any or all property and assets of the corporation or foreign corporation whether or not in its usual and regular course of business.

3. The transferor has assets immediately ~~prior to~~ BEFORE such transaction, with a book value of more than ten million dollars, net of accumulated depreciation.

4. The transaction is to enable the transferor to finance the purchase of assets or to refinance assets already owned by it, or if, after the transaction has been completed, the transferor continues to have possession

of the assets purchased, leased or otherwise acquired or used in the usual and regular course of its business.

5. The transferor offers goods or services only to members who are entitled to vote for its board of directors.

6. The transferor is organized for religious purposes and does not have, as a substantial portion of its business, the offering of goods or services on a regular basis to the public for remuneration.

7. The purchase, lease or sale of assets as described in subsection A of this section by the United States, this state, a political subdivision of this state or an agency or instrumentality of such a governmental entity.

8. The purchase, lease or sale of assets as described in subsection A of this section by a hospital, medical, dental or optometric service corporation licensed pursuant to title 20, chapter 4, article 3.

L. For the purposes of subsection K, paragraph 6 of this section:

1. Goods and services shall include, but are not limited to, medical, hospital, dental or counseling or social services offered on a regular basis to the public for remuneration.

2. A transferor organized for religious purposes includes a corporation or foreign corporation that controls or is controlled directly or indirectly by a corporation or foreign corporation organized for religious purposes.

M. The exemption provided by subsection K, paragraph 7 of this section does not apply to a corporation or foreign corporation that provides services to or operates assets of such a governmental entity pursuant to a lease or contract.

Sec. 53. Section 10-11253, Arizona Revised Statutes, is amended to read:

10-11253. Public hearing; notice; requirements; summary report

A. No later than ninety days before the anticipated closing of the intended transaction, any nonprofit health care entity that intends to engage in any of the transactions described in section 10-11252, subsection A shall give written notice to the chairman of the corporation commission, the director of the department of health services and the attorney general. The written notice shall include all of the following information:

1. The names, addresses and telephone numbers of the parties to the intended transaction.

2. The names, addresses and telephone numbers of the attorneys or other persons who represent the parties in connection with the intended transaction.

3. A general summary of the intended transaction.

4. A general description of the assets involved in the intended transaction and the intended use of the assets after the closing of the intended transaction.

5. A general summary of all collateral transactions that relate to the intended transaction, including the names, addresses and telephone numbers of the parties involved in the collateral transactions.

6. The anticipated date of completion of the intended transaction.

B. The notice and information required pursuant to subsection A of this section and information submitted pursuant to subsection H of this section are public records.

C. Within thirty days after the nonprofit health care entity sends the written notice prescribed in subsection A of this section, the parties to the intended transaction shall:

1. Select a hearing officer to conduct the public hearing required by this section and determine a time and place within this state for the public hearing with the agreement of both the chairman of the corporation commission and the director of the department of health services.

2. Publish a notice of the time and place for the public hearing at least three consecutive times ~~in at least one newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the nonprofit health care entity has its principal place of business.

D. The hearing officer shall hold the public hearing within ten days after the last publication of the public notice.

E. The purpose of the public hearing is to provide the information described in subsection F of this section and to receive comments from the public and other interested parties.

F. The parties shall present written summary information at the public hearing that sets forth all of the following:

1. The extent to which the intended transaction impacts community benefit activities and is consistent with community benefit purposes, including a description of the resources that will be committed to community benefit purposes following the intended transaction.

2. Whether the intended transaction creates or has the likelihood of creating an adverse effect on the access to or availability or cost of health care services.

3. Whether any director, officer, agent or employee of the entity will receive any community benefit asset or will benefit directly or indirectly from the intended transaction, except for the receipt of compensation for professional services relating to the intended transaction for normal compensation for services rendered.

4. The extent to which the nonprofit health care entity used due diligence in the selection of the entity that will receive any community benefit asset and in the negotiation of the price and other terms and conditions of the transaction.

5. The extent to which the parties will continue to use the nonprofit health care entity's community benefit assets for community benefit purposes following the intended transaction, or, if applicable, the proceeds of the

disposition of the assets will be deposited in a community benefit organization for community benefit purposes.

6. Whether any initial board of directors members of any entity changed or created by the intended transaction will reside in or near the communities affected by the intended transaction.

7. That any community benefit organization established to hold the proceeds of the disposition of assets is organized for community benefit purposes as required under federal and state law.

G. The attorney general may present information at the public hearing.

H. The hearing officer conducting the public hearing shall compile a summary report of the public hearing proceedings and shall transmit the summary report, a notice of completion and copies of all written information presented at the hearing to the chairman of the corporation commission, with copies to the director of the department of health services and the attorney general.

I. The parties to the intended transaction shall pay for all costs associated with the hearing officer, notice, publication of notice, public hearing and summary report.

Sec. 54. Section 10-11407, Arizona Revised Statutes, is amended to read:

10-11407. Unknown claims against dissolved corporation

A. A dissolved corporation may also publish notice of its dissolution and request that persons with claims against the corporation present them in accordance with the notice.

B. The notice shall:

1. Be published one time ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the dissolved corporation's known place of business is or was last located.

2. Describe the information that must be included in a claim and provide a mailing address where the claim may be sent.

3. State that a claim against the corporation will be barred unless a proceeding to enforce the claim is commenced within five years after the publication of the notice.

C. If the dissolved corporation publishes a ~~newspaper~~ notice in accordance with subsection B of this section, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within five years after the publication date of the ~~newspaper~~ notice:

1. A claimant who did not receive written notice under section 10-11406.

2. A claimant whose claim was timely sent to the dissolved corporation but not acted on.

3. A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution and is not disposed of in accordance with section 10-11406, subsection D.

D. If a claim, including a contingent claim or a claim based on an event occurring after the effective date of dissolution, is not barred by section 10-11406 or this section, the claim may be enforced either:

1. Against the dissolved corporation to the extent of its undistributed assets.

2. If the assets have been distributed in liquidation, against any person, other than a creditor of the corporation, to whom the corporation distributed its property to the extent of the distributee's pro rata share of the claim or the corporate assets distributed to that person in liquidation, whichever is less, but the distributee's total liability for all claims under this section shall not exceed the total amount of assets distributed to the distributee.

Sec. 55. Section 10-11623, Arizona Revised Statutes, is amended to read:

10-11623. Statement of bankruptcy or receivership; interrogatories before subsequent incorporation; violation; classification; definition

A. On the filing of a petition for bankruptcy or the appointment of a receiver for any corporation, the corporation shall deliver a statement to the commission listing:

1. All officers, directors and trustees of the corporation within one year of filing the petition for bankruptcy or the appointment of a receiver.

2. Whether any such person has been an officer, director or trustee of any other corporation within one year of the bankruptcy or receivership of the other corporation.

3. If the answer in paragraph 2 of this subsection is in the affirmative, for each such corporation the following information:

(a) Name and address.

(b) States in which it:

(i) Was incorporated.

(ii) Conducted affairs.

(c) Dates of operation.

B. The commission shall maintain a suitably indexed list of all such persons. The index shall be a public record of the commission for purposes of title 39.

C. On receipt of the articles of incorporation of a new corporation or application for authority to conduct affairs by a foreign corporation, the commission shall determine whether any person~~,~~ proposed as an officer, director, trustee or incorporator of the new or foreign corporation has been involved two or more times in a corporate bankruptcy, receivership, administrative dissolution, revocation or judicial dissolution commenced by any state. If so, the commission shall direct detailed interrogatories to those persons requiring any additional relevant information deemed necessary by the commission and at the same time provide public notice of the interrogatory procedure. Any person may request additional interrogatories

or may provide additional information to the commission. The interrogatories shall be completely answered within thirty days after mailing. With respect to corporations incorporated or seeking authority to conduct affairs, articles of incorporation or application for authority shall not be filed until all outstanding interrogatories have been answered to the satisfaction of the commission.

D. Any applicant for filing articles of incorporation authority to conduct affairs who is dissatisfied with a determination of the commission or any other proceeding under this section may demand and the commission or its designee shall convene a public hearing at the county seat of the county of the corporate headquarters of the proposed corporation. The commission shall give public notice of the hearing at least twenty days before the hearing by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in any county in which a relevant prior bankruptcy or receivership occurred.

E. On a quarterly updated basis the commission shall provide the attorney general with a copy of statements furnished pursuant to subsection A OF THIS SECTION and answers to interrogatories propounded pursuant to subsection C OF THIS SECTION.

F. Any person or corporation failing to comply with the requirements of this section is guilty of a class 1 misdemeanor. Any person making a false statement or giving false information pursuant to this section is guilty of a class 5 felony.

Sec. 56. Section 11-134, Arizona Revised Statutes, is amended to read:

11-134. Notice of intention to circulate petitions

A. Before circulating a petition for the formation of new counties, the proponents shall file a notice of intention to do so with the secretary of state who shall transmit a copy to the clerk of the board of supervisors of each affected county. The notice shall include a written statement ~~which~~ THAT does not exceed five hundred words and states the objectives to be achieved by forming the new counties.

B. The secretary of state shall immediately cause the notice to be published once each week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each affected county. The clerk of the board of supervisors in each affected county shall also post the notice in a public location in the county seat.

C. The petition for the formation of new counties shall not be circulated for signatures until thirty days after the notice of intention is filed with the secretary of state.

Sec. 57. Section 11-137, Arizona Revised Statutes, is amended to read:

11-137. Election on formation of new counties

A. The secretary of state shall call a special election in the affected county or counties for the approval or disapproval of the proposed new county or counties. The election shall be held on the eighth Tuesday following the issuance of the commission's report under section 11-136,

subsection F, except that an election shall not be held between January 1 and the general election date in a year in which the president of the United States is elected.

B. The notice of the election shall:

1. State that the proposal is to establish:

(a) A new county or counties according to the determination of and terms and conditions prescribed by the commission in its report.

(b) A county distribution board to determine and accomplish the division of and payment for the property of the affected county or counties as provided in section 11-143.

2. State the boundaries of the proposed county or counties.

3. State that, if the proposed county or counties are approved, the county names and county seats will be determined pursuant to section 11-141 and that county officers will be chosen at the next regular primary and general elections for county officers pursuant to section 11-140.

4. Designate the date of the election.

5. Designate the election precincts and places where the polls will be open as established by the board of supervisors of each affected county and the secretary of state under subsection G of this section.

6. Name the election officers of the several precincts.

C. The notice of the election shall be published at least twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each of the affected counties.

D. The secretary of state shall cause to be printed and at least ten days before the election shall mail to each registered voter household in each affected county a publicity pamphlet containing the notice of election prescribed by this section, a sample election ballot and the summary of the commission's report prepared pursuant to section 11-136, subsection F. Not later than forty days before the election, a person may file with the secretary of state an argument, not exceeding two hundred words in length, advocating or opposing the formation of the proposed new county or counties. Each argument must be signed by the person, or the officers of the organization, sponsoring it and accompanied by a fee of two hundred dollars. The person or persons signing the argument shall identify themselves by giving their residence or post office address. The publicity pamphlet shall include each argument so filed.

E. The ballot shall state "Shall new counties be established from existing _____ (county or counties) as prescribed in the report of the county formation commission, including the establishment of a distribution board to estimate taxes to be levied for the distribution of county assets, liabilities and records?" followed by spaces designated "yes" and "no" in which the voter may indicate his vote for or against the proposition. Except as otherwise provided and as far as practicable, the secretary of state shall conduct the election and canvass the returns in the same manner as general elections. If there is only one affected county and as is otherwise

practicable, the secretary of state may delegate election responsibilities under this section as he deems appropriate to the board of supervisors.

F. Registered voters are entitled to vote in the election. Any person eligible to register who is not registered may register with the county recorder up to twenty-nine days before the election.

G. If necessary for purposes of the election, the secretary of state may order the board of supervisors of an affected county to change the boundaries of election precincts in its county to conform to the boundary between proposed counties. If the precinct boundaries are changed, the secretary of state shall notify the attorney general to initiate proceedings to determine compliance with applicable federal laws under section 11-139, and the election date may be postponed accordingly.

H. On the second Monday following the election the secretary of state shall canvass the returns. The proposition to form the new counties is approved only if a majority of the votes cast in each proposed new county ~~favors~~ FAVOR the proposition.

I. The secretary of state shall immediately make an order declaring the result and transmit copies of the order to the clerk of the board of supervisors of each affected county, the governor, the attorney general, the president of the senate, the speaker of the house of representatives and each legislator whose district is in an affected county.

Sec. 58. Section 11-172, Arizona Revised Statutes, is amended to read:

11-172. Hearing on petition; notice

When the petition is filed, the board shall fix a time for a public hearing ~~upon~~ ON the petition and the clerk shall give notice thereof by publication ~~in such newspapers~~ ON A PUBLIC MEDIUM published in the county as designated by the board, not exceeding three, at least once in each week for two weeks, the first publication to be at least two weeks before the date of hearing, and by posting a copy of the notice in the post office in each incorporated city or town in the county, and at some public place in each election precinct of the county.

Sec. 59. Section 11-251, Arizona Revised Statutes, is amended to read:

11-251. Powers of board

The board of supervisors, under such limitations and restrictions as are prescribed by law, may:

1. Supervise the official conduct of all county officers and officers of all districts and other subdivisions of the county charged with assessing, collecting, safekeeping, managing or disbursing the public revenues, see that such officers faithfully perform their duties and direct prosecutions for delinquencies, and, when necessary, require the officers to renew their official bonds, make reports and present their books and accounts for inspection.

2. Divide the counties into such districts or precincts as required by law, change them and create others as convenience requires.

3. Establish, abolish and change election precincts, appoint inspectors and judges of elections, canvass election returns, declare the result and issue certificates thereof.

4. Lay out, maintain, control and manage public roads, ferries and bridges within the county and levy such tax for that purpose as may be authorized by law.

5. Provide for the care and maintenance of the sick of the county, erect and maintain hospitals for that purpose and, in its discretion, provide a farm in connection with the county hospital and adopt ordinances for working the farm.

6. Provide suitable rooms for county purposes.

7. Purchase, receive by donation or lease real or personal property necessary for the use of the county prison and take care of, manage and control the property, but ~~no~~ purchase of real property shall NOT be made unless the value has been previously estimated by three disinterested citizens of the county, appointed by the board for that purpose, and no more than the appraised value shall be paid for the property.

8. Cause to be erected and furnished a courthouse, jail and hospital and such other buildings as necessary, and construct and establish a branch jail, when necessary, at a point distant from the county seat.

9. Sell at public auction, after thirty days' previous notice given by publication ~~in a newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county, stating the time and place of the auction, and convey to the highest bidder, for cash or contract of purchase extending not more than ten years from the date of sale and on such terms and for such consideration as the board shall prescribe, any property belonging to the county that the board deems advantageous for the county to sell, or that the board deems unnecessary for use by the county, and shall pay the proceeds thereof into the county treasury for use of the county, except that personal property need not be sold but may be used as a trade-in on the purchase of personal property when the board deems this disposition of the personal property to be in the best interests of the county. When the property for sale is real property, the board shall have such property appraised by a qualified independent fee appraiser who has an office located in this state. The appraiser shall establish a minimum price, which shall not be less than ninety per cent of the appraised value. The notice regarding the sale of real property shall be published in the county where the property is situated and may be published in one or more other counties, and shall contain, among other things, the appraised value, the minimum acceptable sale price, and the common and legal description of the real property. Notwithstanding the requirement for a sale at public auction prescribed in this paragraph, a county, with unanimous consent of the board and without a public auction, may sell or lease any county property to any other duly constituted governmental entity, including the state, cities, towns and other counties. A county, with unanimous consent of the board and without public auction, may grant an easement on

county property for public purposes to a utility as defined in section 40-491. A county, with unanimous consent of the board and without public auction, may sell or lease any county property for a specific use to any solely charitable, social or benevolent nonprofit organization incorporated or operating in this state. A county may dispose of surplus equipment and materials that have little or no value or that are unauctionable in any manner authorized by the board.

10. Examine and exhibit the accounts and performance of all officers having the care, management, collection or disbursement of monies belonging to the county or appropriated by law or otherwise for the use and benefit of the county. The working papers and other audit files in an examination and audit of the accounts and performance of a county officer are not public records and are exempt from title 39, chapter 1. The information contained in the working papers and audit files prepared pursuant to a specific examination or audit is not subject to disclosure, except to the county attorney and the attorney general in connection with an investigation or action taken in the course of their official duties.

11. Examine, settle and allow all accounts legally chargeable against the county, order warrants to be drawn on the county treasurer for that purpose and provide for issuing the warrants.

12. Levy such tax annually on the taxable property of the county as may be necessary to defray the general current expenses thereof, including salaries otherwise unprovided for, and levy such other taxes as are required to be levied by law.

13. Equalize assessments.

14. Direct and control the prosecution and defense of all actions to which the county is a party, and compromise them.

15. Insure the county buildings in the name of and for the benefit of the county.

16. Fill by appointment all vacancies occurring in county or precinct offices.

17. Adopt provisions necessary to preserve the health of the county, and provide for the expenses thereof.

18. With the approval of the department of health services, contract with any qualified person to provide all or part of the health services, funded through the department of health services with federal or state monies, that the board in its discretion extends to residents of the county.

19. Contract for county printing and advertising, and provide books and stationery for county officers.

20. Provide for rebinding county records, or, if necessary, the transcribing of county records.

21. Make and enforce necessary rules and regulations for the government of its body, the preservation of order and the transaction of business.

22. Adopt a seal for the board, a description and impression of which shall be filed by the clerk in the office of the county recorder and the secretary of state.

23. Establish, maintain and conduct or aid in establishing, maintaining and conducting public aviation fields, purchase, receive by donation or lease any property necessary for that purpose, lease, at a nominal rental if desired, sell such aviation fields or property to the United States or any department, or sell or lease such aviation fields to a city, exchange lands acquired pursuant to this section for other lands, or act in conjunction with the United States in maintaining, managing and conducting all such property. If any such property or part of that property is not needed for these purposes, it shall be sold by the board and the proceeds shall be paid into the general fund of the county.

24. Acquire and hold property for the use of county fairs, and conduct, take care of and manage them.

25. Authorize the sheriff to offer a reward, not exceeding ten thousand dollars in one case, for information leading to the arrest and conviction of persons charged with crime.

26. Contract for the transportation of insane persons to the state hospital or direct the sheriff to transport such persons. The county is responsible for such expense to the extent the expense is not covered by any third-party payor.

27. Provide for the reasonable expenses of burial for deceased indigents as provided in section 36-831 and maintain a permanent register of deceased indigents, including name, age and date of death, and when burial occurs, the board shall mark the grave with a permanent marker giving the name, age, and date of birth, if known.

28. Sell or grant to the United States the title or interest of the county in any toll road or toll train in or partly within a national park, on such terms as may be agreed on by the board and the secretary of the interior of the United States.

29. Enter into agreements for acquiring rights-of-way, construction, reconstruction or maintenance of highways in their respective counties, including highways that pass through Indian reservations, with the government of the United States, acting through its duly authorized officers or agents pursuant to any act of Congress, except that the governing body of any Indian tribe whose lands are affected must consent to the use of its land, and any such agreements entered into before June 26, 1952 are validated and confirmed.

30. Do and perform all other acts and things necessary to the full discharge of its duties as the legislative authority of the county government, including receiving and accepting payment of monies by credit card or debit card, or both. Any fees or costs incurred by the use of the credit or debit card shall be paid by the person tendering payment unless the

charging entity determines that the financial benefits of accepting credit cards or debit cards exceeds the additional processing fees.

31. Make and enforce all local, police, sanitary and other regulations not in conflict with general law.

32. Budget for funds for foster home care during the school week for children with intellectual disabilities and otherwise handicapped children who reside within the county and attend a school for the handicapped in a city or town within such county.

33. Do and perform all acts necessary to enable the county to participate in the economic opportunity act of 1964 (P.L. 88-452; 78 Stat. 508), as amended.

34. Provide a plan or plans for its employees that provide tax deferred annuity and deferred compensation plans as authorized pursuant to title 26, United States Code. Such plans shall allow voluntary participation by all employees of the county. Participating employees shall authorize the board to make reductions in their remuneration as provided in an executed deferred compensation agreement.

35. Adopt and enforce standards for shielding and filtration of commercial or public outdoor portable or permanent light fixtures in proximity to astronomical or meteorological laboratories.

36. Subject to the prohibitions, restrictions and limitations as set forth in section 11-812, adopt and enforce standards for excavation, landfill and grading to prevent unnecessary loss from erosion, flooding and landslides.

37. Make and enforce necessary ordinances for the operation and licensing of any establishment not in the limits of an incorporated city or town in which is carried on the business of providing baths, showers or other forms of hydrotherapy or any service of manual massage of the human body.

38. Provide pecuniary compensation as salary or wages for overtime work performed by county employees, including those employees covered by title 23, chapter 2, article 9. In so providing, the board may establish salary and wage plans incorporating classifications and conditions prescribed by the federal fair labor standards act.

39. Establish, maintain and operate facilities that provide for physical evaluation, diagnosis and treatment of patients and that do not keep patients overnight as bed patients or treat patients under general anesthesia.

40. Enact ordinances under its police authority prescribing reasonable curfews in the entire unincorporated area or any area less than the entire unincorporated area of the county for minors and fines not to exceed the fine for a petty offense for violation of such ordinances. ~~Nothing in~~ This paragraph shall NOT be construed to require a request from an association or a majority of the residents of an area before the board may enact an ordinance applicable to the entire or any portion of the unincorporated area. An ordinance enacted pursuant to this paragraph shall provide that a

minor is not violating a curfew if the minor is accompanied by a parent, a guardian or an adult having supervisorial custody, is on an emergency errand or has been specifically directed to the location on reasonable, legitimate business or some other activity by the parent, guardian or adult having supervisorial custody. If no curfew ordinance is applicable to a particular unincorporated area of the county, the board may adopt a curfew ordinance on the request or petition of either:

(a) A homeowners' association that represents a majority of the homeowners in the area covered by the association and to which the curfew would apply.

(b) A majority of the residents of the area to which the curfew would apply.

41. Lease or sublease personal property owned by the county to other political subdivisions of this state to be used for a public purpose.

42. In addition to the agreements authorized by section 11-651, enter into long-term agreements for the purchase of personal property, provided that the board may cancel any such agreement at the end of a fiscal year, at which time the seller may repossess the property and the agreement shall be deemed terminated.

43. Make and enforce necessary ordinances not in conflict with the laws of this state to regulate off-road recreational motor vehicles that are operated within the county on public lands without lawful authority or on private lands without the consent of the lawful owner or that generate air pollution. For the purposes of this paragraph, "off-road recreational motor vehicle" means three and four wheel vehicles manufactured for recreational nonhighway all terrain travel.

44. Acquire land for roads, drainage ways and other public purposes by exchange without public auction, except that notice shall be published thirty days before the exchange, listing the property ownership and descriptions.

45. Purchase real property for public purposes, provided that final payment shall be made not later than five years after the date of purchase.

46. Lease-purchase real property and improvements for real property for public purposes, provided that final payment shall be made not later than twenty-five years after the date of purchase. Any increase in the final payment date from fifteen years up to the maximum of twenty-five years shall be made only on unanimous approval by the board of supervisors.

47. Make and enforce ordinances for the protection and disposition of domestic animals subject to inhumane, unhealthful or dangerous conditions or circumstances, provided that nothing in this paragraph limits or restricts the authority granted to incorporated cities and towns or counties pursuant to section 13-2910. An ordinance enacted pursuant to this paragraph shall not restrict or limit the authority of the game and fish commission to regulate the taking of wildlife. For the purposes of this paragraph, "domestic animal" means an animal kept as a pet and not primarily for economic purposes.

48. If a part of a parcel of land is to be taken for roads, drainage, flood control or other public purposes and the board and the affected property owner determine that the remainder will be left in such a condition as to give rise to a claim or litigation concerning severance or other damage, acquire the whole parcel by purchase, donation, dedication, exchange, condemnation or other lawful means, and the remainder may be sold or exchanged for other properties needed for any public purpose.

49. Make and enforce necessary rules providing for the reimbursement of travel and subsistence expenses of members of county boards, commissions and advisory committees when acting in the performance of their duties, if the board, commission or advisory committee is authorized or required by federal or state law or county ordinance, and the members serve without compensation.

50. Provide a plan or plans for county employee benefits that allow for participation in a cafeteria plan that meets the requirements of the United States internal revenue code of 1986.

51. Provide for fringe benefits for county employees, including sick leave, personal leave, vacation and holiday pay and jury duty pay.

52. Make and enforce ordinances that are more restrictive than state requirements to reduce or encourage the reduction of carbon monoxide and ozone levels, provided an ordinance does not establish a standard for vehicular emissions, including ordinances to reduce or encourage the reduction of the commuter use of motor vehicles by employees of the county and employees whose place of employment is in unincorporated areas of the county.

53. Make and enforce ordinances to provide for the reimbursement of up to one hundred per cent of the cost to county employees of public bus or van pool transportation to and from their place of employment.

54. Lease for public purposes any real property, improvements for real property and personal property under the same terms and conditions, to the extent applicable, as are specified in sections 11-651 and 11-653 for lease-purchases.

55. Enact ordinances prescribing regulation of alarm systems and providing for civil penalties to reduce the incidence of false alarms at business and residential structures relating to burglary, robbery, fire and other emergencies not within the limits of an incorporated city or town.

56. In addition to paragraph 9 of this section, and notwithstanding section 23-504, sell or dispose of, at no less than fair market value, county personal property that the board deems no longer useful or necessary through a retail outlet or to another government entity if the personal property has a fair market value of no more than one thousand dollars, or by retail sale or private bid, if the personal property has a fair market value of no more than fifteen thousand dollars. Notice of sales in excess of one thousand dollars shall include a description and sale price of each item and shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county, and for thirty days after notice other bids may be submitted

that exceed the sale price by at least five per cent. The county shall select the highest bid received at the end of the thirty-day period.

57. Sell services, souvenirs, sundry items or informational publications that are uniquely prepared for use by the public and by employees and license and sell information systems and intellectual property developed from county resources that the county is not obligated to provide as a public record.

58. On unanimous consent of the board of supervisors, license, lease or sell any county property pursuant to paragraphs 56 and 57 of this section at less than fair market value to any other governmental entity, including this state, cities, towns, public improvement districts or other counties within or outside of this state, or for a specific purpose to any charitable, social or benevolent nonprofit organization incorporated or operating in this state.

59. On unanimous consent of the board of supervisors, provide technical assistance and related services to a fire district pursuant to an intergovernmental agreement.

60. Adopt contracting procedures for the operation of a county health system pursuant to section 11-291. Before the adoption of contracting procedures the board shall hold a public hearing. The board shall publish one notification ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat at least fifteen days before the hearing.

61. Enter into an intergovernmental agreement pursuant to chapter 7, article 3 of this title for a city or town to provide emergency fire or emergency medical services pursuant to section 9-500.23 to a county island as defined in section 11-251.12. The board may charge the owners of record in the county island a fee to cover the cost of an intergovernmental agreement that provides fire and emergency medical services.

62. In counties that employ or have designated an animal control county enforcement agent pursuant to section 11-1005, enter into agreements with foundations or charitable organizations to solicit donations, property or services, excluding enforcement or inspection services, for use by the county enforcement agent solely to perform nonmandated services and to fund capital improvements for county animal control, subject to annual financial and performance audits by an independent party as designated by the county board of supervisors. For the purposes of this paragraph, nonmandated services are limited to low cost spay and neuter services, public education and outreach efforts, pet adoption efforts, care for pets that are victims of cruelty or neglect and support for volunteer programs.

63. Adopt and provide for the enforcement of ordinances prohibiting open fires and campfires on designated lands in the unincorporated areas of the county when a determination of emergency is issued by the county emergency management officer and the board deems it necessary to protect public health and safety on those lands.

64. Fix the amount of license fees to be paid by any person, firm, corporation or association for carrying on any game or amusement business in unincorporated areas of the county and prescribe the method of collection or payment of those fees, for a stated period in advance, and fix penalties for failure to comply by fine. ~~Nothing in~~ This article shall NOT be construed as authorizing any county to require an occupational license or fee for any activity if state law precludes requiring such a license or fee.

65. Adopt and enforce ordinances for the prevention, abatement and removal of graffiti, providing that any restrictions on the retail display of potential graffiti tools be limited to any of the following, as determined by the retail business:

(a) In a place that is in the line of sight of a cashier or in the line of sight from a work station normally continuously occupied during business hours.

(b) In a manner that makes the product accessible to a patron of the business establishment only with the assistance of an employee of the establishment.

(c) In an area electronically protected, or viewed by surveillance equipment that is monitored, during business hours.

66. Adopt ordinances and fees related to the implementation of a local stormwater quality program pursuant to title 49, chapter 2, article 11.

Sec. 60. Section 11-251.05, Arizona Revised Statutes, is amended to read:

11-251.05. Ordinances

A. The board of supervisors may:

1. In the conduct of county business, adopt, amend and repeal all ordinances necessary or proper to carry out the duties, responsibilities and functions of the county ~~which~~ THAT are not otherwise specifically limited by section 11-251 or any other law or in conflict with any rule or law of this state.

2. Prescribe punishment by fine or imprisonment, or both, for the violation of an ordinance adopted pursuant to paragraph 1 of this subsection. A fine or imprisonment shall not exceed the maximum limitations for a class 1 misdemeanor.

B. Ordinance authority under subsection A of this section shall be in addition to and preemptive of ordinance, rule making or regulatory authority of any other county board or county commission. A county may not impose taxes except as otherwise provided by law and as specified in section 11-251.

C. ~~Prior to~~ BEFORE THE adoption, amendment or repeal of an ordinance under this section, the board of supervisors shall hold a public hearing ~~thereon~~ AND SHALL GIVE at least fifteen days' notice of ~~which shall be given~~ THE HEARING by one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat. After adopted or amended, the ordinance shall be published at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat.

D. An ordinance adopted under this section may apply to the unincorporated and incorporated areas in the county if the ordinance is not in conflict with an existing city or town ordinance or state law or otherwise regulated by the state. If the ordinance is intended to apply to any incorporated area of the county, ~~prior to~~ BEFORE the ordinance becoming effective within the boundaries of a city or town, the city or town council shall consider the ordinance and, if the council finds that the subject matter of the ordinance is not either a matter of local concern or governed by an existing city or town ordinance, the council shall approve by resolution the application or enforcement of such ordinance within the boundaries of the city or town. ~~Upon~~ ON thirty days' notice to the county, a city or town council may rescind such approval by resolution if the subject matter of the ordinance is governed or to be governed by a city or town ordinance. An ordinance may apply to the unincorporated areas of the county, to part or parts of such areas or to a combination of incorporated and unincorporated areas of the county, as the board deems appropriate and subject to the approval of a city or town as specified in this subsection.

E. ~~Nothing contained in~~ This section shall NOT be construed to prohibit a county from exercising such powers and authority as are granted under other provisions of state law.

Sec. 61. Section 11-254.01, Arizona Revised Statutes, is amended to read:

11-254.01. County purchasing procedures; purchases to be based on competitive bids; content and issuance of invitations and specifications; basis of awards and rejection of bids; professional services; buildings

A. All purchases of supplies, materials, equipment and contractual services, except professional services, THAT ARE made by the county ~~having~~ AND THAT HAVE an estimated cost in excess of ten thousand dollars per transaction, or the aggregate dollar amount provided for in section 41-2535, if pursuant to section 41-2501, subsection C the board of supervisors adopts the aggregate dollar amount, shall be based on sealed, competitive bids. The county purchasing agent shall make the awards on board of supervisors approval. The invitation for bids and specifications must be issued in sufficient time before the purchase is made and in sufficient detail to permit free competition. Notice of the invitation for bids shall be published ~~in a newspaper~~ ON A PUBLIC MEDIUM in accordance with title 39, chapter 2 unless the board of supervisors, by at least a two-thirds vote of its membership, determines that an emergency exists requiring immediate action to protect the public health or safety. Copies of the invitation and specifications shall be supplied to and bids shall be solicited from qualified sources consistent with the item to be purchased as determined by the county purchasing agent, including all qualified suppliers who before the

issuance of the invitation notify the purchasing department in writing that they desire to bid on materials, supplies, equipment or contractual services.

B. Bids shall be opened publicly at the time and place stated in the invitation. On board approval, the county purchasing agent shall make awards with reasonable promptness by giving written notice to the responsible bidder whose bid conforms to the invitation and whose bid is the most advantageous to the county concerning price, conformity to the specifications and other factors. The board may reject all bids if rejection is in the public interest.

C. For purchases of ten thousand dollars or less, or for purchases of less than the aggregate dollar amount if the county board of supervisors adopts the amount provided for in section 41-2535, each county shall develop purchasing procedures to comply with the uniform accounting system prescribed by the auditor general under section 41-1279.21.

D. Professional services shall be procured pursuant to written policies developed by the county purchasing agent and adopted by the board of supervisors.

E. All erections of and repairs and alterations to any county building are not subject to this section but are subject to title 34, chapter 2.

Sec. 62. Section 11-255, Arizona Revised Statutes, is amended to read:

11-255. Annual contract for advertising and printing

A. The board shall contract annually for all advertising, publications and printing required to be done or made by all departments of county government.

B. Written notice of letting the contract shall be deposited in the post office by the clerk of the board, postage prepaid, addressed to the office of each qualified ~~newspaper~~ PUBLIC MEDIUM within the county, at least ten days ~~prior to~~ BEFORE the opening of bids, calling for written bids for the advertising, publications and printing required by all county departments during the ensuing year, and stating on what day the bids received will be opened.

C. A contract shall be made with the lowest and best bidder, in the discretion of the board, and to a ~~newspaper which for at least one year has been admitted to the United States mail as second-class matter, if the bid is within the legal rate~~ PUBLIC MEDIUM. During the existence of the contract, all advertising, publications and printing ordered by any department of county government shall be provided to the ~~newspaper~~ PUBLIC MEDIUM THAT IS awarded the contract for printing under the terms and conditions of the contract.

D. The ~~newspaper which~~ PUBLIC MEDIUM THAT is awarded the contract pursuant to subsection C OF THIS SECTION may be referred to as the official ~~newspaper~~ PUBLIC MEDIUM of the county.

E. Notwithstanding subsection C OF THIS SECTION, the board of supervisors ~~may~~, for itself and all departments of county government, MAY

advertise, publish and print in a publication other than the official ~~newspaper~~ PUBLIC MEDIUM, if any of the following ~~apply~~ APPLIES:

1. The advertising, publishing or printing is in addition to that required to be done in the official ~~newspaper~~ PUBLIC MEDIUM of the county.

2. The advertising, publishing or printing is authorized but not required by law.

3. The advertising, publishing or printing is required by statute to be done in a location other than that of the official ~~newspaper~~ PUBLIC MEDIUM of the county.

Sec. 63. Section 11-256, Arizona Revised Statutes, is amended to read:

11-256. Lease or sublease of county lands and buildings; exceptions

A. The board may lease or sublease, for a term not to exceed twenty-five years plus an option to renew for an additional period not exceeding twenty-five years, any land or building owned by or under the control of the county.

B. An experienced appraiser shall be appointed to determine the rental valuation of such land or building, except that the appointment of an appraiser is not required for the lease of any land or building that is valued at five thousand dollars or less if the value of the land or building has been estimated and justified by a market analysis that is based on comparable sales.

C. Such land or building shall be leased or subleased at a public auction to the highest responsible bidder, provided that the amount of bid is at least ninety per cent of the rental valuation as determined by the appraiser or the market analysis, and subject to such other terms and conditions as the board may prescribe.

D. Notice of a proposed lease or sublease shall be given by publication, once each week for four consecutive weeks, ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice shall state the period and all material conditions of the proposed lease, and the day on which the auction will be held, which shall be not less than thirty days after last publication of the notice.

E. Subsections C and D OF THIS SECTION do not apply to leases granting a leasehold interest to a person or entity that owned, leased or otherwise possessed the property to be leased immediately before purchase or acquisition by the county or to other persons or entities leasing property for a term that would expire within four years after the purchase or acquisition by the county. A lease entered into pursuant to this subsection shall be for at least ninety per cent of, but not more than, the appraised rental valuation or market analysis determined pursuant to subsection B OF THIS SECTION.

F. This section is supplementary to and not in conflict with other statutes governing or regulating powers of boards of supervisors.

Sec. 64. Section 11-256.01, Arizona Revised Statutes, is amended to read:

11-256.01. Lease or sublease of county lands and buildings to governmental entity, county fair association or nonprofit corporation; exception

A. Notwithstanding section 11-256, the board may lease or sublease any land or building owned by or under the control of the county to this state, a county fair association ~~which~~ THAT qualifies to conduct a racing meeting under section 5-111, subsection E or to receive county monies as provided in section 11-258, a nonprofit corporation, other than a municipal or public finance corporation, organized pursuant to title 10, chapters 24 through 40, an incorporated city or town, a school district or any other political subdivision of this state without holding a public auction and for less than the fair rental value. The board may specify the uses to which the land or building must be devoted and any terms and conditions for the use ~~which~~ THAT the board determines are in the best interests of the county.

B. Notice of the proposed lease or sublease shall be given by publication once each week for four consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice shall state all material conditions of the proposed lease, including, if appropriate, the uses to which the land or building must be devoted and any terms and conditions for the use ~~which~~ the board establishes.

C. If a bid is offered by a person other than the state, a county fair association, a nonprofit corporation, other than a municipal or public finance corporation, or a political subdivision during the notice period, and the bid equals or exceeds the fair rental value of the land or building, the board shall not enter the proposed lease with the state, the county fair association, the nonprofit corporation or the political subdivision and shall offer the land or building for lease in accordance with ~~the provisions of~~ section 11-256.

Sec. 65. Section 11-264.01, Arizona Revised Statutes, is amended to read:

11-264.01. Additional bonding authority; security for payment; definition

A. In addition to other bonding authority of the board of supervisors, the board of any county authorized to operate a sewerage system pursuant to ~~provisions of~~ section 11-264 may issue bonds for the construction, acquisition or improvement of such system. All principal and interest of bonds issued by a county are payable solely out of the revenues, proceeds and receipts derived from the operation of the county sewerage system or out of the proceeds of bonds issued under this section or of any revenues, proceeds and receipts of such bonds as are specified in the proceedings of the board of supervisors in which the bonds are authorized to be issued.

B. ~~No~~ Bonds shall NOT be issued without the assent of a majority of the qualified electors voting at an election held within the county in the manner prescribed for the authorization of municipal bonds for financing utilities pursuant to sections 9-523 through 9-528 inclusive.

C. The bonds prescribed by subsection A of this section may:

1. Be executed and delivered by the county at any time.

2. Be in such form and denominations and of such tenor and maturities.

3. Be in registered or bearer form either as to principal or interest or both.

4. Be payable in such installments and at such time or times not exceeding forty years from the date of issuance.

5. Be payable at such place or places within or without this state.

6. Bear interest at such rate or rates, but not exceeding the maximum rate set forth in the ballot, payable at such time or times and at such place or places and evidenced in such manner.

7. Be executed by the chairman of the board of supervisors and in such manner, and contain provisions not inconsistent with this section, as provided in the proceedings of the board of supervisors in which the bonds are authorized to be issued.

D. If deemed advisable by the board of supervisors, there may be retained in the proceedings in which any bonds of the county are authorized to be issued an option to redeem all or any part of the bonds as may be specified in the proceedings, at such price or prices and after such notice or notices and on such terms and conditions as are provided in the proceedings and as may be briefly recited on the face of the bonds, but ~~nothing in~~ this article shall NOT be construed to confer on the county any right or option to redeem any bonds except as may be provided in the proceedings under which they are issued.

E. Any bonds of the county may be sold by calling for bids at public sale, through an ~~on-line~~ ONLINE bidding process or through an accelerated bidding process as follows:

1. If sold under an accelerated bidding process, the bonds shall be sold at the lowest cost the board of supervisors considers to be available after receiving at least three pricing quotations from recognized purchasers of bonds of the type being sold.

2. If sold at public sale or through an ~~on-line~~ ONLINE bidding process, the bonds shall be sold to the person offering the best bid.

3. If bonds are sold at public sale, the board of supervisors shall call for bids by giving notice at least once a week for two successive weeks by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the county. The notice shall be in such form as the board of supervisors prescribes.

4. If bonds are sold through an ~~on-line~~ ONLINE bidding process, bids for the bonds that are entered into the system may be concealed until a specified time or disclosed in the ~~on-line~~ ONLINE bidding process, may be

subject to improvement in favor of the county before a specified time and may be for an entire issue or specified maturities according to the manner, terms and notice provisions ordered by the board of supervisors.

5. The bonds may be sold below, at or above par. If the bonds are sold below par, the aggregate amount of the discount plus interest to be paid on the bonds may not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the board of supervisors at the maximum rate stated in the resolution calling the election at which the bonds were approved.

6. The bids shall be for the entire bond issue unless the board of supervisors allows bidding in parcels for less than the entire issue.

7. The county may pay all expenses, premiums and commissions ~~which~~ its board of supervisors deems necessary or advantageous in connection with such issuance.

8. Issuance by the county of one or more series of bonds does not preclude it from issuing other bonds in connection with the same project or any other project, but proceedings in which any subsequent bonds may be issued shall recognize and protect any prior pledge made for any prior issue of bonds.

F. Bonds may be sold to natural persons residing in this state by negotiated sale on terms the board of supervisors considers to be the best available. The bonds may bear interest payable at times determined by the board of supervisors. The bonds may be sold below, at or above par. If the bonds are sold below par, the aggregate amount of discount plus interest to be paid on the bonds may not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the board of supervisors at the maximum rate set out in the resolution calling the election at which the bonds were approved.

G. Pending preparation of the actual bonds, the board of supervisors may issue interim receipts or certificates to the purchasers of the bonds in the form and with the provisions the board determines.

H. Any outstanding bonds of the county may at any time be refunded by the county by the issuance of its refunding bonds in such amount as the board of supervisors may deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be refunded, together with any unpaid interest on the bonds and any necessary premiums and commissions. Any such refunding may be effected whether the bonds to be refunded have matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds for the payment of the bonds to be refunded or by the exchange of the refunding bonds for the bonds to be refunded with the consent of the holders of the bonds to be refunded, and regardless of whether the bonds to be refunded were issued in connection with the same projects or separate projects and regardless of whether the bonds proposed to be refunded are payable at the same date or different dates or are due serially or otherwise.

I. All such bonds and interest coupons applicable to the bonds are negotiable instruments.

J. Bonds issued under this section may bear interest at any rate or rates not in excess of the maximum rate of interest stated in the resolution calling the election. Interest is payable at the times determined by the board of supervisors, except that each such bond may be evidenced by one instrument or, if commercial paper, by a succession of instruments each bearing interest payable only at maturity. Bonds or commercial paper issued under this section are subject to the following:

1. The bonds may bear interest at a fixed, variable or combination rate, none of which exceeds the maximum rate of interest stated in the resolution calling the election.

2. A variable rate shall be based on any objective measure of the current value of money borrowed such as the announced prime rate of a bank, the rates borne by obligations of the United States or an index or other formula provided for by the board of supervisors. The board of supervisors shall employ a recognized agent in municipal bonds to market and remarket the bonds or commercial paper issued and to establish an interest rate pursuant to the approved index or formula.

3. The board of supervisors may grant to the owner of any bond a right to tender or may require the tender of the bond for payment or purchase at one or more times before maturity and may enter into appropriate agreements with any financial institution, insurance company or indemnity company for the purchase of bonds so tendered. The agreement may provide that while the bonds are held by the financial institution, insurance company or indemnity company the bonds may bear interest at a rate higher than when the bonds are held by other owners, but not exceeding the maximum rate of interest stated in the resolution calling the election.

4. If bonds are tendered before maturity under an agreement to pay for or purchase bonds when tendered, the county may provide for the purchase and resale of the bonds pursuant to the tenders without extinguishing the obligation they represent or incurring a new obligation on the resale, whether or not those bonds are represented by the same instruments when purchased as when resold.

5. Compensation for the resale of the bonds shall not be based on or measured by the difference between the price at which the bonds are purchased and the price at which they are resold.

6. The board of supervisors may:

(a) Contract with a financial institution, insurance company or indemnity company to provide additional security for the bonds in the form of a line of credit, letter of credit, insurance policy or other security.

(b) Pay the costs of the additional security from amounts provided in the bond issue or from other available sources and may enter into reimbursement obligations in connection with the cost of the additional security.

7. Any reimbursement obligation entered into with the financial institution, insurance company or indemnity company shall not provide for the payment of interest in excess of the maximum rate of interest stated in the resolution calling the election. The reimbursement obligation does not constitute a general obligation of the county and is payable from the same source as the bonds, or from other available revenues, as determined by the board of supervisors. The use of such other available revenues does not create indebtedness of the county under article IX, section 8, Constitution of Arizona.

8. Variable rate bonds and commercial paper may be sold at competitive public sale, through an ~~on-line~~ ONLINE bidding process or at negotiated sale. A competitive public sale may be accomplished pursuant to a notice of sale published at the times and in the manner provided in this section. The notice shall include the terms and conditions determined by the board of supervisors.

9. If bonds are to be issued in the form of commercial paper, the board of supervisors shall first establish the schedule for the maturities of the bonds within the maximum period permitted by the voted proposition. The individual instruments representing the bonds may mature over shorter periods and may be retired before maturity with proceeds of subsequent instruments or with the proceeds of definitive bonds, but they shall be finally paid according to the schedule of bond maturities or earlier.

10. Bonds issued in the form of commercial paper may be sold through an agent in the form of instruments that mature at intervals the agent determines to be most advantageous to the issuer after giving public notice to potential investors as determined by the board of supervisors.

11. Bonds may be issued as compound interest bonds bearing interest payable only at maturity but compounded periodically until that date at a fixed rate no higher than the rate set forth in the resolution calling the election.

K. A county may submit to the attorney general all proceedings for the issuance of bonds to be issued under this article after all proceedings for their issuance have been taken, and thereupon it shall be the duty of the attorney general to pass ~~upon~~ ON the validity of the bonds and the regularity of the proceedings authorizing their issuance. If such proceedings conform to ~~the provisions of~~ this article, and the bonds when delivered and paid for will constitute binding and legal obligations of the county according to the terms thereof, the attorney general shall certify in substance that the bonds are issued in accordance with the constitution and laws of this state.

L. For THE purposes of this section, "~~on-line~~ ONLINE bidding process" means a procurement process in which the governing body receives bids electronically over the internet in a real-time, competitive bidding event.

Sec. 66. Section 11-273, Arizona Revised Statutes, is amended to read:

11-273. Sale of bonds; disposition of proceeds

A. When the bonds are executed, numbered consecutively and sealed, they shall be delivered to the county treasurer, and his receipt taken therefor, and he shall stand charged with all bonds delivered to him and the proceeds thereof.

B. The treasurer shall sell the bonds under the direction and with the approval of the board for not less than par and accrued interest, and the proceeds of the sale shall be used exclusively for the purpose for which issued and as stated in the resolution.

C. The bonds shall be sold to the highest bidder for any part of them after advertising for bids therefor for not less than three weeks ~~in some newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county ~~and in such other newspapers as the board may direct~~, the right being reserved to reject any or all of the bids.

Sec. 67. Section 11-282, Arizona Revised Statutes, is amended to read:

11-282. Construction of industrial plant; bidding; bond

A. When the proceeds of the bonds are deposited in the treasury, the board of supervisors shall prepare plans and specifications for the plant and equipment, and thereupon shall advertise for bids for the construction and installation of the plant and equipment, in accordance with the plans and specifications, by publishing a notice calling for bids thereon for ten days ~~in a daily or two weeks in a weekly newspaper~~ ON A PUBLIC MEDIUM.

B. The contract shall be let to the lowest responsible bidder, who shall give such bond or bonds as are required under ~~the provisions of~~ title 34, chapter 2, article 2, but the board may contract for any part of the work the cost of which does not exceed one thousand dollars without calling for bids. The board may reject any and all bids received and may advertise again.

Sec. 68. Section 11-373, Arizona Revised Statutes, is amended to read:

11-373. Election resolution; contents; publication

A. The board of supervisors shall adopt a resolution calling an election ~~upon~~ ON the question of the issuance of bonds. The resolution shall state in substance:

1. The maximum amount of bonds to be issued.

2. The purpose for which the bonds are to be issued.

3. The maximum rate of interest ~~which~~ THAT the bonds are to bear.

4. A brief and concise statement containing an irrevocable appropriation providing for the payment of the principal and interest of the bonds from monies to be derived from taxes, fees, charges and other monies collected by the state and returned to such county for street and highway purposes pursuant to law ~~which~~ THAT have not been theretofore specially allocated and pledged for the payment of indebtedness.

5. The date on which the election will be held.

6. The places where votes may be cast.

7. The hours between which polling places will be open.

B. The election resolution shall be published in full at least once, not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of the election, ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county ~~and of general circulation in the county~~.

Sec. 69. Section 11-377, Arizona Revised Statutes, is amended to read:

11-377. Form of bonds; interest rates; redemption; payment of principal and interest; additional security; definition

A. Bonds issued under this article shall be fully negotiable within the meaning and for all purposes provided by title 47. They may be in one or more series, may bear such dates, may be payable in such medium of payment and at such places, may carry such registration privileges, may have that priority or lien position between bondholders, shall be executed in such manner, may contain such other terms, covenants and conditions, and may be in such form as the board of supervisors by resolution prescribes. The final payment shall be due not more than thirty years from the date of issuance, as the board of supervisors may prescribe. Any or all of such bonds shall be callable at such times, on such terms and in such manner as the board of supervisors by resolution prescribes.

B. Any or all of the bonds may be sold by calling for bids at public sale or through an ~~on-line~~ ONLINE bidding process or an accelerated bidding process. If sold under an accelerated bidding process, the bonds shall be sold at the lowest cost the board of supervisors deems then available after having received at least three pricing quotations from recognized purchasers of bonds of the type being sold. If sold at public sale or through an ~~on-line~~ ONLINE bidding process, the bonds shall be sold to the bidder making the best bid. If bonds are sold through an ~~on-line~~ ONLINE bidding process, bids for the bonds that are entered into the system may be concealed until a specified time or disclosed in the ~~on-line~~ ONLINE bidding process, may be subject to improvement in favor of the county before a specified time and may be for an entire issue or specified maturities according to the manner, terms and notice provisions ordered by the board of supervisors.

C. The bonds may be sold below, at or above par. If an issue of bonds is sold below par, the aggregate amount of discount plus interest to be paid on the bonds must not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the board of supervisors at the maximum rate set out in the resolution calling the election at which the bonds were voted.

D. If sold at public sale, the board of supervisors shall call for bids for the bonds by giving notice thereof at least once a week for two successive weeks within a county having a population of five hundred thousand persons or more according to the most recent United States decennial census, and once a week for four successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within a county having a population

of less than five hundred thousand persons according to the most recent United States decennial census. The notice shall be in the form prescribed by the board of supervisors. The bids shall be for the entire bond issue unless the board of supervisors by resolution allows bidding therefor in parcels of less than the entire issue.

E. Notwithstanding any other provision of this section, bonds may be sold to natural persons residing in this state by negotiated sale on terms the board of supervisors deems to be the best then available and may bear interest payable at times determined by the board of supervisors. The bonds may be sold below, at or above par, provided that if the bonds are sold below par, the aggregate amount of discount plus interest to be paid on the bonds must not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the board of supervisors at the maximum rate set out in the resolution calling the election at which the bonds were voted.

F. Bonds issued by a county may bear interest at any rate or rates not in excess of the maximum rate of interest set forth in the resolution calling the election, payable at the times determined by the board of supervisors, provided that each such bond may be evidenced by one instrument, or if commercial paper, by a succession of instruments each bearing interest payable only at maturity. Bonds or commercial paper issued under this article are subject to the following:

1. The bonds may bear interest at a fixed, variable or combination rate, none of which exceeds the maximum rate of interest set forth in the resolution calling the election.

2. A variable rate shall be based on any objective measure of the current value of money borrowed such as the announced prime rate of a bank, the rates borne by obligations of the United States or an index or other formula provided for by the board of supervisors. The board of supervisors shall employ a recognized agent in municipal bonds to market and remarket the bonds or commercial paper issued and to establish an interest rate in accordance with the approved index or formula.

3. The board of supervisors may grant to the owner of any bond a right to tender or may require the tender of the bond for payment or purchase at one or more times before maturity and may enter into appropriate agreements with any bank, financial institution, insurance company or indemnity company for the purchase of bonds so tendered. This agreement may provide that while the bonds are held by the bank, financial institution, insurance company or indemnity company the bonds may bear interest at a rate higher than when the bonds are held by other owners, but not in excess of the maximum rate of interest set forth in the resolution calling the election.

4. If bonds are tendered before maturity under an agreement to pay for or purchase bonds when so tendered, the county may provide for the purchase and resale of those bonds pursuant to the tenders without extinguishing the obligation represented by them or incurring a new obligation on the resale,

whether or not those bonds are represented by the same instruments when purchased as when resold.

5. Compensation for the resale of the bonds shall not be based on or measured by the difference between the price at which the bonds are purchased and the price at which the bonds are resold.

6. The board of supervisors may:

(a) Contract with a bank, financial institution, insurance company or indemnity company to provide additional security for the bonds in the form of a line of credit, letter of credit, insurance policy or other security.

(b) Pay the costs of this additional security from amounts provided in the bond issue or from other available sources and may enter into reimbursement obligations in connection with the cost of the additional security.

7. Any reimbursement obligation entered into with the bank, financial institution, insurance company or indemnity company shall not provide for the payment of interest in excess of the maximum rate of interest set forth in the resolution calling the election. The reimbursement obligation does not constitute a general obligation of the county and is payable from the same source as the bonds, or from other available revenues, as determined by the board of supervisors.

8. Variable rate bonds and commercial paper may be sold at competitive public sale, through an ~~on-line~~ ONLINE bidding process or at negotiated sale. A competitive public sale may be accomplished pursuant to a notice of sale published at the times and in the manner provided in subsection D OF THIS SECTION. This notice shall provide the terms and conditions determined by the board of supervisors.

9. If bonds are to be issued in the form of commercial paper, the board of supervisors shall first provide for the establishment of the schedule for the maturities of the bonds within the maximum period permitted by the voted proposition. The individual instruments representing the bonds may mature over shorter periods and may be retired with proceeds of subsequent instruments or with the proceeds of definitive bonds, but they shall be finally paid according to the schedule of bond maturities or earlier.

10. Bonds issued in the form of commercial paper may be sold through an agent in the form of instruments that mature at intervals the agent determines to be most advantageous to the issuer after giving public notice to potential investors as determined by the board of supervisors.

11. Bonds may be issued as compound interest bonds bearing interest payable only at maturity but compounded periodically until that date at a fixed rate no higher than the rate set forth in the resolution calling the election.

G. Pending preparation of the definitive bonds, interim receipts or certificates may be issued to the purchaser of the bonds in such form and with such provisions as the board of supervisors prescribes.

H. The principal of and interest ~~upon~~ ON the bonds shall be payable primarily from the proceeds of revenues derived from taxes, fees, charges and other monies collected by the state and returned to such counties for street and highway purposes pursuant to the law.

I. As additional security for the payment of such bonds, a county, by resolution submitted to the qualified electors at a special election called for such purpose, and ~~upon~~ ON the approval of such resolution by a majority of the voters voting at such election, may pledge its full faith and credit for the payment of the bonds, and if such pledge is made, and the revenues pledged to the payment of such bonds are at any time insufficient therefor, the county shall be obligated to pay such bonds with interest to the same extent as other general obligation bonds of the county, and shall be reimbursed from subsequent revenues received by the county from taxes, fees, charges and other monies collected by the state and returned to such county for street and highway purposes pursuant to law.

J. For THE purposes of this section, "~~on-line~~ ONLINE bidding process" means a procurement process in which the governing body receives bids electronically over the internet in a real-time, competitive bidding event.

Sec. 70. Section 11-391, Arizona Revised Statutes, is amended to read:

11-391. Incurring long-term obligations; public hearing

A. In addition to any other requirements prescribed by law, in a county with a population of less than five hundred thousand persons if the board of supervisors approves incurring any long-term obligation that is not secured by the full faith and credit of the county, the board of supervisors must:

1. Publish a notice of a hearing on the proposal to incur the long-term obligation ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county, issue a press release to print and electronic media and post the notice on the county's official ~~web site~~ WEBSITE. The notice must:

(a) Be published and posted at least fifteen days before the date of the hearing.

(b) Include the date, time and place of the hearing, the dollar amount of the proposed long-term obligations and the estimated total financing costs, the purpose of the proposed long-term obligations, including the project or projects that are proposed to be financed by long-term obligations, and that the board will receive:

(i) Oral comments at the hearing.

(ii) Written comments at any time before adopting the resolution of intention to incur long-term obligations, including the board's mailing address. The notice posted on the county's ~~web site~~ WEBSITE shall include an electronic link for commenting electronically.

2. Hold the public hearing, as announced in the notice, at least fifteen days before adopting the resolution for incurring the long-term obligations. At the hearing, the board shall present an analysis of the need

for the project, the need to use long-term financing and any other available options to accomplish the project. Any member of the public must be allowed to speak on the issue of incurring the long-term obligations to finance the proposed project.

B. At least fifteen days after the hearing the governing body must hold a public meeting to adopt findings and, following the public comments received at and after the hearing, by roll call vote, either:

1. Adopt and enter a resolution of intention to incur long-term obligations to finance the project, stating the public need for the project, the estimated cost and the amount of the long-term obligations to be incurred.

2. Reject long-term financing of the project and abandon further proceedings.

Sec. 71. Section 11-636, Arizona Revised Statutes, is amended to read:

11-636. Effect on interest of notice of readiness to pay unpaid warrants

A. When there is sufficient money in the treasury to pay the warrants drawing interest, the treasurer shall give notice thereof by publication ~~in some newspaper~~ ON A PUBLIC MEDIUM published in the county, or by written notice posted at the ~~court house~~ COURTHOUSE door, stating that he is ready to pay the warrants. From the first publication or posting of the notice the warrants shall cease to draw interest.

B. In the notice published ~~in a newspaper~~ ON A PUBLIC MEDIUM, the treasurer shall not publish the warrants in detail, but shall give notice only that county warrants presented for payment ~~prior to~~ BEFORE such a date, as stated in the notice, are payable. When only part of the warrants presented on the same day are payable, the treasurer shall designate the payable warrants in the notice.

Sec. 72. Section 11-701, Arizona Revised Statutes, is amended to read:

11-701. Formation of authority

A. The board of supervisors of a county may establish a county sports authority to include the incorporated and unincorporated areas of the county. To establish the authority the board of supervisors shall adopt a resolution stating:

1. The name of the proposed authority.

2. The boundaries of the proposed authority, which shall be coterminous with the boundaries of the county.

3. The necessity for the authority, including a statement that the public interest, convenience and necessity will be promoted by establishing the authority.

4. A general statement of the sports facilities and the services to be provided by the authority.

5. Such other matters as the board deems necessary.

B. The resolution shall set a date for a hearing on the resolution, not less than twenty-one nor more than forty days from the date of the

resolution. The notice of the hearing shall contain substantially all the information contained in the resolution and shall be published once each week for at least three consecutive weeks before the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The board shall meet at the time and place fixed for the hearing. At the hearing the board shall hear all persons who wish to appear in favor of or against establishing the authority.

C. If, after the hearing, it appears to the board that the public interest, convenience and necessity will be served by establishing the authority, the board shall declare its findings and order the formation of the authority under the designated corporate name. The board shall file a certified copy of the proceedings with the county recorder.

D. A party aggrieved by the action of the board under this section may bring an action in the superior court in the county in which the authority is located to set aside the action of the board. The action must be instituted not more than thirty-five days after entry of the order forming the authority.

E. The board of supervisors may pay the necessary costs incurred in connection with the formation of the authority from any monies available for that purpose.

F. If established, the authority is a body corporate with the powers and immunities of a municipal corporation for the purposes of implementing this chapter, including exemption of its property and bonds from taxation.

Sec. 73. Section 11-721, Arizona Revised Statutes, is amended to read:

11-721. County sports authority bonds

A. The authority, through the board of directors, may issue negotiable county sports authority bonds in a principal amount as in its opinion is necessary to provide sufficient monies for its activities under section 11-702, maintaining sufficient reserves in the county sports authority fund to secure the bonds, to pay the necessary costs of issuing, selling and redeeming the bonds and to pay the other expenditures of the authority incidental to and necessary and convenient to carry out the purposes of this chapter.

B. The board must authorize the bonds by resolution. The resolution shall prescribe:

1. The rate or rates of interest and the denominations of the bonds.

2. The date or dates of the bonds and maturity, not exceeding twenty years from their respective dates.

3. The coupon or registered form of the bonds.

4. The manner of executing the bonds.

5. The medium and place of payment.

6. The terms of redemption.

C. The bonds shall be sold at public or private sale at the price and on the terms determined by the board.

D. The board shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The last day of publication must be at least ten days before issuing the bonds. The notice shall state the amount of the bonds to be sold and the intended date of issuance. A copy of the notice shall be hand delivered or sent, by certified mail, return receipt requested, to the clerk of the board of supervisors on or before the last day of publication.

E. In order to secure the principal and interest on the bonds, the board ~~may~~ by resolution MAY:

1. Provide that bonds issued under this section shall be secured by a first lien on all or part of the monies paid into the county sports authority fund.

2. Pledge or assign to or in trust for the benefit of the holder or holders of the bonds any part of the county sports authority fund monies as is necessary to pay the principal and interest of the bonds 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 bonds may be used to fully or partly fund any reserves or sinking funds set up by the bond resolution.

5. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to and the manner in which consent may be given.

6. Provide for payment from the proceeds of the sale of the bonds of all legal and financial expenses incurred by the board in the issuance, sale, delivery and payment of the bonds.

7. Do any other matters ~~which~~ THAT in any way may affect the security and protection of the bonds.

F. Any pledge made under this article is valid and binding from the time when the pledge is made. The monies so pledged and received by the treasurer of the authority to be placed in the county sports authority fund are immediately subject to the lien of the pledge without any future physical delivery or further act, and any such lien of any pledge is valid or binding against all parties having claims of any kind in tort, contract or otherwise against the board irrespective of whether the parties have notice of the lien. The official resolution or trust indenture or any instrument by which this pledge is created, when placed in the board's records, is notice to all concerned of the creation of the pledge, and those instruments need not be recorded in any other place.

G. Neither the members of the board of directors nor any person executing the bonds is personally liable for the payment of the bonds. The bonds are valid and binding obligations notwithstanding that before the delivery of the bonds any of the persons whose signatures appear on the bonds cease to be members of the board. From and after the sale and delivery of the bonds, they are incontestable by the board.

H. The board, out of any available monies, may purchase bonds, which may thereupon be canceled, at a price not exceeding either of the following:

1. If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date.

2. If the bonds are not then redeemable, the redemption price applicable on the first date after purchase on which the bonds become subject to redemption plus accrued interest to such date.

Sec. 74. Section 11-801, Arizona Revised Statutes, is amended to read:

11-801. Definitions

In this chapter, unless the context otherwise requires:

1. "Aggregate" means cinder, crushed rock or stone, decomposed granite, gravel, pumice, pumicite and sand.

2. "Area of jurisdiction" means that part of the county outside the corporate limits of any municipality.

3. "Board" means the board of supervisors.

4. "Commission" means the county planning and zoning commission.

5. "Indian reservation" means all lands that are held in trust by the United States for the exclusive use and occupancy of Indian tribes by treaty, law or executive order and that are currently recognized as Indian reservations by the United States department of the interior.

6. "Inspector" means the county zoning inspector.

~~7. "Newspaper of general circulation in the county seat" means a daily or weekly newspaper if any is published in the county seat.~~

~~8.~~ 7. "Rezoning" means a change in the zoning ordinance changing the zoning district boundaries within an area previously zoned.

~~9.~~ 8. "Zoning district" means any portion of a county in which the same set of zoning regulations applies.

~~10.~~ 9. "Zoning ordinance" means an ordinance that is adopted by the board of supervisors and that contains zoning regulations together with a map setting forth the precise boundaries of zoning districts within which the various zoning regulations are effective.

~~11.~~ 10. "Zoning regulations" means provisions that govern the use of land or buildings, or both, the height and location of buildings, the size of yards, courts and open spaces, the establishment of setback lines and such other matters as may otherwise be authorized under this chapter and that the board deems suitable and proper.

~~12.~~ 11. "Zoning regulations amendment" means a change in the zoning ordinance that modifies, adds to, transfers or repeals one or more zoning regulations or that adds one or more zoning regulations.

Sec. 75. Section 11-805, Arizona Revised Statutes, is amended to read:

11-805. Comprehensive plan adoption; notice; hearing; amendment; expiration; readoption

A. The board shall adopt a comprehensive plan and subsequently amend or extend the adopted plan as provided by this article. On adoption or readoption, the plan, or any part of the plan, shall be the official guide

for the development of the area of jurisdiction. Any change, amendment, extension or addition of the comprehensive plan may be made only pursuant to this chapter.

B. The board of supervisors shall:

1. Adopt written procedures to provide effective, early and continuous public participation in the development and major amendment of the comprehensive plan from all geographic, ethnic and economic areas of the county. The procedures shall provide for:

(a) The broad dissemination of proposals and alternatives.

(b) The opportunity for written comments.

(c) Public hearings after effective notice.

(d) Open discussions, communications programs and information services.

(e) Consideration of public comments.

2. Consult with, advise and provide an opportunity for official comment by public officials and agencies, municipalities, school districts, associations of governments, public land management agencies, the military airport if the county's area of jurisdiction includes territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, other appropriate government jurisdictions, public utility companies, civic, educational, professional and other organizations, property owners and citizens generally to secure the maximum coordination of plans and to indicate properly located sites for all public purposes on the plan.

C. The commission shall confer with the state land department and the governing bodies and planning commissions of cities and towns in the county for the purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of the county, of zoning districts, of urban growth and of public improvements and utilities that do not begin and terminate within the boundaries of any single city or town and that will, pursuant to the present and future needs of the county, best promote with efficiency and economy the health, safety, morals, order, convenience or general welfare of the public.

D. The commission shall coordinate the production of the comprehensive plan with the creation of the conceptual state land use plans under title 37, chapter 2, article 5.1. The commission shall cooperate with the state land department regarding integrating the conceptual state land use plans into the comprehensive plan.

E. The commission may formulate and draft the comprehensive plan as a whole, or as separate parts of the plan corresponding with functional divisions of the subject matter, and, subject to the limitations of this chapter, may amend, extend or add to the comprehensive plan.

F. At least sixty days before the comprehensive plan or an element or major amendment of a comprehensive plan is noticed pursuant to subsection G of this section, the commission shall transmit the proposal to the board of supervisors and submit a copy for review and further comment to:

1. Each municipality in the county.
2. Each other county that is contiguous to the county.
3. The regional planning agency in the county.
4. The Arizona commerce authority or any other state agency that is subsequently designated as the general planning agency for this state.
5. The department of water resources for review and comment on the water resources element, if a water resources element is required.
6. If the comprehensive plan or an element or amendment of the comprehensive plan is applicable to territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the military airport.
7. If the comprehensive plan or an element or major amendment of the comprehensive plan is applicable to property in the high noise or accident potential zone of a military airport or ancillary military facility as defined in section 28-8461, the attorney general. For the purposes of this paragraph, "major amendment" means a substantial alteration of the county's land use mixture or balance as established in the county's existing comprehensive plan land use element for that area of the county.
8. Any person or entity that requests in writing to receive a review copy of the proposal.

G. After considering any recommendations from the review required under subsection F of this section, the commission shall hold at least one public hearing. Notice of the time and place of a hearing and availability of studies and summaries related to the hearing shall be given at least fifteen and not more than thirty calendar days before the hearing by:

1. Publication at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat.
2. Publication at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area to be affected, or adjacent to the area to be affected, if the area affected is other than the county seat.
3. Such other manner in addition to publication as the county may deem necessary or desirable.

H. After the commission recommends the comprehensive plan or any section of the plan, the plan shall be submitted to the board of supervisors for its consideration and official action.

I. Before the adoption, amendment or extension of the plan, the board shall hold at least one public hearing on the plan. After the board considers the commission's recommendation and any recommendations from the review required under subsection F of this section, the board shall hold at least one public hearing at which residents of the county shall be heard concerning the matters contained in the plan. At least fifteen days' notice of the hearing shall be given by one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat. The board shall consider protests and objections to the plan and may change or alter any portion of the comprehensive plan. However, before any change is made, that

portion of the plan proposed to be changed shall be re-referred to the commission for its recommendation, which may be accepted or rejected by the board.

J. The board of supervisors may adopt the county comprehensive plan as a whole or by successive actions adopt separate parts of the plan. The adoption or readoption of the comprehensive plan or any amendment to the plan shall be by resolution of the board. The adoption or readoption of, or a major amendment to, the county comprehensive plan shall be approved by the affirmative vote of at least two-thirds of the members of the board. All major amendments proposed for adoption to the comprehensive plan by the board shall be presented at a single public hearing during the calendar year the proposal is made. The adoption or readoption of the comprehensive plan, and any major amendment to the comprehensive plan, shall not be enacted as an emergency measure and is subject to referendum as provided by article IV, part 1, section 1, subsection (8), Constitution of Arizona, and title 19, chapter 1, article 4. For the purposes of this section, "major amendment" means a substantial alteration of the county's land use mixture or balance as established in the county's existing comprehensive plan land use element for that area of the county. The county's comprehensive plan shall define the criteria to determine if a proposed amendment to the comprehensive plan effects a substantial alteration of the county's land use mixture or balance as established in the county's existing comprehensive plan land use element for that area of the county.

K. If the county's area of jurisdiction includes property in the high noise or accident potential zone of a military airport or ancillary military facility as defined in section 28-8461, the board shall send notice of the approval, adoption or readoption of the comprehensive plan or major amendment to the comprehensive plan to the attorney general by certified mail, return receipt requested, within three business days after the approval, adoption or readoption. If the attorney general determines the approval, adoption or readoption of the comprehensive plan or major amendment to the comprehensive plan is not in compliance with section 28-8481, subsection J, the attorney general shall notify the county by certified mail, return receipt requested, of the determination of noncompliance. The board shall receive the notice from the attorney general within twenty-five days after the notice from the board to the attorney general is mailed pursuant to this subsection. The effective date of any approval, adoption or readoption of, or major amendment to, the comprehensive plan shall be thirty days after the board's receipt of the attorney general's determination of noncompliance. Within thirty days after the receipt of a determination of noncompliance by the attorney general as prescribed by this section, the board shall reconsider any approval, adoption or readoption of, or major amendment to, the comprehensive plan that impacts property in the high noise or accident potential zone of a military airport or ancillary military facility as defined in section 28-8461. If the board reaffirms a prior action subject to an attorney general's determination

of noncompliance pursuant to this section, the attorney general may institute a civil action pursuant to section 28-8481, subsection L. If the board timely sends notice pursuant to this subsection and the attorney general fails to timely notify the board of a determination of noncompliance, the comprehensive plan or major amendment to the comprehensive plan is deemed to comply with section 28-8481, subsection J. For the purposes of this subsection, "major amendment" has the same meaning prescribed in subsection J of this section.

L. If the motion to adopt or readopt the plan or an amendment to the plan fails to pass, the board may reconsider the motion in any manner allowed by the board's rules of procedure, but any subsequent motion for the adoption or readoption of the plan or a major amendment to the plan must be approved by an affirmative vote of at least two-thirds of the members of the board. If the board fails to adopt or readopt the plan, the current plan remains in effect until a new plan is adopted. The board shall either reconsider the proposed plan or consider a revised plan within one year and shall continue to do so until one is adopted. All subsequent considerations of a new or revised plan must comply with the procedures prescribed by this article.

M. A county comprehensive plan, with any amendments, is effective for up to ten years from the date the plan was initially adopted or until the plan is readopted or a new plan is adopted pursuant to this subsection and becomes effective. On or before the tenth anniversary of the plan's most recent adoption, the board shall either readopt the existing plan for an additional term of up to ten years or shall adopt a new comprehensive plan as provided by this article.

N. A person, after having participated in the public hearing pursuant to subsection I of this section, may file a petition for special action in superior court to review the board of supervisor's decision that does not comply with the mandatory requirement prescribed in section 11-804, subsection B, paragraph 1, subdivision (e) within thirty days after the board has rendered its decision. The court may affirm, reverse or remand to the board of supervisors, in whole or in part, the decision reviewed for further action that is necessary to comply with the mandatory requirements prescribed in section 11-804, subsection B, paragraph 1, subdivision (e).

Sec. 76. Section 11-808, Arizona Revised Statutes, is amended to read:

11-808. Infrastructure service area boundaries; notice; hearing; adoption

A. The county planning and zoning commission may prepare a plan and provide regulations determining the location of infrastructure service area boundaries consistent with the growth area element of the comprehensive plan beyond which the county may limit or prescribe conditions on publicly financed extensions of water, sewer and street improvements. The plan and regulations shall consider all elements of the comprehensive plan, including the circulation and public facilities elements. For the purposes of this subsection, publicly financed does not include special taxing district

financing other than municipal or county improvement district revenues or bonds. The regulations shall also include components that:

1. Assign or delegate administrative functions, powers and duties to county officers and employees.

2. Identify the procedure for determining the initial infrastructure service area boundaries.

3. Identify the methodology and procedures for adjusting the infrastructure service area boundaries.

B. Before recommending the plan and regulations, or any part, amendment, extension or addition, to the board of supervisors, the commission shall hold at least one public hearing on the service area boundaries, after giving at least fifteen days' notice by publication ~~in a newspaper of general circulation in the county seat and in a newspaper of general circulation in the area to be affected, if that area is other than the county seat~~ ON A PUBLIC MEDIUM.

C. The board of supervisors shall adopt any such plan and regulations and amendments by resolution.

Sec. 77. Section 11-813, Arizona Revised Statutes, is amended to read:

11-813. Zoning ordinance; adoption; amendments; notice; hearing

A. The commission shall formulate and draft the zoning ordinance. Before recommending the zoning ordinance to the board of supervisors for adoption, the commission shall hold at least one public hearing, after giving at least fifteen days' notice of the hearing by one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat.

B. After the commission recommends the zoning ordinance, the zoning ordinance shall be submitted to the board of supervisors for its consideration and official action. After the board considers the commission's recommendation, the board shall hold at least one public hearing at which residents of the county shall be heard concerning the zoning ordinance. At least fifteen days' notice of the hearing shall be given by one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat. The board shall consider protests and objections to the zoning ordinance and may change or alter any portion of the zoning ordinance.

C. A property owner or authorized agent of a property owner desiring a zoning regulations amendment shall file an application for the amendment.

D. The commission, on its own motion, may propose a zoning regulations amendment and, after holding a public hearing as required by this chapter, may transmit the proposal to the board, which shall proceed as prescribed in this chapter for any other amendment.

E. On receipt of the application the board shall submit the application to the commission for a report. Before reporting to the board, the commission shall hold at least one public hearing after giving at least fifteen days' notice of the hearing by one publication ~~in a newspaper of~~

~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat. The following specific notice provisions also apply:

1. In proceedings involving one or more of the following proposed changes or related series of changes in the standards governing land uses, notice shall be provided in the manner prescribed by paragraph 2 of this subsection:

(a) A ten per cent or more increase or decrease in the number of square feet or units that may be developed.

(b) A ten per cent or more increase or reduction in the allowable height of buildings.

(c) An increase or reduction in the allowable number of stories of buildings.

(d) A ten per cent or more increase or decrease in setback or open space requirements.

(e) An increase or reduction in permitted uses.

2. In proceedings governed by paragraph 1 of this subsection, the county shall provide notice to real property owners pursuant to at least one of the following notification procedures:

(a) Notice shall be sent by first class mail to each real property owner, as shown on the last assessment, whose real property is directly affected by the changes.

(b) If the county issues utility bills or other mass mailings that periodically include notices or other informational or advertising materials, the county shall include notice of the changes with the utility bills or other mailings.

(c) The county shall publish the changes before the first hearing on the changes ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The changes shall be published in a display advertisement covering not less than one-eighth of a full page.

3. If notice is provided pursuant to paragraph 2, subdivision (b) or (c) of this subsection, the county shall also send notice by first class mail to persons who register their names and addresses with the county as being interested in receiving the notice. The county may charge a fee not to exceed five dollars per year for providing this service and may adopt procedures to implement this paragraph.

4. Notwithstanding the notice requirements prescribed in paragraph 2 of this subsection, the failure of any person or entity to receive notice does not constitute grounds for any court to invalidate the actions of a county for which the notice was given.

F. After the commission has held a public hearing, the board shall hold a public hearing on the proposed amendment AND SHALL GIVE at least fifteen days' notice of ~~which shall be given~~ THE HEARING by one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat. After holding the hearing, the board may adopt the amendment.

G. Notwithstanding title 19, chapter 1, article 4, a decision by the governing body that changes the zoning standards of land that is not owned by the county as prescribed in subsection E, paragraph 1 of this section may not be enacted as an emergency measure and such a change shall not be effective for at least thirty days after final approval of the change in classification by the board. Unless a resident files a written objection with the board of supervisors, the change may be enacted as an emergency measure that becomes effective immediately by a four-fifths majority vote of the board for those counties with five or more supervisors or a two-thirds majority vote of the board for those counties with fewer than five supervisors.

Sec. 78. Section 11-814, Arizona Revised Statutes, is amended to read:

11-814. Rezoning; conditional zoning change; notice; hearing; citizen review; definition

A. All rezonings adopted under this article shall be consistent with and conform to the adopted comprehensive plan. In the case of uncertainty in constructing or applying the conformity of any part of a proposed rezoning to the adopted comprehensive plan, the rezoning shall be construed in a manner that will further the implementation of, and not be contrary to, the goals, policies and applicable elements of the comprehensive plan. A rezoning conforms with the comprehensive plan if it proposes land uses, densities or intensities within the range of identified uses, densities and intensities of the comprehensive plan.

B. A property owner or authorized agent of a property owner desiring a rezoning shall file an application for the rezoning.

C. The commission, on its own motion, may propose a rezoning and, after holding a public hearing as required by this chapter, may transmit the proposal to the board, which shall proceed as prescribed in this chapter for any other rezoning.

D. On receipt of the application the board shall submit the application to the commission for a report. Before reporting to the board, the commission shall hold at least one public hearing after giving at least fifteen days' notice of the hearing by one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat and by posting of the area included in the proposed rezoning. If the matter to be considered applies to territory in a high noise or accident potential zone as defined in section 28-8461, the notice shall include a general statement that the matter applies to property located in the high noise or accident potential zone. The posting shall be in no less than two places with at least one notice for each quarter mile of frontage along perimeter public rights-of-way so that the notices are visible from the nearest public right-of-way. The commission shall also send notice by first class mail to each real property owner as shown on the last assessment of the property within three hundred feet of the proposed rezoning and each county and municipality that is contiguous to the area of the proposed rezoning. In proceedings involving rezoning of land that is located within territory in the vicinity

of a military airport or ancillary military facility as defined in section 28-8461, the commission shall send copies of the notice of public hearing by first class mail to the military airport. The notice sent by mail shall include, at a minimum, the date, time and place of the hearing on the proposed rezoning including a general explanation of the matter to be considered and a general description of the area of the proposed rezoning. For those counties with five or more supervisors, the notice must include a general description of how the real property owners within the zoning area may file approvals or protests of the proposed rezoning, and notification that if twenty per cent of the property owners by area and number within the zoning area file protests, an affirmative vote of three-fourths of all members of the board will be required to approve the rezoning. In proceedings that are initiated by the commission involving rezoning, notice by first class mail shall be sent to each real property owner, as shown on the last assessment of the property, of the area to be rezoned and all property owners, as shown on the last assessment of the property, within three hundred feet of the property to be rezoned.

E. If the commission or hearing officer has held a public hearing, the board may adopt the recommendations of the commission or hearing officer through use of a consent calendar without holding a second public hearing if there is no objection, request for public hearing or other protest. If there is an objection, a request for public hearing or a protest, the board shall hold a public hearing AFTER GIVING at least fifteen days' notice of ~~which shall be given~~ THE HEARING by one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat and by posting the area included in the proposed rezoning. In counties with territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the board shall hold a public hearing if, after notice is mailed to the military airport pursuant to subsection D of this section and before the public hearing, the military airport provides comments or AN analysis concerning the compatibility of the proposed rezoning with the high noise or accident potential generated by military airport or ancillary military facility operations that may have an adverse impact on public health and safety, and the board shall consider and analyze the comments or analysis before making a final determination. After holding the hearing the board may adopt the rezoning by a majority vote of the board for those counties with fewer than five supervisors, or for those counties with five or more supervisors if a protest has not been filed. If twenty per cent of the owners of property by area and number within the zoning area file a protest to the proposed rezoning, the change shall not be made except by a three-fourths vote of all members of the board for those counties with five or more supervisors. If any members of the board are unable to vote on the question because of a conflict of interest, the required number of votes for the passage of the question is three-fourths of the remaining membership of the board for those counties with five or more supervisors, except that the

required number of votes in no event shall be less than a majority of the full membership of the board. In calculating the owners by area, only that portion of a lot or parcel of record situated within three hundred feet of the property to be rezoned shall be included. In calculating the owners by number or area, county property and public rights-of-way shall not be included.

F. The board of supervisors shall adopt by ordinance a citizen review process that applies to all rezoning and specific zoning plan applications that require a public hearing. The citizen review process shall include at least the following requirements:

1. Adjacent landowners and other potentially affected citizens will be notified of the application.

2. The county will inform adjacent landowners and other potentially affected citizens of the substance of the proposed rezoning.

3. Adjacent landowners and other potentially affected citizens will be provided an opportunity to express any issues or concerns that they may have with the proposed rezoning before the public hearing.

G. The rezoning or subdivision plat of any unincorporated area completely surrounded by a city or town shall use as a guideline the adopted general plan and standards as prescribed in the subdivision and zoning ordinances of the city or town after April 10, 1986.

H. The board or commission, before taking any action on a rezoning or subdivision plat in an area as prescribed in subsection G of this section, may require the affected city or town to supply information to allow the county to meet the guideline. If an affected city or town objects to any such proposed action, the board or commission shall prescribe in the minutes of the meeting specific reasons why in its opinion the guideline is actually being followed or why it is not practicable to follow the guideline of the general plan.

I. The board may approve a change of zone conditioned on a schedule for development of the specific use or uses for which rezoning is requested. If at the expiration of this period the property has not been improved for the use for which it was conditionally approved, the board after notification by certified mail to the owner and applicant who requested the rezoning shall schedule a public hearing to grant an extension, determine compliance with the schedule for development or cause the property to revert to its former zoning classification.

J. The legislature finds that a rezoning of land that changes the zoning classification of the land or that restricts the use or reduces the value of the land is a matter of statewide concern. Such a change in zoning that is initiated by the governing body or zoning body shall not be made without the express written consent of the property owner. In applying an open space element or a growth element of a comprehensive plan, a parcel of land shall not be rezoned for open space, recreation, conservation or agriculture unless the owner of the land consents to the rezoning in writing.

For the purposes of this subsection, rezoning does not include the creation or expansion of overlay zones solely for the purpose of implementing airport safety and protection. Rezoning also does not include the redesignation of areas of the county to which the residential provisions of the county building codes apply or do not apply. The county shall not adopt any change in a zoning classification to circumvent the purpose of this subsection.

K. Notwithstanding title 19, chapter 1, article 4, a decision by the governing body involving rezoning of land that is not owned by the county and that changes the zoning classification of the land may not be enacted as an emergency measure and such a change shall not be effective for at least thirty days after final approval of the change in classification by the board. Unless a resident files a written objection with the board of supervisors, the rezoning may be enacted as an emergency measure that becomes effective immediately by a four-fifths majority vote of the board for those counties with five or more supervisors or a two-thirds majority vote of the board for those counties with fewer than five supervisors.

L. For the purposes of this section, "zoning area" means the area within three hundred feet of the proposed amendment or change.

Sec. 79. Section 11-821, Arizona Revised Statutes, is amended to read:

11-821. Subdivision regulations; subdivision reservation for public facilities and services; conditions; procedures; time limitation

A. The county board of supervisors shall regulate the subdivision of all lands within its corporate limits, except subdivisions that are regulated by municipalities.

B. The commission shall recommend to the board and the board shall adopt general regulations of uniform application governing plats and subdivisions of land within its area of jurisdiction. The regulations adopted shall secure and provide for the proper arrangement of streets or other highways in relation to existing or planned streets, highways or bicycle facilities or to the official map for adequate and convenient open spaces for traffic, utilities, drainage, access of firefighting apparatus, recreation, light and air. The board may adopt general regulations to provide for the proper arrangement of hiking and equestrian trails in relation to existing or planned streets or highways, and if adopted, the hiking and equestrian trails shall conform to the official map for adequate and convenient open spaces for traffic, utilities, drainage, access of firefighting apparatus, recreation, light and air. The general regulations may provide for modification by the commission in planned area development or specific cases where unusual topographical or other exceptional conditions may require such action. The regulations shall include provisions as to the extent to which streets and other highways shall be graded and improved and to which water, sewer or other utility mains, piping or other facilities shall be installed or provided for on the plat as a condition precedent to the approval of the final plat.

C. Boards of supervisors of counties shall prepare specifications and make orders, inspections, examinations and certificates as may be necessary to protect and complete the provisions and make them effective. The regulations shall require the posting of performance bonds, assurances or such other security as may be appropriate and necessary to ensure the installation of required street, sewer, electric and water utilities, drainage, flood control and improvements meeting established minimum standards of design and construction.

D. Before adoption of regulations by the board or any amendment as provided in this article, the commission shall hold a public hearing. The commission shall certify a copy of the regulations to the county board of supervisors, which shall hold a public hearing after notice of the time and place has been given by one publication fifteen days before the public hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

E. A board of supervisors may require by ordinance that land areas within a subdivision be reserved for parks, recreational facilities, school sites and fire stations subject to the following conditions:

1. The requirement may only be made on preliminary plats filed at least thirty days after the adoption of a comprehensive plan or amendment of the plan affecting the land area to be reserved.

2. The required reservations are in accordance with definite principles and standards adopted by the board or commission.

3. The land area reserved is of such a size and shape as to permit the remainder of the land area of the subdivision within which the reservation is located to develop in an orderly and efficient manner.

4. The land area reserved is in such multiples of streets and parcels as to permit an efficient division of the reserved area if it is not acquired within the prescribed period.

F. The public agency for whose benefit an area has been reserved has one year after recording the final subdivision plat to enter into an agreement to acquire the reserved land area. The purchase price is the fair market value of the land at the time of the filing of the preliminary subdivision plat plus the taxes against the reserved area from the date of the reservation and any other costs incurred by the subdivider in the maintenance of the reserved area, including interest cost incurred on any loan covering the reserved area.

G. If the public agency for whose benefit an area has been reserved does not exercise the reservation agreement within the one year period or an extended period mutually agreed on by the public agency and the subdivider, the reservation of the area terminates.

Sec. 80. Section 11-833, Arizona Revised Statutes, is amended to read:

11-833. Standards for enactment of moratorium; land development; limitations; definitions

A. A county shall not adopt a moratorium on construction or land development unless it first:

1. Provides notice to the public published ~~once in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the community at least thirty days before a final public hearing to be held to consider the adoption of the moratorium.

2. Makes written findings justifying the need for the moratorium in the manner provided for in this section.

3. Holds a public hearing on the adoption of the moratorium and the findings that support the moratorium.

B. For urban land or land subject to potential urbanization, a moratorium may be justified by demonstration of a need to prevent a shortage of essential public facilities that would otherwise occur during the effective period of the moratorium. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. A showing of the extent of need beyond the estimated capacity of existing essential public facilities expected to result from new land development, including identification of any essential public facilities currently operating beyond capacity and the portion of this capacity already committed to development, or in the case of water resources, a showing that, in an active management area as defined in section 45-402, an assured water supply cannot be provided, or outside an active management area, a sufficient water supply cannot be provided, to the new land development, including identification of current water resources and the portion already committed to development.

2. That the moratorium is reasonably limited to those areas of the county where a shortage of essential public facilities would otherwise occur and on property that has not received development approvals based on the sufficiency of existing essential public facilities.

3. That the housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining essential public facility capacity.

C. A moratorium not based on a shortage of essential public facilities under subsection B of this section may be justified only by a demonstration of compelling need for other public facilities, including police and fire facilities. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. For urban land or land subject to potential urbanization:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the county are not unreasonably restricted by the adoption of the moratorium.

(c) The reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(d) That the county has determined that the public harm that would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands and the overall impact of the moratorium on population distribution.

(e) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

2. For rural land:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) The reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(c) That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium.

(d) That the county proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

D. Any moratorium adopted pursuant to this section does not affect any express provision in a development agreement entered into pursuant to section 9-500.05 or ~~as defined in section~~ 11-1101 governing the rate, timing and sequencing of development, nor does it affect rights acquired pursuant to a protected development right granted according to chapter 9 of this title or title 9, chapter 11. Any moratorium adopted pursuant to this section shall provide a procedure pursuant to which an individual landowner may apply for a waiver of the moratorium's applicability to its property by claiming rights obtained pursuant to a development agreement, a protected development right or any vested right or by providing the public facilities that are the subject of the moratorium at the landowner's cost.

E. A moratorium adopted under subsection C, paragraph 1 of this section shall not remain in effect for more than one hundred twenty days, but such a moratorium may be extended for additional periods of time of up to one hundred twenty days if the county adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

1. Verify the problem requiring the need for the moratorium to be extended.

2. Demonstrate that reasonable progress is being made to alleviate the problem resulting in the moratorium.

3. Set a specific duration for the renewal of the moratorium.

F. A county considering an extension of a moratorium shall provide notice to the general public published ~~once in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the community at least thirty days before a final hearing is held to consider an extension of a moratorium.

G. This section does not prevent a city or town from complying with any state or federal law, regulation or order issued in writing by a legally authorized governmental entity.

H. A landowner aggrieved by a county's adoption of a moratorium pursuant to this section, at any time within thirty days after the moratorium has been adopted, may file a complaint for a trial de novo in the superior court on the facts and the law regarding the moratorium. All matters presented to the superior court pursuant to this section have preference on the court calendar on the same basis as condemnation matters. The court may award reasonable attorney fees incurred in the appeal and trial pursuant to this section to the prevailing party.

I. For the purposes of this section:

1. "Compelling need" means a clear and imminent danger to the health and safety of the public.

2. "Essential public facilities" means water, sewer and street improvements and water resources to the extent that these improvements and water resources are provided by the county or private utility.

3. "Moratorium on construction or land development" means engaging in a pattern or practice of delaying or stopping issuance of permits, authorizations or approvals necessary for the subdivision and partitioning of, or construction on, any land. It does not include denial or delay of permits or authorizations because they are inconsistent with applicable statutes, rules, zoning or other ordinances.

4. "Rural land" means all property in the unincorporated area of a county or in the incorporated area of the city or town with a population of two thousand nine hundred or less persons.

5. "Urban land or land subject to potential urbanization" means all property in the incorporated area of a city or town with a population of more than two thousand nine hundred persons.

6. "Vested right" means a right to develop property established by the expenditure of substantial sums of money pursuant to a permit or approval granted by the city, town or county.

Sec. 81. Section 11-903, Arizona Revised Statutes, is amended to read:

11-903. City or town joining or withdrawing from county library district

A. After the establishment of a ~~free~~ county FREE library district as provided in this article and title 48, chapter 24, article 1, the governing body of any incorporated city or town in the county may notify the board of supervisors that the city or town desires to become a part of the county free library district, and thereafter the city or town shall be a part thereof and its inhabitants shall be entitled to the benefits of the county free library.

B. The governing body of an incorporated city or town in the county ~~may~~ at any time MAY notify the board that the city or town no longer desires to be a part of the county free library district, and thereafter the city or town shall cease to participate in the benefits of the county free library.

C. The governing body of an incorporated town or city shall publish once each week for three successive weeks, prior either to giving or to withdrawing such notice, notice of its contemplated action ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town, designated by the governing body, giving ~~therein~~ the date, place and time of the meeting at which such action is proposed to be taken.

Sec. 82. Section 11-936, Arizona Revised Statutes, is amended to read:

11-936. Rules; notice

~~Prior to~~ BEFORE THE final adoption, amendment or repeal by the commission of any rule, the commission shall hold a public hearing ~~thereon~~ for the purpose of gaining public acceptance of the adoption, amendment or repeal of the rule. The commission shall publish one notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county at least twenty days ~~prior to~~ BEFORE the hearing specifying the time and place the hearing will be held, together with the text of the proposed rule or amendment or repeal of a rule. Every rule or amendment or repeal of a rule shall state the date on which it takes effect.

Sec. 83. Section 11-1403, Arizona Revised Statutes, is amended to read:

11-1403. Request for expressions of interest

A. Before entering into an operating agreement, the board of supervisors shall publish, four times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county, a request for expressions of interest from existing nonprofit corporations and others. The request shall include the date on which expressions of interest must be submitted to the board.

B. Expressions of interest shall contain the names of parties that wish to enter into the operating agreement and a statement of their ability to comply with the requirements of this chapter.

Sec. 84. Section 11-1704, Arizona Revised Statutes, is amended to read:

11-1704. Adoption of countywide residential rental property licensing, registration or inspection program; requirements

A. A county may adopt a countywide residential rental property inspection program only if the following occurs:

1. The county conducts a public hearing and adopts the rental property inspection program ordinance or resolution at a regularly held county board meeting that occurs at least thirty days after the public hearing.

2. The ordinance or resolution is adopted by at least a majority vote of the entire board.

3. The county notifies all owners of residential rental properties who are then currently registered with the county assessor of the county.

4. The notice to owners is mailed by first class mail at least twenty days in advance of the required public hearing.

5. A notice of the public hearing is published ~~in a local newspaper of general circulation~~ ON A PUBLIC MEDIUM and posted on any official county website not less than two weeks before the required public hearing.

B. A county shall not adopt a residential rental licensing requirement for residential rental properties or property owners. This subsection does not prohibit a county that imposes a sales tax on rent from requiring a transaction privilege tax license for residential rental property owners.

C. A county shall not adopt a residential rental registration requirement. A county shall obtain rental registration information only from the county assessor's office.

Sec. 85. Section 12-883, Arizona Revised Statutes, is amended to read:

12-883. Summons; service and publication

~~Upon~~ ON filing of the complaint described in section 12-882, a summons shall issue, service thereof shall be made and the summons shall also be published ~~in a newspaper~~ ON A PUBLIC MEDIUM in the manner and for the time provided for the service of summons in a civil action by publication, and the action shall proceed as other civil actions.

Sec. 86. Section 12-991, Arizona Revised Statutes, is amended to read:

12-991. Nuisance; applicability; residential property used for crime; action to abate and prevent; notice; definitions

A. Residential property that is regularly used in the commission of a crime is a nuisance, and the criminal activity causing the nuisance shall be enjoined, abated and prevented.

B. If there is reason to believe that a nuisance as described in subsection A of this section exists, the attorney general, the county attorney, the city attorney or a resident of a county or city who is affected by the nuisance may bring an action in superior court against the owner, the owner's managing agent or any other party responsible for the property to abate and prevent the criminal activity.

C. The court shall not assess a civil penalty against any person unless that person knew or had reason to know of the criminal activity.

D. An injunction that is ordered pursuant to this article shall be necessary to protect the health and safety of the public or prevent further criminal activity.

E. An order shall not affect the owner's interest in the property unless all of the following apply:

1. The owner is a defendant in the action.

2. The owner knew of the criminal activity.

3. The owner failed to take reasonable, legally available actions to abate the nuisance.

F. If the owner, the owner's managing agent or the party responsible for the property knows or has reason to know of the criminal activity and fails to take reasonable, legally available actions to abate the nuisance, a governmental authority may abate the nuisance. The court may assess the owner for the cost of abating the nuisance. On recording with the county recorder in the county in which the property is located, the assessment is prior to all other liens, obligations or encumbrances except for prior recorded mortgages, restitution liens, child support liens and general tax liens. A city, town or county may bring an action to enforce the assessment in the superior court in the county in which the property is located.

G. For purposes of this section, an owner, the owner's managing agent or the party responsible for the property is deemed to know or have reason to know of the nuisance if the owner, the owner's managing agent or the party responsible for the property has received notice from a governmental authority of documented reports of criminal offenses occurring on the residential property.

H. A law enforcement agency, a city attorney, a county attorney, the attorney general or any other person who is at least twenty-one years of age may serve the notice provided for in subsection G of this section, either personally or by certified mail. If personal service or service by certified mail cannot be completed or the address of the person to be notified is unknown, notice may be served by publishing the notice three times within ten consecutive days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the property is located. In all cases a copy of the notice shall be posted on the premises where the nuisance exists.

I. The notice shall be printed in at least twelve-point type in substantially the following form:

Notice

This is formal notice that the property at (insert address and unit number if applicable) has had (insert number of) arrests or (insert number of) documented reports of alleged criminal activity and is considered a nuisance under section 12-991, Arizona Revised Statutes. A copy of the police report numbers is attached. Police reports are available at (insert applicable police agency).

Within five business days you must begin to take action that is legally available to you to abate the nuisance from the property. If you fail to do so, a restraining order to abate and prevent continuing or recurring criminal activity will be pursued.

If you fail to cooperate to abate the nuisance, the appropriate authorities will abate the nuisance and their costs will be a lien on the property.

You may contact (local agency) in order to obtain information on how to abate the nuisance.

J. For the purposes of this article:

1. "Owner" means a person or persons or a legal entity listed as the current title holder as recorded in the official records of the county recorder in the county in which the title is recorded.

2. "Owner's managing agent" means a person, corporation, partnership or limited liability company that is authorized by the owner to operate and manage the property.

Sec. 87. Section 12-1145, Arizona Revised Statutes, is amended to read:

12-1145. Notice of proceedings; effect of filing notice

A. Notice of the action shall be given by one publication ~~in a newspaper having a general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which any part of the property sought to be condemned is located. The notice shall be published at least twenty and not more than thirty days ~~prior to~~ BEFORE the date set for the hearing on the validity of the proceedings. The notice shall be in substantially the following form:

"TO WHOM IT MAY CONCERN:

Notice is hereby given that _____ (here insert name of plaintiff) has filed a complaint in the above court under the laws relating to the condemnation of real property for public works projects to acquire by condemnation for _____ (here give brief general description of the public works project for which the land is sought to be acquired), the following described land:

(Here describe the land sufficiently for identification thereof. The description may be by a plat or map.)

Notice is further given that on _____ (here insert date of hearing, which must be at least twenty days and not more than thirty days after the date of publication) there will be a hearing in this court, at the opening thereof, for the following purposes:

1. To determine the validity of the action and the right of plaintiff, if it so elects, to take title to and possession of such property prior to final judgment, as authorized by section 12-1155, and any persons having an interest in or lien upon the above described property shall be deemed to have waived their rights thereafter to object to the court's decision with respect to such issue, unless prior to that date they have filed in writing with the clerk of the court their objection thereto.

2. To consider the appointment of a special master to determine the compensation to be awarded for such property and the persons entitled thereto, unless written demand for a jury is filed with the court before the date of hearing, in which event the compensation to be awarded to the person filing such demand shall be ascertained by jury trial and not by special master.

3. Fixing the date and place at which the special master will hear and determine the compensation to be paid for such property and the person entitled thereto.

Notice is further given that all claims or demands for compensation because of the taking and condemnation of such property shall be filed with the above court before _____ (here insert a date fifteen days after the date above specified for the court hearing), or the compensation will be deemed waived.

Dated the _____ day of _____

_____

Clerk of the court"

B. Notice of the action shall also be given:

1. By posting a copy of the notice in conspicuous places on the real property sought to be condemned.

2. By filing a copy of the notice in the office of the clerk of the court in which such proceedings are pending.

3. By filing, in the same manner as lis pendens is filed, a copy of the notice in the office of the county recorder in each county in which any part of the real property is located.

C. The publication, posting and filing shall constitute legal and sufficient notice of the action to all persons having any interest in or lien ~~upon~~ ON the property described in the notice. Filing of the notice in the office of the county recorder shall be constructive notice of the proceedings to all persons who subsequently acquired an interest in or lien ~~upon~~ ON the property, and plaintiff shall take all property condemned under this article free of the claims of such persons.

Sec. 88. Section 12-1212, Arizona Revised Statutes, is amended to read:

12-1212. Unknown owner; notice and service by publication; protection of rights in decree

A. If THE plaintiff makes AN affidavit that an undivided portion of the land described in the complaint is owned by some person unknown to THE affiant, a summons shall be issued to the unknown owner. The summons shall contain a brief statement of the nature of the action and a description of the interest of the unknown owner, and shall command him to appear and answer as in ordinary cases.

B. The summons shall be served by publication ~~in some newspaper~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the summons issues, if a ~~newspaper~~ PUBLIC MEDIUM is published in the county. ~~If no newspaper is published in the county, publication shall be made in the nearest county in which a newspaper is published, for four successive weeks.~~

C. If no appearance is entered within the time set forth in the summons, the court shall proceed as in other cases where service is made by publication.

D. The court shall in its decree protect the rights of the unknown owner.

Sec. 89. Section 12-1621, Arizona Revised Statutes, is amended to read:

12-1621. Notice of sale; perishable, personal and real property; posting, publication and place of sale

A. Notice of sale under execution shall be made as follows:

1. For the sale of perishable personal property, written notice of the time and place of sale shall be posted in three public places, two of which shall be in the precinct and one at or near the door of the courthouse of the county in which the sale is to take place, for such period of time before the sale as is reasonable, considering the character and condition of the property.

2. For the sale of personal property other than that which is perishable, a posting similar to that provided in paragraph 1 of this subsection shall be made for not less than ten days successively before the day of sale.

3. For the sale of real property, notice shall be given by posting notices for not less than fifteen days successively before the day of sale in three public places in the county, one of which shall be at or near the courthouse door, and publishing a copy thereof ~~in a newspaper~~ ON A PUBLIC MEDIUM for three weeks before the day of sale.

B. The notices shall note the judgment, parties, amount and court in which the judgment was rendered, and particularly describe the property to be sold, and, for real property to be sold, shall include the legal description of the property and the street address if any, or identifiable location of the property. Failure to accurately describe within any such notice either the street address or the identifiable location of the real property to be sold shall not be grounds for invalidating any such sale if the correct legal description of the real property to be sold was noted. A notice for sale of real property required by subsection A, paragraph 3 OF THIS SECTION shall include a notice in substantially the following form:

Notice to Judgment Debtor

Title 33, chapter 8, article 1, ~~of the~~ Arizona Revised Statutes, may permit you to protect your residence from certain types of legal process through the homestead exemption.

If you are in doubt as to your rights, you should obtain legal advice.

C. Real property shall be sold at or near the courthouse door of the county where the property is situated. Personal property shall be sold on the premises where it is taken in execution, at the courthouse door of the county or at some other place more convenient for exhibiting the property to purchasers if necessitated by the nature of the property.

Sec. 90. Section 13-4202, Arizona Revised Statutes, is amended to read:

13-4202. Void contracts; crime victim accounts; establishment; notice to victims; exceptions; civil liability; definition

A. Every contract, whether written or oral, express or implied, with an accused with respect to the reenactment, description or depiction of a crime by movie, book, article, radio or television presentation, internet or ~~on-line~~ ONLINE presentation or depiction, live entertainment or expression of thoughts, feelings, opinions or emotions is contrary to public policy and void unless the contract provides for payment to the commission of any monies that would be paid to the accused for such information or rights.

B. The commission shall deposit the monies received pursuant to subsection A OF THIS SECTION from the contracts or agreements of each accused, for each crime committed by the accused, in a separate account designated as a crime victim account. The money shall be distributed as determined by the commission to any victim of the crime committed by the accused if both of the following apply:

1. The accused is convicted of or adjudicated delinquent for the crime.

2. The victim, within five years after the date of establishment of the account, applies to the commission for compensation and demonstrates by sufficient reliable evidence, as determined by the commission, that the victim has suffered a loss resulting from such crime and the amount of such loss.

C. The commission, at least once every year for five years from the date of receipt of monies pursuant to subsection B OF THIS SECTION, shall publish a legal notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the crime was committed and in counties contiguous to such county advising all victims for which monies have been received that funds are available to satisfy money judgments pursuant to this section. The notice shall identify the accused, describe the criminal act involved and the proceedings against the accused and state the procedure to be followed for recovery of monies pursuant to subsection B OF THIS SECTION. ~~No~~ Reference to the identity of the victim shall NOT be made. The commission, in its discretion, may provide for such additional notice as it deems necessary.

D. On disposition of charges favorable to an accused, the commission shall immediately pay any monies in the account owing to such person.

E. After five years have elapsed following the establishment of the account pursuant to subsection B OF THIS SECTION and on a showing that no applications for compensation are pending pursuant to this section, the commission shall immediately pay any monies in the account to the state general fund.

F. For the purposes of this section, a person who is found guilty except insane pursuant to rule 23.2, Arizona rules of criminal procedure, is deemed to be a convicted person.

G. If it is found, pursuant to rule 11, Arizona rules of criminal procedure, that a person who is accused of a crime is unfit to proceed as a result of a mental illness or defect because the person lacks the capacity to understand the proceedings against the person or to assist in the person's own defense, the commission shall bring an action of interpleader pursuant to rule 22, Arizona rules of civil procedure, to determine disposition of the escrow account.

H. Notwithstanding any law to the contrary, the five-year period provided for in subsection B OF THIS SECTION does not begin to run until an account is established.

I. Notwithstanding subsections B through F OF THIS SECTION, the commission shall make payments from the account to any accused on the order of a court of competent jurisdiction after a showing by the accused that the money will be used for the sole purpose of retaining legal representation at any stage of the proceedings against the accused.

J. An action taken by any person, whether by execution of a power of attorney, BY creation of a corporate entity or otherwise, to defeat the purpose of this section shall be null and void as against the public policy of this state.

K. The cost of administering the account and monies in the account shall be reimbursed to the industrial commission from the account.

L. Any person who enters into a contract described in subsection A OF THIS SECTION that does not comply with this section shall be liable to the state for deposit in the crime victim account of an amount equal to all monies paid or received, including monies paid to or received by another person by execution of a power of attorney, BY creation of a corporate entity or otherwise, which ~~execution~~ was done to defeat the purposes of this section.

M. For the purposes of this section, "loss" includes the value of any property damaged, destroyed or taken, the cost of medical treatment or counseling, lost wages and any other damage suffered as a result of the crime.

Sec. 91. Section 13-4307, Arizona Revised Statutes, is amended to read:

13-4307. Notice of pending forfeiture

Whenever notice of pending forfeiture is required under this chapter, it shall be given or provided in one of the following ways and is effective at the time of personal service, publication or the mailing of written notice, whichever is earlier:

1. If the owner's or interest holder's name and current address are known, by either:

(a) Personal service.

(b) Mailing a copy of the notice by certified mail to the address.

2. If the owner's or interest holder's interest is required by law to be on record with a county recorder's office, the secretary of state, the department of transportation motor vehicle division, the game and fish department~~,~~ or another state or federal licensing agency in order to perfect an interest in the property, but his current address is not known, by mailing a copy of the notice by certified mail to any address on the record.

3. If the owner's or interest holder's address is not known~~,~~ and is not on record as provided in paragraph 2 OF THIS SECTION, or if his interest is not known, by publication ~~in one issue of a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the seizure occurs.

Sec. 92. Section 14-1401, Arizona Revised Statutes, is amended to read:

14-1401. Notice; method and time of giving

A. If notice of a hearing on any petition is required and except for specific notice requirements as otherwise provided, the petitioner shall cause notice of the time and place of hearing of any petition to be given to any interested person or his attorney if he has appeared by attorney or requested that notice be sent to his attorney. Notice shall be given either:

1. By mailing a copy thereof at least fourteen days before the time set for the hearing by certified, registered or ordinary first class mail addressed to the person being notified at the post office address given in his demand for notice, if any, or at his office or place of residence, if known.

2. By delivering a copy thereof to the person being notified personally at least fourteen days before the time set for the hearing.

3. If the address or identity of any person is not known and cannot be ascertained with reasonable diligence, or when otherwise required under this title, by publishing at least three times ~~prior to~~ BEFORE the date set for the hearing a copy ~~thereof in a newspaper having general circulation~~ OF THE NOTICE ON A PUBLIC MEDIUM PUBLISHED in the county where the hearing is to be held, the first publication of which is to be at least fourteen days before the hearing.

B. The court for good cause shown may provide for a different method or time of giving notice for any hearing.

C. Proof of the giving of notice shall be made at or before the hearing and filed in the proceeding.

Sec. 93. Section 14-3801, Arizona Revised Statutes, is amended to read:

14-3801. Notice to creditors

A. Unless notice has already been given under this section, at the time of appointment a personal representative shall publish a notice to creditors once a week for three successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county announcing the

appointment and the personal representative's address and notifying creditors of the estate to present their claims within four months after the date of the first publication of the notice or be forever barred.

B. A personal representative shall give written notice by mail or other delivery to all known creditors, notifying the creditors of the personal representative's appointment. The notice shall also notify all known creditors to present the creditor's claim within four months after the published notice, if notice is given as provided in subsection A OF THIS SECTION, or within sixty days after the mailing or other delivery of the notice, whichever is later, or be forever barred. A written notice shall be the notice described in subsection A OF THIS SECTION or a similar notice.

C. The personal representative is not liable to a creditor or to a successor of the decedent for giving or failing to give notice under this section.

Sec. 94. Section 15-213, Arizona Revised Statutes, is amended to read:

15-213. Procurement practices of school districts and charter schools; definitions

A. The state board of education shall adopt rules prescribing procurement practices for all school districts in this state as follows:

1. The state board shall submit to the auditor general proposed rules consistent with the procurement practices prescribed in title 41, chapter 23, modifying the provisions for public notice of invitation for bids, requests for proposals and requests for qualifications to allow a governing board to give public notice of the invitation for bids, requests for proposals and requests for qualifications by publication ~~in the official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county as ~~defined~~ PRESCRIBED in section 11-255, modifying the provisions relating to disposal of materials to comply with section 15-342, paragraph 18, providing for governing board delegation of procurement authority and modifying as necessary other provisions that the state board determines are not appropriate for school districts. The rules shall include provisions specifying that school districts are not required to engage in competitive bidding in order to make the decision to participate in programs pursuant to section 15-382 and that a program authorized by section 15-382 is not required to engage in competitive bidding for the services necessary to administer the program or for purchase of insurance or reinsurance. The rules shall include provisions specifying that school districts are not required to engage in competitive bidding in order to place a pupil in a private school that provides special education services if such placement is prescribed in the pupil's individualized education program and the private school has been approved by the department of education division of special education pursuant to section 15-765, subsection D. This placement is not subject to rules adopted by the state board of education before November 24, 2009 pursuant to this section. The rules for procurement of construction projects shall include provisions specifying that surety bonds furnished as bid security and performance and payment bonds shall be

executed and furnished as required by title 34, chapter 2 or 6, as applicable. The rules shall specify the total cost of a procurement that is subject to invitations for bids, requests for proposals and requests for clarification, using the aggregate dollar amount limits for procurements prescribed in section 41-2535.

2. The state board of education shall adopt rules for procurements involving construction not exceeding one hundred fifty thousand dollars, which shall be known as the simplified school construction procurement program. At a minimum, the rules for a simplified construction procurement program shall require that:

(a) A list be maintained by each county school superintendent of persons who desire to receive solicitations to bid on construction projects to which additions shall be permitted throughout the year.

(b) The list of persons be available for public inspection.

(c) A performance bond and a payment bond as required by this section be provided for contracts for construction by contractors.

(d) All bids for construction be opened at a public opening and the bids shall remain confidential until the public opening.

(e) All persons desiring to submit bids be treated equitably and the information related to each project be available to all eligible persons.

(f) Competition for construction projects under the simplified school construction procurement program be encouraged to the maximum extent possible. At a minimum, a school district shall submit information on each project to all persons listed with the county school superintendent by any school district within that county.

(g) A provision, covenant, clause or understanding in, collateral to or affecting a construction contract that makes the contract subject to the laws of another state or that requires any litigation, arbitration or other dispute resolution proceeding arising from the contract to be conducted in another state is against this state's public policy and is void and unenforceable.

3. The state board of education shall adopt rules for the procurement of goods and information services by school districts and charter schools using electronic, online bidding. The rules adopted by the state board shall include the use of reverse auctions and shall be consistent with the procurement practices prescribed in title 41, chapter 23, article 13, modifying as necessary those provisions and the rules adopted pursuant to that article that the state board determines are not appropriate for school districts and charter schools. Until the rules are adopted, school districts and charter schools may procure goods and information services pursuant to title 41, chapter 23, article 13 using the rules adopted by the department of administration in implementing that article.

4. The auditor general shall review the proposed rules to determine whether the rules are consistent with the procurement practices prescribed in

title 41, chapter 23 and any modifications are required to adapt the procedures for school districts.

5. If the auditor general approves the proposed rules, the auditor general shall notify the state board in writing and the state board shall adopt such rules.

6. If the auditor general objects to the proposed rules, the auditor general shall notify the state board of the objections in writing and the state board, in adopting the rules, shall conform the proposed rules to meet the objections of the auditor general or revise the proposed rules to which an objection has been made and submit the revisions to the auditor general for approval.

B. After the bids submitted in response to an invitation for bids are opened and the award is made or after the proposals or qualifications are submitted in response to a request for proposals or a request for qualifications and the award is made, the governing board shall make available for public inspection all information, all bids, proposals and qualifications submitted and all findings and other information considered in determining whose bid conforms to the invitation for bids and will be the most advantageous with respect to price, conformity to the specifications and other factors or whose proposal or qualifications are to be selected for the award. The invitation for bids, request for proposals or request for qualifications shall include a notice that all information and bids, proposals and qualifications submitted will be made available for public inspection. The rules adopted by the state board shall prohibit the use in connection with procurement of specifications in any way proprietary to one supplier unless the specification includes all of the following:

1. A statement of the reasons why no other specification is practicable.

2. A description of the essential characteristics of the specified product.

3. A statement specifically permitting an acceptable alternative product to be supplied.

C. No project or purchase may be divided or sequenced into separate projects or purchases in order to avoid the limits prescribed by the state board under subsection A of this section.

D. A contract for the procurement of construction or construction services shall include a provision that provides for negotiations between the school district and the contractor for the recovery of damages related to expenses incurred by the contractor for a delay for which the school district is responsible, that is unreasonable under the circumstances and that was not within the contemplation of the parties to the contract. This subsection shall not be construed to void any provision in the contract that requires notice of delays, provides for arbitration or any other procedure for settlement or provides for liquidated damages.

E. The auditor general may conduct discretionary reviews, investigations and audits of the financial and operational procurement activities of school districts, nonexempt charter schools and school purchasing cooperatives. The auditor general has final review and approval authority over all school district, nonexempt charter school and school purchasing cooperative audit contracts and any audit reports issued in accordance with this section.

F. In addition to the requirements of sections 15-914 and 15-914.01, school districts, nonexempt charter schools and school purchasing cooperatives, in connection with any audit conducted by a certified public accountant, shall contract for a systematic review of purchasing practices using methodology consistent with sampling guidelines established by the auditor general. The auditor general shall consider cost when establishing guidelines pursuant to this subsection and to the extent possible shall attempt to minimize the cost of the review. The purpose of the review is to determine whether the school district, nonexempt charter school or school purchasing cooperative is in compliance with the procurement laws and applicable procurement rules of this state. A copy of the review shall be submitted on completion to the auditor general. The auditor general may conduct discretionary reviews of school districts, nonexempt charter schools and school purchasing cooperatives not required to contract for independent audits.

G. The attorney general or county attorney has jurisdiction to enforce this section. The attorney general or county attorney may seek relief for any violation of this section through an appropriate civil or criminal action in superior court, including an action to enjoin a threatened or pending violation of this section and including an action to enforce compliance with any request for documents made by the auditor general pursuant to this section.

H. The department of education shall enact policies and procedures for the acceptance and disposition of complaints from the public regarding school procurement practices and shall forward all school procurement complaints to the attorney general. Notwithstanding rules adopted by the state board, school districts shall not be required to prepare or submit an annual report on the benefits associated with the use of construction-manager-at-risk, design-build, qualified select bidders list and job-order-contracting methods.

I. The state board of education shall adopt, and the auditor general shall review, rules authorizing school districts to procure construction services by construction-manager-at-risk, design-build, qualified select bidders list and job-order-contracting methods of project delivery. The rules shall not require school districts to obtain bid security for the construction-manager-at-risk method of project delivery.

J. A school district or charter school may evaluate United States general services administration contracts for materials and services. The

governing board or governing body may authorize purchases under a current contract for materials or services without complying with the requirements of the procurement rules adopted by the state board of education if the governing board or governing body determines in writing that all of the following apply:

1. The price for materials or services is equal to or less than the contractor's current federal supply contract price with the general services administration.

2. The contractor has indicated in writing that the contractor is willing to extend the current federal supply contract pricing, terms and conditions to the school district or charter school.

3. The purchase order adequately identifies the federal supply contract on which the order is based.

4. The purchase contract is cost effective and is in the best interests of the school district or charter school.

K. Unless otherwise provided by law, multiterm contracts for materials or services and contracts for job-order-contracting construction services may be entered into if the duration of the contract and the conditions of renewal or extension, if any, are included in the invitation for bids or the request for proposals and if monies are available for the first fiscal period at the time the contract is executed. The duration of contracts for materials or services and contracts for job-order-contracting construction services shall be limited to no more than five years unless the governing board determines in writing before the procurement solicitation is issued that a contract of longer duration would be advantageous to the school district. Payment and performance obligations for succeeding fiscal periods are subject to the availability and appropriation of monies.

L. Notwithstanding the rules adopted by the state board of education, the maximum dollar amount of an individual job order for job-order-contracting construction services shall be one million dollars or a higher or lower amount prescribed by the governing board in a policy adopted in a public meeting held pursuant to title 38, chapter 3, article 3.1. Requirements shall not be artificially divided or fragmented in order to constitute a job order that satisfies the requirements of this subsection.

M. For the purposes of this section:

1. "Nonexempt charter school" means a charter school that is not exempted from procurement laws pursuant to section 15-183, subsection E, paragraph 6.

2. "School purchasing cooperative" means an entity engaged in cooperative purchasing as defined in section 41-2631.

3. "Total cost" means the cost of all materials and services, including the cost of labor performed by employees of the school district, for all construction as provided in subsection A of this section.

Sec. 95. Section 15-241, Arizona Revised Statutes, is amended to read:

15-241. School and school district accountability; failing schools tutoring fund; classification label for school districts and charter school operators

A. The department of education shall compile an annual achievement profile for each public school and school district.

B. Each school and school district shall submit to the department any data that is required and requested and that is necessary to compile the achievement profile. A school or school district that fails to submit the information that is necessary is not eligible to receive monies from the classroom site fund established by section 15-977.

C. The department shall establish a baseline achievement profile for each school and school district. The baseline achievement profile shall be used to determine a standard measurement of acceptable academic progress for each school and school district and a school and school district classification pursuant to subsection H of this section. Any disclosure of educational records compiled by the department of education pursuant to this section shall comply with the family educational rights and privacy act of 1974 (20 United States Code section 1232g).

D. The achievement profile for schools and school districts that offer instruction in kindergarten programs and grades one through eight, or any combination of those programs or grades, shall include the following school academic performance indicators:

1. The Arizona measure of academic progress. The department shall compute the extent of academic progress made by the pupils in each school and school district during the course of each year.

2. The Arizona instrument to measure standards test. The department shall compute the percentage of pupils who meet or exceed the standard on the Arizona instrument to measure standards test, as prescribed by the state board of education. The superintendent of public instruction and the department may calculate academic gain on the Arizona instrument to measure standards test according to each of the school classifications prescribed in subsection G of this section on a statewide basis, for each school district in this state and for each school by determining the average scale scores for students in the current academic year as compared to the average scale scores for the previous academic year for the same students.

3. The results of English language learners tests administered pursuant to section 15-756, subsection B, section 15-756.05 and section 15-756.06.

E. The achievement profile for schools and school districts that offer instruction in grades nine through twelve, or any combination of those grades, shall include the following school academic performance indicators:

1. The Arizona measure of academic progress. The department shall compute the extent of academic progress made by the pupils at each school.

2. The Arizona instrument to measure standards test. The department shall compute the percentage of pupils pursuant to subsection G of this section who meet or exceed the standard on the Arizona instrument to measure standards test, as prescribed by the state board of education. The superintendent of public instruction and the department may calculate academic gain on the Arizona instrument to measure standards test according to each of the school classifications prescribed in subsection G of this section on a statewide basis, for each school district in this state and for each school by determining the average scale scores for students in the current academic year as compared to the average scale scores for the previous academic year for the same students.

3. The annual dropout rate.

4. The annual graduation rate.

5. The results of English language learners tests administered pursuant to section 15-756, subsection B, section 15-756.05 and section 15-756.06.

F. Schools and school districts that offer instruction in all or a combination of the grades specified in subsections D and E of this section shall include a single achievement profile for that school and school district that includes the school academic performance indicators specified in subsections D and E of this section.

G. Subject to final adoption by the state board of education, the department shall determine the criteria for each school and school district classification using a research based methodology. The methodology shall include the performance of pupils at all achievement levels, account for pupil mobility, account for the distribution of pupil achievement at each school and school district and include longitudinal indicators of academic performance. Fifty per cent of the school and school district classification determination shall consist of academic performance measurements. Fifty per cent of the academic performance measurement shall consist of a measurement of academic gain for all pupils enrolled at the school or school district and fifty per cent of the academic performance measurements shall consist of a measurement of the twenty-five per cent of pupils with the lowest academic performance measurement enrolled at the school or school district. For the purposes of this subsection, "research based methodology" means the systematic and objective application of statistical and quantitative research principles to determine a standard measurement of acceptable academic progress for each school and school district.

H. Except as provided in subsection EE of this section, the achievement profile shall be used to determine a school and school district classification that uses a letter grade system as follows:

1. A school or school district assigned a letter grade of A shall demonstrate an excellent level of performance.

2. A school or school district assigned a letter grade of B shall demonstrate an above average level of performance.

3. A school or school district assigned a letter grade of C shall demonstrate an average level of performance.

4. A school or school district assigned a letter grade of D shall demonstrate a below average level of performance.

5. A school or school district assigned a letter grade of F shall demonstrate a failing level of performance. The state board of education may also assign a school a letter grade of F if the state board of education determines that the school is among the "persistently lowest-achieving schools" in the state under the federal school accountability requirements pursuant to section 1003(g) of the elementary and secondary education act (20 United States Code section 6303).

I. The classification for each school and the criteria used to determine classification pursuant to subsection G of this section shall be included on the school report card prescribed in section 15-746.

J. Subject to final adoption by the state board of education, the department of education shall develop a parallel achievement profile for accommodation schools, alternative schools as defined by the state board of education and extremely small schools as defined by the state board of education for the purposes of this section.

K. If a school is assigned a letter grade of D, within ninety days after receiving notice of the designation, the governing board shall develop an improvement plan for the school, submit a copy of the plan to the superintendent of public instruction and the county educational service agency and supervise the implementation of the plan. The plan shall include necessary components as identified by the state board of education. Within thirty days after submitting the improvement plan to the superintendent of public instruction and the county educational service agency, the governing board shall hold a special public meeting in each school that has been assigned a letter grade of D and shall present the respective improvement plans that have been developed for each school. The school district governing board, within thirty days of receiving notice of the designation, shall provide written notification of the classification to each residence within the attendance area of the school. The notice shall explain the improvement plan process and provide information regarding the public meeting required by this subsection.

L. A school that has not submitted an improvement plan pursuant to subsection K of this section is not eligible to receive monies from the classroom site fund established by section 15-977 for every day that a plan has not been received by the superintendent of public instruction within the time specified in subsection K of this section plus an additional ninety days. The state board of education shall require the superintendent of the school district to testify before the board and explain the reasons that an improvement plan for that school has not been submitted.

M. If a charter school is assigned a letter grade of D, within thirty days the school shall notify the parents of the students attending the school

of the classification. The notice shall explain the improvement plan process and provide information regarding the public meeting required by this subsection. Within ninety days of receiving the classification, the charter holder shall present an improvement plan to the charter sponsor at a public meeting and submit a copy of the plan to the superintendent of public instruction. The improvement plan shall include necessary components as identified by the state board of education. For every day that an improvement plan is not received by the superintendent of public instruction and the county educational service agency, the school is not eligible to receive monies from the classroom site fund established by section 15-977 for every day that a plan has not been received by the superintendent of public instruction within the time specified in subsection K of this section plus an additional ninety days. The charter holder shall appear before the sponsoring board and explain why the improvement plan has not been submitted.

N. The department of education shall establish an appeals process, to be approved by the state board of education, for a school to appeal data used to determine the achievement profile of the school. The criteria established shall be based on mitigating factors and may include a visit to the school site by the department of education.

O. If a school is assigned a letter grade of D for a third consecutive year, the department of education shall visit the school site to confirm the classification data and to review the implementation of the school's improvement plan. The school shall be assigned a letter grade of F unless an alternate letter grade is assigned after an appeal pursuant to subsection N of this section. A school that is assigned a letter grade of D for less than three consecutive years may also be assigned a letter grade of F if the state board of education determines that there is no reasonable likelihood that the school will achieve an average level of performance within the next two years.

P. The school district governing board, within thirty days of receiving notice of the school being assigned a letter grade of F, shall provide written notification of the classification to each residence in the attendance area of the school. The notice shall explain the improvement plan process and provide information regarding the public meeting required by subsection S of this section.

Q. The superintendent of public instruction in collaboration with the county educational service agency, based on need, shall assign a solutions team to a school assigned a letter grade of D, a school assigned a letter grade of F or any other school pursuant to a mutual agreement between the department of education and the school ~~comprised~~ COMPOSED of master teachers, fiscal analysts and curriculum assessment experts who are certified by the state board of education as Arizona academic standards technicians. The department of education or the county educational service agency may hire or contract with administrators, principals and teachers who have demonstrated experience with the characteristics and situations in a school assigned a

letter grade of D or F and may use these personnel as part of the solutions team. The department of education shall work with staff at the school to assist in curricula alignment and shall instruct teachers on how to increase pupil academic progress, considering the school's achievement profile. The solutions team shall consider the existing improvement plan to assess the need for changes to curriculum, professional development and resource allocation and shall present a statement of its findings to the school administrator and district superintendent. Within forty-five days after the presentation of the solutions team's statement of findings, the school district governing board, in cooperation with each school within the school district that is assigned a letter grade of D and its assigned solutions team representative, shall develop and submit to the department of education and the county educational service agency an action plan that details the manner in which the school district will assist the school as the school incorporates the findings of the solutions team into the improvement plan. The department of education shall review the action plan and shall either accept the action plan or return the action plan to the school district for modification. If the school district does not submit an approved action plan within forty-five days, the state board of education may direct the superintendent of public instruction to withhold up to ten per cent of state monies that the school district would otherwise be entitled to receive each month until the plan is submitted to the department of education and the county educational service agency, at which time those monies shall be returned to the school district.

R. The parent or the guardian of the pupil may apply to the department of education, in a manner determined by the department of education, for a certificate of supplemental instruction from the failing schools tutoring fund established by this section. Pupils attending a school assigned a letter grade of D or F or a pupil who has failed to pass one or more portions of the Arizona instrument to measure standards test in grades eight through twelve in order to graduate from high school may select an alternative tutoring program in academic standards from a provider that is certified by the state board of education. To qualify, the provider must state in writing a level of academic improvement for the pupil that includes a timeline for improvement that is agreed to by the parent or guardian of the pupil. The state board of education shall annually review academic performance levels for providers certified pursuant to this subsection and may remove a provider at a public hearing from an approved list of providers if that provider fails to meet its stated level of academic improvement. The state board of education shall determine the application guidelines and the maximum value for each certificate of supplemental instruction. The state board of education shall annually complete a market survey in order to determine the maximum value for each certificate of supplemental instruction. This subsection shall not be construed to require the state to provide additional

monies beyond the monies provided pursuant to section 42-5029, subsection E, paragraph 7.

S. Within sixty days of receiving notification of a school being assigned a letter grade of F, the school district governing board shall evaluate needed changes to the existing improvement plan for the school, consider recommendations from the solutions team, submit a copy of the plan to the superintendent of public instruction and the county educational service agency and supervise the implementation of the plan. Within thirty days after submitting the improvement plan to the superintendent of public instruction, the governing board shall hold a public meeting in each school that has been assigned a letter grade of F and shall present the respective improvement plans that have been developed for each school.

T. A school that has not submitted an improvement plan pursuant to subsection S of this section is not eligible to receive monies from the classroom site fund established by section 15-977 for every day that a plan has not been received by the superintendent of public instruction within the time specified in subsection S of this section plus an additional ninety days. The state board of education shall require the superintendent of the school district to testify before the board and explain the reasons that an improvement plan for that school has not been submitted.

U. If a charter school is assigned a letter grade of F, the department of education shall immediately notify the charter school's sponsor. The charter school's sponsor shall either take action to restore the charter school to acceptable performance or revoke the charter school's charter. Within thirty days the school shall notify the parents of the students attending the school of the classification and of any pending public meetings to review the issue.

V. A school that has been assigned a letter grade of F shall be evaluated by the department of education to determine if the school failed to properly implement its school improvement plan, align the curriculum with academic standards, provide teacher training, prioritize the budget or implement other proven strategies to improve academic performance. After visiting the school site pursuant to subsection O of this section, the department of education shall submit to the state board of education a recommendation to proceed pursuant to subsections Q, R and S of this section or that the school be subject to a public hearing to determine if the school failed to properly implement its improvement plan and the reasons for the department's recommendation.

W. If the department does recommend a public hearing, the state board of education shall meet and may provide by a majority vote at the public hearing for the continued operation of the school as allowed by this subsection. The state board of education shall determine whether governmental, nonprofit and private organizations may submit applications to the state board to fully or partially manage the school. The state board's determination shall include:

1. If and to what extent the local governing board may participate in the operation of the school including personnel matters.

2. If and to what extent the state board of education shall participate in the operation of the school.

3. Resource allocation pursuant to subsection Y of this section.

4. Provisions for the development and submittal of a school improvement plan to be presented in a public meeting at the school.

5. A suggested time frame for the alternative operation of the school.

X. The state board shall periodically review the status of a school that is operated by an organization other than the school district governing board to determine whether the operation of the school should be returned to the school district governing board. Before the state board makes a determination, the state board or its designee shall meet with the school district governing board or its designee to determine the time frame, operational considerations and the appropriate continuation of existing improvements that are necessary to assure a smooth transition of authority from the other organization back to the school district governing board.

Y. If an alternative operation plan is provided pursuant to subsection W of this section, the state board of education shall pay for the operation of the school and shall adjust the school district's soft capital allocation pursuant to section 15-962, capital outlay revenue limit pursuant to section 15-961, base support level pursuant to section 15-943, monies distributed from the classroom site fund established by section 15-977 and transportation support level pursuant to section 15-945 to accurately reflect any reduction in district services that are no longer provided to that school by the district. The state board of education may modify the school district's revenue control limit, the district support level and the general budget limit calculated pursuant to section 15-947 by an amount that corresponds to this reduction in services. The state board of education shall retain the portion of state aid that would otherwise be due the school district for the school and shall distribute that portion of state aid directly to the organization that contracts with the state board of education to operate the school.

Z. If the state board of education determines that a charter school failed to properly implement its improvement plan, the sponsor of the charter school shall revoke the charter school's charter.

AA. If there are more than two schools in a district and more than one-half, or in any case more than five, of the schools in the district are assigned a letter grade of F for more than two consecutive years, in the next election of members of the governing board the election ballot shall contain the following statement immediately above the listing of governing board candidates:

Within the last five years, (number of schools) schools in the _____ school district have been assigned a letter grade of F or designated as "schools failing to meet academic standards" by the superintendent of public instruction.

BB. At least twice each year the department of education shall publish ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county of this state a list of schools that are assigned a letter grade of F.

CC. The failing schools tutoring fund is established consisting of monies collected pursuant to section 42-5029, subsection E as designated for this purpose. The department of education shall administer the fund. The department of education may use monies from the fund to purchase materials designed to assist students to meet the Arizona academic standards and to achieve a passing score on the Arizona instrument to measure standards test in order to graduate from high school.

DD. The department of education may develop a classification label for school districts and charter school operators. If the department of education develops a classification label for school districts and charter school operators, the classification label may be developed from the following components:

1. Measures of academic progress.

2. Pupil assessment data.

3. The attendance rates and graduation rates of pupils who are educated in that charter school operator's charter schools or in that school district's schools.

4. The percentage of the parents of pupils enrolled in that charter school operator's charter schools or in that school district's schools that categorizes the quality of their child's education as excellent on a parental rating of school quality.

EE. The state board of education shall determine appropriate modifications to the criteria used to calculate achievement profiles for schools that participate in the board examination system prescribed in chapter 7, article 6 of this title.

FF. The state board of education shall adopt guidelines to include supplementary training in reading instruction for teachers who provide instruction to pupils in a kindergarten program or grade one, two or three in an improvement plan pursuant to subsection K of this section.

GG. In addition to any other corrective procedures prescribed in this section and section 15-241.01, a school that has been assigned a letter grade of D or F for two consecutive years shall implement a science, technology, engineering and mathematics intervention strategy under the supervision of the state board of education.

HH. In addition to any other corrective procedures prescribed in this section a school district that has been assigned a letter grade of D or F for two consecutive years shall implement a parent involvement strategy. The parent involvement strategy shall be included in the school improvement ~~plans~~

PLAN for each applicable school within the district, as prescribed in subsection K of this section.

Sec. 96. Section 15-395, Arizona Revised Statutes, is amended to read:

15-395. Enlarging joint district

A. To add school districts to a joint district, the joint board shall first publish a copy of a proposed resolution accepting the school district into the joint district ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the school district proposing to join the joint district once a week for at least two weeks immediately before the date of the consideration of the adoption of the proposed resolution by the joint board.

B. After adoption by the joint board of the resolution accepting the school district into the joint district, the question shall be submitted to the qualified electors of the district seeking to become a part of the joint district at an election held on the first Tuesday after the first Monday in November. The question that is submitted to the qualified electors shall describe the tax rate that is associated with joining the joint district and the estimated cost of that tax rate for the owner of a single family home that is valued at one hundred thousand dollars. Authorization is required through an intergovernmental agreement or other written contract between the joint district and the district seeking to become part of the joint district in order to enlarge the joint district.

Sec. 97. Section 15-450, Arizona Revised Statutes, is amended to read:

15-450. Formation of a new joint unified school district; petition; report; election; notice; ballots; canvass of votes; appointment of governing board

A. Notwithstanding any other statute, a new joint unified school district may be formed if the formation is approved by the state board of education and if the following requirements are met:

1. The boundaries of the proposed new joint unified school district include an incorporated city that is divided by two counties.

2. The proposed new joint unified school district includes territory within the boundaries of two or more existing school districts.

3. The proposed new joint unified school district would have a student count of not less than six hundred.

4. A high school is not located within the boundaries of the proposed new joint unified school district.

5. The assessed valuation of the proposed school district is at least two million dollars.

6. The governing boards of the districts affected have been given notice of the proposed change and an opportunity to be heard pursuant to section 15-442, subsection B.

B. If it is desired that a new joint unified school district be formed pursuant to ~~the provisions of~~ this section, ten per cent or more of the qualified electors residing within the boundaries of the proposed joint unified school district shall file petitions with the county school

superintendents of the counties in which the territory of the proposed district is situated. The petitions shall describe the territory to be included in the proposed joint unified school district and shall request that the formation of the proposed district be submitted to the qualified electors who reside within the proposed district.

C. Each county school superintendent with whom petitions for the formation of a joint unified school district are filed shall examine the petitions within fifteen days of the date of receipt to determine their sufficiency, including the adequacy of the signatures from the portion of the proposed district within his county. If the petitions are found sufficient, the county school superintendent shall transmit the petitions to the state board of education.

D. The state board of education shall promptly schedule a review of the issue of the formation of the proposed joint unified school district after receiving the petitions from the county school superintendents pursuant to subsection C of this section. The board shall approve or reject the formation of the proposed joint unified school district within sixty days of the date of receipt of the petitions. The board shall consider:

1. Operational costs of the existing and proposed districts.
2. Travel times and distances.
3. Climatic conditions.
4. Local terrain.
5. The number of pupils.
6. The fairness and appropriateness of any redistribution of taxable wealth from an existing school district to a proposed joint unified school district.
7. Whether the assessed valuation of the proposed joint unified school district is sufficient to support the district in a manner comparable to other districts of similar size.

If the state board after considering all such factors determines that the proposed new district will not cause an undue adverse effect on the operations of any existing school district, jeopardize the operation of the proposed joint common school district or cause a disproportionate amount of taxable wealth to be redistributed, it shall approve the petitions and return them to the respective county school superintendents.

E. On approval from the state board of education, the county school superintendent of each county whose territory or a portion of whose territory will be included in the proposed joint unified school district shall submit the question of the formation of the proposed joint unified school district to the voters at a general election or at a special election to be held for that purpose. If no general election is scheduled to be held within sixty days after the date the county school superintendent receives the approved petitions from the state board of education, ~~he~~ THE COUNTY SCHOOL SUPERINTENDENT shall promptly call a special election to be held within sixty days after receipt of the approved petitions. Notice of the election shall

be given by the county school superintendent to the boards of supervisors. At least ten days before the election, the county school superintendent shall cause notice of the proposed election to be posted in not less than three public places in the proposed district and to be published at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the proposed district. The notice shall state the following:

1. The question to be voted on and the boundaries of the proposed joint unified school district with sufficient definiteness to make them readily ascertainable.

2. A description of voter qualifications, including requirements that the voters shall be residents of the proposed district.

3. The location of voting places within the proposed district, at least one of which shall be in each county.

F. Within ten days after the election, the county school superintendent and the chairman of the board of supervisors of each county shall canvass the vote. If a majority of the votes cast in each county of persons who reside within the proposed district ~~favors~~ FAVOR formation of the proposed joint unified school district, the boards of supervisors shall jointly declare the election and the joint unified school district shall become operative from and after June 30 next following the election.

G. If the joint unified school district includes territory located in two or more counties, the county of jurisdiction is the county in which the largest number of qualified electors of the joint unified school district resides, except that if all of the existing school buildings are located in one county, that county is the county of jurisdiction. The county school superintendent of the jurisdictional county shall perform all duties for and with respect to the joint unified school district required to be performed by county school superintendents. The board of supervisors of the jurisdictional county shall perform all duties for and with respect to the joint unified school district required to be performed by boards of supervisors, except that school district taxes to be levied on property in the portion of the joint unified school district lying in another county shall be levied by the board of supervisors of the other county or counties and on receipt shall be transferred to the county of jurisdiction.

H. If a new joint unified school district is authorized, the governing boards of the existing school districts shall prepare a projected list of assets for the existing districts ~~prior to~~ BEFORE the end of the fiscal year in which the election is held. The governing boards of the original school districts and the new joint unified school district shall prepare a final statement of assets for the formerly existing school districts as of the end of the fiscal year in which the election was held and shall have the statement of cash and bonded indebtedness certified by the county treasurers by August 30 of the year in which the new school district becomes operative. The governing boards of the original school districts and the new joint unified school district shall set aside sufficient assets or provide

other means to satisfy the liabilities of the former existing districts except for bonded indebtedness and approve the final division of all assets by September 15 of the year in which the new school district becomes operative. If one or more of the governing boards fail to provide for satisfying the liabilities and fail to approve the division of assets by September 15, the county attorney or attorneys shall determine the means to satisfy the liabilities and final division of assets by October 1 of the fiscal year in which the new school district becomes operative.

I. The division of bonded indebtedness of the original school districts shall be in accordance with the provisions of section 15-457, subsection B. In addition, any debt due to lease-purchase agreements shall be handled in a similar manner as outlined for bonded indebtedness in section 15-457, subsection B.

J. Sections 15-457, 15-975 and 15-997 apply to joint unified school districts formed under this section.

K. A joint unified school district shall not be formed if any of the resulting school districts would have a student count for the current year of less than six hundred.

L. The governing board of the joint unified school district shall prepare policies, curricula and budgets for the new school district. These policies shall require that:

1. The base salary of each teacher for the first year of operation of the new school district shall not be lower than the teacher's base salary for the prior year in the previously existing school district.

2. The teacher's years of employment in the previously existing school district shall be included in determining the teacher's years of employment in the new joint unified school district.

M. If a new joint unified school district is authorized, the governing board of a district that will have its boundaries reduced by creation of the new joint unified district may hold an override election for the year beginning July 1 after the election that authorized the formation of the new joint unified district. The governing board of a school district that will have its boundaries reduced by creation of the new joint unified district may hold a bond election for bonds applicable to and paid solely by the school district as it will exist after the formation of the new joint unified school district. Override elections and bond elections under this subsection shall be held on the first Tuesday following the first Monday in November as prescribed by section 16-204. The electors who reside in an area ~~that~~ WHERE property will not be subject to taxation for operation or payment of the bonds of the school district calling the override or bond election after creation of the new joint unified school district are not eligible to vote in such an override or bond election.

Sec. 98. Section 15-455, Arizona Revised Statutes, is amended to read:

15-455. Formation of joint common school district; petition; election; notice; canvass

A. A petition for the creation of a joint common school district shall include the following:

1. A description of the territory comprising the proposed district.

2. A request that the question of the creation of the proposed district be submitted to the qualified electors residing within each of the affected districts.

3. The signatures of not less than ten per cent of the qualified electors residing within the portion of the proposed district within the respective county involved. The county school superintendent of each county whose territory, or a portion thereof, will be included in the proposed district shall receive the petitions containing signatures of residents of ~~his~~ THAT county.

B. Each county school superintendent with whom a petition for the creation of a joint common school district is filed ~~shall~~, within fifteen days ~~of~~ AFTER the date of receipt, SHALL examine the petition to determine its sufficiency, including the adequacy of the signatures from the portion of the proposed district within ~~his~~ THAT county. If the petition is found sufficient, the county school superintendent shall transmit the petition to the state board of education.

C. If the petitions for the creation of the proposed joint common school district are found sufficient by the county school superintendent of each county whose territory or a portion thereof is to be included in the proposed district, the state board of education shall promptly schedule a review of the issue of the creation of the proposed joint common school district. Such review and the board determination on the issue of the creation of the proposed joint common school district shall be completed within sixty days ~~of~~ AFTER the date of receipt of the final petition.

D. The review of the issue of the creation of a proposed joint common school district shall include consideration of the following factors:

1. Operational costs.

2. Travel times and distances.

3. Climatic conditions.

4. THE local terrain.

5. THE number of pupils.

6. The fairness and appropriateness of any redistribution of taxable wealth from an existing school district to a proposed joint common school district. If the state board after considering all such factors determines that the proposed new district will not cause an undue adverse effect on the operations of any existing school district or jeopardize the operation of the proposed joint common school district or cause a disproportionate amount of taxable wealth to be redistributed, it shall approve the petitions and return them to the respective county school superintendents.

E. ~~Upon~~ ON receipt of the approved petitions the county school superintendent of each county whose territory, or a portion thereof, will be included in the proposed joint common school district shall submit the question of the formation of the proposed joint common school district at a general election, or at a special election to be held for that purpose. If no general election will be held within sixty days after the date the county school superintendent receives the approved petition from the state board of education, ~~he~~ THE COUNTY SCHOOL SUPERINTENDENT shall promptly call a special election to be held within forty-five days after receipt of the approved petition. Notice of such election shall be given by the county school superintendent to the boards of supervisors.

F. The county school superintendent shall cause notice of the proposed election to be posted in not less than three public places in the area within each of the affected districts and to be published one time ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county~~, such posting and publication to be made~~ at least ten days before the election. Such notice shall state the following:

1. The question to be voted on and the boundaries of the proposed joint common school district with sufficient definiteness to make them readily ascertainable.

2. Voter qualifications.

3. The voting places within each of the affected districts. There shall be at least one voting place in each county. The election shall be called and held, and voters shall possess qualifications as prescribed for the election of governing boards and shall be residents of the territory within each of the affected districts. Ballots shall be prepared and the officers of election appointed by the county school superintendent.

G. On the fifth day after the election the county school superintendent and the chairman of the board of supervisors of each county shall canvass the vote. If a majority of the votes cast in each county of persons who reside within each of the affected districts ~~is~~ ARE in favor of creation of the proposed joint common school district, the boards of supervisors shall jointly declare the election and the joint common school district is established. For the purpose of this subsection, ~~a~~ "majority of the votes cast in each county of persons who reside within each of the affected districts" means a majority vote of the qualified electors voting in each county in each part of an affected existing school district or affected area to be included in the proposed joint common school district and a majority vote of the qualified electors voting in each county in each part, if any, of an affected school district not to be included in the proposed joint common school district.

Sec. 99. Section 15-904, Arizona Revised Statutes, is amended to read:

15-904. School district annual financial report; publication; summary

A. The governing board of each school district shall publish an annual financial report for the prior fiscal year by November 15. The auditor general in conjunction with the department of education shall prescribe the format of the financial report to be used by school districts. The financial report shall contain budgeted and actual expenditures for the preceding fiscal year and shall be prepared and distributed by October 15 by the school district with a copy to the county school superintendent. A copy of the annual financial report shall be submitted electronically by the school district to the superintendent of public instruction by October 15. The annual financial report shall be approved by the county school superintendent in an electronic procedure as prescribed by the department of education. On or before October 15, the governing board shall submit the annual financial report for the previous fiscal year to the department of education, which shall prominently display this information about that school district on the website maintained by the department. If the school district maintains a website, the school district shall post a link to the website of the department of education where this information about the school district is posted. School districts that are subject to section 15-914.01 are not required to send a copy to the county school superintendent.

B. In addition to the information required in subsection A of this section, the annual financial report shall contain detailed information on the school district budgeted and actual expenditures from the bond building fund, the soft capital allocation fund, the deficiencies correction fund, the building renewal fund and the new school facilities fund, including but not limited to information on classified salaries, employee benefits, interest and fiscal charges, capital lease agreements, land and improvements, buildings and improvements, furniture and equipment, technology and vehicles and transportation equipment for pupils. The information shall specify whether the expenditures are for school district renovation or for new construction, the cost per square foot and land acquisition costs, as appropriate.

C. Except as provided in subsection D of this section, the governing board shall publish, by November 15, the annual financial report for the school district either ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the school district, by electronic transmission of the information to the department of education for posting on the department's website or in the official ~~newspaper~~ PUBLIC MEDIUM of the county as ~~defined~~ PRESCRIBED in section 11-255, or the governing board may mail the annual financial report for the school district to each household in the school district. If the governing board chooses to transmit the report electronically to the department of education, the school district shall provide a link on the school district's website to the report on the

department's website. If the governing board chooses to publish the report ~~in a newspaper~~ ON A PUBLIC MEDIUM, the size of the ~~newspaper~~ print shall be at least eight-point type. The cost of publication or mailing shall be a charge against the school district. The publisher's affidavit of publication shall be filed by the governing board of the school district with the superintendent of public instruction within thirty days after publication.

D. The governing board may publish or mail a summary of the annual financial report in the same manner as provided in subsection C of this section. The auditor general in conjunction with the department of education shall prescribe the form of the summary of the annual financial report for use by the governing boards.

E. The superintendent of public instruction shall compile the financial reports of the school districts, including expenditure data for federal and state projects, and shall report to the governor and the legislature on or before January 15 of each year as provided in section 15-255.

Sec. 100. Section 15-905, Arizona Revised Statutes, is amended to read:

15-905. School district budgets; notice; adoption; aggregate budget limit; summary; adjustments; impact aid fund; definition

A. Not later than July 5 of each year or no later than the publication of notice of the public hearing and board meeting as required by this section, the governing board of each school district shall prepare and furnish to the superintendent of public instruction and the county school superintendent, unless waived by the county school superintendent, a proposed budget in electronic format for the budget year, which shall contain the information and be in the form as provided by the department of education. The proposed budget shall include the following:

1. The total amount of revenues from all sources that was necessary to meet the school district's budget for the current year.

2. The total amount of revenues by source that will be necessary to meet the proposed budget of the school district, excluding property taxes. The governing board shall prepare the proposed budget and a summary of the proposed budget. Both documents shall be kept on file at the school district office and shall be made available to the public ~~upon~~ ON request. Not later than July 5 of each year or not later than the publication of notice of the public hearing and board meeting required by this subsection, the governing board shall submit the proposed budget to the department of education, which shall prominently display this information about that school district on the website maintained by the department. If the school district maintains a website, the school district shall post a link to the website of the department of education where this information about the school district is posted. The auditor general in conjunction with the department of education shall prescribe the form of the summary of the proposed budget for use by

governing boards. School district governing boards may include in the proposed budget any items or amounts ~~which~~ THAT are authorized by legislation filed with the secretary of state and ~~which~~ THAT will become effective during the budget year. If subsequent events prevent the legislation from becoming effective, school district governing boards must reduce their budgets by the amounts budgeted pursuant to the legislation ~~which~~ THAT did not become effective.

B. The governing board of each school district shall prepare a notice fixing a time not later than July 15 and designating a public place within each school district at which a public hearing and board meeting shall be held. The governing board shall present the proposed budget for consideration of the residents and the taxpayers of the school district at ~~such~~ THAT hearing and meeting.

C. The governing board of each school district shall publish or mail, ~~prior to~~ BEFORE the hearing and meeting, a copy of the proposed budget or the summary of the proposed budget and~~, in addition,~~ a notice of the public hearing and board meeting no later than ten days ~~prior to~~ BEFORE the meeting. The proposed budget and the summary of the proposed budget shall contain the percentage of increase or decrease in each budget category of the proposed budget as compared to each category of the budget for the current year. Notification shall be either by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the school district in which the size of the ~~newspaper~~ print shall be at least eight-point type, by electronic transmission of the information to the department of education for posting on the department's website or by mailing the information to each household in the school district. The cost of publication, website posting or mailing shall be a charge against the school district. The publisher's affidavit of publication shall be filed by the governing board with the superintendent of public instruction within thirty days after publication. If the budget or proposed budget and notice are posted on a website maintained by the department of education or mailed, the board shall file an affidavit with the superintendent of public instruction within thirty days after the mailing or the date that the information is posted on the website. If a truth in taxation notice and hearing is required under section 15-905.01, the governing board may combine the notice and hearing under this section with the truth in taxation notice and hearing.

D. At the time and place fixed in the notice, the governing board shall hold the public hearing and present the proposed budget to the persons attending the hearing. ~~Upon~~ ON request of any person, the governing board shall explain the budget, and any resident or taxpayer of the school district may protest the inclusion of any item. A governing board member who has a substantial interest, as defined in section 38-502, in a specific item in the school district budget shall refrain from voting on the specific item. A governing board member may participate without creating a conflict of

interest in adoption of a final budget even though the member may have substantial interest in specific items included in the budget.

E. Immediately following the public hearing the president shall call to order the governing board meeting for the purpose of adopting the budget. The governing board shall adopt the budget, which shall not exceed the general budget limit, the unrestricted capital budget limit or the soft capital allocation limit, making such deductions as it sees fit but making no additions to the proposed budget total for maintenance and operations or capital outlay, and shall enter the budget as adopted in its minutes. Not later than July 18, the budget as finally adopted shall be filed by the governing board with the county school superintendent who shall immediately transmit a copy to the board of supervisors. Not later than July 18, the budget as finally adopted shall be submitted electronically to the superintendent of public instruction. Not later than July 18, the governing board shall submit the budget as finally adopted to the department of education, which shall prominently display this information about that school district on the website maintained by the department. If the school district maintains a website, the school district shall post a link to the website of the department of education where this information about the school district is posted. On or before October 30, the superintendent of public instruction shall review the budget and notify the governing board if the budget is in excess of the general budget limit, the unrestricted capital budget limit or the soft capital allocation limit. The governing board shall revise the budget as follows:

1. If the governing board receives notification that the budget exceeds the general budget limit, the unrestricted capital budget limit or the soft capital allocation limit by one per cent of the general budget limit or one hundred thousand dollars, whichever is less, it shall adopt on or before December 15, after it gives notice and holds a public meeting in a similar manner as provided in subsections C and D of this section, a revised budget for the current year, which shall not exceed the general budget limit, the unrestricted capital budget limit or the soft capital allocation limit.

2. If the governing board receives notification that the budget exceeds the general budget limit, the unrestricted capital budget limit or the soft capital allocation limit by less than the amount prescribed in paragraph 1 of this subsection, the governing board shall adjust the budget and expenditures so as not to exceed the general budget limit, the unrestricted capital budget limit or the soft capital allocation limit for the current year.

3. On or before December 18, the governing board shall file the revised budget it adopts with the county school superintendent who shall immediately transmit a copy to the board of supervisors. Not later than December 18, the budget as revised shall be submitted electronically to the superintendent of public instruction. School districts that are subject to section 15-914.01 are not required to send a copy of revised budgets to the

county school superintendent. Procedures for adjusting expenditures or revising the budget shall be as prescribed in the uniform system of financial records.

F. The governing board of each school district may budget for expenditures within the school district budget as follows:

1. Amounts within the general budget limit, as provided in section 15-947, subsection C, may only be budgeted in the following sections of the budget:

(a) The maintenance and operation section.

(b) The capital outlay section.

2. Amounts within the unrestricted capital budget limit, as provided in section 15-947, subsection D, may only be budgeted in the unrestricted capital outlay subsection of the budget. Monies received pursuant to the unrestricted capital budget limit shall be placed in the unrestricted capital outlay fund. The monies in the fund are not subject to reversion.

3. The soft capital allocation limit, as provided in section 15-947, subsection E, may only be budgeted in the soft capital allocation subsection of the budget.

G. The governing board may authorize the expenditure of monies budgeted within the maintenance and operation section of the budget for any subsection within the section in excess of amounts specified in the adopted budget only by action taken at a public meeting of the governing board and if the expenditures for all subsections of the section do not exceed the amount budgeted as provided in this section.

H. The aggregate budget limit is the sum of the following:

1. The general budget limit as determined in section 15-947 for the budget year.

2. The unrestricted capital budget limit as determined in section 15-947 for the budget year.

3. The soft capital allocation limit for the budget year as determined in section 15-947.

4. Federal assistance, excluding title VIII of the elementary and secondary education act of 1965 monies.

I. School districts ~~which~~ THAT overestimated tuition revenues as provided in section 15-947, subsection C, paragraph 2 shall adjust the general budget limit and expenditures based ~~upon~~ ON tuition revenues for attendance of nonresident pupils during the current fiscal year. School districts ~~which~~ THAT underestimated tuition revenues may adjust their budgets ~~prior to~~ BEFORE May 15 based ~~upon~~ ON tuition revenues for attendance of nonresident pupils during the current fiscal year. School districts ~~which~~ THAT overestimated revenues as provided in section 15-947, subsection C, paragraph 2, subdivision (a), items (iii), (iv) and (v) and subdivision (d) shall adjust the general budget limit and expenditures based on actual revenues during the current fiscal year. School districts ~~which~~ THAT underestimated such revenues may adjust their budgets before May 15 based on

actual revenues during the current fiscal year. Procedures for completing adjustments shall be as prescribed in the uniform system of financial records. Not later than May 18, the budget as adjusted shall be submitted electronically to the superintendent of public instruction.

J. A common school district not within a high school district whose estimated tuition charge for high school pupils exceeds the actual tuition charge for high school pupils shall adjust the general budget limit and expenditures based on the actual tuition charge. Not later than May 18, the budget as adjusted shall be submitted electronically to the superintendent of public instruction. A common school district not within a high school district whose estimated tuition charge for high school pupils is less than the actual tuition charge for high school pupils may adjust its budget before May 15 based on the actual tuition charge. Procedures for completing adjustments shall be as prescribed in the uniform system of financial records. If the adjusted general budget limit requires an adjustment of state aid and if the adjustment to state aid is not made in the current year, the superintendent of public instruction shall adjust by August 15 of the succeeding fiscal year the apportionment of state aid to the school district to correct any overpayment or underpayment of state aid received during the current year.

K. The governing board may include title VIII of the elementary and secondary education act of 1965 assistance allocated for children with disabilities, children with specific learning disabilities, children residing on Indian lands and children residing within the boundaries of an accommodation school that is located on a military reservation and that is classified as a heavily impacted local educational agency pursuant to 20 United States Code section 7703 ~~which~~ THAT is in addition to basic assistance when determining the general budget limit as prescribed in section 15-947, subsection C. The increase in the general budget limit for children residing within the boundaries of an accommodation school that is located on a military reservation and that is classified as a heavily impacted local education agency shall equal the dollar amount calculated pursuant to 20 United States Code section 7703(b)(2). The governing board may adjust before May 15 the budget for the current year based on any adjustments ~~which~~ THAT result in increases over the amount estimated by the superintendent of public instruction for title VIII of the elementary and secondary education act of 1965 assistance for such pupils for the fiscal year preceding the current year. The governing board shall adjust before May 15 the budget for the current year based on any adjustments ~~which~~ THAT result in decreases in the amount estimated by the superintendent of public instruction for title VIII of the elementary and secondary education act of 1965 assistance for such pupils for the fiscal year preceding the current year. Not later than May 18, the budget as adjusted shall be submitted electronically to the superintendent of public instruction. Procedures for complying with this subsection shall be as prescribed in the uniform system of financial records.

L. The department of education shall notify the state board of education if expenditures by any school district exceed the general budget limit prescribed in section 15-947, subsection C, the unrestricted capital budget limit, the soft capital allocation limit prescribed in section 15-947, subsection E, the school plant fund limits prescribed in section 15-1102, subsection B, the maintenance and operation section of the budget or the capital outlay section of the budget. If the expenditures of any school district exceed these limits or sections of the budget without authorization as provided in section 15-907, and if the state board of education determines that the equalization assistance for education received by the school district as provided in section 15-971 does not conform with statutory requirements, the state board of education shall reduce the state aid for equalization assistance for education for the school district computed as provided in section 15-971 during the fiscal year subsequent to the fiscal year in which the excess equalization assistance for education was received by an amount equal to the excess equalization assistance for education, except that in case of hardship to the school district, the superintendent of public instruction may approve reductions partly in the first subsequent year and partly in the second subsequent year. If the state board of education determines that the equalization assistance for education received by the school district conforms with statutory requirements, the state board of education shall not reduce the district's equalization assistance for education pursuant to this subsection but the district shall reduce the budget limits as required in subsection M of this section. A school district that disagrees with the department of education's determination regarding an excess expenditure under this subsection may request a hearing before the state board of education.

M. The governing board of a school district shall reduce the general budget limit, the unrestricted capital budget limit or the soft capital allocation limit for the year subsequent to the year in which the expenditures were in excess of the applicable limit or section of the budget by the amount determined in subsection L of this section, except that in case of hardship to the school district, the superintendent of public instruction may approve reductions partly in the first subsequent year and partly in the second subsequent year. The reduction in the limit is applicable to each school district ~~which~~ THAT has exceeded the general budget limit, the unrestricted capital budget limit, the soft capital allocation limit or a section of the budget even if the reduction exceeds the state aid for equalization assistance for education for the school district.

N. Except as provided in section 15-916, ~~no~~ AN expenditure shall NOT be made by any school district for a purpose not included in the budget or in excess of the aggregate budget limit prescribed in this section, except that if no budget has been adopted, from July 1 to July 15 the governing board may make expenditures if the total of the expenditures does not exceed ten per cent of the prior year's aggregate budget limit. Any expenditures made from

July 1 to July 15 and ~~prior to~~ BEFORE the adoption of the budget shall be included in the total expenditures for the current year. ~~No~~ AN expenditure shall NOT be made and ~~no~~ A debt, obligation or liability shall NOT be incurred or created in any year for any purpose itemized in the budget in excess of the amount specified for the item irrespective of whether the school district at any time has received or has on hand funds in excess of those required to meet the expenditures, debts, obligations and liabilities provided for under the budget except expenditures from cash controlled funds as defined by the uniform system of financial records and except as provided in section 15-907 and subsection G of this section. This subsection does not prohibit any school district from prepaying insurance premiums or magazine subscriptions, or from prepaying any item ~~which~~ THAT is normally prepaid in order to procure the service or to receive a discounted price for the service, as prescribed by the uniform system of financial records.

O. The governing board of a school district ~~which~~ THAT is classified as a heavily impacted school district having twenty per cent or more pupils pursuant to 20 United States Code section 238(d)1(A) may determine its eligibility to increase the amount that may be included in determining the general budget limit as provided in subsection K of this section and may increase the amount as follows:

1. For fiscal year 1988-1989:

(a) Multiply one thousand ninety-four dollars by the number of children with disabilities or children with specific learning disabilities, excluding children who also reside on Indian lands, reported to the division of impact aid, United States department of education in the district's application for fiscal year 1987-1988.

(b) Multiply five hundred forty-seven dollars by the number of children residing on Indian lands, excluding children who have disabilities or also have specific learning disabilities, reported to the division of impact aid, United States department of education in the district's application for fiscal year 1987-1988.

(c) Multiply one thousand nine hundred fourteen dollars by the number of children residing on Indian lands who have disabilities or also have specific learning disabilities reported to the division of impact aid, United States department of education in the district's application for fiscal year 1987-1988.

(d) Add the amounts determined in subdivisions (a) through (c) OF THIS PARAGRAPH.

(e) If the amount of title VIII of the elementary and secondary education act of 1965 assistance as provided in subsection K of this section is less than the sum determined in subdivision (d) of this paragraph, the district is eligible to use the provisions of this subsection.

2. For budget years after 1988-1989, use the provisions of paragraph 1 of this subsection, but increase each dollar amount by the growth rate for

that year as prescribed by law, subject to appropriation and use the number of children reported in the appropriate category for the current fiscal year.

3. If the district is eligible to use the provisions of this subsection, subtract the amount of title VIII of the elementary and secondary education act of 1965 assistance determined in subsection K of this section from the sum determined in paragraph 1, subdivision (d) of this subsection. The difference is the increase in the amount that may be included in determining the general budget limit as provided in subsection K of this section, if including this amount does not increase the district's primary tax rate for the budget year. If the amount of title VIII of the elementary and secondary education act of 1965 assistance determined in subsection K of this section is adjusted for the current year, the increase determined in this paragraph shall be recomputed using the adjusted amount and the recomputed increase shall be reported to the department of education by May 15 on a form prescribed by the department of education.

4. If a district uses the provisions of this subsection, the district is not required to adjust its budget for the current year based on adjustments in the estimated amount of title VIII of the elementary and secondary education act of 1965 assistance as provided in subsection K of this section.

P. A school district, except for an accommodation school, ~~which~~ THAT applies for title VIII of the elementary and secondary education act of 1965 assistance during the current year may budget an amount for title VIII of the elementary and secondary education act of 1965 administrative costs for the budget year. The amount budgeted for title VIII of the elementary and secondary education act of 1965 administrative costs is exempt from the revenue control limit and may not exceed an amount determined for the budgeted year as follows:

1. Determine the minimum cost. The minimum cost for fiscal year 1990-1991 is two thousand three hundred forty-three dollars. For fiscal year 1991-1992 and thereafter, the minimum cost is the minimum cost for the prior year increased by the growth rate as prescribed by law, subject to appropriation.

2. Determine the hourly rate. The hourly rate for fiscal year 1990-1991 is nine dollars thirty-eight cents. For fiscal year 1991-1992 and thereafter, the hourly rate is the hourly rate for the prior year increased by the growth rate as prescribed by law, subject to appropriation.

3. Determine the title VIII of the elementary and secondary education act of 1965 revenues available by subtracting the amount of title VIII of the elementary and secondary education act of 1965 assistance used to increase the general budget limit as provided in subsections K and O of this section for the current fiscal year from the total amount of title VIII of the elementary and secondary education act of 1965 revenues received in the current fiscal year.

4. Determine the total number of administrative hours as follows:

(a) Determine the sum of the following:

(i) 1.00 hours for each high impact pupil who is not disabled or does not have specific learning disabilities.

(ii) 1.25 hours for each high impact pupil who is disabled or has specific learning disabilities.

(iii) 0.25 hours for each low impact pupil who is not disabled or does not have specific learning disabilities.

(iv) 0.31 hours for each low impact pupil who is disabled or has specific learning disabilities.

(b) For the purposes of this paragraph:

(i) "High impact pupil" means a pupil who resides on Indian lands or a pupil who resides on federal property or in low rent housing and whose parent is employed on federal property or low rent housing property or is on active duty in uniformed service, as provided in title VIII of the elementary and secondary education act of 1965, section 8003(a) (20 United States Code section 7703) and as reported in the application for title VIII of the elementary and secondary education act of 1965 assistance in the current year.

(ii) "Low impact pupil" means a pupil who resides on nonfederal property and has a parent who is employed on federal property or low rent housing property or is on active duty in a uniformed service or a pupil who resides on federal property or in low rent housing and who does not have a parent who is employed on federal property or low rent housing property or is on active duty in uniformed service, as provided in title VIII of the elementary and secondary education act of 1965, section 8003(a) (20 United States Code section 7703) and as reported in the application for title VIII of the elementary and secondary education act of 1965 assistance in the current year.

5. Multiply the total number of administrative hours determined in paragraph 4 of this subsection by the hourly rate determined in paragraph 2 of this subsection.

6. Determine the greater of the minimum cost determined in paragraph 1 of this subsection or the product determined in paragraph 5 of this subsection.

7. Add to the amount determined in paragraph 6 of this subsection the amount, if any, to be expended by the school district in the budget year through an intergovernmental agreement with other school districts or the department of education to provide title VIII of the elementary and secondary education act of 1965 technical assistance to participating districts.

8. Determine the lesser of the amount determined in paragraph 7 of this subsection or the revenues available as determined in paragraph 3 of this subsection.

9. The amount determined in paragraph 8 of this subsection is the maximum amount ~~which~~ THAT may be budgeted for title VIII of the elementary

and secondary education act of 1965 administrative costs for the budget year as provided in this subsection.

10. If the governing board underestimated the amount that may be budgeted for title VIII of the elementary and secondary education act of 1965, section 8007 administrative costs for the current year, the board may adjust the general budget limit and the budget before May 15. If the governing board overestimated the amount that may be budgeted for title VIII of the elementary and secondary education act of 1965 administrative costs for the current year, the board shall adjust the general budget limit and the budget before May 15.

Q. If a school district governing board has adopted a budget for a fiscal year based on forms and instructions provided by the auditor general and the department of education for that fiscal year and if, as a result of the enactment or nonenactment of proposed legislation after May 1 of the previous fiscal year, the budget is based on incorrect limits, does not include items authorized by law or does not otherwise conform with law, the governing board may revise its budget at a public hearing on or before September 15 to conform with the law. Not later than September 18, the budget as adjusted shall be submitted electronically to the superintendent of public instruction. If the governing board does not revise the budget on or before September 15 and if the budget includes any items not authorized by law or if the budget exceeds any limits, the governing board shall adjust or revise the budget as provided in subsection E of this section.

R. Notwithstanding any other law, if a school district receives assistance pursuant to title VIII of the elementary and secondary education act of 1965, the school district shall establish a local level fund designated as the impact aid fund and deposit the impact aid monies received in the fund. The school district shall separately account for monies in the fund and shall not combine monies in the fund with any other source of local, state or federal assistance. Monies in the fund shall be expended pursuant to federal law only for the purposes allowed by this title. The school district shall account for monies in the fund according to the uniform system of financial records as prescribed by the auditor general. The superintendent of public instruction shall separately account for monies in each school district's impact aid fund, if an impact aid fund is established, in the annual report required by section 15-255. Monies in the fund are considered federal monies and are not subject to legislative appropriation.

S. For the purposes of this section, "title VIII of the elementary and secondary education act of 1965 assistance" means, for the current year, an amount equal to the final determination of title VIII of the elementary and secondary education act of 1965 assistance for the fiscal year preceding the current year as confirmed by the division of impact aid, United States department of education or, if a final determination has not been made, the amount estimated by the superintendent of public instruction as confirmed by the division of impact aid, United States department of education and, for

the budget year, an amount equal to the determination of title VIII of the elementary and secondary education act of 1965 assistance for the fiscal year preceding the budget year as estimated by the superintendent of public instruction.

Sec. 101. Section 15-905.01, Arizona Revised Statutes, is amended to read:

15-905.01. Truth in taxation; calculation; notice and hearing; vote on tax increase

A. Each school district shall determine its truth in taxation base limit for expenditures as follows:

1. Determine the amounts budgeted in fiscal year 1999-2000 for expenditures in the following categories:

(a) Desegregation pursuant to section 15-910.

(b) Dropout prevention programs.

(c) Excess utilities pursuant to section 15-910.

(d) Career and technical education and vocational education center operations pursuant to section 15-910.01.

(e) Small school adjustments pursuant to section 15-949.

2. The sum of the expenditures in paragraph 1 of this subsection for fiscal year 1999-2000 shall become the truth in taxation base limit.

3. For any year after fiscal year 1999-2000, a school district whose aggregate budgeted expenditures for the expenditures prescribed in paragraph 1 of this subsection exceed the truth in taxation base limit shall publish a truth in taxation hearing notice that meets the requirements of subsection B of this section. If the amount exceeding the previous truth in taxation base limit is approved by the school district governing board following the hearing prescribed in subsection B of this section, the excess amount plus the previous truth in taxation base limit becomes the school district's new truth in taxation base limit.

4. If a school district no longer qualifies for one or more of the expenditures prescribed in paragraph 1 of this subsection, the amount budgeted for the most recent fiscal year in which the school district was eligible for that expenditure shall be deducted from the school district's truth in taxation base limit.

B. For any fiscal year in which a school district governing board budgets an amount that is higher than the truth in taxation base limit calculated pursuant to subsection A of this section, any fiscal year in which a school district levies any amount for adjacent ways pursuant to section 15-995 or any fiscal year in which the school district levies any amount for liabilities in excess of the school district budget pursuant to section 15-907:

1. The school district shall publish a notice that meets the following requirements:

(a) The notice shall be published once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the school district. The

publication shall be at least ten but not more than twenty days before the date of the hearing.

~~(b) The notice shall be published in a location other than the classified or legal advertising section of the newspaper in which it is published.~~

~~(c)~~ (b) The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

~~(d)~~ (c) The notice shall be in the following form, excluding the parenthetical explanations, and with the "truth in taxation hearing - notice of tax increase" headline in at least eighteen-point type:

Truth in Taxation Hearing

Notice of Tax Increase

In compliance with section 15-905.01, Arizona Revised Statutes, _____ school district is notifying its property taxpayers of _____ school district's intention to raise its primary property taxes over the current level to pay for increased expenditures in those areas where the governing board has the authority to increase property taxes for the fiscal year beginning July 1, ____. The _____ school district is proposing an increase in its primary property tax levy of $_____ (amount of levy increase to pay for truth in taxation base increase, the amount of the total levy for the adjacent ways fund and amounts for liabilities in excess of the school district budget pursuant to section 15-907).

The amount proposed above will cause _____ school district's primary property taxes on a $100,000 home to increase from $_____ (the amount used to pay for the current year's truth in taxation base limit [the amount divided by the current net assessed value available February 10 pursuant to section 42-17052] applied to $100,000) to $_____ (the amount used to pay for the budget year's proposed truth in taxation base limit and adjacent ways levy, including adjacent ways and liabilities in excess of the school district budget [the amount divided by the current net assessed value available February 10 pursuant to section 42-17052] applied to $100,000).

These amounts proposed are above the qualifying tax levies as prescribed by state law, if applicable. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

All interested citizens are invited to attend the public hearing on the proposed tax increase scheduled to be held _____ (date and time) at _____ (location).

2. In lieu of publishing the truth in taxation notice, the governing board may mail the truth in taxation notice prescribed by paragraph 1,

subdivision ~~(d)~~ (c) of this subsection to all registered voters in the district at least ten but not more than twenty days before the date of the hearing.

3. In addition to publishing the truth in taxation notice under paragraph 1 of this subsection or mailing the notice under paragraph 2 of this subsection, the governing board shall issue a press release containing the truth in taxation notice ~~to all newspapers of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the school district.

4. The governing board shall consider a motion to levy the increased property taxes by roll call vote.

5. Within three days after the hearing, the governing board shall mail a copy of the truth in taxation notice, a statement of its publication or mailing and the result of the governing board's vote under paragraph 4 of this subsection to the property tax oversight commission established by section 42-17002.

6. The governing board shall hold the truth in taxation hearing on or before the adoption of the school district budget under section 15-905.

7. Expenditures for adjacent ways and liabilities in excess of the school district budget do not become part of the school district's truth in taxation base limit.

C. The department of education shall maintain a listing of each school district's truth in taxation base limit and shall verify the accuracy of the school district's computations. A school district governing board shall notify the department of education of any change in the district's truth in taxation base limit.

D. The department of education shall develop a budget form for school districts to show the primary tax rate associated for each of the expenditure categories mentioned in subsection A, paragraph 1 of this section and for expenditures for adjacent ways pursuant to section 15-995 or any other expenditure in excess of the school district budget pursuant to section 15-907. A school district shall make this information available to the general public at truth in taxation hearings and shall submit the information to the department of education.

Sec. 102. Section 15-1030, Arizona Revised Statutes, is amended to read:

15-1030. Cancellation of unsold bonds; notice; hearing

A. If a bond issue remains unsold for six months after being offered for sale, the governing board of the school district or any school district ~~comprised~~ COMPOSED wholly or partly of territory ~~which~~ THAT at the time of holding the bond election was within the school district may cancel the unsold bonds.

B. The school district governing board shall fix a time for a hearing on the proposed cancellation of the unsold bonds. The school district governing board shall give notice of the time and place of the hearing, which shall set forth in general terms the object of the hearing. The notice shall

be published for ten days ~~prior to~~ BEFORE the day of hearing ~~in some newspaper~~ ON A PUBLIC MEDIUM published in the school district. ~~If no newspaper is published in the school district, the notice shall be published in a newspaper published at the county seat of the county in which the school district or some part thereof is located.~~

C. At the time and place designated in the notice, the school district governing board shall hear reasons for or against granting the proposed cancellation of the unsold bonds, and if the board deems it for the best interests of the school district that the unsold bonds be canceled, it shall enter an order canceling the unsold bonds, and thereupon the bonds and the vote by which they were authorized to be issued shall be void.

Sec. 103. Section 15-1404, Arizona Revised Statutes, is amended to read:

15-1404. Election to determine formation of district; notice; canvass

A. ~~Upon~~ ON approval of the proposed district, the county board of supervisors shall return the petition with its approval to the county school superintendent, or if the proposed district consists of more than one county, to the county school superintendent of the county with the larger population, as determined by the most recent federal census. The county school superintendent shall transmit notification of approval for formation of the proposed district to the board of supervisors, which shall submit the question to the qualified electors of the county at the next general election or at a special election called for that purpose. If a special election is called, notice ~~thereof~~ OF THE ELECTION shall be given by publication for at least two weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county or counties of the proposed district. The election shall be conducted and returns shall be made in the manner provided by law for special elections.

B. A special election conducted pursuant to this section shall be held on a date prescribed by section 16-204.

Sec. 104. Section 15-1461, Arizona Revised Statutes, is amended to read:

15-1461. District budget; annual estimate; computation; notice; hearing; adoption

A. Not later than June 5, each district established pursuant to this chapter, and any other community college established ~~prior to~~ BEFORE the enactment of this chapter, shall prepare a proposed budget for the budget year on a form ~~which~~ THAT the auditor general prescribes to be transmitted to the district board. The proposed budget shall be accompanied by an estimate of the amount of funds needed for the ensuing year as determined by the district based on the proposed budget prepared by it.

B. The district shall establish and set forth in the proposed budget the per capita expenditure per full-time equivalent student, which shall be the total operational expenses.

C. The district shall establish and set forth in the proposed budget the per capita expenditure per full-time equivalent student, which shall be the total capital outlay expenses.

D. The number of basic full-time equivalent students shall be computed by dividing the total community college credit units by fifteen per semester and shall be based on regular day enrollment. The number of additional short-term full-time equivalent students shall be computed by dividing the total community college credit units from additional short-term classes by thirty. The number of skill center full-time equivalent students shall be computed by dividing the total number of clock hours in approved vocational training programs by six hundred forty.

E. The governing board of each district shall prepare a notice fixing a time not later than June 20 and designating a public place within each district at which a public hearing and special board meeting shall be held. The governing board of each district shall publish a notice of the public hearing and special board meeting not later than fifteen days before the meeting. The governing board shall publish the proposed budget on its website and present the proposed budget for consideration of the residents and the taxpayers of the district at such meeting.

F. The proposed budget shall contain but need not be limited to the following information:

1. The estimated cost of all operational, capital outlay and debt service expenses.

2. The percentage of increase or decrease in each budget category as compared to each category of the budget for the current year.

3. The total amount of revenues by source that was necessary to meet the district's budget for the current year.

4. The total amount of revenues by source that will be necessary to meet the proposed district budget.

5. The total property tax levy of the district for the current year.

6. The levy for primary property taxes and the levy for secondary property taxes for the current year.

7. The primary property tax rate and secondary property tax rate for the current year.

8. The estimated amount of total property tax levies for the district and the primary property tax and secondary property tax components thereof necessary for the budget year.

9. The maximum amount of primary property tax dollars ~~which~~ the district is permitted to levy pursuant to title 42, chapter 17, article 2 for the budget year.

10. The amount of secondary property tax dollars ~~which~~ the district will levy for the budget year.

11. The amount of monies received from primary property taxation in the previous fiscal year in excess of the maximum allowable amount as calculated pursuant to title 42, chapter 17, article 2.

12. Beginning in fiscal year 2013-2014, the total estimated personnel compensation, which shall separately include employee salaries and employee related expenses for retirement costs and health care costs.

13. Beginning in fiscal year 2013-2014, all unencumbered cash, both restricted and unrestricted.

G. The governing board shall publish the proposed budget and the notice of the public hearing and special board meeting a second time not later than five days ~~prior to~~ BEFORE the meeting. Publication shall be made ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the district. The cost of publication shall be a charge against the district. If a truth in taxation notice and hearing is required under section 15-1461.01, the district may combine the notice and hearing under this section with the truth in taxation notice and hearing. Beginning in fiscal year 2013-2014, within seven days after the adoption of the proposed budget presented before the governing board, the budget finally adopted under this section shall be accessible in a prominent location on the district's official website and the final adopted budget shall be retained on the website for at least sixty months.

H. If the district fails to publish the proposed budget, notice and statements required by subsection F of this section, the board of supervisors shall levy on the property in the district the lesser of the amount of primary property taxes ~~which~~ THAT were levied for the district in the current year or the amount ~~which~~ THAT would be produced by the primary property tax rate ~~which~~ THAT was levied for the district in the current year.

I. At the time and place fixed in the notice, the members of the governing board shall hold the public hearing and present the proposed budget to the persons attending the hearing. ~~Upon~~ ON request of any person, the governing board shall explain the budget and any resident or taxpayer of the district may protest the inclusion of any item in the proposed budget.

J. Immediately following the public hearing the chairman shall call to order the special board meeting for the purpose of adopting the budget. The governing board shall adopt the budget making deductions from the budget as it sees fit but making no additions to the budget and shall enter the budget as adopted in its minutes. The governing board shall not adopt the budget if the property tax requirements of the budget, excluding amounts budgeted and levied for secondary property taxes, exceed the amounts authorized pursuant to title 42, chapter 17, article 2.

Sec. 105. Section 15-1461.01, Arizona Revised Statutes, is amended to read:

15-1461.01. Truth in taxation notice and hearing; roll call vote on tax increase; definition

A. On or before February 10 of the tax year, the county assessor shall transmit and certify to the property tax oversight commission and to the district governing board the total net primary assessed values that are required to compute the levy limit prescribed by section 42-17051. If the

proposed primary property tax levy, excluding amounts that are attributable to new construction, is greater than the amount levied in the preceding tax year by the district:

1. The district governing board shall publish a notice that meets the following requirements:

(a) The notice shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.

~~(b) The notice shall be published in a location other than the classified or legal advertising section of the newspaper in which it is published.~~

~~(c)~~ (b) The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

~~(d)~~ (c) The notice shall be in the following form, with the "truth in taxation hearing - notice of tax increase" headline in at least eighteen-point type:

Truth in Taxation Hearing
Notice of Tax Increase

In compliance with section 15-1461.01, Arizona Revised Statutes, _____ community college district is notifying its property taxpayers of _____ community college district's intention to raise its primary property taxes over last year's level. The _____ community college district is proposing an increase in primary property taxes of $_____ or _____%.

For example, the proposed tax increase will cause _____ community college district's primary property taxes on a $100,000 home to increase from $_____ (total taxes that would be owed without the proposed tax increase) to $_____ (total proposed taxes including the tax increase).

This proposed increase is exclusive of increased primary property taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

All interested citizens are invited to attend the public hearing on the tax increase that is scheduled to be held _____ (date and time) at _____ (location).

2. In lieu of publishing the truth in taxation notice, the district board may mail the truth in taxation notice prescribed by paragraph 1, subdivision ~~(d)~~ (c) OF THIS SUBSECTION to all registered voters in the district at least ten but not more than twenty days before the date of the hearing.

3. In addition to publishing the truth in taxation notice under paragraph 1 OF THIS SUBSECTION or mailing the notice under paragraph 2 OF THIS SUBSECTION, the district governing board shall issue a press release containing the truth in taxation notice ~~to all newspapers of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district.

4. The district board shall consider a motion to levy the increased property taxes by roll call vote.

5. Within three days after the hearing, the district board shall mail a copy of the truth in taxation notice, a statement of its publication or mailing and the result of the district board's vote under paragraph 4 OF THIS SUBSECTION to the property tax oversight commission established by section 42-17002.

6. The district board shall hold the truth in taxation hearing on or before the adoption of the county, city or town budget under section 42-17105.

B. If the governing board fails to comply with the requirements of this section, the governing board shall not fix, levy or assess an amount of primary property taxes that exceeds the preceding year's amount, except for amounts attributable to new construction.

C. For THE purposes of this section, "amount attributable to new construction" means the net assessed valuation of property added to the tax roll since the previous year multiplied by a property tax rate computed by dividing the district's primary property tax levy in the preceding year by the estimate of the district's total net assessed valuation for the current year, excluding the net assessed valuation attributable to new construction.

Sec. 106. Section 15-1626, Arizona Revised Statutes, is amended to read:

15-1626. General administrative powers and duties of board

A. The board shall:

1. Have and exercise the powers necessary for the effective governance and administration of the institutions under its control. To that end, the board may adopt, and authorize each university to adopt, such regulations, policies, rules or measures as are deemed necessary and may delegate in writing to its committees, to its university presidents, or their designees, or to other entities under its control, any part of its authority for the administration and governance of such institutions, including those powers enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section. Any delegation of authority may be rescinded by the board at any time in whole or in part.

2. Appoint and employ and determine the compensation of presidents with such power and authority and for such purposes in connection with the operation of the institutions as the board deems necessary.

3. Appoint and employ and determine the compensation of vice-presidents, deans, professors, instructors, lecturers, fellows and such

other officers and employees with such power and authority and for such purposes in connection with the operation of the institutions as the board deems necessary, or delegate its authority pursuant to paragraph 1 of this subsection.

4. Remove any officer or employee when the interests of education in this state so require in accordance with its personnel rules and policies.

5. Fix tuitions and fees to be charged and differentiate the tuitions and fees between institutions and between residents, nonresidents, undergraduate students, graduate students, students from foreign countries and students who have earned credit hours in excess of the credit hour threshold. For the purposes of this paragraph, the undergraduate credit hour threshold is one hundred forty-five hours for students who attend a university under the jurisdiction of the board. The undergraduate credit hour threshold shall be based on the actual full-time equivalent student enrollment counted on the forty-fifth day of every fall and spring semester, divided by two, and any budget adjustment based on student enrollment shall occur in the fiscal year following the actual full-time equivalent student enrollment count. The undergraduate credit hour threshold shall not apply to degree programs that require credit hours above the credit hour threshold, credits earned in the pursuit of up to two baccalaureate degrees, credits earned in the pursuit of up to two state regulated licensures or certificates, credits earned in the pursuit of teaching certification, credits transferred from a private institution of higher education, credits transferred from an institution of higher education in another state, credits earned at another institution of higher education but that are not accepted as transfer credits at the university where the student is currently enrolled and credits earned by students who enroll at a university under the jurisdiction of the board more than twenty-four months after the end of that student's previous enrollment at a public institution of higher education in this state. On or before October 15 of each year, the board shall report to the joint legislative budget committee the number of students who were enrolled at universities under the jurisdiction of the board during the previous fiscal year who met or exceeded the undergraduate credit hour threshold prescribed in this paragraph. The amount of tuition, registration fees and other revenues included in the operating budget for the university adopted by the board as prescribed in paragraph 13 of this subsection shall be deposited, pursuant to sections 35-146 and 35-147. All other tuition and fee revenue shall be retained by each university for expenditure as approved by the board, except that the universities shall not use any tuition or fee revenue to fund or support an alumni association.

6. Except as provided in subsection I of this section, adopt rules to govern its tuition and fee setting process that provide for the following:

(a) At least one public hearing at each university as an opportunity for students and members of the public to comment on any proposed increase in tuition or fees.

(b) Publication of the notice of public hearing at least ten days ~~prior to~~ BEFORE the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in Maricopa county, Coconino county and Pima county. The notice shall include the date, time and location of the public hearing.

(c) Public disclosure by each university of any proposed increases in tuition or fees at least ten days ~~prior to~~ BEFORE the public hearing.

(d) Final board action on changes in tuition or fees shall be taken by roll call vote.

The procedural requirements of subdivisions (a), (b), (c) and (d) of this paragraph apply only to those changes in tuition or fees that require board approval.

7. Pursuant to section 35-115, submit a budget request for each institution under its jurisdiction that includes the estimated tuition and fee revenue available to support the programs of the institution as described in the budget request. The estimated available tuition and fee revenue shall be based on the tuition and registration fee rates in effect at the time the budget request is submitted with adjustments for projected changes in enrollment as provided by the board.

8. Establish curriculums and designate courses at the several institutions that in its judgment will best serve the interests of this state.

9. Award such degrees and diplomas on the completion of such courses and curriculum requirements as it deems appropriate.

10. Prescribe qualifications for admission of all students to the universities. The board shall establish policies for guaranteed admission that assure fair and equitable access to students in this state from public, private and charter schools and homeschools. For the purpose of determining the qualifications of honorably discharged veterans, veterans are those persons who served in the armed forces for a minimum of two years and who were previously enrolled at a university or community college in this state. No prior failing grades received by the veteran at the university or community college in this state may be considered.

11. Adopt any energy conservation standards promulgated by the department of administration for the construction of new buildings.

12. Employ for such time and purposes as the board requires attorneys whose compensation shall be fixed and paid by the board. Litigation to which the board is a party and for which self-insurance is not provided may be compromised or settled at the direction of the board.

13. Adopt annually an operating budget for each university equal to the sum of appropriated general fund monies and the amount of tuition, registration fees and other revenues approved by the board and allocated to each university operating budget.

14. In consultation with the state board of education and other education groups, develop and implement a program to award honors endorsements to be affixed to the high school diplomas of qualifying high

school pupils and to be included in the transcripts of pupils who are awarded endorsements. The board shall develop application procedures and testing criteria and adopt testing instruments and procedures to administer the program. In order to receive an honors endorsement, a pupil must demonstrate an extraordinary level of knowledge, skill and competency as measured by the testing instruments adopted by the board in mathematics, English, science and social studies. Additional subjects may be added at the determination of the board. The program is voluntary for pupils.

15. Require the publisher of each literary and nonliterary textbook used in the universities of this state to furnish computer software in a standardized format when software becomes available for nonliterary textbooks to the Arizona board of regents from which braille versions of the textbooks may be produced.

16. Require universities that provide a degree in education to require courses that are necessary to obtain a provisional structured English immersion endorsement as prescribed by the state board of education.

17. Acquire United States flags for each classroom that are manufactured in the United States and that are at least two feet by three feet and hardware to appropriately display the United States flags, acquire a legible copy of the Constitution of the United States and the Bill of Rights, display the flags in each classroom in accordance with title 4 of the United States Code and display a legible copy of the Constitution of the United States and the Bill of Rights adjacent to the flag.

18. To facilitate the transfer of military personnel and their dependents to and from the public schools of this state, pursue, in cooperation with the state board of education, reciprocity agreements with other states concerning the transfer credits for military personnel and their dependents. A reciprocity agreement entered into pursuant to this paragraph shall:

(a) Address procedures for each of the following:

(i) The transfer of student records.

(ii) Awarding credit for completed course work.

(iii) Permitting a student to satisfy the graduation requirements prescribed in section 15-701.01 through the successful performance on comparable exit-level assessment instruments administered in another state.

(b) Include appropriate criteria developed by the state board of education and the Arizona board of regents.

19. Require a university to publicly post notices of all of its employment openings, including the title and description, instructions for applying and relevant contact information.

20. In consultation with the community college districts in this state, develop and implement common equivalencies for specific levels of achievement on advanced placement examinations and international baccalaureate examinations in order to award commensurate postsecondary academic credits at community colleges and public universities in this state.

21. On or before August 1 of each year, report to the joint legislative budget committee the graduation rate by university campus during the previous fiscal year. The board shall also report the retention rate by university campus and by class, as determined by date of entry during the previous fiscal year.

B. The board shall adopt personnel policies for all employees of the board and the universities.

C. In conjunction with the auditor general, the board shall develop a uniform accounting and reporting system, which shall be reviewed by the joint legislative budget committee before final adoption by the board. The board shall require each university to comply with the uniform accounting and reporting system.

D. The board may employ legal assistance in procuring loans for the institutions from the United States government. Fees or compensation paid for such legal assistance shall not be a claim on the general fund of this state but shall be paid from funds of the institutions.

E. The board shall approve or disapprove any contract or agreement entered into by the university of Arizona hospital with the Arizona health facilities authority.

F. The board may adopt policies that authorize the institutions under its jurisdiction to enter into employment contracts with nontenured employees for periods of more than one year but not more than five years. The policies shall prescribe limitations on the authority of the institutions to enter into employment contracts for periods of more than one year but not more than five years, including the requirement that the board approve the contracts.

G. The board may adopt a plan or plans for employee benefits that allow for participation in a cafeteria plan that meets the requirements of the United States internal revenue code of 1986.

H. The board may establish a program for the exchange of students between the universities under the jurisdiction of the board and colleges and universities located in the state of Sonora, Mexico. Notwithstanding subsection A, paragraph 5 of this section, the program may provide for in-state tuition at the universities under the jurisdiction of the board for fifty Sonoran students in exchange for similar tuition provisions for up to fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or universities. The board may direct the universities to work in conjunction with the Arizona-Mexico commission to coordinate recruitment and admissions activities.

I. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of this section do not apply to fee increases that are set by individual universities and that do not require approval by the Arizona board of regents before the fee increase becomes effective.

J. On or before July 1, 2012, the Arizona board of regents, in collaboration with the universities under its jurisdiction, shall adopt a performance funding model. The performance funding model shall use performance metrics that include the increase in degrees awarded, the increase in completed student credit hours and the increase in externally generated research and public service funding. The funding formula may give added weight to degrees related to science, technology, engineering and mathematics and other high-value degrees that are in short supply or that are essential to this state's long-term economic development strategy.

K. The Arizona board of regents shall use the performance funding model adopted pursuant to subsection J of this section in developing and submitting budget requests for the universities under its jurisdiction.

Sec. 107. Section 15-2106, Arizona Revised Statutes, is amended to read:

15-2106. Cancellation of unsold impact aid revenue bonds

A. If an impact aid revenue bond issue remains unsold for six months after being offered for sale, the governing board of the school district or any school district ~~comprised~~ COMPOSED wholly or partly of territory that was part of the school district at the time of issuing the bonds may cancel the unsold bonds.

B. The governing board shall fix a time for a hearing on the proposed cancellation of the unsold bonds. The governing board shall give notice of the time, place and subject of the hearing. The notice shall be published for ten days before the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district.

C. At the time and place designated in the notice, the governing board shall hear reasons for or against the proposed cancellation of the unsold bonds, and if the board considers it to be in the school district's best interests, it shall order the unsold bonds to be cancelled and the bonds and the vote by which they were authorized to be issued are void.

Sec. 108. Section 16-214, Arizona Revised Statutes, is amended to read:

16-214. Issuance of proclamation for general election by governor; publication by boards of supervisors

A. At least thirty days before a general election, the governor shall issue a proclamation containing a statement of the time of election and the offices to be filled.

B. The governor shall transmit a copy of the election proclamation to the officer in charge of elections of the several counties.

C. The board of supervisors shall be notified by the officer in charge of elections of receipt of the election proclamation, and within five days after its receipt the board shall meet and publish a copy thereof ~~in an official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county at least ten days before a general election.

Sec. 109. Section 16-223, Arizona Revised Statutes, is amended to read:

16-223. Issuance of proclamation for special election by governor; publication by boards of supervisors

A. Within ten days after a vacancy occurs in the office of representative in Congress, if a special primary and special general election are required by section 16-222, the governor shall issue a proclamation containing a statement of the time of the special primary election and the special general election and the offices to be filled.

B. The governor shall transmit a copy of the election proclamation to the clerk of each board of supervisors of the several counties.

C. The board of supervisors shall be notified by the clerk of receipt of the election proclamation, and within five days after its receipt the board shall meet and publish a copy of the election proclamation ~~in an official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county at least five days before the special primary election and at least five days before the special general election.

Sec. 110. Section 16-227, Arizona Revised Statutes, is amended to read:

16-227. Publication of call of election for nonpartisan elections

A. The governing body shall publish a call of election at least twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the election district in which a nonpartisan election is being held not less than one week apart during the six calendar weeks preceding ninety days before the election. ~~which~~ THE CALL OF ELECTION shall contain:

1. The purpose of the election.

2. The date of holding the election.

3. The last date and place for filing nomination petitions, if applicable.

4. The last date to register to vote in the election.

5. The name of the election district conducting the election.

6. The proposed boundaries of the election district, if for establishment or annexation.

7. If the election is a special district mail ballot election as described in chapter 4, article 8.1 of this title, the date the mail ballots will be mailed to qualified electors of the district.

B. In lieu of publishing the call described in subsection A OF THIS SECTION, the governing body may mail a call of election to each household in the district containing a qualified elector. Such call shall contain the same information described in subsection A OF THIS SECTION and be mailed not later than ninety days before the election.

Sec. 111. Section 16-228, Arizona Revised Statutes, is amended to read:

16-228. Notice of election for nonpartisan elections

A. The governing body shall publish a notice of election at least twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the election district in which a nonpartisan election is being held not less than one week apart during the six calendar weeks preceding twenty days before the election. This notice shall contain at least:

1. The date of the election.
2. The location of the polls.
3. The hours the polls will be open.
4. The purpose of the election.
5. The election district conducting the election.

B. In lieu of publishing the notice described in subsection A OF THIS SECTION, the governing body may, and for a nonresident qualified elector of any special district shall, mail a notice of election to each household containing a qualified elector of the district. Such notice shall contain the same information described in subsection A, paragraphs 1, 4 and 5 OF THIS SECTION and the polling place for that household's qualified electors and the times it is open. Mailings may be made over a period of days but shall be mailed in order to be delivered to households before the earliest date of mailing to registered voters of any requested early ballots for that election.

C. In mail ballot elections, the governing body shall publish a notice of election at least twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the special district in which the election is being held once a week during each of the two weeks immediately preceding the thirty days before the election. This notice shall contain at least:

1. The date of the election.
2. The date ballots will be mailed.
3. The deadline and location for return of the ballots.
4. The method for obtaining a replacement if a ballot is destroyed, lost, spoiled or not received.
5. A statement that no polling place will be provided.
6. The name of the district that is conducting the election.
7. The qualifications of electors.

D. In lieu of publishing the notice described in subsection C OF THIS SECTION, the governing body may, and for a nonresident qualified elector of any special district shall, mail a notice of election to each household containing a qualified elector of the district. The notice shall contain the same information described in subsection C OF THIS SECTION and shall be mailed not later than forty-five days before the election.

Sec. 112. Section 16-449, Arizona Revised Statutes, is amended to read:

16-449. Required test of equipment and programs; notice; procedures manual

A. Within the period of time before the election day prescribed by the secretary of state in the instructions and procedures manual adopted pursuant to section 16-452, the board of supervisors or other election officer in charge, or for an election involving state or federal candidates, the secretary of state, shall have the automatic tabulating equipment and programs tested to ascertain that the equipment and programs will correctly count the votes cast for all offices and on all measures. Public notice of the time and place of the test shall be given at least forty-eight hours ~~prior thereto~~ BEFORE THE TEST by publication once ~~in one or more daily or weekly newspapers~~ ON A PUBLIC MEDIUM published in the town, city or village using ~~such~~ THAT equipment~~, if a newspaper is published therein, otherwise in a newspaper of general circulation therein~~. The test shall be observed by at least two election inspectors, who shall not be of the same political party, and shall be open to representatives of the political parties, candidates, the press and the public. The test shall be conducted by processing a preaudited group of ballots so punched or marked as to record a predetermined number of valid votes for each candidate and on each measure and shall include for each office one or more ballots that have votes in excess of the number allowed by law in order to test the ability of the automatic tabulating equipment and programs to reject such votes. If any error is detected, the cause therefor shall be ascertained and corrected and an errorless count shall be made before the automatic tabulating equipment and programs are approved. A copy of a revised program shall be filed with the secretary of state within forty-eight hours after the revision is made. If the error was created by automatic tabulating equipment malfunction, a report shall be filed with the secretary of state within forty-eight hours after the correction is made, stating the cause and the corrective action taken. The test shall be repeated immediately before the start of the official count of the ballots in the same manner as set forth above. After the completion of the count, the programs used and the ballots shall be sealed, retained and disposed of as provided for paper ballots.

B. Electronic ballot tabulating systems shall be tested for logic and accuracy within seven days before their use for early balloting pursuant to the instructions and procedures manual for electronic voting systems that is adopted by the secretary of state as prescribed by section 16-452. The instructions and procedures manual shall include procedures for the handling of ballots, the electronic scanning of ballots and any other matters necessary to ensure the maximum degree of correctness, impartiality and uniformity in the administration of an electronic ballot tabulating system.

C. Notwithstanding subsections A and B of this section, if a county uses accessible voting equipment to mark ballots and that accessible voting

equipment does not independently tabulate or tally votes, the secretary of state in cooperation with the county officer in charge of elections may designate a single date to test the logic and accuracy of both the accessible voting equipment and electronic ballot tabulating systems.

Sec. 113. Section 17-453, Arizona Revised Statutes, is amended to read:

17-453. Notices of restrictions; posting; publication

A. For all areas specified under agreements pursuant to section 17-452, the commission shall cause notices of the restrictions, prohibitions or permitted uses of such area to be posted~~, prior to~~ BEFORE the effective date of such restrictions, prohibitions or permitted uses~~,~~ on the main traveled roads and highways entering such area and such locations that the commission deems appropriate.

B. In addition to the posted notices required by subsection A of this section, the commission shall cause a notice of such restrictions, prohibitions or permitted uses, together with a description of the area, to be published three times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the state ~~prior to~~ BEFORE the effective date of such restrictions, prohibitions or permitted uses.

Sec. 114. Section 20-668, Arizona Revised Statutes, is amended to read:

20-668. Powers and duties of the director

A. The director shall:

1. Report to the board when the director has reasonable cause to believe that any member insurer examined or being examined at the request of the board may be insolvent or in a financial condition hazardous to the policyholders or to the public.

2. Notify the board of the existence of an insolvent insurer not later than three working days after the director receives notice of such insolvency.

3. ~~Upon~~ ON request of the board, provide the fund with a statement of the net direct written premiums of each member insurer.

4. Immediately make available to the fund for the purpose of making payment ~~upon~~ ON all covered claims such assets of the insolvent insurer ~~which~~ THAT are not required for payment of any claim accorded a higher priority pursuant to section 20-629.

B. The director may:

1. Require that the fund notify the insureds of the insolvent insurer and any other interested parties of the determination of insolvency and of their rights pursuant to this article. Such notification shall be by mail at their last known address, where available. If sufficient information for notification by mail is not available, notice shall be by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM.

2. Suspend or revoke, after notice and hearing, the certificate of authority to transact insurance in this state of any member insurer ~~which~~

THAT fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the director may assess a civil penalty on any member insurer ~~which~~ THAT fails to pay an assessment when due. The penalty shall not exceed five per cent of the unpaid assessment per month. ~~No~~ A penalty shall NOT be less than one hundred dollars per month, which ~~amount~~ shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

3. Revoke the designation of any servicing facility if the director finds claims are being handled unsatisfactorily.

C. Any final action or order of the director pursuant to this article shall be subject to review pursuant to chapter 1, article 2 of this title.

Sec. 115. Section 20-706, Arizona Revised Statutes, is amended to read:

20-706. Filing, recording and publication of articles; appointment of agent to receive process; issuance of certificate

A. The articles of incorporation shall be filed in the office of the corporation commission, and certified copies thereof shall be filed with the director of insurance and recorded in the office of the county recorder in each county of the state in which the corporation proposes to transact business.

B. The articles of incorporation shall be published at least six times ~~in a newspaper~~ ON A PUBLIC MEDIUM published in ~~or having a general circulation in~~ the county of the corporation's principal place of business. ~~Upon~~ ON completion of publication, and within three months after recording the certified copy of the articles in the office of the county recorder of such county, an affidavit of publication shall be filed in the office of the corporation commission.

C. The corporation shall appoint a statutory agent located in this state ~~upon~~ ON whom all process in any action or proceeding may be served and shall file duplicate originals of such appointment in the director's office and in the corporation commission's office. Any termination of such statutory agent shall not take effect until the corporation has appointed a new, valid statutory agent.

D. ~~Upon~~ ON completion of the filing and recording as to the articles of incorporation, and filing of the appointment of a statutory agent for service of process, the corporation commission shall issue to the corporation a certificate of incorporation. The corporation shall not transact business as an insurer until it has applied for and received from the director a certificate of authority as provided by this title.

Sec. 116. Section 23-1326, Arizona Revised Statutes, is amended to read:

23-1326. No trespass public notice list; presumption

A. The secretary of state shall establish a no trespass public notice list identifying employers in this state who have established private

property rights to their establishment and any related real property in this state.

B. To be included on the list, an employer shall provide to the secretary of state copies of appropriate documents that establish the employer's private property rights, including the address and legal description of the property to which it has legal control. An employer that records its private property rights shall pay a recording fee determined by the secretary of state.

C. If an employer provides the documents prescribed in subsection B OF THIS SECTION and pays the fee, the secretary of state shall list the employer and its address on the no trespass public notice list and shall maintain a copy of the documents for public inspection.

D. Beginning January 15, 2012 and every January 15 and July 15 thereafter, the secretary of state shall:

1. Publish the no trespass public notice list at least one day a week for four consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the employer is located. ~~If there is no newspaper of general circulation in the county, the list shall be published in a newspaper of general circulation in an adjoining county.~~ The secretary of state shall make the list accessible to the public in the secretary of state's office and shall publish the list on the secretary of state's website.

2. Provide a copy of the no trespass public notice list to every law enforcement agency in this state.

E. Publication of the no trespass public notice list as prescribed in subsection D OF THIS SECTION establishes a presumption that all members of the public have notice of all employers and properties shown on the list.

F. Each law enforcement agency shall maintain the most recent no trespass public notice list received from the secretary of state for its use in responding to complaints of unlawful picketing, trespassory assembly or unlawful mass assembly. If a property is identified on the list, the responding peace officer may not require the employer to provide any further documentation to establish the employer's property rights before requiring any labor organization or individual or groups of individuals acting on employees' behalf that are engaged in unlawful picketing, trespassory assembly or mass picketing to leave the employer's property or cease from blocking ingress to or egress from the employer's property.

G. This section does not affect or limit any existing property rights if a property is not included on any no trespass public notice list.

Sec. 117. Section 26-347, Arizona Revised Statutes, is amended to read:

26-347. Facilities subject to emergency planning; facility emergency response plans

A. A facility is subject to emergency planning requirements if a substance identified under section 26-346 is present at the facility in an amount at or in excess of the threshold planning quantity for that substance.

B. For purposes of emergency planning, the commission may designate additional facilities ~~which~~ THAT are subject to this section. The designation shall be accomplished after providing at least thirty days' prior public notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the facility is located, after allowing public comment to the commission for thirty days and after notification to the facility of the proposed designation.

C. The owner or operator of a facility subject to this section shall provide to the committee the identity of a facility representative who will provide a facility emergency response plan and who will participate in the emergency planning process as the facility emergency coordinator.

D. Each facility subject to this section shall prepare a facility emergency response plan and submit copies of that plan to the commission, the local emergency planning committee for the district in which the facility is located and the fire department with jurisdiction over the facility. A facility that is required to prepare a contingency plan under title 49, chapter 5, article 2 or the resource conservation and recovery act of 1976 (P.L. 94-580; 90 Stat. 2795) may submit that contingency plan in lieu of the emergency response plan required by this section if the information in paragraphs 1 through 7 of this subsection is included in the plan. In preparing the plan required by this section, the facility emergency coordinator shall consult with the local emergency planning committee and other emergency and health professionals to ~~assure~~ ENSURE maximum coordination with those whose cooperation or services may be required in the event of a reportable release. The facility emergency response plan shall include specific actions to be taken in the event of an imminent or accidental reportable release to safeguard the public health, safety and welfare and the environment to the maximum extent practicable. The facility emergency response plan shall include:

1. Names, addresses and emergency telephone numbers of a facility emergency coordinator and alternate.

2. A description of emergency warning systems and a list of emergency units, emergency personnel and health professionals in close proximity to the facility.

3. A description of employee emergency response training and emergency preparedness programs.

4. A description of appropriate emergency equipment necessary to respond to a release.

5. A description of emergency response procedures, including notification procedures and evacuation plans in the event of a release.

6. Identification of transport routes and transportation methods used to transport extremely hazardous substances to and from the facility, if known.

7. Provisions for at least an annual review of the plan and provisions to demonstrate the capability to execute the plan on the request of the commission.

Sec. 118. Section 27-221, Arizona Revised Statutes, is amended to read:

27-221. Notice to delinquent co-owner to contribute share of annual labor expense

A. When a co-owner gives a delinquent co-owner notice in writing or notice by publication to contribute his proportion of the expense of annual labor as provided by the laws of the United States, an affidavit of the person giving the notice, stating the time, place, manner of service and by whom and ~~upon~~ ON whom the service was made, shall be attached to a true copy of the notice, and the notice and affidavit shall be recorded ninety days after giving the notice, or if the notice is given by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM, there shall be attached to a printed copy of the notice an affidavit of the editor or publisher of the ~~paper~~ PUBLIC MEDIUM, stating the date of each ~~insertion~~ PUBLICATION of the notice therein, and when and where the ~~newspaper~~ PUBLIC MEDIUM was published during that time, and the affidavit and notice shall be recorded one hundred and eighty days after the first publication.

B. A true copy of the original notice and affidavit of service, or the records thereof, shall be prima facie evidence that the delinquent co-owner has failed or refused to contribute his proportion of the expenditure, and shall be prima facie evidence of service or publication of the notice, unless the writing or affidavit provided for in section 27-222 is of record.

Sec. 119. Section 27-511, Arizona Revised Statutes, is amended to read:

27-511. Confiscation proceedings

A. Illegal oil and gas and illegal products shall be seized and sold as contraband. The sale shall not take place unless the court finds, in a proceeding held as provided by this section, that the commodity involved is contraband.

B. If the commissioner believes that illegal oil or gas or AN illegal product is subject to seizure and sale, ~~he~~ THE COMMISSIONER shall BRING, through the attorney general, ~~bring~~ a civil action in rem for that purpose in the superior court of the county in which the commodity is found, or the action may be maintained in connection with any action or cross action for injunction, or for penalty relating to any prohibited transaction involving THE illegal oil or gas or illegal product. Any interested person adversely affected by seizure and sale may intervene in the suit to protect his

rights. The action shall proceed in the name of the state as plaintiff against the illegal oil or gas or illegal product as defendant, and ~~no~~ A bond shall NOT be required of plaintiff.

C. ~~Upon~~ ON filing of the complaint, the clerk of the court shall issue a summons directed to the sheriff of the county or to any person the court may authorize to serve process, requiring him to summon all persons interested in the illegal oil or gas or illegal product mentioned in the complaint to appear and answer within thirty days after issuance and service of summons. Such persons need not be named or otherwise identified. The summons shall contain the style and number of the suit and a brief statement of the nature of the action. It shall be served by posting one copy at the courthouse door of the county in which the commodity is alleged to be located and by posting another copy near the place where the commodity is located. Copies of the summons shall be posted not less than five days before the return day stated therein, and posting shall be deemed constructive possession of the commodity by the state. A copy of the summons shall be published once each week for three weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county where the suit is pending. ~~No~~ A judgment shall NOT be pronounced by a court condemning the commodity as contraband until five days from the last publication of the summons. Proof of service by the person authorized by the court to serve process shall be by affidavit of the person making the service, and proof of service by the sheriff shall be by return as required by law with respect to service of process in civil actions.

D. When it appears by a verified pleading on the part of the plaintiff, or by affidavit, that grounds for the seizure and sale exist, the clerk, in addition to the summons, shall issue an order of seizure, which shall be signed by the clerk and bear the seal of the court. The order of seizure shall specifically describe the illegal oil or gas or illegal product so that it may be identified with reasonable certainty. It shall direct the sheriff to whom IT IS addressed to take into ~~his~~ actual or constructive custody the illegal oil or gas or illegal product described in the order~~,~~ and hold the commodity subject to order of the court. The order of seizure shall be executed as a writ of attachment is executed. ~~No~~ A bond shall NOT be required before the issuance of the order of seizure, and the sheriff shall be responsible ~~upon~~ ON his official bond for the proper execution thereof.

E. The sheriff shall receive, for his service, a fee as in case of seizure of personal property, to be assessed as other costs in the cause.

Sec. 120. Section 27-554, Arizona Revised Statutes, is amended to read:

27-554. Designation of known geological structures of producing oil and gas fields

A. The department shall from time to time determine and designate the known geological structures of producing oil and gas fields. The

determinations and designations shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the state, the last publication to be not less than five days from the first date of publication. The determinations and designations shall become effective from the date of first publication. Until such a determination and designation ~~is~~ ARE made by the department, all state lands shall be deemed located not within any known geological structure of a producing oil and gas field.

B. The department may refuse to lease any state lands for oil and gas when the lands are being used by the state or any state department for a state purpose.

Sec. 121. Section 27-556, Arizona Revised Statutes, is amended to read:

27-556. Lease of state lands located within known geological structure of producing oil or gas field; sealed bids; call for bids; publication; lease extension; provisions of lease; acreage limitation

When state lands are located within a known geological structure of a producing oil or gas field, as determined pursuant to section 27-554, the lands shall be leased only by sealed bids, as follows:

1. ~~Upon~~ ON receipt of an application to lease any of such lands or whenever, in the opinion of the department, there is a demand for the purchase of leases of the lands, the department shall offer the tract or tracts for lease to the highest qualified bidder submitting a sealed bid, on the basis of a cash bonus.

2. The department shall publish a call for sealed bids twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in ~~the~~ THIS state, the last publication to be not less than fifteen days ~~prior to~~ BEFORE the date fixed for opening the bids. All bids, together with a certified check in the amount of the bonus bid, shall be submitted to the department at the capitol, and opened at the office of the department at the time specified. On or before December 1 each year, the department shall designate by general order the ~~newspaper in~~ PUBLIC MEDIUM ON which the publications shall be made during the following calendar year. The successful bidder shall pay the cost of the publication and the reasonable expenses of the sale.

3. The publication shall contain a description of the land proposed to be leased, the time when the bids will be received and opened, the royalty to be demanded, which the department shall fix ~~prior to~~ BEFORE THE call for bids at not less than twelve and one-half per cent, and an annual rental to be demanded in the amount of one dollar per acre for each year.

4. The publication shall set forth the form of lease ~~which~~ THAT the successful bidder will be required to execute. In lieu of publishing the form of lease in its entirety, the publication may specify the form of lease by designating the form number of lease on file with the department, ~~copies of~~ which shall ~~be furnished~~ FURNISH COPIES TO any person on request.

5. Royalties, including shut-in gas royalties, reserved to the state on production from any state lands leased pursuant to this article and committed to a unit plan of development by virtue of a unit agreement shall be paid only on that portion of production allocated to such state lands or any part of the state lands, pursuant to the terms and conditions of such unit agreement.

6. Each lease issued under this section shall be for a primary term of five years and as long thereafter as oil or gas is produced in paying quantities from the lands covered by the lease, except that:

(a) If oil or gas is not being produced from the leased premises at the expiration of the primary term of the lease, but the owner of the lease is diligently engaged in drilling, completion or reworking operations, the lease continues in force for a period of two years from the date on which the lease would have otherwise expired and as long thereafter as oil or gas is produced in paying quantities from the lands. If oil or gas is produced from any such well or any other well drilled during any two-year extension, the lease shall continue in force after such two-year extension as long as oil or gas is produced in paying quantities from the leased premises.

(b) Oil or gas that is produced from any part of a unit in which state lands are included by virtue of a unit agreement and that is allocated to all or any part of such state lands pursuant to the terms and conditions of the unit agreement is deemed to be produced from the state lands or that part of the state lands to which the production is allocated.

(c) If for any reason production of oil or gas from the leased lands ceases after the primary term or any extension, the lease shall not terminate if the lessee commences drilling, completion or reworking operations on the land within ninety days from cessation of production, and if drilling, completion or reworking operations are conducted with reasonable diligence, the lease shall remain in force as long thereafter as such drilling, completion or reworking operations are conducted or as long thereafter as oil or gas is produced in paying quantities from the leased lands, but in no event to extend beyond two years if production is not restored.

7. The lease may contain other terms and provisions not inconsistent with ~~the provisions of~~ this article or other laws of the state, as in the opinion of the department are for the best interests of the state.

8. Each lease shall provide that the state's royalties shall be computed after deducting any oil or gas reasonably used in operations on the lease.

9. Each lease shall provide that any combination, understanding or agreement entered into by the lessee, written, verbal or otherwise, for the purpose of delaying the discovery or development of oil or gas is an illegal practice, and that ~~upon~~ ON legal determination thereof shall constitute grounds for cancellation of the lease. In the event of such an illegal practice, appropriate proceedings may be instituted by the attorney general against the lessee in the county in which the land, or any part thereof, is

located. A cooperative or unit plan entered into pursuant to this article or any other conservation statute of this state shall not be held to violate this paragraph or any other statute of this state prohibiting monopolies or acts, arrangements, contracts, combinations or conspiracies in restraint of trade or commerce on account of operations conducted under such a plan.

10. The owner of any state oil and gas lease issued by the department and maintained in good standing according to the terms and conditions of the lease and all applicable statutes and regulations shall have the right to elect at any time to have such lease amended to contain the same term and extension provisions and the same provisions relating to unit operations and unit agreements ~~which~~ THAT have been or may be approved by the state land commissioner as are provided by law for state oil and gas leases ~~upon~~ ON filing a written notice of such election with the department. ~~Upon~~ ON such written notice to the department, the lease term and extension provisions and the provisions relating to unit operations and unit agreements shall be deemed amended. The lease as amended shall include all other provisions, except those providing for rents, contained in the original lease and shall bear the same commencement date as the original lease. The lease as amended shall require the payment in advance of an annual rental of one dollar and fifty cents per acre per year for each year of any extension of the lease beyond the primary term of the lease, except extensions of the primary term based upon the production of oil or gas.

11. Before offering any state lands for lease under sealed bids, the department shall determine the tract or tracts into which the lands shall be divided for leasing purposes. Each tract shall contain not less than one-quarter section of land and not more than two sections of land, but a tract containing less than one-quarter section of land may be leased if the tract is segregated from other state lands not then subject to oil and gas lease. All tracts shall be in reasonably compact form.

12. The department shall reserve the right to reject any and all bids on each offer for lease and to again offer the tract or tracts for lease if the bids received are not acceptable to the department.

13. Before acceptance of any bid for a lease under this section, the department shall establish to its satisfaction the responsibility of the bidder.

14. The department shall return all checks accompanying rejected bids.

Sec. 122. Section 27-557, Arizona Revised Statutes, is amended to read:

27-557. Unit operations; unit agreements

A. Each lease issued under ~~the provisions of~~ this article shall provide that the lessee, insofar as its interest in the lease is affected, may join in cooperative or unit plans for the exploration, development and operation of oil and gas pools with the United States, its agencies and its or their lessees and permittees, or with private owners and persons holding oil and gas leases on private lands or on state lands.

B. Lessees under oil and gas leases issued by the department ~~may~~, with the consent of the department, MAY commit the state lands to unit, cooperative or other plans of exploration, development and operation with other state, federal, private or Indian lands.

C. The state land commissioner ~~shall~~, not later than ten days after the date a proposed cooperative or unit plan for the exploration, development or operation of oil and gas pools is filed with the department, SHALL give notice in writing of such proposal to the oil and gas conservation commission, the bureau of geology and mineral technology and all holders of oil and gas leases on state lands to be included in the proposed cooperative or unit plan. Any interested person ~~may~~, within ten days after the date of such notice, MAY file a written protest with the department. ~~Upon~~ ON receipt of such a protest, the state land commissioner ~~shall~~, not later than thirty days after receipt of the protest, SHALL hold a public hearing at the county seat of the county in which the state lands to be included in the proposed cooperative or unit plan are located. Notice of the public hearing shall be published three times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county, the last publication to be not less than ten days ~~prior to~~ BEFORE the date of the hearing. The state land commissioner ~~shall~~, not later than sixty days after the date the proposed cooperative or unit plan is filed with the department or, in the event of a protest and public hearing, not later than thirty days after the date of such public hearing, SHALL determine whether it is in the best interests of the state to commit state lands to the cooperative or unit plan as proposed or as modified. A proposed cooperative or unit plan may be modified in a manner agreeable to the state land commissioner and the proponent of the plan after such notice and public hearing as may be required by this subsection. ~~Upon~~ ON determination by the state land commissioner that it is in the best interests of the state to commit state lands to such cooperative or unit plan, the state land commissioner shall consent to and approve the cooperative or unit plan.

D. The execution by the authorized state officer of a cooperative plan or unit agreement is deemed to be an amendment of state leases committed to such A plan or unit and has the effect of extending the term of the state leases included in the plan or agreement for the full period of time such A plan or unit may remain in effect and of modifying such leases so as to conform the terms and conditions of the leases to the terms and conditions of the plan or unit but otherwise to remain in effect.

E. The agreements shall provide for the equitable division on an agreed basis of the oil and gas produced from the unit and for the extension of leases covering any part of the unit as long as drilling, completion or reworking operations are conducted anywhere on the unit or as long as oil or gas in paying quantities is produced from any part of the unit, but no such agreement shall relieve any operator from the obligation to develop reasonably the lands and leases as a whole committed thereto. When the

agreements provide for returning gas to a formation underlying the unit, they may provide that ~~no~~ royalties are NOT required to be paid on the gas returned.

F. Any lease issued under this article ~~which~~ THAT is committed to a unit agreement embracing lands that are in part within and in part outside of the area covered by any such agreement shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization. Any such lease, as to the nonunitized portion, shall continue in force and effect for a period of time equal to the greater of the remainder of the original term of the lease or two years from the date of such segregation and as long thereafter as oil or gas is produced in paying quantities.

G. Any lease issued under this article ~~which~~ THAT is in effect at the termination of any unit agreement to which such A lease is committed, unless relinquished, shall continue in effect for a period of time equal to the greater of the remainder of the original term of the lease or two years from the termination of the unit agreement and as long thereafter as oil or gas is produced in paying quantities.

H. Notwithstanding any of the foregoing, ~~no~~ A lease issued or amended pursuant to this article shall NOT be extended for any term longer than as provided in article X, section 3 of the Constitution of the state of Arizona.

Sec. 123. Section 27-669, Arizona Revised Statutes, is amended to read:

27-669. Designation of known geothermal resource areas

The department may determine and designate the known geothermal resource areas. The determinations and designations shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in this state, the last publication to be not less than five days from the first date of publication. The determinations and designations shall become effective from the date of first publication. Until such a determination and designation ~~is~~ ARE made by the department, all state lands shall be deemed not located within any known geothermal resource area.

Sec. 124. Section 27-670, Arizona Revised Statutes, is amended to read:

27-670. Lease of state lands; application; call for bids; publication; withdrawal of lands from leasing

A. Applications for leases shall be in writing addressed to the department and shall contain a description of the lands sufficient to identify them~~,~~ AND the name and address of the applicant and shall be accompanied by a filing fee of twenty-five dollars. Each application shall be stamped when received by the department with a stamp showing the day and hour when received.

B. Before offering any state lands for lease, the department shall determine the tract or tracts into which the lands shall be divided for leasing purposes. All tracts shall be in reasonably compact form.

C. ~~Upon~~ ON receipt of an application to lease any state lands, the department shall offer the tract or tracts for lease to the highest and best bidder. The bidding shall be on the basis of highest first year's bonus to be paid to the department at the time of declaration of the highest and best bidder.

D. The department shall publish a call for bids in the same manner provided for the sale of state lands. On or before December 1 each year, the department shall designate by general order the ~~newspaper~~ PUBLIC MEDIUM at the capital ~~in~~ ON which the publications shall be made during the following calendar year. The successful bidder shall pay the cost of the publication and the reasonable expenses of the sale.

E. The publication shall contain a description of the land proposed to be leased, the time when the bids will be received, the royalty to be demanded, which the department shall fix ~~prior to~~ BEFORE THE call for bids, and an annual rental to be demanded.

F. The publication shall set forth the form of lease ~~which~~ THAT the successful bidder will be required to execute. In lieu of publishing the form of lease in its entirety, the publication may specify the form of lease by designating the form number of the lease on file with the department, ~~copies of~~ which shall ~~be furnished~~ FURNISH COPIES TO any person on request.

G. Each offer for lease shall reserve the right in the department to reject any and all bids and to again offer the tract or tracts for lease if the bids received are not acceptable to the department.

H. No bid may be accepted unless the bidder, or the bidder's disclosed principal, qualifies under ~~the provisions of~~ section 37-240, subsection B.

I. The department may withdraw from leasing any specific area of land if it appears that the withdrawal is in the interest of this state.

J. The department may refuse to lease any state lands for development of geothermal resources and may refuse to sell geothermal resource leases when such A refusal is deemed by the department to be in the best interest of the state.

K. The department shall return all checks accompanying rejected bids.

Sec. 125. Section 27-929, Arizona Revised Statutes, is amended to read:

27-929. Notice of plan or substantial change

A. The state mine inspector shall give notice of a proposed reclamation plan or a substantial change to an approved reclamation plan once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which the exploration operation or mining unit is or will be located. ~~If there is no such newspaper, the inspector shall give notice in a newspaper of general circulation that is published in an adjoining county.~~

B. The notice shall briefly describe the proposed reclamation plan or substantial change and state that any person who may be adversely affected by the plan or substantial change may:

1. File a written objection to the plan or substantial change within fifteen days after the last publication.

2. Request a public hearing.

C. An objection shall state the name and mailing address of the objector, be signed by the objector or the objector's agent or attorney and clearly state the reasons why the plan or substantial change should be denied. Grounds for objection are limited to whether the proposed plan or substantial change meets the criteria for approval in this chapter.

D. If there is sufficient public interest by persons who may be adversely affected by the plan or substantial change, the inspector may hold a public hearing in the county in which the exploration operation or mining unit is or will be located.

Sec. 126. Section 27-1230, Arizona Revised Statutes, is amended to read:

27-1230. Notice of plan for existing exploration operations and existing aggregate mining units

A. The inspector shall give notice of a proposed reclamation plan for an existing exploration operation or an existing aggregate mining unit. The notice shall be:

1. Filed with the secretary of state.

2. Sent by first class mail to cities and counties located within five miles of the existing exploration operation or the existing aggregate mining unit.

3. Sent by first class mail to the department of water resources, THE department of environmental quality, multi-county water conservation districts and agencies that own or manage PUBLIC lands on which the exploration operation or aggregate mining unit is located.

4. Sent by first class mail to property owners with property adjoining the exploration operation or aggregate mining unit.

5. Published once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which the exploration operation or aggregate mining unit is located. ~~If there is no such newspaper, the inspector shall give notice in a newspaper of general circulation that is published in an adjoining county.~~

6. Posted in five conspicuous public locations within one mile of the exploration operation or aggregate mining unit.

B. The notice shall briefly describe the proposed reclamation plan and shall designate where the plan may be accessed. The notice shall state that any person who may be adversely affected by the plan may file written comments on the plan within fifteen days after the last publication and request a public meeting. If there is sufficient public interest by persons who may be adversely affected by the plan, the inspector shall hold a public meeting in the county in which the exploration operation or aggregate mining unit is located.

C. The exploration operation or mining unit's designated representative shall attend the public meeting and respond to questions that relate to information in the reclamation plan.

D. If an interested party cannot attend the public meeting, that party may submit written comments to the inspector before the meeting regarding the reclamation plan, and the inspector shall consider the written comments.

E. The inspector shall adopt rules to implement ~~the provisions of~~ this section.

Sec. 127. Section 28-2093, Arizona Revised Statutes, is amended to read:

28-2093. Sale of seized vehicles or motors; disposition of proceeds

A. If a vehicle or motor has been seized under this chapter and held for six months and the owner has not complied with the provisions of law under which the vehicle or motor was seized, including payment of all fees, penalties, costs and expenses of seizure, the director shall sell the vehicle or motor.

B. After thirty days the department may sell a motor vehicle, trailer or semitrailer seized and held for nonpayment of any fee, tax or other assessment or penalty on the vehicle that is due the department or for its account.

C. The department shall sell a motor vehicle, motor, trailer or semitrailer under this section at public auction after notice of the sale by certified mail, return receipt requested, at least five but not more than twenty days before the sale, directed to the last known address of the owner of the vehicle or motor, if the owner is known. If the owner is unknown, the department shall give notice by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the vehicle or motor was seized. If notice is published in a weekly ~~newspaper~~ PUBLIC MEDIUM, the department shall publish it once each week for two consecutive weeks, or if notice is published in a daily ~~newspaper~~ PUBLIC MEDIUM, six consecutive times, the last publication to be at least five but not more than ten days before the date of the sale.

D. The department shall pay the proceeds from the sale, after the fees, penalties, costs and expenses of seizure and sale are deducted, to the owner from whom the vehicle or motor was seized, if the owner is known. If the owner is unknown, the department shall deposit, pursuant to sections 35-146 and 35-147, the proceeds in the Arizona highway user revenue fund.

Sec. 128. Section 28-2422.02, Arizona Revised Statutes, is amended to read:

28-2422.02. Spaying and neutering of animals fund; definitions

A. The spaying and neutering of animals fund is established consisting of monies received pursuant to section 28-2422. The companion animal spay and neuter committee shall administer the fund. The first thirty-two thousand dollars received shall be reimbursed to the entity that paid the

implementation fee to the department of transportation pursuant to section 28-2422. Excluding the initial thirty-two thousand dollar reimbursement, not more than ten per cent of monies deposited in the fund annually shall be used for the cost of administering the fund. Monies in the fund are continuously appropriated.

B. The companion animal spay and neuter committee shall allocate monies to a qualifying entity that allocates the monies to programs that seek to reduce pet overpopulation by sterilizing, at minimal or no cost, dogs and cats in this state, including those that are impounded and sterilized pursuant to section 11-1022. The companion animal spay and neuter committee shall annually distribute all monies deposited in the spaying and neutering of animals fund, excluding administrative fees, to any qualifying entities. Funds awarded pursuant to this section shall not be used to sterilize animals that may be euthanized unless euthanasia becomes necessary due to illness, injury or behavior.

C. On notice from the companion animal spay and neuter committee, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

D. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

E. Before allocating monies pursuant to subsection B of this section:

1. The companion animal spay and neuter committee shall prepare and issue a request for donation application that includes at least the following information:

(a) A description of the project types eligible for funding, including the scope of the work to be performed by an awardee.

(b) Identification of the funding source and the total amount of available monies.

(c) Whether a single award or multiple awards may be made.

(d) Encouragement of collaboration by entities for community partnerships, if appropriate.

(e) Any additional information required by the applications.

(f) The criteria or factors under which an application will be evaluated for award and the relative importance of each criteria or factor.

(g) The due date for submittal of an application and the anticipated time the awards may be made.

2. Adequate public notice of the request for donation application shall be given a reasonable time before the date set forth in the request for application. The notice may include publication one or more times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in this state a reasonable time before the application opening.

3. A preapplication conference may be conducted before the due date for the submittal of an application to explain the donation application requirements. Statements made at a preapplication conference are not

amendments to a request for a donation application unless a written amendment is issued.

4. A donation application shall be publicly received at the time and place designated in the request for donation application. The name of each applicant shall be publicly read and recorded. All other information in the donation application is confidential during the process of evaluation. All applications shall be open for public inspection after donations are awarded. To the extent the applicant designates and the state concurs, trade secrets and other proprietary information contained in the application shall remain confidential.

5. An application shall be evaluated by at least four evaluators who are members of the companion animal spay and neuter committee. The evaluators may allow an applicant to make an oral or written presentation regarding the scope of work, terms and conditions of the donations, budget and other relevant matters set forth in the request for application. An applicant shall be accorded fair treatment with respect to any opportunity for oral or written presentations. The evaluators may require an applicant to revise the application to reflect information provided in an oral or written presentation. Any person who has information contained in the application of competing applicants shall not disclose that information.

6. The evaluators shall review each application based solely on the evaluation criteria or factors set forth in the request for donation application. Each evaluator shall maintain a written record of the evaluator's assessment of each application, which shall include comments regarding compliance with each evaluation criteria or factor, the citation of a specific criteria or factor as the basis of each stated strength or weakness and a clear differentiation between comments based on facts presented in the application and comments based on professional judgment.

7. The evaluators shall make award recommendations to the companion animal spay and neuter committee based on the evaluators' reviews of each application. The evaluators' recommendations may include the adjustment of the budgets of the applicants individually or collectively.

8. The companion animal spay and neuter committee may affirm, modify or reject the evaluators' recommendations in whole or in part. Modification of the evaluators' recommendations may include the adjustment of the budget on any proposed award individually or on all awards by an amount or percentage. If the companion animal spay and neuter committee modifies or rejects the recommendations, the committee shall document in writing the specific justifications for the action taken.

9. The companion animal spay and neuter committee may enter into agreements with other state governmental units to furnish assistance in conducting the solicitation of donation applications.

10. The companion animal spay and neuter committee may resolve protests of the award or proposed award of a donation. An appeal from a decision of the companion animal spay and neuter committee may be made to the director of

the department of administration. A protest of an award or proposed award of a donation and any appeals shall be resolved in accordance with the rules of procedure adopted by the department of administration pursuant to section 41-2611.

F. On or before December 31 of each year, the companion animal spay and neuter committee shall submit a written report to the governor, the president of the senate and the speaker of the house of representatives on all expenditures made from the fund in that calendar year. The report shall include all administrative expenses, all grants of monies, the names of grantees and any remaining balance in the fund. The committee shall provide a copy of the report to the secretary of state ~~and the director of the Arizona state library, archives and public records~~.

G. The companion animal spay and neuter committee shall make available to the public a list of all grants awarded pursuant to this section.

H. For the purposes of this section:

1. "Donation" means furnishing financial or other assistance, including state monies or federal grant monies, by the companion animal spay and neuter committee to any qualifying entity that allocates the monies to programs that seek to reduce pet overpopulation by sterilizing, at minimal or no cost, dogs and cats in this state that are owned by the general public or that are impounded and sterilized pursuant to section 11-1022.

2. "Qualifying entity" means either of the following:

(a) An animal welfare organization that files under section 501(c)(3) of the United States internal revenue code for federal income tax purposes and that offers or subsidizes sterilization services of dogs and cats, including organizations represented on the companion animal spay and neuter committee.

(b) An animal control agency that offers or subsidizes sterilization services of dogs and cats, including organizations represented on the companion animal spay and neuter committee.

Sec. 129. Section 28-4594, Arizona Revised Statutes, is amended to read:

28-4594. Altered serial or identification number; contraband; seizure; disposition

A. Except if a manufacturer's serial or identification number of a motor vehicle or major component part of a vehicle is removed, defaced, altered or destroyed with the permission of the department or if a special serial or identifying number issued by the department has been properly affixed to a vehicle pursuant to section 28-2165, a motor vehicle or major component part of the vehicle that has had the manufacturer's or department's serial or identification number removed, defaced, altered or destroyed and a serial or identification number so removed are contraband.

B. A law enforcement agency shall both:

1. Immediately seize and store the motor vehicle or major component part of a vehicle or serial or identification number that is contraband pursuant to subsection A of this section.

2. Attempt to restore the original manufacturer's serial or identification numbers on the item seized as follows:

(a) If the original identification numbers can be permanently restored and the last owner as identified on official title records maintained by the vehicle registration agency of the state, country or territory in which the vehicle was last titled or the person or entity to which title was assigned by the last owner as identified on official title records can be found, the law enforcement agency shall return the motor vehicle or major component part of a vehicle to the person or entity.

(b) If the original identification numbers can be temporarily restored and the last owner as identified on official title records maintained by the vehicle registration agency of the state, country or territory in which the vehicle was last titled or the person or entity to which title was assigned by the last owner as identified on official title records can be found, the county attorney of the county in which the motor vehicle or major component part of a vehicle was seized or the attorney general, within sixty days after the date of seizure or such other reasonable time that is set by the court, shall file a petition or action in the superior court in the county in which the item was seized or in Maricopa county to forfeit the motor vehicle or major component part of a vehicle to this state for use or other appropriate disposition by the law enforcement agency that seized the item or for such other disposition as the state deems appropriate. The petition shall set forth probable cause that the item is contraband. A copy of the petition or notice of pending forfeiture shall be served as follows:

(i) On the person from whom the item was seized by certified mail to the person's last known address.

(ii) On the last owner and any lienholders or interest holders identified on official title records by certified mail to the names and addresses identified on official title records.

(iii) On any other known interest holders by certified mail to each holder's last known address.

(iv) By publication ~~in one issue of a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the property was seized.

(c) If the original identification numbers cannot be permanently or temporarily restored or the last owner as identified on official title records cannot be found, the county attorney in the county in which the motor vehicle or major component part of a vehicle was seized or the attorney general, within sixty days after the date of seizure or such other reasonable time as is set by the court, shall file a petition or action in the superior court in the county in which the item was seized or in Maricopa county to forfeit the motor vehicle or major component part of a vehicle to this state for use or other appropriate disposition by the law enforcement agency that

seized the item or for such other disposition as the state deems appropriate. The petition shall set forth probable cause that the item is contraband. A copy of the petition or notice of pending forfeiture shall be served on the person from whom the item was seized by certified mail to the person's last known address.

C. If a verified claim is not filed within the time period provided in section 28-4595, subsection A, the court shall declare the seized item to be contraband and shall sign an order forfeiting the seized item to the state for use or other appropriate disposition by the law enforcement agency that seized the item or for other disposition as the state deems appropriate.

Sec. 130. Section 28-4841, Arizona Revised Statutes, is amended to read:

28-4841. Abandoned vehicle; notice of intent to transfer vehicle

A. On receipt of a report as required by this chapter the director shall determine the name and address of the owner and lienholder, if any, or any other person identified on the department's record by either:

1. Searching the department records.

2. Asking the vehicle registration agency of another state if the vehicle is registered in that state.

B. On receipt of information from reports pursuant to section 28-4838 or 28-4839 and after determining the name and address of the owner and lienholder, if any, or any other person identified on the department's record who may have an interest in the vehicle, the director shall notify all interested persons by mail within five days for a vehicle with a record in this state or within thirty days for all other vehicles. The director shall make the notice on a form prescribed by the director. The notice shall include:

1. A complete description of the vehicle.

2. A notice of intent to transfer ownership of the vehicle to the person in possession of the vehicle if within thirty days from the date placed on the notification by the department the owner or lienholder or a person who has an interest in the vehicle does not notify the department of the owner's, lienholder's or person's interest in the vehicle or claim the vehicle.

3. The vehicle identification number.

4. The place and date the vehicle was found, seized or taken into possession.

5. The storage location of the vehicle.

6. A statement that the owner is liable to the department for the amounts provided in section 28-4802 if the vehicle was abandoned and removed pursuant to section 28-4802 and that the cost will be collected if the owner subsequently registers another vehicle in this state or subsequently applies for or renews a driver license issued by this state.

C. If the records of the department or out-of-state jurisdiction do not disclose the name and address of the owner and lienholder, if any, or any other person identified on the department's record who may have an interest in the vehicle, or if the notice is returned marked unclaimed or addressee unknown, the department shall publish the notice of the intent of the director to transfer ownership of abandoned vehicles pursuant to this chapter once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the vehicle was found or seized. The published notice shall include a statement of the intent of the director to transfer ownership of abandoned vehicles after ten days of the published notice and that the department will make available to the public a complete vehicle description of abandoned vehicles subject to transfer of ownership.

D. A person who has filed a report of an abandoned vehicle pursuant to section 28-4838, 28-4839 or 28-4840 shall notify the director within twenty-four hours and in the manner prescribed by the director if the vehicle is released or returned to or redeemed or repossessed by the lawful owner or lienholder, if any, or any other person who is identified on the department's record and who may have an interest in the vehicle.

Sec. 131. Section 28-4882, Arizona Revised Statutes, is amended to read:

28-4882. Junk vehicle; disposition

A. If a vehicle has been reported abandoned under section 28-4838, the person making the report may request that the vehicle be processed as a junk vehicle. An agent of the department shall inspect the vehicle to determine if the vehicle is a junk vehicle.

B. On making a determination that the vehicle is a junk vehicle, the director shall cause a search of department records to be made, or if a junk vehicle is registered in another state, make inquiry of the vehicle registration agency in that state, to ascertain the name and address of the owner and lienholder, if any, or any other person identified on the department's record.

C. On receipt of information disclosing the name and address of the owner and lienholder, if any, or any other person identified on the department's record who may have an interest in the vehicle, the director shall give notice to all interested persons of the director's intention to allow the disposition of the junk vehicle as prescribed by this section. The director shall give the notice by mail within five days for a vehicle with a record in this state or within thirty days for all other vehicles.

D. If the records of the department or out-of-state jurisdiction do not disclose the name and address of the owner and lienholder, if any, or any other person who is identified on the department's record and who may have an interest in the vehicle, or if the notice is returned marked unclaimed or addressee unknown, the department shall publish the notice of the intention of the director to allow the disposition of the junk vehicle as prescribed by this article once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM

PUBLISHED in the county in which the junk vehicle was found. The published notice shall include a statement that the department will make available to the public a complete vehicle description of junk vehicles.

E. If the vehicle is unclaimed at the expiration of thirty days after the date placed on the notification mailed by the department or within ten days of the publication as provided in subsections C and D of this section, the director shall determine if the vehicle is a stolen vehicle. On receiving notification that the vehicle has not been reported stolen, the director shall issue written authorization to the owner of the property authorizing the owner of the property or a licensed automotive recycler to dispose of the junk vehicle pursuant to section 28-4883.

Sec. 132. Section 28-6702, Arizona Revised Statutes, is amended to read:

28-6702. Proposed highway survey; notice of hearing

A. On filing the petition prescribed in section 28-6701, the board of supervisors shall:

1. Direct the county engineer to make a survey of the proposed highway and to file with the board a report of the proposed highway and a map as surveyed that shows the legal subdivision of the lands traversed by the survey. If a survey and maps have already been made for any purpose, these data and maps may be used instead of conducting a survey pursuant to this section.

2. Set a date for a public hearing.

3. Give notice to the public of the hearing by advertising once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice shall state the purpose and the date of the hearing and shall direct all persons desiring to object to the action requested in the recommendation or petition to file with the board of supervisors a statement in writing setting forth their objection or opposition, and to show cause why the recommendation or petition should not be granted.

B. On receipt of a recommendation by the county engineer pursuant to section 28-6701, the board of supervisors shall comply with subsection A, paragraphs 2 and 3 of this section.

Sec. 133. Section 28-6713, Arizona Revised Statutes, is amended to read:

28-6713. Bids for construction, reconstruction, equipment or supplies; procedure; bond; exceptions

A. Except as provided in subsection G of this section, in a county with a population of two hundred fifty thousand persons or more as determined by the most recent United States decennial census or the most recent special census as provided in section 28-6532, bids for all items of construction or reconstruction involving an expenditure equal to or greater than the amount determined pursuant to subsection B of this section, all purchases or other acquisition of equipment involving an expenditure of more than five thousand

dollars and all purchases of supplies and materials involving an expenditure of two thousand five hundred dollars or more shall be called for by advertising ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county ~~for two consecutive publications if it is a weekly newspaper, or for two publications of at least six but not more than ten days apart if it is a daily newspaper~~. The advertisement shall state specifically the character of the work to be done and the kind and quality of materials or supplies to be furnished.

B. Bids shall be called pursuant to subsection A of this section for all items of construction or reconstruction involving an expenditure of:

1. In fiscal year 1985-1986, thirty-five thousand dollars.

2. In fiscal year 1986-1987 and each fiscal year thereafter, the amount provided in paragraph 1 of this subsection adjusted by the annual percentage change in the GDP price deflator as defined in section 41-563.

C. If the board of supervisors receives a satisfactory bid, it shall contract with the lowest responsible bidder after the contractor or supplier gives any bond required by title 34, chapter 2, article 2, except that in counties with a population of more than one million persons according to the most recent United States decennial census, in determining the lowest responsible bidder under this section, the board may consider, for no more than five projects, the time of completion proposed by the bidder, the value over time of completed services and facilities and the value over time of interrupted services, if the board determines that this procedure will serve the public interest by providing a substantial fiscal benefit or that the use of the traditional awarding of contracts is not practicable for meeting desired construction standards or delivery schedules and if the formula for considering the time of completion is specifically stated in the bidding information. The board may reject any or all bids and readvertise.

D. The board of supervisors, a member of the board of supervisors or any other official or agent of a county affected by this section shall not segregate or divide into separate units a contiguous or continuous portion of highway construction or reconstruction or divide into separate portions an item of equipment or generally recognized unit of supplies or material to avoid the restrictions imposed by subsection A of this section.

E. The board of supervisors, a member of the board of supervisors or any other official or agent of a county affected by this section shall make every effort to combine the following:

1. Separate portions of highway construction or reconstruction projects.

2. Items of equipment, supplies and materials.

F. After a contract has been awarded, the board of supervisors' authorized representative may authorize change orders to the contract if necessary pursuant to guidelines set by the board of supervisors. This authority does not permit the board of supervisors' authorized representative to act independently to award new contracts.

G. A building, structure, addition or alteration may be constructed without complying with the bidding requirements of this section if the construction, including construction of buildings or structures on public or private property, is required as a condition of development of private property and is authorized by section 9-463.01 or 11-822. For the purposes of this subsection, building does not include any police, fire, school, library or other public building.

H. Subsections A, B and C of this section do not apply to procurement of construction-manager-at-risk, design-build and job-order-contracting construction services pursuant to title 34, chapter 6.

Sec. 134. Section 28-6743, Arizona Revised Statutes, is amended to read:

28-6743. County highway commission powers and duties

A. The county highway commission shall:

1. Investigate situations with respect to highways that in the board's judgment the greatest public necessity and convenience require highways to be constructed or improved.

2. Prepare a map of the highways that shows the location of, condition of, connections of and other information about the highways.

3. Determine which of the public highways should be improved with monies derived from the sale of the bonds to be authorized and sold.

4. Determine the kind of improvements that should be made.

5. Procure an estimate of the cost of the improvement.

B. The county highway commission may employ an engineer. At least twenty days before the day appointed for the election, the county highway commission shall report to the board of supervisors. At least two weeks before the election, the board of supervisors shall publish the report six times in a daily ~~newspaper~~ PUBLIC MEDIUM or twice in a weekly ~~newspaper~~ PUBLIC MEDIUM PUBLISHED in the county.

C. The call for the election shall be limited to the construction and improvement of the public highways that are included in the report and maps prepared by the county highway commission.

Sec. 135. Section 28-6802, Arizona Revised Statutes, is amended to read:

28-6802. Toll road construction; notice; application; hearing

A. A person who desires to construct a toll road, bridge or ferry within one or more counties shall publish a notice ~~in a newspaper that is~~ ON A PUBLIC MEDIUM published in each county, once each week for six successive weeks. The notice shall state:

1. The type and character of the road.

2. The terminals.

3. The general route and each city, town or village through which construction is proposed.

4. The time when the application required by this section shall be made, which shall not be more than ten days after the last publication of the notice.

B. On the day specified in the notice, written application shall be made to the respective boards of supervisors of the counties for authority to take the necessary land and construct the road described in the notice. The application shall be in triplicate, and each copy shall be accompanied by:

1. An engineer's plat of the route of the proposed road showing the proposed centerline and right-of-way lines and giving engineer's stations and ties to legal subdivision lines of the regions traversed.

2. Proposed construction plans and details.

3. Estimates of cost.

C. When the application is filed with the clerk of the board of supervisors, the clerk shall:

1. Immediately set the application for a hearing before the board of supervisors at least fifteen but not more than thirty days after the application is filed.

2. Forward a copy of the application, accompanying papers, instruments and documents and notice of the date of the hearing by certified mail to the highway commission.

3. Publish notice of the hearing one time at least ten days before the day of the hearing in the same ~~newspaper~~ PUBLIC MEDIUM in which notice of the application was published.

D. At the hearing, all persons interested may appear and be heard. The board of supervisors may take testimony and adjourn the hearing.

Sec. 136. Section 28-6923, Arizona Revised Statutes, is amended to read:

28-6923. Bid requirements; procedure; bond

A. All items of construction or reconstruction of department facilities involving an expenditure of one hundred eighty-nine thousand dollars or more shall be called for by advertising ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in this state for either:

1. Two consecutive publications if it is a weekly ~~newspaper~~ PUBLIC MEDIUM.

2. Two publications at least six but not more than ten days apart if it is a daily ~~newspaper~~ PUBLIC MEDIUM.

B. In fiscal year 2008-2009 and each fiscal year thereafter, the amount provided in subsection A of this section shall be adjusted by the annual percentage change in the GDP price deflator as defined in section 41-563.

C. The advertisement shall state specifically the character of the work to be done and where a person may obtain copies of the plans, specifications and complete information as to the proposed work.

D. The bidding information provided shall state specifically the character of the work to be performed and the kind, quantity and quality of materials or supplies to be furnished. The plans and specifications:

1. Shall be sufficiently complete, definite and explicit to permit informed, free, open and competitive bidding on a common basis.

2. May require performance on the basis of either means and methods specifications or end result specifications.

3. If end result specifications are used, shall provide an objective or standard to be achieved with the successful bidder expected to exercise the bidder's skill and ingenuity in achieving that objective or standard of performance by selecting the means and manner of performance and by assuming a corresponding responsibility for that selection.

E. If contractor insurance is required for construction or reconstruction pursuant to this section, the insurance shall be placed with an insurer authorized to transact insurance in this state pursuant to title 20, chapter 2, article 1 or a surplus lines insurer approved and identified by the director ~~of the department~~ of insurance pursuant to title 20, chapter 2, article 5.

F. A bid shall be accompanied by a certified check, cashier's check or surety bond for ten per cent of the amount of the bid included in the proposal as a guarantee that the contractor will enter into a contract to perform the proposal pursuant to the plans and specifications.

G. The certified check, cashier's check or surety bond shall be returned to the contractors whose proposals are not accepted and to the successful contractor on the execution of a satisfactory bond and contract as provided in this article.

H. The surety bond provided pursuant to subsection F of this section shall be executed and furnished as required by title 34, chapter 2, and the conditions and provisions of the surety bid bond regarding the surety's obligations shall follow the form required under section 34-201, subsection A, paragraph 3.

I. If a bid that is satisfactory to the board is received, it shall let a contract to the lowest responsible bidder, on the contractor giving performance and payment bonds that follow the form and include the provisions required by title 34, chapter 2, article 2.

J. If the bids received for construction or reconstruction are not satisfactory to the board, a second call shall be made. If they are again rejected by the board, it may authorize the state engineer to construct or reconstruct the item as it deems most advantageous.

K. In determining the lowest responsible bidder under this section, the department and the board may consider the time of completion proposed by the bidder if the department and the board determine that this procedure will serve the public interest by providing a substantial fiscal benefit or that the use of the traditional awarding of contracts is not practicable for meeting desired construction standards or delivery schedules and if the

formula for considering the time of completion is specifically stated in the bidding information.

L. This section does not prohibit a change to a construction contract that either:

1. Does not alter the scope of the work under a contract and the cost of the change does not exceed ten per cent of the contract amount or fifty thousand dollars, whichever is greater.

2. Does alter the scope of the work if the cost of the change does not exceed ten per cent of the contract amount or fifty thousand dollars, whichever is greater, and the changed work is within twenty per cent of the total project length.

M. If a project is funded completely with private monies, the private entity is not required to comply with subsections A through L of this section if the private entity complies with all of the following:

1. Before advertising for bids, submits to the department a bond that is issued by a surety insurer authorized to do business in this state and that is in an amount equal to one hundred twenty-five per cent of the anticipated construction cost of the project, including construction management and contractor costs.

2. Solicits sealed bids from at least four contractors who are prequalified by the department to perform a contract of the anticipated dollar amount of the construction.

3. Awards the contract to the best bidder taking into account price and other criteria as provided in the bid documents.

4. Obtains bonds from the selected contractor that provide the same coverage as performance and payment bonds issued under title 34, chapter 2, article 2.

5. Uses department construction standards.

6. Pays all costs of department reviews of the contract and inspections of the project.

N. For the purposes of this section, a project is funded completely with private monies if all of the following apply:

1. The contractor is paid entirely with monies from private entities.

2. The private entities hire a competent construction manager and contractor who do not have an affiliation with each other.

3. The private entities either pay all costs of design or reimburse the department for all costs of design.

Sec. 137. Section 28-6952, Arizona Revised Statutes, is amended to read:

28-6952. Five year transportation facilities construction program; publication; hearing

A. On or before the second Monday in April of each year, the board shall review the updated five year transportation facilities construction program prepared by the director.

B. On or before the first Monday in May of each year, the board shall publish a notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which construction projects are planned under the statewide five year transportation facilities construction program for the following five fiscal years. The notice shall specify a date that is on or before the third Monday in May for a public hearing held at the office of the board to review the program and hear objections and protests from an individual or group.

C. After the public hearing, the board may make priority changes in or introduce new projects to the proposed five year transportation facilities construction program pursuant to section 28-6955.

Sec. 138. Section 28-7095, Arizona Revised Statutes, is amended to read:

28-7095. Conveyance of property not needed for transportation purposes

A. The director may dispose of real property or any right, title or interest in the real property if the director determines that it is not needed or used for transportation purposes. After the establishment, laying out, substantial completion of a transportation improvement or abolishment of a transportation improvement by formal action of the transportation board, the director may convey the real property or any interest in the real property that was acquired pursuant to this article and that the director determines is not necessary for state transportation purposes.

B. Except as provided in section 28-7099, the director may convey the real property described in subsection A of this section to an agency of the federal government, this state or a county, city or town of this state without a public sale if the director considers the conveyance to be in the public interest and if the real property is to be used for such a specific public purpose. If the property is not used for a highway purpose, the agency shall pay the department for the conveyance based on an appraisal within twelve months of the date of conveyance establishing the fair market value of the property to be conveyed. If the property conveyed to an agency is to be used for a specific highway purpose, the agency shall reimburse the department for its expenditures for the property. If the property is not used for a highway purpose, the property shall revert to the department. If the director determines any property conveyed under this section is needed by the department for a transportation purpose, the department may acquire the property from the agency at a cost equal to the amount paid by the agency, or the fair market value at the time of the repurchase by the department, whichever is less.

C. The director may grant an easement to a state or local agency for property to be used for a specific highway purpose, on terms and conditions acceptable to the director, for no payment to the department. The agency shall bear all liability that may be attributed to the department for incidents that occur during the period of the easement, and the agency shall

bear all costs of maintaining the property. If the property is not used for a highway purpose, the department may terminate the easement as to any portion of the property that is not used for a highway purpose. The easement terminates if the director determines that the property is needed by the department for a highway purpose.

D. The director may convey other marketable property to the highest responsible bidder at a public auction or by direct sale after at least thirty days' notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the property is located. If the director elects to convey property by a direct sale, and receives more than one offer before the termination of the thirty-day notice period, the director shall sell the property at public auction. At least one fee appraisal or one in-house appraisal is required for property that is offered to the public. The director shall disclose the amount of the low appraisal before a public auction. If at a public auction the amount of the highest responsible bid does not equal or exceed the amount of the low appraisal, the director shall advise the bidders that the amount of the low appraisal has not been met and shall continue the bidding until the amount of the highest responsible bid equals or exceeds the amount of the low appraisal. If the highest responsible bid does not equal or exceed the amount of the low appraisal, the director shall reject all bids. If the director is unable to sell real property pursuant to this subsection for an amount that equals or exceeds the low appraisal, the director may convey the real property by direct sale after at least thirty days' notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the real property is located at an amount that is at least equal to eighty per cent of the low appraisal, except that, if the director receives more than one offer before the termination of the thirty-day notice period in an amount that is at least equal to eighty per cent of the low appraisal, the director shall sell the real property at public auction.

E. A sale pursuant to subsection B or D of this section may be made for cash or on terms of at least twenty per cent down with the balance payable in annual or monthly installments for ten years, and the unpaid balance bears interest at a rate determined by the director.

F. The director may dispose of property by quitclaim deed to adjacent property owners or the underlying fee owner if the property has no market value or a net value of ten thousand dollars or less without a public auction or thirty-day notice period. The director may notify adjacent property owners or the underlying fee owner that the estimated market value of the property may be reduced by up to twenty per cent, that the director may accept an offer between eighty per cent and one hundred per cent of the estimated market value and that, if the adjacent property owner or underlying fee owner is interested in acquiring the property, the adjacent property owner or underlying fee owner must submit a written offer to the director within sixty days after the date of the notice. If the director does not

receive an offer within sixty days after the date of the notice, the director may dispose of the property at the best price the director can obtain for the property pursuant to procedures established by the director. For the purposes of this subsection, "net value" means the estimated market value of the property reduced by the cost to sell the property and the cost of continued maintenance of the property.

G. The director may:

1. Execute all deeds or conveyances necessary to convey any real property or interest in the real property to be conveyed under this section and shall sell any real property or interest in real property for the highest responsible bid, the direct sale price or the appraised market value of the property, as applicable.

2. Assess a fee for the costs of preparing and executing any conveyance under this section.

3. Either:

(a) Insert in the deed or conveyance conditions, covenants, exceptions and reservations as the director deems to be in the public interest.

(b) Convey in fee simple absolute.

H. The director shall notify the county assessor and county treasurer of any property disposed of or quitclaimed pursuant to this section within thirty days after the close of escrow. Proper notice includes the legal description of property being conveyed, the name and address of the new property owner and legal description of the conveyed property and the name and address of a person or persons who are identified as the correct recipients of the property tax bill.

I. It is conclusively presumed in favor of any purchaser for value and without notice of any real property or interest in the real property conveyed pursuant to this section that the department acted within its lawful authority in acquiring the property and that the director acted within the director's lawful authority in executing a deed, conveyance or lease authorized by this article.

J. The director may contract with a licensed real estate broker to assist in any disposition of property under this section or pay a commission to a licensed real estate broker whose client completes a purchase of property under this section. The director shall determine the rate of commission paid to the broker. The director may pay the licensed real estate broker from proceeds received under this section unless the broker is the purchaser or lessee or the purchaser is another governmental agency.

Sec. 139. Section 28-7507, Arizona Revised Statutes, is amended to read:

28-7507. Notice; bond issuance

A. The board shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in this state. The last day of publication shall be at least ten days before the issuance of the bonds.

B. The notice shall state the amount of the bonds to be sold and the intended date of issuance.

C. A copy of the notice shall be hand delivered or sent by certified mail with return receipt to the director of the department of administration on or before the last day of publication.

Sec. 140. Section 28-7567, Arizona Revised Statutes, is amended to read:

28-7567. Notice; bond issuance

A. The board shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in this state. The last day of publication shall be at least ten days before the issuance of the bonds.

B. The notice shall state the amount of the bonds to be sold and the intended date of issuance.

Sec. 141. Section 28-8243, Arizona Revised Statutes, is amended to read:

28-8243. Abandoned aircraft; definition

A. A person shall not abandon an aircraft on property of another.

B. A peace officer who has reasonable grounds to believe that an aircraft has been abandoned may seize the aircraft and cause its removal from property of another. A peace officer who causes the removal of an aircraft pursuant to this subsection shall immediately notify the director in writing of the removal.

C. The abandonment of an aircraft in the manner provided in this section is a presumption that the last registered owner of record is responsible for the abandonment, unless the aircraft is the subject of a theft report filed with a local law enforcement agency.

D. On receipt of a report as required by this section, the director shall search the records of the department. On receipt of information disclosing the name and address of the owner and lienholder, if any, the director, at least fifteen days before the date of taking this action, shall give to the owner and lienholder, if any, notice of the director's intention to sell the aircraft. The director shall give notice by certified mail, return receipt requested, to be delivered to the addressee only.

E. If the records of the department fail to disclose the name and address of the owner and lienholder, if any, or if the notice is returned marked unclaimed or addressee unknown, the director shall publish notice of the director's intention to sell the aircraft once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the aircraft was seized. The notice shall include a complete description of the aircraft, including the identification number and the place and date the aircraft was found.

F. If the aircraft is unclaimed at the expiration of fifteen days from mailing the certified notice or on the expiration of fifteen days from the publication, the director may sell the aircraft at public auction to the

highest bidder. The director shall issue a bill of sale to the purchaser at the sale on compliance with this section.

G. The director shall retain any surplus arising from the sale, after deducting the costs of the sale of the aircraft, for the lienholder or owner for a period of thirty days. If the surplus is not claimed on the expiration of that time it shall be deposited, pursuant to sections 35-146 and 35-147, in the state aviation fund.

H. For the purposes of this section, "abandoned aircraft" means an aircraft that has been left on property without the consent of the owner or operator of the property for more than sixty days.

Sec. 142. Section 28-8331, Arizona Revised Statutes, is amended to read:

28-8331. Seized aircraft sale

A. If an aircraft has been seized under this article and held for a period of sixty days and license taxes, registration fees, penalties, lien recording fees and costs and expenses of seizure are not paid in full, the sheriff of the county in which the aircraft is found shall sell the aircraft when requested by the department.

B. The sale of an aircraft under this section shall be at public auction after notice of the sale is sent by the department by certified mail at least five but not more than twenty days before the sale directed to the last known address of the owner of the aircraft, if the owner is known. If the owner is unknown, the department shall give notice by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the aircraft was seized. ~~If notice is published in a weekly newspaper, the publication shall be made once each week for two consecutive weeks, or if published in a daily newspaper, six consecutive times, the last publication to be at least five but not more than ten days before the date of the sale.~~

C. Within five days after receipt of the proceeds of the sale, the sheriff shall transmit the entire proceeds to the department. After payment by the department of the license taxes, registration fees, penalties, lien recording fees and costs and expenses of the seizure and sale, the department shall pay the remaining proceeds of the sale to the owner from whom the aircraft was seized, if the owner is known. If the owner is unknown, the department shall deposit, pursuant to sections 35-146 and 35-147, the remaining proceeds in the state aviation fund.

D. The department may issue a certificate of release of lien on payment of the license taxes, registration fees, penalties, lien recording fees and costs and expenses of seizure and sale.

Sec. 143. Section 28-8425, Arizona Revised Statutes, is amended to read:

28-8425. Lease authority; airport or air terminal purposes

A. The department, in the operation and maintenance of the Grand Canyon national park airport, or a city, town or county may lease land owned

by it or under its control to a person, partnership, association or corporation for airport or air terminal purposes pursuant to a lease agreement that:

1. Provides that title to all buildings, structures and improvements added to the leased premises by the lessee vests in the department, city, town or county in the manner and subject to the restrictions contained in the lease.

2. As it exists or as it may be amended, is declared to be binding and effective pursuant to its terms.

3. Is for a term of not more than forty years and may contain an option to renew the lease for an additional period of not more than forty years.

4. Is let to the highest and best bidder.

B. In a county with a population of less than four hundred thousand persons or a city or town with a population of less than forty thousand persons, as determined by the most recent United States decennial census or the most recent special census as provided in section 28-6532, during the lease period, the department or a city, town or county may extend the existing lease for airport or airport terminal purposes with a person, partnership, association, corporation or political subdivision for an additional period of not more than forty years after notice and a public hearing. The department or a city, town or county shall:

1. Publish a notice of intent to consider an extension of the lease twice ~~in a daily or weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice shall contain the name of the lessee, a description of the leased property, the current expiration date of the lease, the amount of time the lease is proposed to be extended and the date, time and place of the public hearing on the extension request.

2. Publish the first notice not more than thirty days before the date set for the public hearing.

3. Post a copy of the notice of the intent to extend the lease on the leasehold site and at five public places in the county.

4. Hold a public hearing on the extension request.

5. Grant the extension of an existing lease only if the department or a city, town or county determines that the extension request is in the best interest of the state, city, town or county and on a majority vote of the governing body acting on the request for an extension.

6. Grant a second and any subsequent extension request pursuant to this subsection only after bids are received that comply with subsections A and C of this section.

C. A notice of intent to lease land under this section shall be advertised twice ~~in a daily or weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The first notice shall be published at least thirty days but not more than sixty days before the date set for the submission of bids. The department or a city, town or county may also

publish the notice in any other ~~newspaper~~ PUBLIC MEDIUM that the department or city, town or county determines appropriate.

D. This section does not limit the application of section 28-8423.

E. This section does not apply to a joint powers airport authority formed pursuant to article 8 of this chapter.

Sec. 144. Section 28-8524, Arizona Revised Statutes, is amended to read:

28-8524. Allocation of monies; sources; public hearing; reuse, development and capital improvement plans

A. Each member of the joint powers airport authority and any new member shall make a pro rata allocation of monies, as specified in the agreement described in section 28-8521, to the airport authority's operating budget from one or any combination of the following sources:

1. If the member is a city or town:

(a) An ad valorem tax levied by the governing body of the member within its jurisdiction.

(b) A transaction privilege tax levied by the governing body of the member within its jurisdiction.

2. If the member is a city, town or county:

(a) General monies of the member.

(b) Other monies legally available to the member.

B. The tax prescribed by subsection A of this section shall be designated as an airport authority tax. Any property tax levied pursuant to subsection A of this section shall be a secondary tax.

C. The governing body of each airport authority member shall hold a public hearing on both:

1. The question of whether to approve and adopt the annual operating budget of the airport authority.

2. The method of funding the member's annual budget allocation.

D. Notice of a public hearing held pursuant to this section shall be given ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the member's jurisdiction at least once a week for two weeks before the hearing.

E. On receipt of the recommendation of the airport authority board as to the budget allocation, each member shall consider the amount of monies legally available to it to fund its budget allocation before its determination of the amount of taxes it shall levy to meet its budget allocation.

F. The airport authority shall adopt and periodically amend a reuse and development plan and a capital improvements plan. Expenditures for or by the airport authority shall be both:

1. Consistent with the plans prescribed in this subsection.

2. Limited to those items that directly relate to or benefit the operation and development of the airport and the airport authority.

G. Any member of the airport authority that fails or refuses to approve and adopt the operating budget for the airport authority shall withdraw from membership in the airport authority as provided in section 28-8525. The remaining members and any new members of the airport authority are responsible for the total operating budget as adopted and shall make their allocation as prescribed in subsection A of this section.

Sec. 145. Section 29-633, Arizona Revised Statutes, is amended to read:

29-633. Amendment of articles of organization; restatement; publication

A. The articles of organization of a limited liability company are amended by filing with the commission the articles of amendment, signed on behalf of the limited liability company by a manager if management of the limited liability company is vested in one or more managers or by a member if management of the limited liability company is reserved to the members. The articles of amendment shall set forth:

1. The name of the limited liability company.

2. The text of the amendment to the articles of organization.

B. A limited liability company shall amend its articles of organization if there is a statement in the articles of organization that was false or erroneous when it was made or within thirty days after the occurrence of any of the following events:

1. Any arrangements or facts have changed making the articles of organization inaccurate in any respect other than those changes required to be set forth in a statement delivered to the commission pursuant to section 29-605.

2. Management of the limited liability company is reserved to the members and there is a change in the persons who are members.

3. Management of the limited liability company is vested in a manager or managers and there is a change in the persons who are managers or in the members who own a twenty per cent or greater interest in the capital or profits interest of the limited liability company.

C. A limited liability company may amend its articles of organization if its articles of organization as amended contain only provisions that may be lawfully contained in the articles of organization at the time of making the amendment. In particular and without limitation on the general power of amendment, a limited liability company may amend its articles of organization to:

1. Change the name of the limited liability company.

2. Change, enlarge or diminish the purposes of the limited liability company.

3. If management is reserved to the members of a limited liability company, vest management of the limited liability company in one or more managers.

4. If management is vested in one or more managers, vest management of the limited liability company in the members.

D. A limited liability company may restate its articles of organization. Restated articles of organization shall be executed and filed in the same manner as articles of amendment. Restated articles of organization shall be specifically designated as such in the heading and shall state either in the heading or in an introductory paragraph the limited liability company's present name and, if it has been changed, all of its former names.

E. A limited liability company that has not amended its articles of organization as required by this section may not maintain an action ~~upon~~ ON or on account of a contract or transaction made in the name of the limited liability company in any court of this state until it has first amended its articles of organization as required by this section. No person has any liability because an amendment to articles of organization has not been filed to reflect the occurrence of any event prescribed by subsection B of this section if the amendment is filed within the thirty-day period specified in subsection B of this section.

F. Within sixty days after the commission approves the filing, a copy of the articles of amendment or restated articles of organization shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county of the known place of business for three consecutive publications. An affidavit evidencing publication may be filed with the commission. Publication is not required if amendments to the articles of organization or restated articles of organization only change any of the following:

1. The name or address of members or managers.

2. The known place of business address.

3. The name or address of the statutory agent.

Sec. 146. Section 29-635, Arizona Revised Statutes, is amended to read:

29-635. Formation of limited liability company

A. Except as provided in section 29-634, subsection D, a limited liability company is formed when the articles of organization are delivered to the commission for filing, even if the commission is unable to make the determination required for filing by section 29-634, subsection A at the time of delivery. If the articles of organization, as delivered to the commission, do not conform to the filing provisions of this chapter and are not brought into conformance within the time period prescribed by section 29-634, subsection C, paragraph 2, the existence of the limited liability company terminates at the end of the time period.

B. A copy of the articles of organization that is filed with the commission and that is stamped "filed" and marked with the filing date is conclusive evidence that all conditions precedent required to be performed by the organizers have been complied with and that the limited liability company

has been legally organized and formed under this chapter. A limited liability company continues perpetually unless otherwise provided in its articles of organization or operating agreement or until the limited liability company is dissolved and terminated in accordance with this chapter.

C. Within sixty days after the commission approves the filing, there shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county of the known place of business, for three consecutive publications, a notice of the filing of such articles of organization consisting of the information required in section 29-632, subsection A, paragraphs 1, 2, 3, 5 and 6. An affidavit evidencing publication may be filed with the commission.

Sec. 147. Section 29-1103, Arizona Revised Statutes, is amended to read:

29-1103. Publication and annual reports; late filing penalty

A. Within sixty days after the filing with the secretary of state of a statement of qualification, there shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county of the limited liability partnership's chief executive office, or if the limited liability partnership's chief executive office is not located in this state, in the county of the limited liability partnership's office in this state, or if none, the county of the limited liability partnership's statutory agent, for three consecutive publications, a copy of the statement of qualification.

B. A limited liability partnership and a foreign limited liability partnership authorized to transact business in this state shall file an annual report with the office of the secretary of state that sets forth all of the following:

1. The name of the limited liability partnership and the state or country under whose laws the foreign limited liability partnership is formed or created.

2. The current street address of the office required to be set forth in section 29-1101, subsection C, paragraph 2.

3. The name and street address of its agent for service of process in this state.

C. An annual report must be filed between January 1 and April 30 of each year following the calendar year in which a partnership or limited partnership files a statement of qualification to become a limited liability partnership or a foreign partnership becomes authorized to transact business in this state. If a limited liability partnership is delinquent in filing its annual report, the secretary of state may assess a late filing penalty when the limited liability partnership submits its annual report.

D. The secretary of state may administratively revoke the statement of qualification of a limited liability partnership if the secretary of state determines that the statement of qualification does not conform to the filing provisions of this article or if the limited liability partnership fails to

file an annual report when due or to pay the required filing fee or fails to perform the publication requirements of subsection A of this section. The secretary of state must provide the limited liability partnership at least sixty days' written notice of the intent to revoke the statement. The notice shall be mailed to the limited liability partnership at its office set forth in the last filed statement of qualification or annual report. The notice must specify the nonconformance, that the statement of qualification has not been published pursuant to subsection A of this section, the annual reports that have not been filed or the fees that have not been paid and the future effective date of revocation. The revocation will not be effective if the specified filing requirements, evidence of publication or annual reports are filed and the specified fees are paid before the specified effective date of revocation.

E. A revocation under subsection D of this section only affects a partnership's or limited partnership's status as a limited liability partnership and does not constitute an event of dissolution of the partnership or limited partnership.

F. A partnership or limited partnership whose statement has been administratively revoked may apply to the secretary of state for reinstatement within two years after the effective date of the revocation. The application shall recite the name of the partnership or limited partnership and the effective date of the revocation and state that the grounds for revocation either did not exist or have been corrected. If another corporation or partnership has adopted the name of the limited liability partnership or another person has adopted the name of the limited liability partnership as a trade name, the application shall be accompanied by an amendment to the statement of foreign qualification that is in accordance with section 29-1105 and that adopts a new name for the limited liability partnership that complies with section 29-1102.

G. A reinstatement under subsection F of this section relates back to and takes effect as of the effective date of the administrative revocation, and the partnership's or limited partnership's status as a limited liability partnership continues as if the administrative revocation never occurred.

H. An amendment to the statement of qualification shall be filed by a limited liability partnership or foreign limited liability partnership not later than sixty days after the occurrence of any of the following:

1. A change in the name of the limited liability partnership.

2. A change in the address of the chief executive office of the partnership.

3. The partnership or limited partnership has knowledge that a material statement in the statement of qualification was false or inaccurate when made or that any facts described therein have changed, making the statement of qualification inaccurate in any material respect.

I. An amendment to the statement of qualification may be filed for any other proper purpose. The filing of a statement of cancellation by or on

behalf of a partnership or limited partnership pursuant to this section shall be effective only to cancel the partnership's or limited partnership's qualification as a limited liability partnership and, unless it specifically so provides, shall not indicate the dissolution of the partnership or limited partnership. On any revocation or the filing of any statement of cancellation, the secretary of state shall be the agent for service of process in any action, suit or proceeding based on any cause of action arising during the time the limited liability partnership was qualified under section 29-1101 or the foreign limited liability partnership was authorized to transact business in this state.

Sec. 148. Section 31-445, Arizona Revised Statutes, is amended to read:

31-445. Publication of reasons for granting a commutation, pardon, reprieve, stay or suspension of execution

When the governor grants a commutation, pardon, reprieve or stay or suspends execution of sentence in a case where a sentence of death is imposed, ~~he shall,~~ within ten days after granting the commutation, pardon, reprieve, ~~or~~ stay or suspension of execution, THE GOVERNOR SHALL cause to be published in bold type, ~~in a newspaper of general circulation,~~ ON A PUBLIC MEDIUM published in the county where the conviction was had, and shall file with the secretary of state for publication in the Arizona administrative register, a statement setting forth ~~his~~ THE reasons for granting the commutation, pardon~~,~~ OR reprieve or for staying or suspending such execution. A further reprieve shall not be granted except ~~upon~~ ON the same procedure.

Sec. 149. Section 32-2188.01, Arizona Revised Statutes, is amended to read:

32-2188.01. Notice of claim to judgment debtor; response

A. Within the same time prescribed by section 32-2188, subsection C for applying for payment from the real estate recovery fund, an aggrieved party who applies for payment shall serve notice of the claim on the judgment debtor, together with a copy of the application. The notice shall be in the following form:

Notice

Based on a judgment against you in favor of (enter name of claimant), application is being made to the Arizona state real estate department for payment from the real estate recovery fund.

If payment is made from the real estate recovery fund, all licenses and license rights that you have under the Arizona real estate law will be automatically terminated on the date of payment and may only be reinstated pursuant to section 32-2131, subsection A, paragraph 3, Arizona Revised Statutes, on a showing that 1) the real estate recovery fund has been reimbursed for the amount paid plus interest at the current

legal rate, 2) the underlying judgment has been fully satisfied and 3) you have filed an original application for a license.

If you wish to contest payment from the real estate recovery fund, you must file a written response to the application. The Arizona state real estate commissioner must receive your response at (address) within 35 calendar days after the date this notice is [mailed, delivered, first published]. You must also send a copy of the response to the claimant. If you fail to respond as required, you waive your right to present your objections to payment.

B. If the judgment debtor holds a current license issued by the department, the notice and copy of the application may be served by certified mail, return receipt requested, addressed to the judgment debtor's latest business or residence address on file with the department. If the judgment debtor does not hold a current license and if personal delivery cannot be effected by exercising reasonable diligence, the claimant must publish the notice once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the judgment debtor was last known to reside.

C. If the judgment debtor fails to file a written response to the application with the department within thirty-five calendar days after service under subsection B of this section or after the first publication of the notice, the judgment debtor is not thereafter entitled to notice of any action taken or proposed to be taken by the commissioner with respect to the claim.

Sec. 150. Section 32-2194.33, Arizona Revised Statutes, is amended to read:

32-2194.33. Cemetery property owners; address notification reclamation; abandoned cemetery plot

A. For the purposes of this section, an owner of cemetery property in any cemetery licensed under this chapter shall keep the cemetery informed in writing of the owner's current residence address. Before initiating a notice of abandonment, the cemetery shall notify each cemetery property owner by letter at the owner's last known address and notify all future cemetery property owners, in the contract for sale and the certificate of ownership, of the requirement to keep the cemetery informed in writing of their current residence address.

B. There is a presumption that cemetery property in any cemetery licensed under this chapter has been abandoned when an owner of unused cemetery property has failed to provide the cemetery with a current residence address for a period of fifty consecutive years and as a result the cemetery is unable to communicate by certified mail with the owner of the unused cemetery property. There is not a presumption of abandonment if either of the following occurs:

1. Cemetery property held in common ownership is adjoining whether in a grave space, plot, mausoleum, columbarium or other place of interment and is used within common ownership.

2. Any type of memorial marker has been placed on or attached to the cemetery property.

C. On the occurrence of a presumption of abandonment as prescribed by subsection B of this section, a cemetery may file with the department a certified notice attesting to the abandonment of the cemetery property. The notice shall do the following:

1. Describe the cemetery plot certified to have been abandoned.

2. Set forth the name of the last known owner of the cemetery plot or, if the owner is known to the cemetery to be deceased, the names, if known to the cemetery, of claimants that are heirs at law, next of kin or specific devisees under the will of the owner.

3. Describe the failure of the owner or claimants as prescribed by paragraph 2 of this subsection to keep the cemetery informed of the owner's current residence address for a period of fifty consecutive years or more.

4. Certify that cemetery property has not been included that is held in common ownership with any abandoned cemetery property as prescribed by subsection B of this section and that a memorial marker has not been placed on or attached to the cemetery property.

D. Irrespective of diversity of ownership of the cemetery property, a cemetery may include in its certification cemetery properties of various types.

E. The cemetery shall publish a notice of the approved abandoned cemetery property once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the cemetery property is located.

F. After one hundred twenty days from the final publication of the notice as provided in subsection E of this section, if there has been no notification of the address of the current owner, the cemetery shall have the right to resell the cemetery property and transfer the ownership of the cemetery property as provided in the cemetery's certificate of authority.

G. On the sale of each lot, grave, niche or crypt reclaimed pursuant to this section, the cemetery shall contribute to the endowed-care trust fund the amount currently required by section 32-2194.28.

H. On showing of evidence of right of ownership, persons or their heirs who were owners of cemetery property that was sold under this section shall have the right at any time to obtain equivalent cemetery property in the cemetery without additional charge. If no cemetery property is desired, the persons or their heirs may obtain and recover the amount originally paid to the cemetery for the cemetery property.

I. The cemetery shall make available cemetery property equal to ten per cent of the abandoned cemetery property sold under this section for the use of persons or their heirs who were owners of cemetery property that was

sold under this section and who have the right at any time to obtain cemetery property in the cemetery under this section.

J. Persons who purchase cemetery property reclaimed pursuant to this section shall have the right to sell, alienate or otherwise transfer the cemetery property subject to and in accordance with the rules of the cemetery and payment of any applicable transfer fee.

Sec. 151. Section 33-808, Arizona Revised Statutes, is amended to read:

33-808. Notice of trustee's sale

A. The trustee shall give written notice of the time and place of sale legally describing the trust property to be sold by each of the following methods:

1. Recording a notice in the office of the recorder of each county where the trust property is situated.

2. Giving notice as provided in section 33-809 to the extent applicable.

3. Posting a copy of the notice of sale, at least twenty days before the date of sale in some conspicuous place on the trust property to be sold, if posting can be accomplished without a breach of the peace. If access to the trust property is denied because a common entrance to the property is restricted by a limited access gate or similar impediment, the property shall be posted by posting notice at that gate or impediment. Notice shall also be posted at one of the places provided for posting public notices at any building that serves as a location of the superior court in the county where the trust property is to be sold. Posting is deemed completed on the date the trust property is posted. The posting of notice at the superior court location is deemed a ministerial act.

4. Publication of the notice of sale ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which the trust property to be sold is situated. The notice of sale shall be published at least once a week for four consecutive weeks. The last date of publication shall not be less than ten days ~~prior to~~ BEFORE the date of sale. Publication is deemed completed on the date of the first of the four publications of the notice of sale pursuant to this paragraph.

B. The sale shall be held at the time and place designated in the notice of sale on a day other than a Saturday or legal holiday between 9:00 a.m. and 5:00 p.m. mountain standard time at a specified place on the trust property, at a specified place at any building that serves as a location of the superior court or at a specified place at a place of business of the trustee, in any county in which part of the trust property to be sold is situated.

C. The notice of sale shall contain:

1. The date, time and place of the sale. The date, time and place shall be set pursuant to section 33-807, subsection D. The date shall be no

sooner than the ninety-first day after the date that the notice of sale was recorded.

2. The street address, if any, or identifiable location as well as the legal description of the trust property.

3. The county assessor's tax parcel number for the trust property or the tax parcel number of a larger parcel of which the trust property is a part.

4. The original principal balance as shown on the deed of trust. If the amount is not shown on the deed of trust, it shall be listed as "unspecified".

5. The names and addresses, as of the date the notice of sale is recorded, of the beneficiary and the trustee, the name and address of the original trustor as stated in the deed of trust, the signature of the trustee and the basis for the trustee's qualification pursuant to section 33-803, subsection A, including an express statement of the paragraph under subsection A on which the qualification is based. The address of the beneficiary shall not be in care of the trustee.

6. The telephone number of the trustee.

7. The name of the state or federal licensing or regulatory body or controlling agency of the trustee as prescribed by section 33-803, subsection A.

D. The notice of sale shall be sufficient if made in substantially the following form:

Notice of Trustee's Sale

The following legally described trust property will be sold, pursuant to the power of sale under that certain trust deed recorded in docket or book _____ at page _____ records of _____ county, Arizona, at public auction to the highest bidder at (specific place of sale as permitted by law) _____, in _____ county, in or near _____, Arizona, on _____, ____, at _____ o'clock ___m. of said day:

(street address, if any, or identifiable location of trust property)

(legal description of trust property)

Tax parcel number _____

Original principal balance $_____

Name and address of beneficiary _____
_____
_____

Name and address of original trustor _____
_____
_____

Name, address and telephone number of trustee _____
_____
_____

Signature of trustee _____

Manner of trustee qualification _____

Name of trustee's regulator _____

Dated this _____ day of _____, ____.

(Acknowledgement)

E. Any error or omission in the information required by subsection C or D of this section, other than an error in the legal description of the trust property or an error in the date, time or place of sale, shall not invalidate a trustee's sale. Any error in the legal description of the trust property shall not invalidate a trustee's sale if considered as a whole the information provided is sufficient to identify the trust property being sold. If there is an error or omission in the legal description so that the trust property cannot be identified, or if there is an error in the date, time or place of sale, the trustee shall record a cancellation of notice of sale. The trustee or any person furnishing information to the trustee shall not be subject to liability for any error or omission in the information required by subsection C of this section except for the wilful and intentional failure to provide such information. This subsection does not apply to claims made by an insured under any policy of title insurance.

F. The notice of trustee sale may not be rerecorded for any reason. This subsection does not prohibit the recording of a new or subsequent notice of sale regarding the same property.

Sec. 152. Section 33-952, Arizona Revised Statutes, is amended to read:

33-952. Sale of property; notice

A. When baggage or other property comes into the possession of a person entitled to a lien as provided by section 33-951 and remains unclaimed, or the charges remain unpaid for a period of four months, the person may proceed to sell the baggage or property at public auction, and from the proceeds retain the charges, storage and expense of advertising the sale.

B. The sale shall not be made until the expiration of four weeks from the first publication of notice of the sale, published ~~in a newspaper once a week for four consecutive weeks~~ ON A PUBLIC MEDIUM. The notice shall contain a description of each piece of property, the name of the owner, if known, the name of the person holding the property, and the time and place of sale. If the indebtedness does not exceed sixty dollars, the notice may be given by posting at not less than three public places located at the place where the hotel, inn, boarding house, lodging house, apartment house or auto camp is located.

C. Any balance from the sale not claimed by the rightful owner within one month from the day of the sale shall be paid into the treasury of the

county in which the sale took place, and if not claimed by the owner within one year thereafter, the money shall be paid into the general fund of the county.

Sec. 153. Section 33-1023, Arizona Revised Statutes, is amended to read:

33-1023. Sale of property; disposal of proceeds

A. Except as provided in section 33-1021.01, when possession of any property described in this article or any other personal property held under lien without provision at law for foreclosure of the lien has continued for twenty days after the charges accrue and remain unpaid, the person holding the property may notify the owner, if in the county where the property is located, to pay the charges. ~~Upon~~ ON failure of the owner within ten days thereafter to pay the charges, the holder of the property may sell it at public auction and apply the proceeds to payment of the charges. The balance of the proceeds shall be paid to the person entitled thereto. If the owner's residence is not in the county where the property is located, the holder is not required to give the ten days' notice before proceeding to sell.

B. Five days' notice of sale shall be given to the owner if ~~he~~ THE OWNER can be found, and if not, ~~then~~ by two publications ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county.

C. If the person legally entitled to receive the balance is not known or has removed from the county, the holder shall pay the balance to the department of revenue. If the party, at any time within two years from the date of payment to the department of revenue, establishes his right to the money to the satisfaction of the director of the department of administration, it shall be paid to him. After two years, all unclaimed monies shall be deposited in the permanent state school fund.

Sec. 154. Section 34-201, Arizona Revised Statutes, is amended to read:

34-201. Notice of intention to receive bids and enter contract; procedure; doing work without advertising for bids; county compliance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

F. Notwithstanding this section, an agent may:

1. Construct, reconstruct, install or repair a natural gas or electric utility and distribution system, owned or operated by such agent, with regularly employed personnel of the agent without advertising for bids, unless otherwise prohibited by charter or ordinance.

2. Construct recreational projects, including trails, playgrounds, ballparks and other similar facilities and excluding buildings, structures, building additions and alterations to buildings, structures and building additions, with volunteer workers or workers provided by a nonprofit organization without advertising for bids for labor and materials, provided that the total cost of the work does not exceed:

(a) In fiscal year 2001-2002, one hundred fifty thousand dollars.

(b) In fiscal year 2002-2003 and each fiscal year thereafter, the amount provided in subdivision (a) OF THIS PARAGRAPH adjusted by the annual percentage change in the GDP price deflator as defined in section 41-563.

G. A contribution by an agent for the financing of public infrastructure made pursuant to a development agreement is exempt from this section if such contribution for any single development does not exceed:

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

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

H. In addition to other state or local requirements relating to the publication of bids, each agent shall provide at least one set of all plans and specifications to any construction news reporting service that files an annual request with the agent. For the purposes of this subsection, "construction news reporting service" means a service that researches, gathers and disseminates news and reports either in print or electronically, on at least a weekly basis for building projects, construction bids, the purchasing of materials, supplies or services and other construction bidding or planned activity to the allied construction industry. The allied construction industry includes both general and specialty contractors, builders, material and service suppliers, architects and engineers, owners, developers and government agencies.

I. Any construction by a county under this section shall comply with the uniform accounting system prescribed for counties by the auditor general under section 41-1279.21. Any construction by a city or town under this section shall comply with generally accepted accounting principles.

J. Any construction, building addition or alteration project that is financed by monies of this state or its political subdivisions shall not use endangered wood species unless an exemption is granted by the director of the department of administration. The director shall only grant an exemption if the use of endangered wood species is deemed necessary for historical restoration or to repair existing facilities and the use of any substitute material is not practical. Any lease-purchase agreement entered into by this state or its political subdivisions for construction shall specify that no endangered wood species may be used in the construction unless an exemption is granted by the director. For the purposes of this subsection, "endangered wood species" includes those listed in appendix I of the convention on international trade in endangered species of wild flora and fauna.

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

L. Any building, structure, addition or alteration may be constructed without complying with this article if the construction, including construction of buildings or structures on public or private property, is required as a condition of development of private property and is authorized by section 9-463.01 or 11-822. For the purposes of this subsection, building does not include police, fire, school, library or other public buildings.

M. Notwithstanding section 34-221, any agent may enter into a guaranteed energy cost savings contract with a qualified provider for the purchase of energy cost savings measures without complying with this article and may procure a guaranteed energy cost savings contract through the competitive sealed proposal process prescribed in title 41, chapter 23 or any similar competitive proposal process adopted by the agent.

Sec. 155. Section 34-603, Arizona Revised Statutes, is amended to read:

34-603. Procurement of professional services and construction-manager-at-risk, design-build and job-order-contracting construction services; definition

A. Except for services that are under a single contract and that an agent procures pursuant to section 34-103 or 34-606, an agent shall procure a single contract for the following services pursuant to this section:

1. Architect services.
2. Construction-manager-at-risk construction services.
3. Design-build construction services.
4. Engineer services.
5. Job-order-contracting construction services.
6. Landscape architect services.
7. Assayer services.
8. Geologist services.
9. Land surveying services.

B. An agent shall provide notice of each procurement of professional services or construction services specified in this section and shall award the single contract on the basis of demonstrated competence and qualifications for the type of professional services or construction services pursuant to the procedures prescribed in this section.

C. In a procurement of a single contract for professional services or construction services pursuant to this section:

1. The following requirements apply:

(a) The agent and the selection committee shall not request or consider fees, price, man-hours or any other cost information at any point in the selection process under this subsection or under subsection D of this section, including the selection of persons or firms to be interviewed, the selection of persons or firms to be on the final list, in determining the order of preference of persons or firms on the final list or for any other purpose in the selection process.

(b) In determining the persons or firms to participate in any interviews and in determining the persons and firms to be on the final list and their order on the final list, the selection committee shall use and shall consider only the criteria and weighting of criteria specified by the agent for that purpose as provided in this subsection. No other factors or criteria may be used in the evaluation, determinations and other actions.

(c) An agent is limited to one contract in each procurement under this section. Alternatively:

(i) For construction-manager-at-risk construction services, an agent may elect separate contracts for preconstruction services during the design phase, for construction during the construction phase and for any other construction services.

(ii) For design-build construction services, an agent may elect separate contracts for preconstruction services and design services during the design phase, for construction and design services during the construction phase and for any other construction services.

(iii) For professional services, an agent may enter into multiple contracts for different phases of a single project.

(d) All construction-manager-at-risk construction services or design-build construction services included in a procurement under this section shall be limited to construction services to be performed at a single location, a common location or, if the construction services are all for a similar purpose, multiple locations. For construction-manager-at-risk construction services and design-build construction services to be performed at multiple locations:

(i) At the time the request for qualifications is issued, the agent must intend to commence all construction at each location within thirty months after execution of the first contract for preconstruction services or other construction services at any of the locations.

(ii) The request for qualifications must include the information described in paragraph 2, subdivision (g) of this subsection.

(e) If the agent enters into the first contract for preconstruction services, construction services or professional services as the result of the procurement, the procurement under this section ends. After execution of that first contract the agent may not use the procurement or the existing final list in the procurement as the basis for entering into a contract with any other person or firm that participated in the procurement.

(f) Notwithstanding any other provision of this section specifying the number of persons or firms to be interviewed, the number of persons or firms to be on a final list or any other numerical specification in this section:

(i) If a smaller number of persons or firms ~~respond~~ RESPONDS to the request for qualifications or if one or more persons or firms drop out of the procurement so that there is a smaller number of persons or firms participating in the procurement, the agent may elect to proceed with the procurement with the participating persons or firms if there are at least two participating responsive and responsible persons or firms. Alternatively, the agent may elect to terminate the procurement.

(ii) As to a request for qualifications for professional services or construction services to be negotiated pursuant to subsection E of this section only, if only one responsive and responsible person or firm responds to the request for qualifications or, if one or more persons or firms drop out of the procurement so that only one responsive and responsible person or firm remains in the procurement, the agent may elect to proceed with the procurement with only one person or firm if the agent determines in writing that the fee negotiated pursuant to subsection E of this section is fair and reasonable and that either other prospective persons or firms had reasonable opportunity to respond or there is not adequate time for a resolicitation.

(iii) If a person or firm on the final list withdraws or is removed from the procurement and the selection committee determines that it is in the best interest of the agent, the selection committee may replace that person or firm on the final list with another person or firm that submitted qualifications in the procurement and that is selected by the selection committee as the next most qualified.

2. An agent shall issue a request for qualifications for each procurement and publish notice of the request for qualifications. This notice shall be published by advertising ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the agent is located. ~~for two consecutive publications if it is a weekly newspaper or for two publications that are at least six but no more than ten days apart if it is a daily newspaper.~~ The request for qualifications shall:

(a) State that one contract may or will be awarded, describe the services to be performed under the contract and state that one person or firm may or will be awarded the contract.

(b) In a procurement of a contract to be negotiated under subsection E of this section, state that there will be a single final list of at least three and not more than five persons or firms. In a procurement in which the contract will be awarded under subsection F of this section, THE REQUEST FOR QUALIFICATIONS SHALL state that there will be a single final list and that the number of persons or firms on the final list will be three.

(c) As prescribed below, state the selection criteria and relative weight of the selection criteria to be used by the selection committee, except that for construction services one of the criteria shall be the person's or firm's subcontractor selection plan or procedures to implement the agent's subcontractor selection plan. All selection criteria under this subsection shall be factors that demonstrate competence and qualifications for the type of professional services or construction services included in the procurement. If:

(i) Interviews will be held, the request for qualifications shall state the selection criteria and relative weight of the selection criteria to be used in selecting the persons or firms to be interviewed and the request for qualifications may state the selection criteria and relative weight of the selection criteria to be used in selecting the persons or firms on the final list and in determining their order on the final list. The final list selection criteria and relative weights may be different than the selection criteria and relative weights used to determine the persons or firms to be interviewed. The request for qualifications shall also state whether the agent will select the persons or firms on the final list and their order on the final list solely through the results of the interview process or through the combined results of both the interview process and the evaluation of statements of qualifications and performance data submitted in response to the agent's request for qualifications.

(ii) Interviews will not be held, the request for qualifications shall state the selection criteria and relative weight of the selection criteria to be used in selecting the persons or firms on the final list and in determining their order on the final list.

(d) If the agent will hold interviews as part of the selection process, state that interviews will be held and that the interviews will be with at least three but not more than five persons or firms.

(e) For procurements of construction services, include either:

(i) A requirement that each person or firm submit a proposed subcontractor selection plan and a requirement that the proposed subcontractor selection plan must select subcontractors based on qualifications alone or on a combination of qualifications and price and shall not select subcontractors based on price alone.

(ii) A subcontractor selection plan adopted by the agent that applies to the person or firm that is selected to perform the construction services and that requires subcontractors to be selected based on qualifications alone or on a combination of qualifications and price and not based on price alone and a requirement that each person or firm must submit a description of the procedures it proposes to use to implement the agent's subcontractor selection plan.

(f) Include a description of the publicly available location of the agent's protest policy and procedures or, if the agent does not have a protest policy and procedures, a statement that the protest policy and procedures referred to in subsection J of this section apply to any protests in connection with the procurement.

(g) In a procurement of construction-manager-at-risk construction services or design-build construction services to be performed at multiple locations, include:

(i) A brief description of the construction services to be performed at each location.

(ii) The estimated budget for the construction services to be performed at each location.

(iii) A schedule for the construction services to be performed at each location that shows the agent's intent to commence all construction at each location within thirty months after execution of the first contract for preconstruction services or other construction services at any of the locations.

3. An agent shall initiate an appropriately qualified selection committee for each request for qualifications. The agent shall ensure that the selection committee members are competent to serve on the selection committee. Each selection committee must include one employee of the agent or an agent representative who is appointed by the agent. If the agent is procuring professional services, the agent shall determine the number and qualifications of the selection committee members. A selection committee for the procurement of construction services shall not have more than seven

members, except that, if the contract involves the agent and additional governmental or private participants, the number of members of the selection committee shall be increased by one for each additional participant, except that the maximum number of members of the selection committee is nine. The selection committee for construction services shall include at least one person who is a senior management employee of a licensed contractor and one person who is an architect or an engineer who is registered pursuant to section 32-121. These members may be employees of the agent or outside consultants. Outside contractors, architects and engineers serving on a selection committee shall not receive compensation from the agent for performing this service, but the agent may elect to reimburse outside contractors, architects and engineers for travel, lodging and other expenses incurred in connection with service on a selection committee. A person who is a member of a selection committee shall not be a contractor under a contract awarded under the procurement or provide any professional services, construction, construction services, materials or other services under the contract. The selection committee and the agent shall do the following:

(a) If interviews are specified in the request for qualifications:

(i) The selection committee shall determine the persons or firms to be interviewed by evaluating the statements of qualifications and performance data that are submitted in response to the agent's request for qualifications based only on the selection criteria and relative weight of the selection criteria stated in the request for qualifications to be used to determine the persons or firms to be interviewed.

(ii) If the selection criteria and relative weight of the selection criteria to be used by the selection committee to select the persons or firms on the final list and to determine their order on the final list are not included in the request for qualifications, before the interviews are held the agent shall distribute to the persons or firms to be interviewed the selection criteria and relative weight of the selection criteria to be used to select the persons or firms on the final list and to determine their order on the final list. These selection criteria and relative weight may be different than the selection criteria and relative weight used to determine the persons or firms to be interviewed.

(iii) The selection committee shall conduct interviews with the number of persons or firms to be interviewed as stated in the request for qualifications regarding the professional services or construction services and the relative methods of approach for furnishing the required professional services or construction services.

(b) Based only on the selection criteria and relative weight of the selection criteria specified as provided in this subsection for selection of the persons or firms on the final list and their order on the final list, the selection committee shall select the persons or firms for the final list and, in the case of a final list for a contract that will be negotiated under

subsection E of this section, rank the persons or firms on the final list in order of preference.

(c) If the contract will be negotiated under subsection E of this section, before or at the same time as the agent notifies the highest ranking person or firm on the final list that it is the highest ranking person or firm, the agent shall send actual notice to each of the following that it is not the highest person or firm on the final list or that another person or firm is the highest ranking person or firm on the final list:

(i) If interviews were held, the other persons and firms interviewed.

(ii) If interviews were not held, the other persons and firms that made submittals.

(d) If the contract will be awarded under subsection F of this section, before or at the same time as the agent notifies the persons or firms on the final list that they are on the final list, the agent shall send actual notice to each of the following persons or firms that they are not on the final list or that other persons or firms are on the final list:

(i) If interviews were held, the other persons or firms interviewed.

(ii) If interviews were not held, the other persons or firms that made submittals.

D. An agent shall award the single contract under the procurement as provided in subsection E or F of this section.

E. The agent shall conduct negotiations with persons or firms on the final list as follows:

1. The procurement is for a single contract for construction services or professional services, and there is one final list.

2. The negotiations shall include consideration of compensation and other contract terms that the agent determines to be fair and reasonable to the agent. In making this decision, the agent shall take into account the estimated value, the scope, the complexity and the nature of the professional services or construction services to be rendered.

3. The agent shall enter into negotiations with the highest qualified person or firm on the final list.

4. If the agent is not able to negotiate a satisfactory contract with the highest qualified person or firm on the final list, at compensation and on other contract terms the agent determines to be fair and reasonable, the agent shall formally terminate negotiations with that person or firm. The agent shall then undertake negotiations with the next most qualified person or firm on the final list in sequence until an agreement is reached or a determination is made to reject all persons or firms on the final list.

5. If in a procurement under this section the agent terminates negotiations with a person or firm on the final list and commences negotiations with another person or firm on the final list, the agent shall not in that procurement recommence negotiations or enter into a contract for the construction services or professional services covered by the final list

with any person or firm on the final list with whom the agent has terminated negotiations.

F. As an alternative to subsection E of this section, an agent may award a single contract for design-build construction services or job-order-contracting construction services as follows:

1. The agent shall use the selection committee appointed for the request for qualifications pursuant to subsection C of this section.

2. The agent shall issue a request for proposals to the persons or firms on the final list developed pursuant to subsection C of this section.

3. The request for proposals shall include:

(a) The agent's project schedule and project final budget for design and construction or life cycle budget for a procurement that includes maintenance services or operations services.

(b) A statement that the contract will be awarded to the offeror whose proposal receives the highest number of points under a scoring method.

(c) A description of the scoring method, including a list of the factors in the scoring method and the number of points allocated to each factor. The factors in the scoring method may include:

(i) For design-build construction services only, demonstrated compliance with the design requirements.

(ii) Offeror qualifications.

(iii) Offeror financial capacity.

(iv) Compliance with the agent's project schedule.

(v) For design-build construction services only, if the request for proposals specifies that the agent will spend its project budget and not more than its project budget and is seeking the best proposal for the project budget, compliance of the offeror's price or life cycle price for procurements that include maintenance services, operations services or finance services with the agent's budget as prescribed in the request for proposals.

(vi) For design-build construction services if the request for proposals does not contain the specifications prescribed in item (v) OF THIS SUBDIVISION and for job-order-contracting construction services, the price or life cycle price for procurements that include maintenance services, operations services or finance services.

(vii) An offeror quality management plan.

(viii) Other evaluation factors that demonstrate competence and qualifications for the type of construction services in the request for proposals as determined by the agent, if any.

(d) For design-build construction services only, the design requirements.

(e) A requirement that each offeror submit separately a technical proposal and a price proposal and that the offeror's entire proposal be responsive to the requirements in the request for proposals. For

design-build construction services, the price in the price proposal shall be a fixed price or a guaranteed maximum price.

(f) A statement that in applying the scoring method the selection committee will separately evaluate the technical proposal and the price proposal and will evaluate and score the technical proposal before opening the price proposal.

(g) If the agent conducts discussions pursuant to paragraph 5 of this subsection, a statement that discussions will be held and a requirement that each offeror submit a preliminary technical proposal before the discussions are held.

4. If the agent determines to conduct discussions pursuant to paragraph 5 of this subsection, each offeror shall submit a preliminary technical proposal to the agent before those discussions are held.

5. If determined by the agent and included by the agent in the request for proposals, the selection committee shall conduct discussions with all offerors that submit preliminary technical proposals. Discussions shall be for the purpose of clarification to ensure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair treatment with respect to any opportunity for discussion and for clarification by the owner. Revision of preliminary technical proposals shall be permitted after submission of preliminary technical proposals and before award for the purpose of obtaining best and final proposals. In conducting any discussions, information derived from proposals submitted by competing offerors shall not be disclosed to other competing offerors.

6. After completion of any discussions pursuant to paragraph 5 of this subsection or if no discussions are held, each offeror shall submit separately the offeror's final technical proposal and its price proposal.

7. Before opening any price proposal, the selection committee shall open the final technical proposals, evaluate the final technical proposals and score the final technical proposals using the scoring method in the request for proposals. No other factors or criteria may be used in the evaluation and scoring.

8. After completion of the evaluation and scoring of all final technical proposals, the selection committee shall open the price proposals, evaluate the price proposals, score the price proposals and complete the scoring of the entire proposals using the scoring method in the request for proposals. No other factors or criteria may be used in the evaluation and scoring.

9. The agent shall award the contract or contracts to the responsive and responsible offeror whose proposal receives the highest score under the method of scoring in the request for proposals. No other factors or criteria may be used in the evaluation. Before or at the same time as the agent notifies the winning offeror that it has won, the agent shall send actual notice to each other offeror either that the offeror has not won or that another offeror has won.

10. The contract or contracts file shall contain the basis on which the award is made, including at a minimum the information and documents required under subsection G of this section.

11. For design-build construction services only, the agent shall award a stipulated fee equal to a percentage, as prescribed in the request for proposals, of the agent's project final budget for design and construction, as prescribed in the request for proposals, but not less than two-tenths of one per cent of the project final budget for design and construction to each final list offeror who provides a responsive, but unsuccessful, proposal. If the agent does not award a contract, all responsive final list offerors shall receive the stipulated fee based on the owner's project final budget for design and construction as included in the request for proposals. The agent shall pay the stipulated fee to each offeror within ninety days after the award of the initial contract or the decision not to award a contract. In consideration for paying the stipulated fee, the agent may use any ideas or information contained in the proposals in connection with any contract awarded for the project, or in connection with a subsequent procurement, without any obligation to pay any additional compensation to the offerors. Notwithstanding the other provisions of this paragraph, an offeror may elect to waive the stipulated fee. If an offeror elects to waive the stipulated fee, the agent may not use ideas and information contained in the offeror's proposal, except that this restriction does not prevent the agent from using any idea or information if the idea or information is also included in a proposal of an offeror that accepts the stipulated fee.

G. At a minimum, the agent shall retain the following for each procurement under this section:

1. For each request for qualifications procurement process under subsection C of this section:

(a) If interviews were not held:

(i) The submittal of the person or firm listed first on the final list and, if different, the submittal of the person or firm with which the agent enters into a contract.

(ii) The final list.

(iii) A list of the selection criteria and relative weight of selection criteria used to select the persons or firms for the final list and to determine their order on the final list.

(iv) A list that contains the name of each person or firm that submitted qualifications and that shows the person's or firm's final overall rank or score.

(v) A document or documents that show the final score or rank on each selection ~~criteria~~ CRITERION of each person or firm that submitted qualifications and that support the final overall rankings and scores of the persons or firms that submitted qualifications. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets

for individual selection committee members or IN any other form as determined by the agent.

(b) If interviews were held:

(i) All submittals of the person or firm listed first on the final list and, if different, all submittals of the person or firm with which the agent enters into a contract.

(ii) The final list.

(iii) A list of the selection criteria and relative weight of selection criteria used to select the persons or firms for the final list and to determine their order on the final list.

(iv) A list that contains the name of each person or firm that was interviewed and that shows the person's or firm's final overall rank or score.

(v) A document or documents that show the final score or rank on each selection ~~criteria~~ CRITERION of each person or firm that was interviewed and that support the final overall rankings and scores of the persons or firms that were interviewed. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets for individual selection committee members or IN any other form as determined by the agent.

(vi) A list of the selection criteria and relative weight of the selection criteria used to select the persons or firms for the short list to be interviewed.

(vii) A list that contains the name of each person or firm that submitted qualifications and that shows the person's or firm's final overall rank or score in the selection of the persons or firms to be on the short list to be interviewed.

(viii) A document or documents that show the final score or rank on each selection ~~criteria~~ CRITERION of each person or firm that submitted qualifications and that support the final overall rankings and scores of the persons or firms that submitted qualifications in the selection of the persons or firms to be on the short list to be interviewed. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets for the individual selection committee members or IN any other form as determined by the agent.

2. For each request for proposals procurement process under subsection F of this section:

(a) The entire proposal submitted by the person or firm that received the highest score in the scoring method in the request for proposals and, if different, the entire proposal submitted by the person or firm with which the agent enters into a contract.

(b) The description of the scoring method, the list of factors in the scoring method and the number of points allocated to each factor, all as included in the request for proposals.

(c) A list that contains the name of each offeror that submitted a proposal and that shows the offeror's final overall score.

(d) A document or documents that show the final score on each factor in the scoring method in the request for proposals of each offeror that submitted a proposal and that support the final overall scores of the offerors that submitted proposals. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets for individual selection committee members or IN any other form as determined by the agent.

H. Information relating to each procurement under this section shall be made available to the public as follows:

1. Notwithstanding title 39, chapter 1, article 2, until the agent awards a contract or terminates the procurement, only the name of each person or firm on the final list developed pursuant to subsection C of this section may be made available to the public. All other information received by the agent in response to the request for qualifications pursuant to subsection C of this section or contained in proposals submitted pursuant to subsection F of this section shall be confidential in order to avoid disclosure of the contents that may be prejudicial to competing submitters and offerors during the selection process.

2. After the agent awards the contract or terminates the procurement, the agent shall make available to the public pursuant to title 39, chapter 1, article 2 at a minimum all of the items that the agent is required to retain under subsection G of this section, except the proposals submitted in response to a request for proposals under subsection F of this section and the document or documents prescribed in subsection G, paragraph 1, subdivision (a), item (v) and subdivision (b), items (v) and (viii) and paragraph 2, subdivision (d) of this section.

3. The proposals submitted under subsection F of this section shall not be made available to the public until after the agent has entered into a contract or terminated the procurement. At a minimum the proposals submitted under subsection F of this section that the agent is required to retain under subsection G of this section shall be made available to the public after the agent has entered into a contract or terminated the procurement.

4. To the extent that the offeror designates and the agent concurs, trade secrets and other proprietary data contained in a proposal remain confidential.

5. The document or documents prescribed in subsection G, paragraph 1, subdivision (a), item (v) and subdivision (b), items (v) and (viii) and paragraph 2, subdivision (d) of this section are available to the extent provided in title 39, chapter 1, article 2.

I. An agent may cancel a request for qualifications or a request for proposals, reject in whole or in part any or all submittals or proposals, or determine not to enter into a contract as specified in the solicitation if

the agent determines in the agent's absolute and sole discretion that the action is in the best interest of the agent. The agent shall make the reasons for cancellation, rejection or determination not to enter into a contract part of the contract file.

J. If the agent does not have a procurement protest policy and procedures that have been formally adopted and published by the agent, for protests relating to procurements under this section the agent shall follow the procurement protest policy and procedures of the department of administration. The agent shall process all protests relating to procurements under this section.

K. For the purposes of this section, "professional services" includes architect services, engineer services, landscape architect services, assayer services, geologist services and land surveying services and any combination of those services.

Sec. 156. Section 34-604, Arizona Revised Statutes, is amended to read:

34-604. Procurement of multiple contracts for certain job-order-contracting construction services and certain professional services; definition

A. Except for multiple contracts an agent procures pursuant to section 34-103, section 34-606 or this section, an agent shall not procure in a single procurement multiple contracts for construction services or professional services. In a procurement under this section, there is a single procurement process for all of the multiple contracts included in the procurement. An agent may procure under this section:

1. Multiple contracts for similar job-order-contracting construction services to be awarded to separate persons or firms.

2. Multiple contracts for professional services to be awarded to separate persons or firms or to be awarded to a single person or firm as specified in the request for qualifications.

B. An agent shall provide notice of each procurement under this section and shall award contracts on the basis of demonstrated competence and qualifications for the type of professional services or construction services pursuant to the procedures prescribed in this section.

C. In a procurement pursuant to this section:

1. The following requirements apply:

(a) The agent and the selection committee shall not request or consider fees, price, man-hours or any other cost information at any point in the selection process under this subsection or under subsection D of this section, including the selection of persons or firms to be interviewed, the selection of persons or firms to be on a final list, in determining the order of preference of persons or firms on a final list or for any other purpose in the selection process.

(b) In determining the persons or firms to participate in any interviews and in determining the persons and firms to be on a final list and

their order on a final list, the selection committee shall use and shall consider only the criteria and weighting of criteria specified by the agent for that purpose as provided in this subsection. No other factors or criteria may be used in the evaluation, determinations and other actions.

(c) If the agent enters into the number of multiple contracts being procured for job-order-contracting construction services or professional services, a procurement under this section ends. After that time the agent may not use the procurement or any existing final list in the procurement as the basis for entering into a replacement contract with any other person or firm that participated in the procurement.

(d) Notwithstanding any other provision of this section specifying the number of persons or firms to be interviewed, the number of persons or firms to be on a final list or any other numerical specification in this section:

(i) If a smaller number of persons or firms ~~respond~~ RESPONDS to the request for qualifications or if one or more persons or firms drop out of the procurement so that there is a smaller number of persons or firms participating in the procurement, the agent may elect to proceed with the procurement with the participating persons or firms if there are at least two participating responsive and responsible persons or firms. Alternatively, the agent may elect to terminate the procurement.

(ii) As to a request for qualifications for professional services or job-order-contracting construction services to be negotiated pursuant to subsection E of this section only, if only one responsive and responsible person or firm responds to the request for qualifications or if one or more persons or firms drop out of the procurement so that only one responsive and responsible person or firm remains in the procurement, the agent may elect to proceed with the procurement with only one person or firm if the agent determines in writing that the fee negotiated pursuant to subsection E of this section is fair and reasonable and that either other prospective persons or firms had reasonable opportunity to respond or there is not adequate time for a resolicitation.

(iii) If a person or firm on a final list withdraws or is removed from the procurement and the selection committee determines that it is in the best interest of the agent, the selection committee may replace that person or firm on the final list with another person or firm that submitted qualifications in the procurement and that is selected by the selection committee as the next most qualified.

2. An agent shall issue a request for qualifications for each procurement and publish notice of the request for qualifications. This notice shall be published by advertising ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the agent is located for two consecutive publications if it is a weekly ~~newspaper~~ PUBLIC MEDIUM or for two publications that are at least six but no more than ten days apart if it is a daily ~~newspaper~~ PUBLIC MEDIUM. The publication shall include the fact that multiple contracts may or will be awarded, shall state

the number of contracts that may or will be awarded and shall describe the professional services or job-order-contracting construction services to be performed under each contract. The request for qualifications shall:

(a) State the following information about the contracts that may or will be awarded:

(i) If the request for qualifications is for multiple contracts for similar job-order-contracting construction services to be awarded to separate persons or firms, that multiple contracts for similar job-order-contracting construction services may or will be awarded, the number of contracts that may or will be awarded, the services to be performed under each of the multiple contracts and that each of the multiple contracts will be awarded to a separate person or firm.

(ii) If the request for qualifications is for multiple contracts for professional services, that multiple contracts for professional services may or will be awarded, the number of contracts that may or will be awarded, the services to be performed under each of the multiple contracts and either that each of the multiple contracts will be awarded to a separate person or firm or that all of the multiple contracts will be awarded to the same person or firm.

(b) State as to final lists:

(i) In a procurement of multiple contracts for professional services to be awarded to a single person or firm, that there will be a single final list of at least three but no more than five persons or firms.

(ii) In a procurement for multiple contracts for similar job-order-contracting construction services to be awarded to separate persons or firms or in a procurement for multiple contracts for similar professional services to be awarded to separate persons or firms, that there will be a single final list and the number of persons or firms on the final list, which shall be the sum of the number of contracts that may or will be awarded and a number that is determined by the agent and that is not more than five.

(iii) In a procurement for multiple contracts for different professional services to be awarded to separate persons or firms, that there will be a separate final list for each type of professional services and that the number of persons or firms on each final list will be the number of contracts that may or will be awarded for each type of professional services and a number that is determined by the agent and that is not more than five.

(c) As prescribed below, state the selection criteria and relative weight of the selection criteria to be used by the selection committee, except that in a procurement for multiple contracts for job-order-contracting construction services to be awarded to separate persons or firms, one of the criteria shall be the person's or firm's subcontractor selection plan or procedures to implement the agent's subcontractor selection plan. All selection criteria pursuant to this subsection shall be factors that demonstrate competence and qualifications for the type of professional

services or job-order-contracting construction services included in the procurement. If:

(i) Interviews will be held, the request for qualifications shall state the selection criteria and the relative weight of the selection criteria to be used in selecting the persons or firms to be interviewed and the request for qualifications may state the selection criteria and relative weight of the selection criteria to be used in selecting the persons or firms on each final list and in determining their order on each final list. The final list selection criteria and relative weights may be different than the selection criteria and relative weights used to determine the persons or firms to be interviewed. The request for qualifications also shall state whether the agent will select the persons or firms on the final list and their order on the final list solely through the results of the interview process or through the combined results of both the interview process and the evaluation of statements of qualifications and performance data submitted in response to the agent's request for qualifications.

(ii) Interviews will not be held, the request for qualifications shall state the selection criteria and relative weight of the selection criteria to be used in selecting the persons or firms on each final list and in determining their order on each final list.

(d) If the agent will hold interviews as part of the selection process:

(i) In a procurement of multiple contracts for professional services to be awarded to the same person or firm, state that interviews will be held and that the interviews will be with at least three but not more than five persons or firms.

(ii) In a procurement of multiple contracts for similar job-order-contracting construction services to be awarded to separate persons or firms or in a procurement of multiple contracts for similar professional services to be awarded to separate persons or firms, state that interviews will be held and that the interviews will be with a specified number of persons or firms. The specified number shall be stated in the request for qualifications, shall be determined by the agent~~,~~ and shall be the sum of the number of contracts that may or will be awarded and a number that is determined by the agent and that is not more than five.

(iii) In a procurement of multiple contracts for different professional services to be awarded to separate persons or firms, state that interviews will be held and that the interviews will be with a specified number of persons or firms. The specified number shall be stated in the request for qualifications, shall be determined by the agent, shall be at least three times the number of contracts that may or will be awarded and shall not be more than five times the number of contracts that may or will be awarded.

(e) For procurements of multiple contracts for job-order-contracting construction services to be awarded to separate persons or firms, include either:

(i) A requirement that each person or firm submit a proposed subcontractor selection plan and a requirement that the proposed subcontractor selection plan must select subcontractors based on qualifications alone or on a combination of qualifications and price and shall not select subcontractors based on price alone.

(ii) A subcontractor selection plan adopted by the agent that applies to the person or firm that is selected to perform the job-order-contracting construction services and that requires subcontractors to be selected based on qualifications alone or on a combination of qualifications and price and not based on price alone and a requirement that each person or firm must submit a description of the procedures it proposes to use to implement the agent's subcontractor selection plan.

(f) Include a description of the publicly available location of the agent's protest policy and procedures or, if the agent does not have a protest policy and procedures, a statement that the protest policy and procedures referred to in subsection J of this section apply to any protests in connection with the procurement.

3. An agent shall initiate an appropriately qualified selection committee for each request for qualifications. The agent shall ensure that the selection committee members are competent to serve on the selection committee. Each selection committee must include one employee of the agent or an agent representative who is appointed by the agent. The same selection committee shall function as to all of the multiple contracts included in the procurement. If the agent is procuring multiple contracts for professional services, the agent shall determine the number and qualifications of the selection committee members. A selection committee for the procurement of multiple contracts for job-order-contracting construction services shall have not more than seven members, except that if the contract involves the agent and additional governmental or private participants, the number of members of the selection committee shall be increased by one for each additional participant, except that the maximum number of members of the selection committee is nine. The selection committee for multiple contracts for job-order-contracting construction services shall include at least one person who is a senior management employee of a licensed contractor and one person who is an architect or engineer registered pursuant to section 32-121. These members may be employees of the agent or outside consultants. Outside contractors, architects and engineers serving on a selection committee shall not receive compensation from the agent for performing this service, but the agent may elect to reimburse outside contractors, architects and engineers for travel, lodging and other expenses incurred in connection with service on a selection committee. A person who is a member of a selection committee shall not be a contractor under a contract awarded under the procurement or

provide any professional services, construction, construction services, materials or other services under the contract. The selection committee and the agent shall do the following:

(a) If interviews are specified in the request for qualifications:

(i) The selection committee shall determine the persons or firms to be interviewed by evaluating the statements of qualifications and performance data that are submitted in response to the agent's request for qualifications based only on the selection criteria and relative weight of the selection criteria stated in the request for qualifications to be used to determine the persons or firms to be interviewed.

(ii) If the selection criteria and relative weight of the selection criteria to be used by the selection committee to select the persons or firms on a final list and to determine their order on a final list are not included in the request for qualifications, before the interviews are held the agent shall distribute to the persons or firms to be interviewed the selection criteria and relative weight of the selection criteria to be used to select the persons or firms on each final list and to determine their order on each final list. These selection criteria and relative weight may be different than the selection criteria and relative weight used to determine the persons or firms to be interviewed.

(iii) The selection committee shall conduct interviews with the number of persons or firms to be interviewed as stated in the request for qualifications regarding the professional services or job-order-contracting construction services and the relative methods of approach for furnishing the required professional services or job-order-contracting construction services.

(b) Based only on the selection criteria and relative weight of the selection criteria specified as provided in this subsection for selection of the persons or firms on each final list and their order on each final list, the selection committee shall select the persons or firms for each final list and in the case of a final list or final lists for multiple contracts that will be negotiated under subsection E of this section, rank the persons or firms on each final list in order of preference. If the procurement is for multiple contracts for different professional services to be awarded to separate persons or firms, there is a separate final list for each type of professional services, and if a person or firm submitted qualifications for more than one type of professional services, the person or firm may be on more than one final list.

(c) If the contract will be negotiated under subsection E of this section, before or at the same time as the agent notifies the persons or firms on each final list that they are on that final list, the agent shall send actual notice to the following persons or firms that they are not on that final list:

(i) If interviews were held, the other persons and firms interviewed for that final list.

(ii) If interviews were not held, the other persons and firms that made submittals for that final list.

(d) If the contract will be awarded under subsection F of this section, before or at the same time as the agent notifies the persons or firms on the final list that they are on the final list, the agent shall send actual notice to each of the following persons or firms that they are not on the final list or that other persons or firms are on the final list:

(i) If interviews were held, the other persons or firms interviewed.

(ii) If interviews were not held, the other persons or firms that made submittals.

D. An agent shall award multiple contracts specified in the request for qualifications as provided in subsection E or F of this section.

E. The agent shall conduct negotiations with persons or firms on the final list or final lists. The negotiations shall include consideration of compensation and other contract terms that the agent determines to be fair and reasonable to the agent. In making this decision, the agent shall take into account the estimated value, the scope, the complexity and the nature of the professional services or job-order-contracting construction services to be rendered. If in a procurement under this section the agent terminates negotiations with a person or firm on a final list and commences negotiations with another person or firm on that final list, the agent shall not in that procurement recommence negotiations or enter into a contract for the job-order-contracting construction services or professional services covered by that final list with any person or firm on that final list with whom the agent has terminated negotiations. If the procurement is for:

1. Multiple contracts for professional services to be awarded to a single person or firm, there is one final list and the agent shall enter into negotiations with the highest qualified person or firm on the final list. If the agent is not able to negotiate a satisfactory contract with the highest qualified person or firm on the final list, at compensation and on other contract terms the agent determines to be fair and reasonable, the agent shall then undertake negotiations with the next most qualified person or firm on the final list in sequence until an agreement is reached or a determination is made to reject all persons or firms on the final list.

2. Multiple contracts for similar job-order-contracting construction services to be awarded to separate persons or firms or for multiple contracts for similar professional services to be awarded to separate persons or firms, there is one final list and the agent shall enter into separate negotiations for contracts with the number of the highest qualified persons or firms on the final list equal to the number of contracts to be awarded. If the agent is not able to negotiate a satisfactory contract with a person or firm with whom the agent has commenced negotiations, the agent shall formally terminate negotiations with that person or firm. The agent shall then undertake negotiations for a contract with the next most qualified person or firm on the final list with whom the agent is not then negotiating and with whom the

agent has not previously negotiated in sequence until an agreement is reached for some or all of the multiple contracts included in the request for qualifications or a determination is made to reject all persons or firms on the final list.

3. Multiple contracts for different professional services to be awarded to separate persons or firms, there is a separate final list for each type of professional services and the agent shall enter into separate negotiations for contracts with the number of the highest qualified persons or firms on the final list equal to the number of contracts to be awarded. If the agent is not able to negotiate a satisfactory contract with a person or firm with whom the agent has commenced negotiations, the agent shall formally terminate negotiations with that person or firm. The agent shall then undertake negotiations for a contract with the next most qualified person or firm on the final list with whom the agent is not then negotiating and with whom the agent has not previously negotiated in sequence until an agreement is reached for some or all of the multiple contracts included in the request for qualifications or a determination is made to reject all persons or firms on the final list.

F. As an alternative to subsection E of this section, an agent may award multiple contracts for similar job-order-contracting construction services to be awarded to separate persons or firms as follows:

1. The agent shall use the selection committee appointed for the request for qualifications pursuant to subsection C of this section.

2. The agent shall issue a request for proposals to the persons or firms on the final list developed pursuant to subsection C of this section.

3. The request for proposals shall include:

(a) The agent's project schedule and project final budget for design and construction or life cycle budget for a procurement that includes maintenance services or operations services.

(b) A statement that the multiple contracts will be awarded to a specified number of offerors whose proposals receive the highest number of points under a scoring method. The specified number of offerors will be the number of contracts included in the procurement.

(c) A description of the scoring method, including a list of the factors in the scoring method and the number of points allocated to each factor. The factors in the scoring method may include:

(i) Offeror qualifications.

(ii) Offeror financial capacity.

(iii) Compliance with the agent's project schedule.

(iv) The price or life cycle price for procurements that include maintenance services, operations services or finance services.

(v) An offeror quality management plan.

(vi) Other evaluation factors that demonstrate competence and qualifications for the job-order-contracting construction services in the request for proposals as determined by the agent, if any.

(d) A requirement that each offeror submit separately a technical proposal and a price proposal and that the offeror's entire proposal be responsive to the requirements in the request for proposals.

(e) A statement that in applying the scoring method the selection committee will separately evaluate the technical proposal and the price proposal and will evaluate and score the technical proposal before opening the price proposal.

(f) If the agent conducts discussions pursuant to paragraph 5 of this subsection, a statement that discussions will be held and a requirement that each offeror submit a preliminary technical proposal before the discussions are held.

4. If the agent determines to conduct discussions pursuant to paragraph 5 of this subsection, each offeror shall submit a preliminary technical proposal to the agent before those discussions are held.

5. If determined by the agent and included by the agent in the request for proposals, the selection committee shall conduct discussions with all offerors that submit preliminary technical proposals. Discussions shall be for the purpose of clarification to ensure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair treatment with respect to any opportunity for discussion and for clarification by the owner. Revision of preliminary technical proposals shall be permitted after submission of preliminary technical proposals and before award for the purpose of obtaining best and final proposals. In conducting any discussions, information derived from proposals submitted by competing offerors shall not be disclosed to other competing offerors.

6. After completion of any discussions pursuant to paragraph 5 of this subsection or if no discussions are held, each offeror shall submit separately the offeror's final technical proposal and its price proposal.

7. Before opening any price proposal, the selection committee shall open the final technical proposals, evaluate the final technical proposals and score the final technical proposals using the scoring method in the request for proposals. No other factors or criteria may be used in the evaluation and scoring.

8. After completion of the evaluation and scoring of all final technical proposals, the selection committee shall open the price proposals, evaluate the price proposals, score the price proposals and complete the scoring of the entire proposals using the scoring method in the request for proposals. No other factors or criteria may be used in the evaluation and scoring.

9. The agent shall award the multiple contracts to the responsive and responsible offerors whose proposals receive the highest scores under the method of scoring in the request for proposals. No other factors or criteria may be used in the evaluation. Before or at the same time as the agent notifies the winning offerors that they have won, the agent shall send actual

notice to each other offeror either that the offeror has not won or that other offerors have won.

10. The contracts file shall contain the basis on which the award is made, including at a minimum the information and documents required under subsection G of this section.

G. If the procurement has multiple final lists under subsection C of this section or multiple requests for proposals under subsection F of this section, the agent shall retain the items in paragraphs 1 and 2 of this subsection, as applicable, for each final list and each request for proposals procurement process. At a minimum, the agent shall retain the following for each procurement under this section:

1. As to each final list under each request for qualifications procurement process under subsection C of this section:

(a) If interviews were not held:

(i) The submittal of the person or firm listed first on the final list and all submittals of each person or firm with which the agent enters into a contract.

(ii) The final list.

(iii) A list of the selection criteria and relative weight of selection criteria used to select the persons or firms for the final list and to determine their order on the final list.

(iv) A list that contains the name of each person or firm that submitted qualifications and that shows the person's or firm's final overall rank or score.

(v) A document or documents that show the final score or rank on each selection criteria of each person or firm that submitted qualifications and that support the final overall rankings and scores of the persons or firms that submitted qualifications. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets for individual selection committee members or any other form as determined by the agent.

(b) If interviews were held:

(i) All submittals of the person or firm listed first on the final list and all submittals of each person or firm with which the agent enters into a contract.

(ii) The final list.

(iii) A list of the selection criteria and relative weight of selection criteria used to select the persons or firms for the final list and to determine their order on the final list.

(iv) A list that contains the name of each person or firm that was interviewed and that shows the person's or firm's final overall rank or score.

(v) A document or documents that show the final score or rank on each selection ~~criteria~~ CRITERION of each person or firm that was interviewed and

that support the final overall rankings and scores of the persons or firms that were interviewed. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets for individual selection committee members or IN any other form as determined by the agent.

(vi) A list of the selection criteria and relative weight of the selection criteria used to select the persons or firms for the short list to be interviewed.

(vii) A list that contains the name of each person or firm that submitted qualifications and that shows the person's or firm's final overall rank or score in the selection of the persons or firms to be on the short list to be interviewed.

(viii) A document or documents that show the final score or rank on each selection ~~criteria~~ CRITERION of each person or firm that submitted qualifications and that support the final overall rankings and scores of the persons or firms that submitted qualifications in the selection of the persons or firms to be on the short list to be interviewed. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets for the individual selection committee members or IN any other form as determined by the agent.

2. For each request for proposals procurement process under subsection F of this section:

(a) The entire proposal submitted by the person or firm that received the highest score in the scoring method in the request for proposals and the entire proposal submitted by each person or firm with which the agent enters into a contract.

(b) The description of the scoring method, the list of factors in the scoring method and the number of points allocated to each factor, all as included in the request for proposals.

(c) A list that contains the name of each offeror that submitted a proposal and that shows the offeror's final overall score.

(d) A document or documents that show the final score on each factor in the scoring method in the request for proposals of each offeror that submitted a proposal and that support the final overall scores of the offerors that submitted proposals. At the election of the agent, this documentation may be in the form of a consolidated scoring sheet for the entire selection committee, in the form of individual scoring sheets for individual selection committee members or IN any other form as determined by the agent.

H. Information relating to each procurement under this section shall be made available to the public as follows:

1. Notwithstanding title 39, chapter 1, article 2, until contract award by an agent of all of the multiple contracts in the procurement or termination of the procurement by the agent, only the name of each person or

firm on the final list developed pursuant to subsection C of this section may be made available to the public and all other information received by the agent in response to the request for qualifications under subsection C of this section or contained in proposals submitted under subsection F of this section shall be confidential in order to avoid disclosure of the contents that may be prejudicial to competing submitters and offerors during the selection process.

2. After the agent awards all of the multiple contracts in the procurement or terminates the procurement, the agent shall make available to the public pursuant to title 39, chapter 1, article 2 at a minimum all of the items that the agent is required to retain under subsection G of this section, except the proposals submitted in response to a request for proposals under subsection F of this section and the document or documents prescribed in subsection G, paragraph 1, subdivision (a), item (v) and subdivision (b), items (v) and (viii) and paragraph 2, subdivision (d) of this section.

3. The proposals submitted under subsection F of this section shall not be made available to the public until after the agent has entered into a contract for all of the multiple contracts in the procurement or the agent has terminated the procurement. At a minimum the proposals submitted under subsection F of this section that the agent is required to retain under subsection G of this section shall be made available to the public after the agent has entered into a contract for all of the contracts in the procurement or the agent has terminated the procurement.

4. To the extent that the offeror designates and the agent concurs, trade secrets and other proprietary data contained in a proposal shall remain confidential.

5. The document or documents prescribed in subsection G, paragraph 1, subdivision (a), item (v) and subdivision (b), items (v) and (viii) and paragraph 2, subdivision (d) of this section are available to the extent provided in title 39, chapter 1, article 2.

I. An agent may cancel a request for qualifications or a request for proposals, reject in whole or in part any or all submittals or proposals, or determine not to enter into one or more of the multiple contracts as specified in the solicitation if the agent determines in its absolute and sole discretion that such action is in the best interest of the agent. The agent shall make the reasons for cancellation, rejection or determination not to enter into contracts part of the contract file.

J. If the agent does not have a procurement protest policy and procedures that have been formally adopted and published by the agent, for protests relating to procurements under this section the agent shall follow the procurement protest policy and procedures of the department of administration. The agent shall process all protests relating to procurements under this section.

K. For the purposes of this section, "professional services" includes architect services, engineer services, landscape architect services, assayer services, geologist services and land surveying services and any combination of those services.

Sec. 157. Section 35-424, Arizona Revised Statutes, is amended to read:

35-424. Sale of bonds; notice, publication and bids

A. When the loan commissioners are authorized to issue bonds, or decide to refund or redeem all or any of the existing indebtedness of the state, they shall direct the state treasurer to advertise the sale of the bonds to be issued for that purpose by causing a notice of such sale to be published once a week for one month ~~in three newspapers published in the state, no two of which shall be published in the same county~~ ON A PUBLIC MEDIUM, and, in their discretion, in a publication in New York City, New York, and in San Francisco, California. Such notice shall state the amount of bonds to be sold, the place, day and hour of sale, and that bids will be received by the treasurer for the purchase of the bonds within one month from expiration of such publication.

B. At the place and time named in the notice, the loan commissioners shall open the bids received by the treasurer and shall award the purchase of the bonds, or any part thereof, to the best bidder.

C. The loan commissioners may reject any and all bids, and may refuse to make an award unless sufficient security is furnished by the bidder ~~insuring~~ ENSURING compliance with ~~his~~ THE bid.

Sec. 158. Section 35-454, Arizona Revised Statutes, is amended to read:

35-454. Informational pamphlet for election; review; election; return; canvass of vote; certificate of election

A. The governing body or board of the political subdivision shall:

1. Not less than thirty-five days before the bond election, mail a copy of an informational pamphlet to every household within the political subdivision that contains a registered voter. The pamphlet shall contain information on the:

(a) Amount of the bond authorization.

(b) Maximum interest rate of the bonds.

(c) Estimated debt retirement schedule for the current amount of bonds outstanding, showing both principal and interest payments, the current secondary assessed valuation as reported by the department of revenue and the current adopted and estimated tax rates. For the purposes of this paragraph, "secondary assessed valuation" may include the values used to determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

(d) Estimated debt retirement schedule for the proposed bond authorization, showing both the estimated principal and interest payments and the estimated average annual tax rate for the proposed bond authorization.

In preparing this information and the information prescribed by subdivision (c), the projected total annual increase in secondary assessed valuation for any future year shall not exceed:

(i) For the first five years of the estimated debt retirement schedule, the average of the annual percentage growth for the previous ten years in the secondary assessed valuation of the political subdivision.

(ii) For the remaining years of the estimated debt retirement schedule, twenty per cent of the average of the annual percentage growth for the previous ten years in the secondary assessed valuation of the political subdivision.

(e) Source of repayment.

(f) Estimated issuance costs.

(g) Estimated tax impact of debt service for the bonds on an owner-occupied residence classified as class three pursuant to section 42-12003, on commercial property classified as class one pursuant to section 42-12001, paragraph 12 and on agricultural or other vacant property classified as class two pursuant to section 42-12002, assuming the assessed valuation of the property increases annually at fifty per cent of the projected total annual increase in secondary assessed valuation as determined pursuant to subdivision (d) OF THIS PARAGRAPH over the term of the bonds using the same average annual tax rate as under subdivision (d) OF THIS PARAGRAPH, as follows:

The tax impact over the term of the bonds on an owner-occupied residence valued by the county assessor at $250,000 is estimated to be $_____ per year for ____ years, or $_____ total cost.

The tax impact over the term of the bonds on commercial property valued by the county assessor at $1,000,000 is estimated to be $_____ per year for __ years, or $_____ total cost.

The tax impact over the term of the bonds on agricultural or other vacant property valued by the county assessor at $100,000 is estimated to be $_____ per year for _____ years, or $_____ total cost.

(h) In bold-faced type, estimated total cost of the proposed bond authorization, including principal and interest.

(i) Current outstanding general obligation debt and constitutional debt limitation.

(j) Purpose for which the bonds are to be issued and, if applicable, in bold-faced type, that the amount of the proposed bond authorization combined with the current outstanding debt exceeds the political subdivision's constitutional debt limit.

(k) Polling location for the addressee.

(l) Hours during the day when the polls will be open.

(m) Arguments for and against the authorization of one or more of the bond propositions.

2. Set a deadline to submit arguments for and against the authorization of one or more of the bond propositions at a public meeting and publish the deadline ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the jurisdiction of the political subdivision.

3. Submit a copy of the informational pamphlet to the department of revenue within thirty days after the bond election. The department of revenue shall maintain copies of the pamphlets.

B. The failure of any one or more electors to receive the informational pamphlet shall not be grounds to invalidate the election. The election shall conform with the general election laws of the state. The return of the election held in a county shall be made to the board of supervisors and, in any other case, to the governing body or board of the municipal corporation or district within twelve days after the election.

C. For any proposed general obligation bond authorization where the principal and interest will be paid by a levy of property taxes, the ballot shall contain the phrase "the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds". Any written information provided by the political subdivision pertaining to the bond election shall include financial information showing the estimated average tax rate for the proposed bond authorization.

D. If the governing body intends to use revenues other than property taxes to pay the debt on proposed general obligation bonds, the ballot shall contain the phrase "the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds, unless the governing body provides for payment from other sources".

E. The board of supervisors, governing body or governing board shall hold a special meeting within twenty days after the election to canvass the votes cast and certify the result. The certificate of the result shall be prima facie evidence of full performance of all conditions and requirements precedent to holding the election.

F. The governing board or body shall file and record in the office of the county recorder a certificate disclosing the purpose of the election, the total number of votes cast and the total number of votes for and against creating the indebtedness, and stating whether or not the indebtedness is ordered. ~~Upon~~ ON filing and recording the certificate, the governing board or body shall carry out the purpose of the election.

G. Variations between the estimates required by subsection A of this section and the actual debt retirement schedules, issuance costs, annual and total costs and tax rates shall not invalidate either the election or the bonds.

Sec. 159. Section 35-457, Arizona Revised Statutes, is amended to read:

35-457. Sale of bonds; bids; forfeiture of deposit; definitions

A. Any or all of the bonds may be sold at public sale or through an online bidding process in a manner prescribed by the governing body or board that includes the following:

1. If sold by public sale before the sale of any bonds, the governing body or board shall meet and enter ~~upon~~ ON its record an order directing the sale of the bonds and the date and hour of the sale, and cause a copy of the order to be published ON A PUBLIC MEDIUM at least once a week for two successive weeks in cities having a population of fifteen thousand or more persons according to the most recent federal census, and PUBLISHED ON A PUBLIC MEDIUM once a week for four successive weeks in all other political subdivisions before the sale ~~in one or more designated daily or weekly newspapers~~, together with a notice that sealed proposals will be received for purchase of the bonds on the date and hour named in the order.

2. If sold through an online bidding process, bids for the bonds that are entered into the system may be concealed until a specified time or disclosed in the online bidding process, may be subject to improvement in favor of the political subdivision before a specified time and may be for an entire issue of bonds or specified maturities according to the manner, terms and notice provisions ordered by the governing body.

B. If the bonds are sold by public sale or through an online bidding process, all proposals shall be received on the date and hour or in the manner stated in the order and the governing body or board shall award the bonds to the highest and most responsible bidder. The successful bidder shall provide a bid guarantee for not less than two per cent of the total par value of the bonds within twenty-four hours after the date and time the bid is awarded. The bid guarantee may be in the form of a certified check or a bond issued by a surety company licensed by the department of insurance to do business in this state. The governing body or board may reject any and all bids. If the successful bidder does not carry out the terms of the proposal to purchase the bonds, the bid guarantee shall be forfeited as stipulated and liquidated damages.

C. Notwithstanding any other provision of this section, bonds may be sold by negotiated sale on terms the governing body deems to be the best then available and may bear interest payable at such times as shall be determined by the governing body.

D. The bonds may be sold below, at or above par. If an issue of bonds is sold below par, the aggregate amount of discount plus interest to be paid on the bonds must not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the governing body at the maximum rate set out in the resolution calling the election at which the bonds were voted. The amount of net premium associated with a bond issue may not exceed the greater of:

1. Five per cent of the par value of the bond issue.
2. One hundred thousand dollars.

E. Costs incurred in issuing the bonds may be paid from the net premium associated with a bond issue. Any net premium not used to pay the costs incurred in issuing the bonds shall be deposited in a debt service fund and used only to pay interest on the bonds.

F. For the purposes of this section:

1. "Net premium" means the difference between the par amount of the bond issue and the bond issue price determined pursuant to United States treasury regulations.

2. "Online bidding process" means a procurement process in which the governing body receives bids electronically over the internet in a real-time, competitive bidding event.

Sec. 160. Section 35-459, Arizona Revised Statutes, is amended to read:

35-459. Redemption of bonds and coupons

A. When any bonds mature, the county treasurer, when the bonds have been issued by the county, the city or town treasurer, when the bonds have been issued by a city or town, or the fiscal officer of other political subdivisions shall give notice for four weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county of intention to redeem and the amount of such bonds. The redemption shall be made and all such bonds shall cease to draw interest at the expiration of four weeks after the date of the notice. If the bonds so called for redemption are not presented within three months from the date of the notice, the treasurer shall apply the money to the redemption of the bonds next in the order of the number of their issue.

B. The interest coupons when due and payable shall be delivered to the treasurer or proper fiscal officer, who shall pay them and write the word "canceled" across the face of the coupons. Such canceled coupons shall be the treasurer's receipt for their payment.

C. When any bonds are redeemed, the treasurer or proper fiscal officer shall in like manner mark them "canceled" on the face of the bonds over his signature, and deliver them to the clerk or secretary of the governing body, taking a receipt for the cancelled bonds. The clerk or secretary shall file the bonds in his office and report the redemptions to the governing body.

Sec. 161. Section 36-183.02, Arizona Revised Statutes, is amended to read:

36-183.02. Sanitary regulations; notice

A. Each county shall investigate all nuisances, sources of filth and causes of sickness and make regulations necessary for the public health and safety of the inhabitants.

B. The county shall give notice of all general orders and regulations by publishing them ~~in a newspaper~~ ON A PUBLIC MEDIUM published within the jurisdiction of the county. If there is no ~~such newspaper~~ PUBLIC MEDIUM, the

county shall post the orders and regulations in five public places within the jurisdiction of the county and this constitutes legal notice to all persons.

Sec. 162. Section 36-1479, Arizona Revised Statutes, is amended to read:

36-1479. Preparation and approval of redevelopment plans

A. A municipality shall not prepare a redevelopment plan for a redevelopment project area unless the local governing body, by resolution, has declared the area to be a slum or blighted area in need of redevelopment. The local governing body shall not consider a redevelopment plan for approval until a general plan for the development of the municipality has been prepared. A municipality shall not acquire real property for a redevelopment project unless the local governing body has approved the redevelopment plan, as prescribed in subsection F OF THIS SECTION.

B. The municipality may ~~itself~~ prepare or cause to be prepared a redevelopment plan or any person or agency, public or private, may submit a plan to a municipality. A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements and the proposed land uses and building requirements in the redevelopment project area. The plan shall include, at a minimum:

1. A statement of the boundaries of the redevelopment project area.

2. A map showing the existing uses and conditions of the real property within the redevelopment project area.

3. A land use plan showing proposed uses of the real property within the redevelopment project area.

4. Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment.

5. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances.

6. A statement as to the kind and number of site improvements and additional public utilities ~~which~~ THAT will be required to support the new land uses in the area after redevelopment.

7. A statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment of the redevelopment project area and the estimated proceeds or revenues from its disposal to redevelopers.

8. A statement of the proposed method of financing the redevelopment project.

9. A statement of a feasible method proposed for the relocation of families to be displaced from the redevelopment project area.

C. The land uses and building requirements proposed in a redevelopment plan shall be designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted and harmonious

development of the municipality and its environs ~~which~~ THAT will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development, and including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, the prevention of the recurrence of slum conditions or conditions of blight and the provision of adequate, safe and sanitary dwelling accommodations.

D. ~~Prior to~~ BEFORE its approval of a redevelopment plan, the local governing body shall submit a redevelopment plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed redevelopment plan to the local governing body within thirty days after receipt of the plan for review. ~~Upon~~ ON receipt of the recommendations of the planning commission or~~,~~ if no recommendations are received within thirty days, the local governing body may proceed with the hearing on the proposed redevelopment plan prescribed by subsection E OF THIS SECTION.

E. The local governing body shall hold a public hearing on any redevelopment plan or substantial modification to a plan being considered for approval. A municipality must notify each owner of real property located within the boundaries of a proposed redevelopment plan area of the time, date and location of a public meeting concerning the proposed adoption of the redevelopment plan. The municipality must provide this notice by first class mail to the address stated on the most recent records of the county assessor. The local governing body shall publish a public notice ~~in a newspaper with a general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of operation, once each week for two consecutive weeks, the last publication to be at least ten days ~~prior to~~ BEFORE the date set for hearing. The notice shall describe the time, place and purpose of the hearing and shall also generally identify the area to be redeveloped under the plan. All interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed redevelopment plan at the hearing.

F. Approval of a redevelopment plan requires a two-thirds vote of the local governing body.

G. Following the hearing, the local governing body may approve a redevelopment plan if it finds that the plan is feasible and in conformity with the general plan for the development of the municipality as a whole, but

if the redevelopment project area is a blighted area, the local governing body must also find that:

1. A shortage of housing of sound standards and design, adequate for family life, exists in the municipality.

2. The need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas under redevelopment.

3. The conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals or welfare.

4. The development of the area for predominately residential uses is an integral part of and essential to the program of the municipality for the elimination of the slum or blighted area.

H. A redevelopment plan may be modified at any time, but if modified after the lease or sale of real property in the redevelopment project area, the modification shall be consented to by the redeveloper or redevelopers of real property or a successor or their successors in interest affected by the proposed modification. Any proposed modification ~~which~~ THAT will substantially change the redevelopment plan as previously approved by the local governing body shall be considered a new plan and shall be subject to all the requirements of this section before it may be approved.

Sec. 163. Section 36-1480, Arizona Revised Statutes, is amended to read:

36-1480. Disposal of property in redevelopment project area

A. A municipality may sell, lease, exchange or otherwise transfer real property or any interest in the property in a redevelopment project area to any redeveloper for residential, recreational, commercial, industrial or other uses or for public use in accordance with the redevelopment plan, subject to covenants, conditions and restrictions as it deems to be in the public interest or to carry out the purposes of this article. The sale, lease, exchange or other transfer, and any related agreement, may be made only after, or subject to, the approval of the redevelopment plan by the local governing body. Real property shall be sold, leased or transferred at its fair value for uses in accordance with the redevelopment plan even though the fair value may be less than the cost of acquiring and preparing the property for redevelopment. In determining the fair value of real property for uses in accordance with the redevelopment plan, a municipality shall take into account and give consideration to the uses and purposes required by the plan, the restrictions ~~upon,~~ ON and the covenants, conditions and obligations assumed by the redeveloper of the property, the objectives of the redevelopment plan for the prevention of the recurrence of slum or blighted areas, and other matters the municipality specifies as being appropriate.

B. THE sale, lease, exchange or other transfer of real property or any interest of the property shall not be made until after public advertising for bids has been made for at least thirty days ~~in a newspaper of general~~

~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the municipality and the posting of notices in three or more public places within the municipality. If there is no ~~newspaper~~ PUBLIC MEDIUM within the corporate limits of the municipality, the municipality shall post in three or more public places within the municipality~~,~~ notices for bidders for the property proposed to be sold.

C. ~~Prior to~~ BEFORE the consideration of any redevelopment contract proposal, the municipality shall publish the notice at least once a week for two consecutive weeks ~~in a newspaper having a general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of operation~~,~~ AND invite proposals from and make all pertinent information available to~~,~~ private redevelopers or any persons interested in carrying out the redevelopment of a slum or blighted area, or any part of a slum or blighted area, ~~which~~ THAT the local governing body has declared to be in need of redevelopment. The notice shall identify the slum or blighted area, and shall state where any further information available may be obtained. The municipality shall consider all redevelopment proposals and the financial, technical and legal ability of the prospective redevelopers to carry out their proposals and may negotiate with any redevelopers for proposals for the purchase or lease of any real property in the redevelopment project area. The municipality, with the approval of the local governing body, may accept redevelopment contract proposals it deems to be in the public interest and in furtherance of the purposes of this article and may execute the redevelopment contracts in accordance with ~~the provisions of~~ subsection A OF THIS SECTION and deliver deeds, leases and other instruments and take all steps necessary to effectuate the redevelopment contracts. In its discretion, the municipality ~~may~~, without regard to ~~the provisions of~~ this subsection, MAY dispose of real property in a redevelopment project area to private redevelopers for redevelopment under the reasonable competitive bidding procedures as it prescribes, subject to ~~the provisions of~~ subsection A OF THIS SECTION.

D. A municipality may temporarily operate and maintain real property in a redevelopment project area pending the disposition of the property for redevelopment, without regard to ~~the provisions of~~ subsections A, B and C OF THIS SECTION, for uses and purposes deemed desirable even though not in conformity with the redevelopment plan. If the real property is not disposed of for redevelopment within one year, the municipality, immediately ~~upon~~ ON expiration of the one-year period, shall remove or demolish all buildings thereon.

Sec. 164. Section 36-1481, Arizona Revised Statutes, is amended to read:

36-1481. Issuance of bonds; immunity

A. A municipality may issue bonds in its discretion to finance the undertaking of any redevelopment project under this article, including the payment of principal and interest ~~upon~~ ON any advances for surveys and plans for redevelopment projects, and may also issue refunding bonds for the

payment or retirement of such bonds previously issued by it. Such bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues and funds of the municipality derived from or held in connection with its undertaking and carrying out of redevelopment projects under this article, whether or not they are financed in whole or in part with the proceeds of such bonds, but payment of such bonds, both as to principal and interest, may be further or exclusively secured by a pledge of any loan, grant or contribution from the federal government or other source, in aid of any redevelopment projects of the municipality undertaken under this article and by a mortgage of any of such redevelopment projects.

B. The bonds and other obligations of the municipality issued pursuant to subsection A of this section are not a general obligation or general debt of the municipality, the state or any of its political subdivisions, and neither the municipality, the state, nor any of its political subdivisions are generally liable for them, nor in any event shall the bonds or obligations give rise to a general obligation or liability of the municipality, the state or any of its political subdivisions, or a charge against their general credit or taxing powers, or be payable from any funds or properties other than those funds or properties specifically described in subsection A of this section and those bonds and obligations shall so state on their face. Bonds issued under this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds issued under ~~the provisions of~~ this article are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom, shall be exempted from all taxes.

C. Bonds issued under this section shall be authorized by resolution of the local governing body, may be issued in one or more series~~,~~ AND shall bear such date or dates, be payable ~~upon~~ ON demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as provided by the resolution or trust indenture or mortgage issued pursuant thereto.

D. Such bonds or any bonds issued to refund such bonds may be sold at public or private sale at such price or prices as may be determined by the local governing body or may be exchanged for other bonds on the basis of par. If sold at public sale, notice shall be published once at least ten days ~~prior to~~ BEFORE the sale ~~in a newspaper having a general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of operation and in such other medium of publication as the municipality determines.

E. If any of the public officials of the municipality whose signatures appear on any bonds or coupons issued under this article cease to be such

officials before delivery of the bonds, their signatures shall nevertheless be valid and sufficient for all purposes the same as if the officials had remained in office until delivery. Any provision of law to the contrary notwithstanding, bonds issued pursuant to this article shall be fully negotiable.

F. In any action or proceedings involving the validity or enforceability of any bond issued under this article or the security for such bond, the recitation in substance in the bond that it has been issued by the municipality in connection with a redevelopment project shall be conclusive proof that the bond was issued for such purpose, and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this article.

G. Neither the members of the governing body of a municipality or a commission nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

Sec. 165. Section 36-2234, Arizona Revised Statutes, is amended to read:

36-2234. Hearings; waiver of hearing; emergency action; judicial review

A. The director shall require a public hearing on any proposed action related to rates, fares or charges, operating or response times, bases of operation or certificates of necessity unless subsection C, E~~,~~ or M of this section applies.

B. A public hearing held pursuant to subsection A of this section shall meet the following requirements:

1. The hearing shall be held pursuant to title 41, chapter 6, article 10.

2. The director shall mail notice of the hearing to every ambulance service in the affected region no later than fifteen days before the hearing.

3. The director may mail notice to other persons who the director determines are interested in the hearing.

4. In a hearing or rehearing conducted pursuant to this article, an ambulance service may be represented by a corporate officer, an employee or a designee who has been specifically authorized by the ambulance service to represent it.

C. The director may waive the hearing required under subsection A of this section if notification, including a general description of the proposed action of the department and the time and manner for any interested person to request a hearing, is given and all of the following apply:

1. Notification of the proposed action has been sent to every ambulance service in the affected region no later than fifteen days before the action.

2. The director has notified other persons who the director determines are interested in the proposed action no later than fifteen days before the action.

3. The director has published notice of the proposed action ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the affected region at least once each week for two consecutive weeks before the action is taken.

4. The director has received no requests within the fifteen-day notification period for a hearing to be held on the proposed action.

D. If the director receives a request pursuant to subsection C, paragraph 4 of this section, the director shall hold a hearing in compliance with subsection B of this section.

E. The director shall not hold a hearing if a person requests a hearing regarding a rate increase that does not exceed the amount computed as follows:

1. Determine the percentage growth in the transportation consumer price index of the United States department of labor, bureau of labor statistics, from the end of the second preceding calendar year to the calendar year immediately preceding the calendar year for which the rate increase is requested.

2. Determine the percentage growth in the medical care consumer price index of the United States department of labor, bureau of labor statistics, from the end of the second preceding calendar year to the calendar year immediately preceding the calendar year for which the rate increase is requested.

3. Add the amount determined in paragraph 1 of this subsection to the amount determined in paragraph 2 of this subsection and divide the sum by two.

F. A rate increase authorized pursuant to subsection E of this section is deemed to be fixed by the department at the requested level. Notwithstanding subsection C of this section, the department shall hold a hearing pursuant to section 36-2232, subsection E for any proposed uniform rate or charge that exceeds the annual rate increase prescribed in subsection E of this section. The department shall require the applicants to submit the following information signed by the designated financial officer and the chief executive of the ambulance service who has fiduciary responsibility for providing accurate financial information:

1. A financial statement for the previous twenty-four months relating to the certificated areas.

2. Any additional information the department requires to analyze the request.

G. If an ambulance service with an established general public rate applies for a contract rate or range of rates that is up to thirty per cent less than its established rate, the director shall grant the rate without a public hearing or waiver, and without any right of intervention, unless within ninety days ~~of~~ AFTER the filing of a completed application the director determines that the contract rate or range of rates applied for does not accurately reflect the cost and economics of providing the contract

services, would adversely affect the service available to the general public in the area of service as designated by its certificate of necessity or would cause any fixed rate, fare or charge to the general public to be adversely affected.

H. If the department disallows a proposed contract rate pursuant to subsection G of this section, the ambulance service has a right to a hearing for review of the proposed contract rate or range of rates.

I. The director may adopt rules for the establishment of a contract rate or range of rates that may be implemented and that exceeds the thirty per cent rate variance identified pursuant to subsection G of this section.

J. Subsections G, H and I of this section are limited to contract rates or a range of rates applied for prescheduled, interfacility or convalescent transports.

K. A service contract between an ambulance service and a political subdivision of this state, including local fire districts, shall be filed with and approved by the department in accordance with the following requirements:

1. On receipt of the proposed contract, the department has fifteen days to review the contract and notify the ambulance service of any additional information the department requires, recommended corrections or any provision that does or may violate this article.

2. The ambulance service has fifteen days to provide the department with the information requested or to submit a revised or amended contract if required under paragraph 1 of this subsection.

3. The contract becomes effective fifteen days after the ambulance service complies with the department's request unless the department determines that any rate or charge or other provisions specified in the contract will cause any fixed rate or charge to the general public rate to be adversely affected or the contract would be in violation of the ambulance service's certificate of necessity.

4. If the department disallows a proposed contract pursuant to this subsection, the ambulance service has a right to a hearing for review of the proposed contract.

5. The rates and charges contained in the contract are the rates and charges fixed by the director in a decision or order for the ambulance service and conform to the ambulance service's current or subsequent general public rates and charges.

6. The area of response is within the ambulance service's certificated area.

L. In case of emergency, the director may take action providing for immediate suspension of a certificate of registration or a certificate of necessity, or both, under this section without notice or a hearing if the director determines that a potential threat to the public health and safety exists. If such action is taken by the director, the director shall conduct a hearing within ten days after the date of the director's action unless the

person against whom the action is directed waives the right to have a hearing held within ten days. If the ten-day hearing requirement is waived, the director shall set a date mutually agreeable to the interested parties. The purpose of the hearing is to review the decision of the director to take such action. The director shall make findings of fact and may continue, suspend or modify the director's action.

M. The director shall waive the hearing required under subsection A of this section if geographical changes in suboperation stations do not alter the service area or adversely affect approved response times.

N. Except as provided in section 41-1092.08, subsection H, a final decision of the director is subject to judicial review pursuant to title 12, chapter 7, article 6.

Sec. 166. Section 37-237, Arizona Revised Statutes, is amended to read:

37-237. Notice required for sale of lands or lands and improvements; publication

Notice of sales of state lands shall be by advertisement, stating the time, place and terms of the sale and a full description of the land. The notice shall be published once each week for not less than ten successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published regularly at the state capital, and in a ~~newspaper~~ PUBLIC MEDIUM of like circulation regularly published nearest the location of the lands to be sold. If the notice is for the sale of lands and improvements, the advertisement shall also state the appraised value of the improvements, the name of the owner thereof and the terms ~~upon~~ ON which compensation therefor shall be made.

Sec. 167. Section 37-239, Arizona Revised Statutes, is amended to read:

37-239. Participation contracts; planning and disposition proposals

A. The commissioner may enter into participation contracts and may charge a fee to an applicant to retain one or more consultants to assist in negotiating or preparing a participation contract. If the applicant is not the successful bidder, the commissioner shall refund the fee.

B. Before recommending any participation contract to the board of appeals, the commissioner shall consider and report on:

1. The methodology for determining any reimbursable infrastructure costs.

2. An analysis of the state trust revenue to be derived from the proposed participation contract.

3. The historical trends in land values in the area by types of proposed land uses.

4. An analysis of the financial feasibility of the planned development's proposed build-out schedule.

5. An evaluation of the potential economic risks and benefits to the trust arising from the participation contract.

6. An analysis of the economic and financial impact, and other factors determined by the commissioner, regarding alternative dispositions or no disposition of the lands.

C. Each participation contract shall:

1. Provide that subsequent sales or leases of state land that are subject to a participation contract shall be based on the criteria and the phasing and disposition plan included in the participation contract and the formula for determining the amount of revenue to the trust as a result of the subsequent sale or lease.

2. Prescribe rights and remedies in the case of default, including rights to cure, forfeiture and other appropriate remedies.

D. This state's share of the revenues from the sale of land under a participation contract shall be deposited, pursuant to sections 35-146 and 35-147, in the appropriate perpetual fund.

E. A participation contract may be offered on lands that do not have a development plan approved by the commissioner or on land that may require the successful bidder to further plan and zone property after the auction. Before auctioning a contract requiring planning and zoning, the commissioner may solicit planning and disposition proposals, through advertisement for at least five consecutive days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the lands are located, or if there is no daily ~~newspaper of general circulation~~ PUBLIC MEDIUM PUBLISHED in that county, the advertisement shall be published as many times within a thirty-day period as the ~~newspaper~~ PUBLIC MEDIUM is published but not more than five times. The commissioner may require information regarding the projected planning and zoning, the estimated costs of the planning and zoning and the financial feasibility of the proposal. The proposals shall also contain proposed participation payments. The commissioner may provide that some of the information that is contained in the proposals will remain confidential, if the information is proprietary, until the commissioner recommends a contract to the board of appeals. After the proposals are received, the commissioner may conduct preauction conferences regarding the proposals. The commissioner may then auction a participation contract that, at the commissioner's option, may incorporate information that was acquired through the proposal process. A participation contract that is entered into pursuant to this subsection shall:

1. Require the successful bidder to pay a nonrefundable down payment of at least two and one-half per cent of the minimum bid for the property, plus the required fees prescribed pursuant to section 37-107 and, if the successful bidder did not pay the consultant fee pursuant to subsection A of this section, any fee charged pursuant to subsection A of this section, by cashier's check at the time of the auction. The down payment does not include participation payments.

2. Require an additional payment to be made within thirty days if the amount bid for the land exceeds the minimum bid, so that the total down payment, including the down payment paid on the date of the sale, will equal the required percentage down payment of the total amount bid. The additional payment does not include participation payments.

3. Require the successful bidder to post within thirty days after the auction a surety bond or another form of collateral that the commissioner considers to be sufficient to cover the costs of the required planning and zoning.

4. Provide for the forfeiture of the contract and any accompanying certificate of purchase or lease if the successful bidder fails to provide the required collateral.

5. Describe the land to be planned and zoned, which may include land that is retained by the department and not auctioned with the contract.

6. Contain guidelines for expected planning and zoning and time frames for the planning and zoning consistent with the guidelines.

7. Provide for the forfeiture of the contract and any accompanying certificate of purchase or lease if the successful bidder fails to accomplish the planning and zoning within the prescribed time, unless extended in writing by the commissioner based on good cause shown.

8. Require at least ten per cent of the total purchase price to be paid by the time the planning and zoning are completed, unless extended in writing by the commissioner based on good cause shown.

9. Provide for absolute approval authority by the commissioner of any planning and zoning actions.

10. Deny the successful bidder the right to physically develop the property, including grading or leveling, until at least ten per cent of the purchase price has been paid.

11. Deny the issuance of partial patents for the property until at least ten per cent of the purchase price has been paid and the requirements of section 37-251 have been met.

12. Contain such other terms that the commissioner considers to be necessary or appropriate.

F. After it is accepted by the commissioner, a planning and zoning proposal submitted to the local governing body by the successful bidder shall be administered as a state general plan or development plan as appropriate, according to the procedures described in article 5.1 of this chapter.

Sec. 168. Section 37-281.01, Arizona Revised Statutes, is amended to read:

37-281.01. Lease of state lands for grazing purposes; notice

A. All state lands are subject to lease as provided in this article for a term of not more than ten years for grazing purposes without public auction. In addition to the requirements of section 37-281, subsections B, C, D and E, the leases shall be granted according to the constitution and laws of this state and rules of the department.

B. The department shall give notice of the availability of expiring grazing leases on state lands by advertisement, published in December of each year, at least one year in advance of the expiration date of any grazing lease. The notice shall be published at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM, indicating the number of leases expiring, the county or counties where each lease is located and the location of posting the notice where additional information may be obtained. The ~~newspaper~~ PUBLIC MEDIUM that prints the notice may also post the notice on an internet ~~web site~~ WEBSITE that aggregates legal notices of ten or more Arizona newspapers. The department shall post notice of expiring leases by lease number, abbreviated legal description of the lease area, carrying capacity, expiration date and application information in the following locations:

1. In each department office.

2. On the department's internet ~~web site~~ WEBSITE.

3. In the office or offices of the county board of supervisors where the land is located.

4. In United States bureau of land management offices in this state where posting is allowed.

Sec. 169. Section 37-312, Arizona Revised Statutes, is amended to read:

37-312. Nominating and classifying trust land as suitable for conservation purposes

A. On the commissioner's initiative, on petition as provided by subsection C of this section or as provided by section 37-332, the commissioner may nominate certain trust lands as being under consideration for classification as trust lands suitable for conservation purposes. The commissioner shall not nominate trust lands as being under consideration for classification as trust lands suitable for conservation purposes unless the trust lands are eligible for classification under this section and are located within:

1. One mile of the corporate boundaries of an incorporated city or town having a population of less than ten thousand persons according to the most recent United States decennial census.

2. Three miles of the corporate boundaries of an incorporated city or town having a population of ten thousand persons or more according to the most recent United States decennial census.

3. Ten miles of the boundaries that are established in paragraph 1 or 2 of this subsection and that are located within counties with a population greater than five hundred thousand persons according to the most recent United States decennial census and are adjacent to lands that are eligible for conservation and share with them a specific physical characteristic such as a reach of a river, a mountain slope or an archaeological feature.

B. In addition to the lands identified in subsection A, paragraphs 1 through 3 of this section, the following lands may be nominated for reclassification by the commissioner:

1. Those lands within the Tortolita mountain park in Pinal county located within T10S, R12E and T10S, R13E.

2. Those lands in the vicinity of the Superstition mountains in Pinal county located within T1N, R9E; T1N, R10E; T1S, R9E; and T1S, R10E.

3. Those lands in the vicinity of the San Tan mountains in Pinal county located within T3S, R7E, section 10, the northwest quarter of the southeast quarter and the south half of the southeast quarter; section 15, the north half and southeast quarter.

4. The following lands located in Coconino county:

(a) T19N, R5E, section 3.

(b) T19N, R6E, sections 5 and 6.

(c) T20N, R5E, sections 2, 8, 10, 12, 14, 18, 20, 22, 24, 26, 28, 30, 32, 34 and 36.

(d) T20N, R6E, sections 4, 5, 6, 8, 10, 14, 17, 18, 20, 22, 26, 28, 30, 32 and 34.

(e) T21N, R6E, sections 21, 22, 28, 31, 32 and 33.

C. The commissioner shall receive a petition to nominate trust lands as being under consideration for classification as trust lands suitable for conservation purposes from:

1. A state agency that leases the land or intends to lease or purchase the land.

2. The board of supervisors of the county in which the land is located.

3. The governing body of a city or town if the land is located within:

(a) The corporate boundaries of the city or town.

(b) One mile outside the corporate boundaries and the city or town has a population of less than ten thousand persons.

(c) Three miles outside the corporate boundaries and the city or town has a population of ten thousand persons or more.

4. Ten or more private individuals who:

(a) Reside in the county in which the land is located.

(b) Have the financial capability to lease or purchase the land.

5. A nonprofit corporation or trust, the purpose or powers of which include conservation of natural, scenic, open space or other conservation values.

6. The current lessee of the land.

7. A business or corporation that is legally empowered to own or manage real property in this state and that intends to lease or purchase the land.

D. A petitioner who requests the commissioner to reclassify the land pursuant to this article solely or partially on grounds that the land contains cultural resources worthy of conservation shall provide, on the commissioner's request, a report on the results of a cultural resources survey of the petitioned land for the commissioner's consideration before determining if the reclassification is in the best interest of the trust.

E. Unless the commissioner nominates the trust lands under section 37-332, a petitioner shall post a bond or other security sufficient to cover the costs of the planning, notice, advertisement and public hearing as required by this article and as determined by the commissioner. The bond or security is forfeit to this state if the commissioner reclassifies the land pursuant to this article.

F. The commissioner shall not nominate or classify trust land as suitable for conservation purposes if a development plan was approved for the land pursuant to article 5.1 of this chapter before July 26, 1996. The commissioner may nominate and classify trust land as suitable for conservation purposes in an area within a development plan approved after July 26, 1996 if appropriate conservation purposes are incorporated within the development plan prepared for the commissioner's approval. In nominating and classifying trust land as suitable for conservation purposes under this subsection, the commissioner shall follow the procedures for requesting local government zoning pursuant to section 37-334, subsection E.

G. Unless the commissioner nominates the trust lands under section 37-332, after nominating the trust lands under subsection A or B of this section, the commissioner shall:

1. Mail notice of intent to classify the lands as trust lands suitable for conservation purposes to the beneficiary or beneficiaries for whom the lands are held in trust, existing lessees, local planning authorities, the appropriate regional planning authorities and owners of private land that consists of forty or more acres and that is located within three hundred feet of the trust land. The notice shall include the date, time and place of the public hearing to be held pursuant to subsection H of this section and a request for written comments on the proposed classification within thirty days after the date of notice.

2. Within thirty days after giving the notice under paragraph 1 of this subsection:

(a) Publish the notice stating a date, time and place of a public hearing for six publications ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the designated lands are located.

(b) Mail the notice to any person who has requested notice of any classification under this article.

(c) Mail the notice to the Arizona game and fish department, the Arizona department of agriculture, the Arizona state parks board, the ~~Arizona~~ department of transportation and any other affected state agency.

H. Within sixty days after the last date of publication of notice under subsection G of this section, the commissioner or the commissioner's designee shall conduct a public hearing in a location in this state as close as conveniently possible to the trust land to receive and record oral and written testimony concerning the proposed classification.

I. In determining whether reclassification is in the best interest of the trust, the commissioner shall:

1. Consult with the governing body of each city or town in which the land proposed for reclassification is located or to which the land is contiguous, the county board of supervisors of each county in which the land is located if the land is not located within the boundaries of a city or town and the local planning and zoning authorities, including the affected regional planning authorities.

2. Consider recommendations of the conservation advisory committee.

3. Consider all evidence and testimony that are submitted at the hearing that was held pursuant to:

(a) Subsection H of this section if the commissioner nominated the trust lands under this section.

(b) Section 37-332, subsections B, C and D if the commissioner nominated the trust lands under section 32-332.

4. Consider the physical and economic impacts that the reclassification would have on other lands owned or controlled by the current lessee and the physical and economic impacts on the local community.

5. Consider the existence of any holding lease on the lands.

6. Consider the existence of any planning permit issued by the commissioner for the lands pursuant to article 5.1 of this chapter.

7. Consider the amount of progress on any development plans being completed for the lands pursuant to article 5.1 of this chapter.

8. Evaluate the mineral potential of the land.

J. The commissioner shall determine whether the reclassification is in the best interest of the trust and, in making the determination, shall state in writing the reasons why the classification is or is not in the best interests of the trust.

K. If the commissioner reclassifies the trust land as suitable for conservation purposes, the commissioner shall adopt a plan to allow existing and conservation uses to be coordinated in a manner that will protect both existing uses and conservation and open space values. If the reclassified trust land is unleased or the petitioner is the lessee pursuant to subsection C, paragraph 6 of this section, the commissioner may require a plan from the petitioners describing how the property is to be managed. In adopting the plan, the commissioner shall consult with:

1. The conservation advisory committee.

2. The governing body of the city or town if the land is located in a city or town.

3. The county board of supervisors if the land is not located in a city or town.

4. Existing lessees of the trust land, local and regional planning authorities and owners of private land who provided written comments pursuant to subsection G, paragraph 1 of this section.

5. Any other person or entity that the commissioner considers to be necessary.

L. The classification of state land as suitable for conservation does not affect the designation or use of adjacent federal, state or private land.

M. A person who is adversely affected by the commissioner's decision to reclassify land as suitable for conservation purposes may appeal the decision to the board of appeals pursuant to section 37-215.

N. On classifying trust lands suitable for conservation purposes, existing leases shall not be canceled or modified as a result of any actions taken pursuant to this article, and renewals of existing leases shall be pursuant to section 37-291.

Sec. 170. Section 37-332, Arizona Revised Statutes, is amended to read:

37-332. Urban lands; notice; hearing; requirements; classification; state general plan

A. On the commissioner's initiative, the commissioner may designate certain urban lands as being under consideration for classification as urban lands suitable for urban planning, or suitable for conservation purposes if the lands are to be planned in conjunction with lands to be developed, pursuant to this section. The commissioner may designate urban lands as being under consideration for classification as urban lands suitable for urban planning or conservation purposes ~~upon~~ ON application by the governing body having jurisdiction for the area in which the urban lands are located.

B. Unless the commissioner has asked the local governing body for a general or comprehensive plan amendment that would include public notification and hearing, and after designating lands pursuant to subsection A of this section, the commissioner shall give notice of intent to classify the lands as suitable for urban planning or conservation purposes and of intent to prepare a state general plan to existing lessees, local planning authorities, owners of property that extends to within three hundred feet of the designated urban lands and the beneficiary or beneficiaries for whom the lands are held in trust. Within thirty days after giving notice, the commissioner shall publish the notice stating the date, time and place of the public hearing for six publications ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the designated urban lands are located. The commissioner shall give notice to any person who requests notice of any classification and preparation of a state general plan made under this section.

C. In the notice required under subsection B of this section, or on the commissioner's request of the local governing body for a general or comprehensive plan amendment, the commissioner shall notify all existing lessees of state land within the boundaries of the area under consideration that such a designation may subsequently result in reclassification of state lands within the boundaries of the designated areas.

D. If applicable, within sixty days after the last date of publication of notice under subsection B of this section, the commissioner or the commissioner's designee shall conduct a public hearing in the city, town or county in which the lands are located to receive and record oral and written testimony concerning the classification as urban lands suitable for urban planning or conservation purposes and the state general plan.

E. The commissioner may classify urban lands as urban lands suitable for urban planning or conservation purposes and may approve a state general plan after determining that:

1. The department has met the notice and public hearing requirements of subsections B, C and D of this section or that the commissioner has requested a general or comprehensive plan amendment by the local governing body that would include public notice and hearing.

2. The state lands being considered as urban lands suitable for urban planning are adjoining existing commercially or homesite developed lands ~~which~~ THAT are either:

(a) Within the corporate boundaries of a city or town.

(b) Adjacent to the corporate boundaries of a city or town.

(c) Lands for which the designation as urban lands is requested pursuant to section 37-331.01.

3. The state lands under consideration are located in areas where planning for urban growth and development is appropriate, is beneficial to the trust and does not promote urban sprawl or leapfrog development.

4. The proximity of the urban lands to other developed areas and local jurisdictions is considered.

5. The urban lands' compatibility with adjoining development and land uses is considered.

6. The department has cooperated with the department of water resources to determine that the urban lands have the quality and quantity of water needed for urban development.

7. The department has fully cooperated with the local planning authorities with jurisdiction over the area or areas in which the state urban lands being considered are located.

8. All of the affected local planning authorities' development policies have been taken into consideration by the department.

9. The classification is consistent with the local planning authorities' development policies.

10. The proximity to and impact on public facilities, including streets and highways, water supply systems, wastewater collection and treatment systems and other public facilities and services necessary to support development, are considered.

11. It is in the best long-term interest of the trust to plan for development.

12. The types of land uses for state lands, including residential, commercial, industrial, agricultural, open space and recreational uses, are considered.

13. The natural and artificial features of the state lands, including floodplains, geologic instabilities, natural areas, wildlife habitat, airport influence zones, other potentially hazardous conditions and historic and archaeological sites and structures are considered.

14. The timing of development is considered.

15. The impact to all existing leases in the area under consideration and in the general area is considered.

16. The department has resources available to plan the urban lands under consideration.

17. Any other considerations deemed relevant by the commissioner and local planning authorities.

F. Before approving the classification and proposed state general plan, the commissioner shall determine whether the classification and state general plan are in the best interest of the trust. The commissioner shall state in writing the reasons for any determination that the classification or state general plan prepared according to this section would be detrimental to the interests of the trust.

G. After the commissioner approves the state general plan, no amendment or revision may be made without the commissioner's approval. The commissioner may approve a proposed amendment or revision only after notifying and meeting with the local planning authority regarding the nature of the proposed amendment or revision. If the local planning authority does not hold a public hearing on the proposed amendment or revision, the commissioner shall hold a public hearing on the proposed amendment or revision if the proposed amendment or revision does not substantially conform to the state general plan. If such a hearing is held, the proposed amendment or revision may be adopted after the hearing and after the commissioner and the local planning authority consider the information presented at the hearing. The commissioner shall provide notice of the public hearing as provided by subsections B, C and D of this section. If neither the commissioner nor the local planning authority determines that a public hearing is necessary, the commissioner may adopt the proposed amendment or revision.

H. If the land included in a state general plan was previously sold or leased, and the plan amendment proposed by the owner or lessee would substantially increase the value of the land as estimated by an appraisal or would compete with land uses elsewhere on land included under the plan, then as a condition for approving the amendment, the commissioner may require additional consideration.

Sec. 171. Section 37-602, Arizona Revised Statutes, is amended to read:

37-602. Notice

Not less than thirty days ~~prior to~~ BEFORE the actual exchange of such land, the governing body of any county, city, town or school district having control of the land shall cause to be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the county in which the land is located a notice of intent to exchange the property, together with a description thereof, and a description of the property to be received in exchange therefor, together with other terms and conditions of the exchange.

Sec. 172. Section 37-604.01, Arizona Revised Statutes, is amended to read:

37-604.01. Exchange of state subsurface rights and interests

A. The department and selection board, for the purpose of consolidating surface and subsurface ownership, may exchange unleased or unclaimed subsurface rights and interests and leased oil and gas rights and interests, managed by the state land department for subsurface rights and interests owned by others.

B. Such exchanges shall be subject to the following requirements:

1. All subsurface rights and interests exchanged shall be of substantially equal value.

2. Exchanges of subsurface rights and interests leased for oil and gas shall only be made with the United States of America.

3. Leases for oil and gas on subsurface rights and interests exchanged pursuant to this article shall remain in full force and effect for the term of the lease.

4. Before any of the state subsurface rights and interests may be considered for exchange under ~~the provisions of~~ this article, they shall be classified as suitable for purposes in accordance with ~~the provisions of~~ section 37-212.

5. ~~Prior to~~ BEFORE any exchange of subsurface rights and interests, the state land department shall give thirty days' notice in writing to other interested state agencies, counties, municipalities and leaseholders on such lands that are or may be affected by the exchange.

6. Subsurface rights and interests conveyed to the state under this article, ~~shall, upon~~ ON the acceptance of title and records, SHALL be dedicated to the same purpose and administered under the same laws ~~which~~ THAT the lands conveyed were subject to.

C. Any person ~~may~~, within ten days ~~of~~ AFTER the date of notice as provided ~~herein~~ IN THIS SECTION, MAY file a written protest of the exchange at the state land department. ~~Upon~~ ON receipt of such a protest to a contemplated exchange pursuant to this section, the state land commissioner ~~shall~~, not later than thirty days after receipt of the protest, SHALL hold a public hearing at the county seat of the county in which the state lands proposed to be exchanged are located to hear any and all matters relevant to

the proposed exchange. Notice of the public hearing shall be mailed to all ~~protestants~~ PERSONS WHO FILED A PROTEST and published at least weekly during the thirty-day period ~~prior to~~ BEFORE the date of the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

D. The state land department may ~~promulgate~~ ADOPT rules and regulations governing application and procedures for exchanges of subsurface rights and interests.

Sec. 173. Section 37-609, Arizona Revised Statutes, is amended to read:

37-609. Exchange of sovereign lands

A. For proper management of state land, the department may exchange the surface or subsurface rights and interests in sovereign lands of this state that are managed by the department for surface or subsurface rights and interests in federal lands, state lands of another state or lands owned by other agencies or subdivisions of this state.

B. The department may not exchange sovereign land of this state for other lands under this section unless:

1. The commissioner determines that the exchange is in the best interest of the state.

2. The commissioner determines by at least one independent appraisal that either of the following conditions ~~apply~~ APPLIES to the exchange:

(a) The fair market value of the sovereign land of this state that is included in the proposed exchange is substantially equal to the fair market value of the other land that is included in the proposed exchange.

(b) The fair market value of the sovereign land of this state that is included in the proposed exchange is greater than the fair market value of the other land that is included in the proposed exchange and this state will be compensated for the difference in value with a cash payment to the department from the other party in the exchange.

C. At least sixty days before any exchange under this section, the department shall:

1. Publish a notice of the proposed exchange ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the majority of state land that is included in the exchange is located. A notice under this paragraph shall include:

(a) The identity of the parties to the exchange.

(b) A description of all property included in the exchange.

(c) The terms and conditions of the exchange.

(d) The address to which written comments on the exchange may be mailed for the commissioner's consideration. The comments must be mailed within thirty days after the date of the notice.

2. Give written notice of the proposed exchange to:

(a) The county or counties in which the state land included in the exchange is located.

(b) Any municipality in which the state land included in the exchange is located.

(c) Any person with an interest of record in the state land that is included in the exchange.

D. Notice given by the department pursuant to subsection C, paragraph 2 OF THIS SECTION shall be by certified mail and include the information listed in subsection C, paragraph 1 OF THIS SECTION.

E. If the sovereign lands of this state that are included in the proposed exchange are located in another state, the notification requirements under subsection C OF THIS SECTION shall be applied to the Arizona county that is nearest the lands.

F. In determining whether a proposed exchange is in the best interest of this state, the commissioner shall consider written comments received by the department pursuant to subsection C OF THIS SECTION.

G. Land conveyed to this state pursuant to this section shall become sovereign land of this state on acceptance of title and recording.

H. Monies paid to the department pursuant to subsection B, paragraph 2, subdivision (b) OF THIS SECTION shall be promptly transferred to the state treasurer for deposit in the appropriate fund.

Sec. 174. Section 37-615, Arizona Revised Statutes, is amended to read:

37-615. Exchange of road rights-of-way on state land; procedure; limitation and exceptions

A. The state land department and selection board, for reasons of proper management, control, protection, or public use of state lands, may exchange road rights-of-way over state lands managed by the state land department for road rights-of-way over any other land within the state. The exchange may be made for road rights-of-way over land owned or held by the United States or an agency thereof, other state agencies, counties or municipalities and privately owned lands.

B. The state land department shall adopt rules governing the application and procedure for exchange of road rights-of-way over state land. Such rules shall include the following requirements:

1. The application shall include:

(a) The name, age and residence of the applicant.

(b) A description of all road rights-of-way sought to be exchanged.

(c) A list of permanent improvements on the road rights-of-way to be exchanged.

(d) Any leasehold interest in the land affected by the proposed exchange.

(e) Accompanying agreements, if any, with the leaseholder or owner of improvements on the land affected by the proposed exchange.

2. Payment of fees prescribed for that purpose pursuant to section 37-107.

3. An application initiated by a private owner shall be accompanied by a deposit equal to the estimated cost of appraising the value of the road rights-of-way on any privately owned property to be exchanged.

4. Such additional requirements may be imposed as the state land department from time to time determines to be necessary.

C. The exchange of road rights-of-way over state lands shall be subject to the following requirements:

1. All road rights-of-way exchanged shall be of substantially equal value.

2. All road rights-of-way over state lands offered for trade pursuant to this section must be located in the same county as the road rights-of-way over lands offered to the state.

3. ~~Prior to~~ BEFORE any exchange of road rights-of-way over state lands for road rights-of-way over privately owned lands, the state land department and selection board shall give thirty days' notice in writing to other interested state agencies, counties, municipalities~~,~~ and leaseholders on such lands that are or may be affected by the trade.

4. Before any road rights-of-way over state land may be considered for exchange under ~~the provisions of~~ this article, the land shall be classified as suitable for such purposes in accordance with ~~the provisions of~~ section 37-212.

5. Any person adversely affected by such decision may appeal from the decision as provided in section 37-215.

D. Any person ~~may~~, within ten days ~~of~~ AFTER the date of notice as provided ~~herein~~ IN THIS SECTION, MAY file a written protest of the exchange at the state land department offices at the state capitol ~~upon~~ ON forms provided by the state land department. ~~Upon~~ ON receipt of such a protest to a contemplated exchange pursuant to this section, the state land commissioner ~~shall~~, not later than thirty days after receipt of the protest, SHALL hold a public hearing at the county seat of the county in which the state lands proposed to be exchanged are located to hear any and all matters properly subject to the proposed exchange. Notice of the public hearing shall be mailed to all ~~protestants~~ PERSONS WHO FILED A PROTEST and published one time ~~prior to~~ BEFORE the date of the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

Sec. 175. Section 37-802, Arizona Revised Statutes, is amended to read:

37-802. Disposition of real property by state agency; alternative fuel delivery systems; definition

A. Unless another procedure is prescribed by law, the director or other chief administrative officer of a state agency may lease or convey real property or any right, title or interest in real property as prescribed by this section if the agency director or other chief administrative officer of a state agency determines that it is no longer needed or used for public purposes.

B. Unless the property is subject to a right of reversion to a previous owner or the previous owner's successors in interest, the agency director or other chief administrative officer of a state agency may lease or convey:

1. Real property to another agency of this state, any county, municipality or other political subdivision or any school district of this state without the necessity of a public sale if the real property will be used for an alternative fuel delivery system. The transferee agency shall pay the transferor agency for a conveyance made pursuant to this section based on a current appraisal establishing the fair market value of the property.

2. Other marketable real property to the highest and most responsible bidder at a public auction or by direct sale or exchange after at least thirty days' notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the property is located. At least two independent appraisals are required for property that is offered, and the property shall not be offered or conveyed for less than the amount of the low appraisal. All purchase offers are public, and any person may submit a subsequent offer that matches or exceeds a previous purchase offer.

C. The sale shall be for cash or on terms of at least twenty per cent down payment with the balance payable in annual amortized installments for ten years, the unpaid balance to bear interest at a rate determined by the agency director.

D. The agency director or other chief administrative officer may execute all deeds or conveyances necessary to lease or convey any real property or interest in the real property to be leased or conveyed under this section and may assess a fee for the costs of preparing and executing any lease or conveyance under this section. The agency director or other chief administrative officer may insert in any deed or conveyance conditions, covenants, exceptions and reservations the agency director considers to be in the public interest or may convey in fee simple absolute.

E. A conclusive presumption exists in favor of any purchaser for value and without notice of any real property or interest in the real property leased or conveyed pursuant to this section that the agency acted within its lawful authority in acquiring the property, and that the agency director or other chief administrative officer acted under lawful authority in executing any deed, conveyance or lease authorized by this section.

F. For THE purposes of this section, "alternative fuel delivery system" means any facility that provides for the fueling of an alternative fuel vehicle.

Sec. 176. Section 37-803, Arizona Revised Statutes, is amended to read:

37-803. Disposition of real property by state agency

A. Unless another procedure is prescribed by law, the director or other chief administrative officer of a state agency may dispose of real

property or any right, title or interest in real property as prescribed by this section if the agency director determines that the real property is no longer needed or used for public purposes by that agency.

B. Unless the property is subject to a right of reversion to a previous owner or the previous owner's successors in interest:

1. The agency director may convey the real property to an agency of the federal government, to another agency of this state or to any county, municipality, school district or other political subdivision of this state or charter school in this state without the necessity of a public sale if the agency director considers the conveyance to be in the public interest and if the real property will be used for a specific purpose in the public interest. The transferee agency shall pay the transferor agency for such a conveyance based on an appraisal prepared within the last one hundred eighty days by a certified real estate appraiser establishing the fair market value of the property to be conveyed.

2. The agency director may convey other marketable property to the highest and most responsible bidder at a public auction or by direct sale or exchange after at least thirty days' notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the property is located. At least two independent appraisals are required for property that is offered, and the property shall not be offered or conveyed for less than or the amount of the low appraisal. All purchase offers are public, and any person may submit a subsequent offer that matches or exceeds a previous purchase offer.

C. The sale shall be for cash or on terms of not less than twenty per cent down payment with the balance payable in annual amortized installments for ten years, the unpaid balance to bear interest at a rate determined by the agency director.

D. The agency director may execute all deeds or conveyances necessary to convey any real property or interest in the real property to be conveyed under this section and may assess a fee for the costs of preparing and executing any conveyance under this section. The agency director may insert in any deed or conveyance such conditions, covenants, exceptions and reservations as the agency director considers to be in the public interest or may convey in fee simple absolute.

E. A conclusive presumption exists in favor of any purchaser for value and without notice of any real property or interest in the real property conveyed pursuant to this section that the agency acted within its lawful authority in acquiring the property and that the agency director acted under lawful authority in executing any deed, conveyance or lease authorized by this section.

F. The agency may adopt rules for using licensed real estate brokers to assist in any disposition of property under this section. The agency director may pay a commission, from proceeds received under this section, to

a broker who provides the purchaser unless the broker is the purchaser or lessee or the purchaser is another governmental agency.

Sec. 177. Section 37-1002, Arizona Revised Statutes, is amended to read:

37-1002. Definitions

In this chapter, unless the context otherwise requires:

1. "Agency of the state" includes the government of the state and any subdivision, agency or instrumentality, corporate or otherwise, of the state government.

2. "Agricultural lands" means irrigated farm lands or dry farm lands devoted to the purpose of agriculture.

3. "Commissioner" or "state natural resource conservation commissioner" means the state land commissioner.

4. "Department" means the state land department.

5. "District" means a natural resource conservation district organized in accordance with ~~the provisions of~~ this chapter.

6. "District cooperator" means any person who has entered into a cooperative agreement with a natural resource conservation district for the purpose of protecting, conserving and practicing wise use of the natural resources under ~~his~~ THE PERSON'S control.

7. "Due notice" means notice published at least twice with an interval of at least six days between the two publication dates, ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the area affected, or if there is no ~~newspaper of general circulation~~ PUBLIC MEDIUM PUBLISHED within the area affected, ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the area is located.

8. "Government" or "governmental" includes the government of the state, the government of the United States, and any subdivision, agency or instrumentality, corporate or otherwise, of either of them.

9. "Irrigation district" means an irrigation district, drainage district, water conservation district~~,~~ OR agricultural improvement district~~,~~ and~~, in addition thereto,~~ includes any district, political subdivision, government agency, canal company, association, corporation or instrumentality of the state, having territorial boundaries and created or organized for the purpose of furnishing irrigation water for lands in the state.

10. "Landowner" or "owner of land" means any person, firm or corporation, including the state, holding title to any land lying within a district organized or proposed to be organized under ~~the provisions of~~ this chapter, and includes a buyer on contract who is the occupant of land~~. For the purposes of this chapter,~~ OR a holder of a certificate of purchase or lease from the state ~~shall be considered the "landowner" or "owner of land"~~.

11. "Nominating petition" means a petition to nominate candidates for the office of supervisor.

12. "Petition" means a petition for the creation or for the dissolution of a district.

13. "Qualified elector" means a person who is a district cooperator and a qualified elector of the state.

14. "Range lands" means lands other than agricultural lands ~~and~~ THAT ARE devoted principally to the purpose of grazing livestock.

15. "Supervisor" means a member of the governing body of a district~~,~~ WHO IS elected or appointed in accordance with ~~the provisions of~~ this chapter.

16. "United States" or "agencies of the United States" includes the United States, the United States department of agriculture and any other agency or instrumentality, corporate or otherwise, of the United States.

Sec. 178. Section 37-1032, Arizona Revised Statutes, is amended to read:

37-1032. Hearing on petition; notice

A. Within ninety days after a petition has been accepted by the commissioner, notice shall be given by publication ~~in at least two issues~~, at intervals of not less than six days, ~~of a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the area affected, or if there is no such ~~newspaper~~ PUBLIC MEDIUM, a ~~newspaper of general circulation~~ PUBLIC MEDIUM PUBLISHED within the county, of a hearing ~~upon~~ ON:

1. The desirability and necessity, in the interest of preservation of property, health, safety and public welfare, of the creation of such A district.

2. The appropriate boundaries to be assigned to the district.

3. The propriety of the petition and other proceedings taken.

4. All related questions.

B. All owners of land within the limits of the territory described in the petition and of lands within any territory considered for addition to the described territory, and all other interested parties, may attend and be heard at such A hearing.

C. If it appears on the hearing that it is desirable to include within the proposed district territory outside the area described in the petition, the hearing shall be adjourned and notice of further hearing given, in the manner provided by this section, in the entire area considered for inclusion in the district.

Sec. 179. Section 37-1123, Arizona Revised Statutes, is amended to read:

37-1123. Receiving and compiling evidence and records

A. The commission shall receive, review and consider all relevant historical and other evidence presented to the commission by the state land department and by other persons regarding the navigability or nonnavigability of watercourses in this state as of February 14, 1912, together with associated public trust values, except for evidence with respect to the

Colorado river, and, after public hearings conducted pursuant to section 37-1126:

1. Based only on evidence of navigability or nonnavigability, determine which watercourses were not navigable as of February 14, 1912.

2. Based only on evidence of navigability or nonnavigability, determine which watercourses were navigable as of February 14, 1912.

3. In a separate, subsequent proceeding pursuant to section 37-1128, subsection B, consider evidence of public trust values and then identify and make a public report of any public trust values that are now associated with the navigable watercourses.

B. Before receiving, reviewing or considering any evidence pursuant to subsection A of this section for a particular watercourse, the commission shall publish notice once each week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which the watercourse is located. The notice shall include:

1. A statement of the intent to receive, review and consider evidence.

2. An address to which interested parties may submit evidence for the commission's review.

3. A date by which evidence must be submitted.

4. A general description of the procedures the commission will use to review the evidence.

C. Private citizens, clubs, organizations, corporations, partnerships, unincorporated associations, municipal corporations and public entities may present evidence to the commission at a hearing according to commission rules. The submission of evidence by any party pursuant to the commission's notice under subsection B of this section does not preclude that party from submitting additional evidence at any hearing before the commission.

D. The state land department shall consult and coordinate its efforts to gather evidence of navigability and public trust values with the department of water resources, the ARIZONA game and fish department, the ARIZONA state parks board and other interested persons and public and private entities. The commission shall consider the information that those persons and entities have compiled regarding the navigability of watercourses.

E. After public notice, the commission shall set priorities for investigating and conduct hearings on the navigability of the watercourses in this state. In setting the priorities, the commission shall consider:

1. The number and value of parcels of real property that are affected by a state claim of sovereign ownership to the bed of the watercourse.

2. The degree of hardship to private parties and political subdivisions due to title uncertainties relating to the bed of the watercourse.

3. The significance of the public trust values associated with the watercourse and the degree to which those values are threatened.

4. The potential viability of this state's sovereign claims to the watercourse, giving higher priority consideration to more viable claims.

F. A person who is aggrieved by the undetermined navigability status of a watercourse may petition the commission to modify the priority set under subsection E of this section and grant expedited consideration for a particular watercourse. The commission shall grant the petition if justified by the factors listed in subsection E of this section.

G. No judicial action seeking a determination of navigability of a watercourse, to establish or obtain ownership of land within the bed and banks of a watercourse or to determine any public trust values associated with a watercourse may be commenced, continued or completed unless the commission has made a final determination with respect to the watercourse pursuant to section 37-1128. This subsection does not preclude the department from seeking a temporary restraining order or injunctive relief at any time to prevent loss or damage to public trust resources.

H. Notwithstanding subsection G of this section, any condemnation action by this state or a political subdivision of this state may proceed to trial and conclusion, including the payment of compensation, regardless of the potential claim of title by this state based on the navigability of the watercourse. In any action commenced or continued pursuant to this subsection, the court shall not consider or decide the navigability of the watercourse. Any judgment in any action commenced or continued pursuant to this subsection shall be subject to a potential claim of title by this state based on the navigability of the watercourse.

Sec. 180. Section 37-1126, Arizona Revised Statutes, is amended to read:

37-1126. Hearings; notice

A. The commission shall schedule public hearings to receive additional evidence and testimony relating to navigability or nonnavigability of each watercourse, and, if the commission finds a watercourse is navigable, the commission shall schedule public hearings to identify and make a public report of any public trust values associated with the watercourse. The hearings shall be held at the commission's office or, in the case of a hearing concerning a watercourse located principally outside of Maricopa county, at the county seat of the county in which the predominant portion of the particular watercourse is located. The commission may schedule additional hearings at other locations at the commission's discretion.

B. At least thirty days before any public hearing under this section, the commission shall cause notice of the hearing to be published in two ~~newspapers~~ PUBLIC MEDIA, one of statewide circulation and another of general circulation in the county where the hearing is to be held. In addition, the commission shall mail notice of the hearing to any person who has previously requested notice of hearings in writing from the commission.

Sec. 181. Section 39-201, Arizona Revised Statutes, is amended to read:

39-201. Definition of public medium

A. In this chapter, unless the context otherwise requires, ~~"newspaper"~~ "PUBLIC MEDIUM" means a publication regularly issued for dissemination of news of a general and public character at stated short intervals of time. Such A publication shall be from a known office of publication and shall bear dates of issue and be numbered consecutively. It shall not be designed primarily for advertising, free circulation or circulation at nominal rates, but shall have a bona fide list of paying subscribers.

B. ~~"Newspaper" shall~~ A PUBLIC MEDIUM DOES not include a publication ~~which~~ THAT has not been admitted under federal law as second-class matter in the United States mails for at least one year.

Sec. 182. Section 39-202, Arizona Revised Statutes, is amended to read:

39-202. Contract for public printing; bids; award

A. All bids for public printing by a ~~newspaper~~ PUBLIC MEDIUM shall be accompanied by AN affidavit of the publisher that the ~~newspaper~~ PUBLIC MEDIUM complies with ~~the provisions of~~ section 39-201.

B. Contracts for publishing any notice or matter, the cost of which is paid from public funds, shall be awarded at public bidding only when:

1. The publisher has filed the affidavit required by subsection A OF THIS SECTION.

2. The ~~newspaper~~ PUBLIC MEDIUM is published within the state.

Sec. 183. Section 39-203, Arizona Revised Statutes, is amended to read:

39-203. Number of publications for compliance with requirement of notice for specified time

A. When notice is provided by law to be given for a specified number of days or weeks, if by publication in a daily ~~paper~~ PUBLIC MEDIUM, it shall be published four days of the seven in the week, and if by publication in a weekly ~~paper~~ PUBLIC MEDIUM, it shall be published one day in each week.

B. One insertion each week ~~in papers~~ ON A PUBLIC MEDIUM published weekly, and four insertions each week ~~in papers~~ ON A PUBLIC MEDIUM published daily, shall constitute seven days' notice.

Sec. 184. Section 39-204, Arizona Revised Statutes, is amended to read:

39-204. Publication of notice; time; place

A. When publication of a notice ~~in a newspaper~~ ON A PUBLIC MEDIUM is directed or authorized by law, it shall be ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM printed in English.

B. If the number of times the notice is to be published is not specified, publication shall be:

1. If in a weekly ~~newspaper~~ PUBLIC MEDIUM, once each week for two consecutive weeks.

2. If in a daily ~~newspaper~~ PUBLIC MEDIUM, four consecutive times.

C. ~~If the place of publication of the notice is not specified,~~ NOTWITHSTANDING ANY OTHER LAW, publication shall be:

1. If by a state officer, board~~,~~ or commission, ~~in a newspaper printed and~~ ON A PUBLIC MEDIUM HAVING THE LARGEST CIRCULATION published within the county where the state capital is located. NOTICES MAY BE PUBLISHED ON ADDITIONAL PUBLIC MEDIUMS.

2. If by a county officer, board~~,~~ or commission, or by any person in a county, ~~in a newspaper printed and~~ ON A PUBLIC MEDIUM HAVING THE LARGEST CIRCULATION published within such county NEAREST TO THE VICINITY OF THE AFFECTED AREA. If no ~~such newspaper~~ PUBLIC MEDIUM is ~~printed and~~ published within the county, publication may be made ~~in a newspaper of general circulation in the county which is printed~~ ON A PUBLIC MEDIUM HAVING THE LARGEST CIRCULATION THAT IS PUBLISHED in an adjoining county NEAREST TO THE VICINITY OF THE AFFECTED AREA. NOTICES MAY BE PUBLISHED ON ADDITIONAL PUBLIC MEDIUMS.

3. If by a district, city or town officer, board~~,~~ or commission, or by any person in a district, city or town, ~~in a newspaper printed and~~ ON A PUBLIC MEDIUM HAVING THE LARGEST CIRCULATION published within the territorial limits thereof NEAREST TO THE VICINITY OF THE AFFECTED AREA. If no ~~such newspaper is printed and~~ PUBLIC MEDIUM IS published within the limits thereof, publication may be made ~~in a newspaper printed and~~ ON A PUBLIC MEDIUM HAVING THE LARGEST CIRCULATION published in the county in which the district, city or town is located NEAREST TO THE VICINITY OF THE AFFECTED AREA. NOTICES MAY BE PUBLISHED ON ADDITIONAL PUBLIC MEDIUMS.

Sec. 185. Section 39-205, Arizona Revised Statutes, is amended to read:

39-205. Proof of publication; filing

A. An affidavit by the publisher, or ~~his~~ AN agent in ~~his~~ THE PUBLISHER'S behalf, with a copy of the publication thereto attached, stating the name of the ~~paper~~ PUBLIC MEDIUM in which published, the place of publication, the date of each publication, and that the copy thereto attached is a true copy, shall be sufficient proof of publication and primary evidence of all facts stated therein.

B. The affidavit shall be filed in the office of the officer or board by whose authority the publication was made.

Sec. 186. Section 39-221, Arizona Revised Statutes, is amended to read:

39-221. Price for printing; size of type

A. The maximum price ~~which~~ THAT shall be paid for public printing and advertising, and for publications required by law, shall be at a rate per column inch, per insertion, charged for legal advertising as shown by the local rate card of the ~~newspaper in~~ PUBLIC MEDIUM ON which publication is to be made.

B. THE RATE CHARGED FOR PUBLIC PRINTING AND ADVERTISING, AND FOR PUBLICATIONS REQUIRED BY LAW, SHALL NOT EXCEED THE RATE CHARGED ON JANUARY 1, 2013.

~~B.~~ C. Unless otherwise specifically provided by law, the type used for such publications and legal advertising shall not be larger than the regular body type of the ~~newspaper in~~ PUBLIC MEDIUM ON which it is published.

Sec. 187. Section 40-283, Arizona Revised Statutes, is amended to read:

40-283. Transmission lines; use of public streets for utility right-of-way; notice; election

A. Any person engaged in transportation or transmission business within the state may construct and operate lines connecting any points within the state and connect at the state boundary with like lines, except that within the confines of municipal corporations the use and occupancy of streets shall be under rights acquired by franchises according to law or licenses pursuant to title 9, chapter 5, articles 1.1 and 4, and subject to control and regulation by the municipal authorities. The use of highways, except state highways, by public utilities not within any incorporated city or town shall be regulated by the board of supervisors of the county by license or franchise.

B. A board of supervisors in granting a license or franchise, or at any time after it is granted, may impose restrictions and limitations ~~upon~~ ON the use of the public roads as it deems best for the public safety or welfare.

C. Every franchise granted under this article shall include provisions requiring the grantee to bear all expenses, including damage and compensation for any alteration of the direction, surface, grade or alignment of a county road, made for the purpose of such franchise. If the surface of a county highway is used by any grantee for trackage, the franchise shall include reasonable regulations for maintenance by the grantee of that portion of the highway so used.

D. A board of supervisors may authorize public service corporations, telecommunications corporations or cable television systems to construct a line, plant, service or system within the right-of-way of any road, highway or easement that is designated for access or public use by plat or survey of record of a subdivision, or of unsubdivided land as defined in section 32-2101, provided that any such authorization or construction pursuant to such authorization does not impose on the county the duty of maintaining the road or highway unless the county accepts the road or highway into the county maintenance system by appropriate resolution. Nothing contained in this subsection shall be construed to grant county boards of supervisors additional authority to require public service corporations, telecommunications corporations or cable television systems to obtain licenses or franchises.

E. A board of supervisors, before granting any of the privileges authorized under this section, shall give public notice of its intention to make such A grant by publishing notice ~~in a newspaper of general circulation,~~ ON A PUBLIC MEDIUM published within the county, at least once a week for three weeks ~~prior to~~ BEFORE the day set for consideration of such action. If, on or before such date, more than fifty per cent of the qualified electors of the county petition the board of supervisors to deny such privilege, it shall do so, and any privilege granted against such petition shall be void.

Sec. 188. Section 40-344, Arizona Revised Statutes, is amended to read:

40-344. Hearing on petition; notice

A. ~~Upon~~ ON receipt of a petition to establish an underground conversion service area, the corporation commission, board of supervisors or city or town council shall set a date for a hearing on the petition, which date shall be not later than sixty days nor sooner than thirty days after receipt of such petition. At the hearing all interested property owners owning property within the proposed underground conversion service area may appear and be heard on the matter. Any person owning property within the proposed underground conversion service area and wishing to withdraw such person's signature from the petition of owners referred to in section 40-343, subsection A, or object to the establishment of the underground conversion service area or to the underground conversion costs as contained in the joint report pertaining to his lot or parcel included within the proposed underground conversion service area ~~shall~~, not later than ten days before the date set for the hearing, SHALL file such person's objections with the clerk of the city or town council or the board of supervisors or with the corporation commission, as the case may be.

B. Notice announcing the hearing and describing the boundaries of the proposed underground conversion service area and stating that the estimated underground conversion costs for each lot or parcel included within the proposed underground conversion service area are available at the office of each public service corporation or public agency shall be posted in not less than three public places within the proposed underground conversion service area for not less than thirty days ~~prior to~~ BEFORE the date of the hearing and shall be published once ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county ~~and of general circulation~~ within the proposed underground conversion service area. The publication ~~in the newspaper~~ ON A PUBLIC MEDIUM shall be not less than twenty days ~~prior to~~ BEFORE the date of the hearing.

C. In the case of public service corporation, the corporation commission shall mail not less than thirty days before the date set for the hearing a notice announcing the hearing and stating the boundaries of the proposed underground conversion service area to each owner of a lot or parcel of land within the boundaries of the proposed underground conversion service area, as reflected on the records of the county assessor and to those

governmental agencies having rights in public places within such area. The public service corporation or corporations involved and all property owners within the underground conversion service area shall be deemed parties to the proceedings for the purposes of applications for rehearings or appeals as provided in sections 40-253 and 40-254.

D. If the corporation commission issues an order establishing an underground conversion service area, the public service corporation shall not be required to commence conversion until the time for requesting rehearing has expired and no application has been filed, or if an application for rehearing has been filed, until the commission has declined to modify or reverse the order, and until either the time for commencing an action in the superior court to set aside the order has expired and no application has been filed, or if application has been filed, until a final order, not subject to appeal, approving or refusing to set aside the commission's order has been issued.

E. In the case of public service corporations ~~which~~ THAT are locally regulated and licensed by a municipality, the city or town council shall mail not less than thirty days before the date set for the hearing a notice announcing the hearing and stating the boundaries of the proposed underground conversion service area to each owner of a lot or parcel of land within the boundaries of the proposed underground conversion service area, as reflected on the records of the county assessor and to those governmental agencies having rights in public places within such area. If the city or town council issues an order establishing an underground conversion service area, the public service corporation shall not be required to commence conversion until the time for commencing any action to set aside the order as provided by subsection F of this section has expired and no such action has been commenced, or if commenced, such action has been finally disposed of.

F. Any party aggrieved by any act of the city or town council in the establishment of an underground conversion service area may bring an action in the superior court of the county in which the underground conversion service area is located to set aside the action of the city or town council not later than twenty days after the order of the city or town council establishing the underground conversion service area.

G. In case of public agencies or public service corporations not under the jurisdiction of the corporation commission and regulated by the board of supervisors, the board of supervisors shall mail not less than thirty days before the date set for the hearing a notice announcing the hearing and stating the boundaries of the proposed service area to each owner of a lot or parcel of land within the boundaries of the proposed service area, as reflected on the records of the county assessor and those governmental agencies having rights in public places within the area. If the board of supervisors issues an order establishing an underground conversion service area, the public agency shall not be required to commence conversion until the time for commencing any action to set aside the order as provided by

subsection F of this section has expired and no such action has been commenced, or if commenced, such action has been finally disposed of.

H. Any party aggrieved by any act of the board of supervisors in the establishment of an underground conversion service area may bring an action in the superior court ~~of~~ IN the county in which the underground conversion service area is located to set aside the action of the board of supervisors not later than twenty days after the order of the board of supervisors establishing the underground conversion service area.

I. The costs of posting, publication and mailing provided for in this section shall be assessed by the city or town council, the board of supervisors or the corporation commission on a pro rata basis to each public service corporation or public agency whose overhead electric or communication facilities are to be included in the proposed underground conversion service area.

J. The corporation commission or the board of supervisors shall not establish any underground conversion service area without prior approval of such establishment by resolution of the local government.

K. If the underground conversion service area contains overhead electric or communication facilities of a public service corporation and public agency, then neither the public service corporation nor the public agency shall be required to commence conversion until the corporation commission's order, the board of supervisors' order or the city or town council's order has become final.

Sec. 189. Section 40-806, Arizona Revised Statutes, is amended to read:

40-806. Call for installments on stock subscriptions; notice; action to collect from defaulting subscriber

The directors may make calls on stock subscriptions in installments of not more than ten per cent per month, unless otherwise stipulated in the subscription. Notice of each call shall be given the stockholders by mail, and shall be published once a week, for at least four weeks, ~~in a newspaper~~ ON A PUBLIC MEDIUM published at the principal place of business of the corporation. If the subscriber defaults, action may be brought for collection of the subscription called, or so much of the stock as will be necessary to pay the call and the costs of sale may be sold at public auction in the manner provided in the ~~by-laws~~ BYLAWS.

Sec. 190. Section 40-1002, Arizona Revised Statutes, is amended to read:

40-1002. Sale; notice; posting and publication

A. At the expiration of the three months' period as provided by section 40-1001, the carrier may sell the freight or baggage at public auction for cash, at the place of delivery, or at the county seat of the county in which the place of delivery is located, after ten days' public notice.

B. Notice may be given by one publication at least ten days ~~prior to~~ BEFORE the date of the sale ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the city or town where the sale is to take place, or if there is no ~~such newspaper~~ PUBLIC MEDIUM published at the place of sale, then in the ~~newspaper~~ PUBLIC MEDIUM published nearest thereto, and by posting notices in three conspicuous places at the place of sale for at least ten days next preceding the date of the sale.

C. The notice shall contain a general description of the freight or baggage to be sold, the check number and the name of the consignee, name of the consignor, and the place where shipped from, if known, and the amount of unpaid charges thereon, if any, and the time, place and terms of sale.

Sec. 191. Section 40-1121, Arizona Revised Statutes, is amended to read:

40-1121. Board of directors of authority; qualifications; appointment; terms; oath; meetings; compensation

A. All powers, privileges and duties vested in a metropolitan public transit authority shall be administered by a board of directors consisting of at least five and not more than eleven members. Each member shall be a resident of the area covered by the authority. The initial board shall consist of five members as appointed by the governing body or bodies of the originating municipalities or counties. If the authority is organized by more than one municipality or county, the initial board shall be appointed by the governing bodies of such municipalities or counties with each such municipality or county having five votes for such selections. Such vote may be cast by a municipality or county for one member or may be divided among any number of prospective appointees, not exceeding five. The governing bodies of any such municipalities or counties in making such appointments shall provide for equal representation on a population basis to all areas within the operating area except each municipality or county the area or a portion of the area of which is included within the authority shall have at least one resident as a member of the board. The initial board shall serve until January 1 of the year succeeding the next general election of the state. The term of office of all elected boards of directors shall be four years. Each four years an election shall be held for the purpose of voting for members of the board, and the election shall be held at such time and conducted in such manner as prescribed by the governing body or bodies of the originating municipalities or counties. Appointment to fill a vacancy caused other than by expiration of term shall be made by resolution of the board, ~~upon~~ ON nomination of the governing body or bodies of the municipalities or counties entitled to representation on the board.

B. At least twelve weeks preceding the date of the next state general election, the governing body or bodies of the originating municipalities or counties shall call an election to be held for the succeeding board of directors. The call for election shall specify the number of directors to be voted for and what areas each is to represent. The governing body or bodies

calling the election shall provide for equal representation on a population basis to all areas within the operating area except each municipality, county, or portion thereof if all the municipality or county is not within the authority, shall have at least one resident as a member of the board. The governing body or bodies calling the election shall prescribe the manner in which candidates of the board of directors shall qualify in order to have their names printed on the ballots.

C. The governing body or bodies calling the election shall set the day for the election to be held, which ~~day~~ shall be not less than six weeks after the call of the election. Notice of the election must be published once ~~in a daily or weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the boundaries of the authority. The election shall be held as nearly as possible in conformity with the general election law. The governing body or bodies shall meet within thirty days following the election to canvass and to certify the results of the election. Only qualified electors residing within the boundaries of the authority on the date of the election shall be entitled to vote at such election. Electors may only vote for qualified candidates to represent the area in which such electors reside.

D. The governing body or bodies calling the election may provide that the election shall be held on the same date as the next state general election. It may require the board of supervisors of the county or counties in which the authority is located to conduct the election for the board of directors in conjunction with its holding of the next state general election. The election shall be held at the same polling places and conducted by the same election officials as at the state general election, but separate ballots shall be used and those offering to vote shall sign an affidavit relating to their qualification to vote in the election for the board of directors. In the event the county sustains any additional expense above the normal expenditures incurred in connection with the general election, the authority shall reimburse the county for such additional expenditures.

E. Each director, before entering ~~upon~~ ON the duties of ~~his~~ office, shall take the oath of office, a copy of which shall be filed with the secretary of state and a copy thereof with the secretary of the authority.

F. The initial meeting of a board shall be held at the time and place fixed by the governing body or bodies creating the authority, and at this first meeting shall elect from among its membership a president, a vice-president and a secretary, each of whom shall serve in such capacity for a period of two years.

G. A majority of all members of the board shall constitute a quorum for the transaction of business.

H. Directors shall each receive twenty-five dollars a day for attendance at board meetings, but not to exceed fifty dollars in one calendar month, and shall be reimbursed for travel to and from such meetings at the rate of ten cents per mile.

Sec. 192. Section 40-1122, Arizona Revised Statutes, is amended to read:

40-1122. Powers and duties of the board

A. The board of directors shall:

1. Be the governing body of the authority and, in compliance with ~~the provisions of~~ this article, shall determine all questions of policy of the authority.

2. Fix the time and place at which its regular meeting shall be held, and shall provide for the calling and holding of special meetings.

3. Determine what transportation facilities should be acquired or constructed to provide the standards of public service determined by it to be necessary and reasonably supportable.

4. Fix the location of the principal place of business of the authority and the location of all offices and departments.

5. Supervise and regulate every transportation facility owned and operated by the authority, including the fixing of routes, rates, fares, rentals, charges and classifications thereof, and the making and enforcement of rules, regulations, contracts, practices~~,~~ and schedules for or in connection with any transportation facility owned or controlled by the authority. The board shall establish such policies, insofar as practical, so as to result in revenue ~~which~~ THAT will make the authority self-supporting.

6. Prescribe by resolution a system of business administration and create any and all necessary offices and positions of employment, and select and employ, and establish and reestablish, the powers, duties and compensation of all officers and employees, prescribe the periods, terms and conditions of their employment, and require and fix the amount of all official bonds necessary for the protection of funds and property of the authority.

7. Cause a semiannual audit to be made on all books and accounts of the authority by an independent certified public accountant.

8. As soon as practical after the close of each fiscal year, submit to the chief administrative officer and the governing body of any city and any county whose area or a portion thereof is within the authority a financial report showing the result of operations during the preceding fiscal year and the financial status of the authority on the final day thereof. Copies of the report shall be supplied to the general public ~~upon~~ ON request and shall be published ~~in the newspaper having the largest circulation in the authority~~ ON A PUBLIC MEDIUM.

B. The board of directors may:

1. Contract and take all actions and proceedings and do any and all other things necessary to carry out the purposes of this article.

2. Contract for or employ any professional services required by the authority or for the performance of work or services for the authority, which, in the opinion of the board, cannot satisfactorily be performed by the officers or the employees of the authority.

3. Adopt bylaws to govern the operation of the authority.

4. By resolution, delegate and redelegate to officers of the authority power to employ clerical, legal and engineering assistance and labor, and, under such conditions and restrictions as shall be fixed by the directors, power to bind the authority by contract.

5. Provide by resolution, under such terms and conditions as it sees fit, for the payment of demands against the authority without prior specific approval thereof by the board if the demand is for a purpose for which an expenditure has been previously approved by the board in an amount no greater than the amount so authorized, and if the demand is approved by the general manager or such other officer or deputy as the board may prescribe.

6. On behalf of the authority, borrow money and issue bonds.

Sec. 193. Section 40-1131, Arizona Revised Statutes, is amended to read:

40-1131. Bonds

A. For the purpose of acquiring, improving, enlarging or extending a transit system, the authority may issue self-liquidating revenue bonds. Bonds issued under this article shall be authorized by resolution of the board and may be issued in one or more series and shall bear the date of their issuance, mature at such time or times during a period of not to exceed thirty years from date of issuance, be in such denomination or denominations and in the form, coupon, registered, or registered as to principal only, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, payable in the medium of payment, at the place or places and subject to the terms of redemption, with or without premium, as the resolution may provide, the total ~~principle~~ PRINCIPAL amount of all such bonds of the authority shall not exceed at any time the sum of two million dollars. Notwithstanding any provisions of law to the contrary, bonds issued pursuant to this section are negotiable.

B. The bonds shall provide that:

1. No holder may compel the authority or any municipality the area or a portion of the area of which is included in the operating area thereof to exercise its ad valorem taxing power.

2. The bond does not constitute a debt of the authority and is payable only from revenues from the operation of the authority and its equipment and facilities.

C. The bonds may be sold at public or private sale, at not less than the par value thereof with all accrued interest to date of delivery. In the event such bonds are sold at public sale, the board shall call for bids by publishing a notice inviting proposals for the purchase of the bonds at least once a week for two successive weeks ~~prior to~~ BEFORE the date fixed for sale of the bonds, ~~in a daily or weekly newspaper,~~ ON A PUBLIC MEDIUM published ~~and of general circulation~~ in the involved county and designated for such purpose, which notice shall be in the form the board shall prescribe. Pending preparation of the definitive bonds, interim receipts or certificates

may be issued to the purchaser of the bonds in the form and containing the provisions determined by the board.

Sec. 194. Section 40-1139, Arizona Revised Statutes, is amended to read:

40-1139. Annual financial statement of authority; estimate of expenses; notice of hearing on estimate

A. The board of directors of each metropolitan public transit authority, on or before the third Monday in July each year, shall prepare a full and complete statement of the financial affairs for the preceding fiscal year and an estimate of the different amounts ~~which~~ THAT will be required to meet the expense for the current fiscal year. The estimate shall include an estimate of the amount of money required for each item of expenditure necessary for authority purposes, the amounts necessary to pay the interest and principal of outstanding bonds, the items and amounts of levy provided by law and an amount for unanticipated contingencies or emergencies.

B. The estimate shall be entered ~~upon~~ ON the minutes of the board and shall be fully itemized showing under separate heads the following:

1. The amounts estimated as required for each department, office or official, for each improvement, for the maintenance of structures and institutions and for the salaries of officers.

2. The separate amounts proposed for construction, maintenance, engineering and administration of the facilities of the authority.

3. A full and complete disclosure and statement of the contemplated expenditures for the ensuing year, showing the amount proposed to be expended from each separate fund and the total amount of proposed expense.

C. The estimate shall also contain:

1. A statement of the receipts for the previous year from sources other than direct property taxes.

2. The amounts estimated to be received during the current fiscal year from sources other than direct property taxes.

3. The amounts actually levied and the amounts actually collected for authority purposes ~~upon~~ ON the tax rolls of the previous fiscal year.

4. The amount proposed to be raised by direct property taxation for the current fiscal year.

D. The estimate required by this section shall be published with a notice that the board will hold a hearing on such estimate for the purposes provided in section 40-1140. Such publication shall be once a week for at least two consecutive weeks ~~in the official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED the county~~, if there is one, and if not, in a newspaper of general circulation therein~~.

Sec. 195. Section 40-1143, Arizona Revised Statutes, is amended to read:

40-1143. Bids required by board; exception

The purchase of all supplies, equipment and materials, and construction facilities and works, when the expenditure required exceeds two thousand five

hundred dollars shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published ~~in a newspaper of general circulation of~~ ON A PUBLIC MEDIUM PUBLISHED in the area at least once and not less than ten days ~~prior to~~ BEFORE expiration of the period within which bids shall be received. The board may reject any and all bids and readvertise at its discretion. If, after rejecting bids, the board determines and declares by vote of two-thirds of all its members that in its opinion supplies, equipment and materials may be purchased at a lower price on the open market, the board may proceed to purchase the same in the open market without further observances of the provisions requiring contracts, bids or notice. Contracts, in writing or otherwise, may be let without advertising for or inviting bids when any repairs, alterations or other work or for the purchase of materials, supplies, equipment or other property shall be deemed by the board of directors to be of urgent necessity, and shall be authorized by a two-thirds vote of the entire board membership.

Sec. 196. Section 41-109, Arizona Revised Statutes, is amended to read:

41-109. Prevention of child abuse fund; definitions

A. The prevention of child abuse fund is established consisting of monies received pursuant to section 28-2417. The director of the division for children in the governor's office shall administer the fund. Not more than three per cent of monies deposited in the fund annually shall be used for the cost of administering the fund. Monies in the fund are continuously appropriated.

B. The director of the division for children in the governor's office shall allocate monies through a private foundation that is qualified under section 501(c)(3) of the United States internal revenue code for federal income tax purposes, that guarantees matching all or a portion of the monies and that further allocates the monies to primary prevention programs that strengthen families and that increase public and professional awareness to prevent child abuse in all its forms to children in this state. The director of the division for children in the governor's office shall forward all monies deposited in the prevention of child abuse fund, excluding administrative fees, to the private foundation on an annual basis.

C. On notice from the director of the division for children in the governor's office, the state treasurer shall invest and divest monies in the fund as provided by section 35-313 and monies earned from investment shall be credited to the fund.

D. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

E. Before allocating monies pursuant to subsection B of this section:

1. The director of the division for children in the governor's office shall prepare and issue a request for donation application that includes at least the following information:

(a) A description of the nature of the donation project, including the scope of the work to be performed by an awardee.

(b) Identification of the funding source and the total amount of available funds.

(c) Whether a single award or multiple awards may be made.

(d) Encouragement of collaboration by entities for community partnerships, if appropriate.

(e) Any additional information required by the applications.

(f) The criteria or factors under which an application will be evaluated for award and the relative importance of each criteria or factor.

(g) The due date for submittal of an application and the anticipated time the awards may be made.

2. Adequate public notice of the request for donation application shall be given a reasonable time before the date set forth in the request for application. The notice may include publication one or more times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in this state a reasonable time before the application opening.

3. A preapplication conference may be conducted before the due date for the submittal of an application to explain the donation application requirements. Statements made at a preapplication conference are not amendments to a request for a donation application unless a written amendment is issued.

4. A donation application shall be publicly received at the time and place designated in the request for donation application. The name of each applicant shall be publicly read and recorded. All other information in the donation application is confidential during the process of evaluation. All applications shall be open for public inspection after donations are awarded. To the extent the applicant designates and the state concurs, trade secrets and other proprietary information contained in the application shall remain confidential.

5. An application shall be evaluated by at least three evaluators who are peers or other qualified individuals. The evaluators may allow an applicant to make an oral or written presentation regarding the scope of work, terms and conditions of the donations, budget and other relevant matters set forth in the request for application. An applicant shall be accorded fair treatment with respect to any opportunity for oral or written presentations. The evaluators may require an applicant to revise the application to reflect information provided in an oral or written presentation. Any person who has information contained in the application of competing applicants shall not disclose that information.

6. The evaluators shall review each application based solely on the evaluation criteria or factors set forth in the request for donation application. Each evaluator shall maintain a written record of the evaluator's assessment of each application, which shall include comments regarding compliance with each evaluation criteria or factor, the citation of

a specific criteria or factor as the basis of each stated strength or weakness and a clear differentiation between comments based on facts presented in the application and comments based on professional judgment.

7. The evaluators shall make award recommendations to the director of the division for children in the governor's office based on the evaluators' reviews of each application. The evaluators' recommendations may include the adjustment of the budgets of the applicants individually or collectively.

8. The director of the division for children in the governor's office may affirm, modify or reject the evaluators' recommendations in whole or in part. Modification of the evaluators' recommendations may include the adjustment of the budget on any proposed award individually or on all awards by an amount or percentage. If the director of the division modifies or rejects the recommendations, the director shall document in writing the specific justifications for the action taken.

9. The director of the division for children in the governor's office may enter into agreements with other state governmental units to furnish assistance in conducting the solicitation of donation applications.

10. The director of the division for children in the governor's office may resolve protests of the award or proposed award of a donation. An appeal from a decision of the director of the division for children in the governor's office may be made to the director of the department of administration. A protest of an award or proposed award of a donation and any appeals shall be resolved in accordance with the rules of procedure adopted by the department of administration pursuant to section 41-2611.

F. On or before December 31 of each year, the director of the division for children in the governor's office shall submit a written report to the governor, the president of the senate and the speaker of the house of representatives on all expenditures made from the fund in that calendar year. The report shall include all administrative expenses, all grants of monies, the names of grantees and any remaining balance in the fund. The director shall provide a copy of the report to the secretary of state ~~and the director of the Arizona state library, archives and public records~~.

G. The director of the division for children in the governor's office shall make available to the public a list of all grants awarded pursuant to this section.

H. For the purposes of this section, unless the context otherwise requires:

1. "Donation" means furnishing financial or other assistance, including state funds or federal grant funds, by the director of the division for children in the governor's office to any person for the purpose of supporting or stimulating primary prevention programs that strengthen families and that increase public and professional awareness to prevent child abuse in all its forms to children of this state if no substantial involvement between the division for children and the recipient occurs during performance.

2. "Person" means any corporation, business, individual, committee, club or other organization or group of individuals.

Sec. 197. Section 41-563.01, Arizona Revised Statutes, is amended to read:

41-563.01. Notification of vote by governing board

In the event of a vote by the governing board of any political subdivision pursuant to article IX, section 20, Constitution of Arizona, for the purpose of authorizing expenditures in excess of the prescribed limitations or for proposing an alternative spending limitation, the governing board shall:

1. ~~Prior to~~ BEFORE the vote hold two public hearings on the proposed action. Notice of such hearings shall be published once a week for at least two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the applicable political subdivision. Immediately following the second public hearing, the governing board shall convene a special meeting and vote on the proposed excess expenditure.

2. Following the vote, a notice shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the political subdivision. The notice shall contain the following:

(a) A record of the vote.

(b) If approved, the amount of the expenditures ~~which~~ THAT exceed the amount allowed pursuant to article IX, section 20, subsection (1), Constitution of Arizona.

(c) If approved a statement of the purpose or purposes for which the excess expenditures will be expended and the source of revenues to be used to finance the excess expenditures.

Sec. 198. Section 41-1276, Arizona Revised Statutes, is amended to read:

41-1276. Truth in taxation levy for equalization assistance to school districts

A. On or before February 15 of each year, the joint legislative budget committee shall compute and transmit the truth in taxation rates for equalization assistance for school districts for the following fiscal year to:

1. The chairmen of the house of representatives ways and means committee and the senate finance committee or their successor committees.

2. The chairmen of the appropriations committees of the senate and the house of representatives or their successor committees.

B. The truth in taxation rates consist of the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 1, a qualifying tax rate for a unified district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects pursuant to section 15-971, subsection B,

paragraph 2 and a state equalization assistance property tax rate pursuant to section 15-994 that will offset the change in net assessed valuation of property that was subject to tax in the prior year.

C. The joint legislative budget committee shall compute the truth in taxation rates as follows:

1. Determine the statewide primary net assessed value for the preceding tax year as provided in section 42-17151, subsection A, paragraph 3.

2. Determine the statewide primary net assessed value for the current tax year, excluding the net assessed value of property that was not subject to tax in the preceding year.

3. Divide the amount determined in paragraph 1 of this subsection by the amount determined in paragraph 2 of this subsection.

4. Adjust the qualifying tax rates and the state equalization assistance property tax rate for the current fiscal year by the percentage determined in paragraph 3 of this subsection in order to offset the change in net assessed value.

D. Except as provided in subsections E and G of this section, the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects, the qualifying tax rate for a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects and the state equalization assistance property tax rate for the following fiscal year shall be the rate determined by the joint legislative budget committee pursuant to subsection C of this section. The committee shall transmit the rates to the superintendent of public instruction and the county boards of supervisors by March 15 each year.

E. If the legislature proposes either qualifying tax rates or a state equalization assistance property tax rate that exceeds the truth in taxation rate:

1. The house of representatives ways and means committee and the senate finance committee or their successor committees shall hold a joint hearing on or before February 28 and publish a notice of a truth in taxation hearing that meets the following requirements:

(a) The notice shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM in this state that is published at the state capital. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.

(b) The notice shall be published in a location other than the classified or legal advertising section of the ~~newspaper~~ PUBLIC MEDIUM.

(c) The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

(d) The notice shall be in the following form, with the "truth in taxation hearing - notice of tax increase" headline in at least eighteen point type:

Truth in Taxation Hearing
Notice of Tax Increase

In compliance with section 41-1276, Arizona Revised Statutes, the state legislature is notifying property taxpayers in Arizona of the legislature's intention to raise the property tax levy over last year's level.

The proposed tax increase will cause the taxes on a $100,000 home to increase by $_____.

All interested citizens are invited to attend a public hearing on the tax increase that is scheduled to be held _____ (date and time) at _____ (location).

(e) For purposes of computing the tax increase on a one hundred thousand dollar home as required by the notice, the joint meeting of the house of representatives ways and means committee and the senate finance committee or their successor committees shall consider the difference between the truth in taxation rate and the proposed increased rate.

2. The joint meeting of the house of representatives ways and means committee and the senate finance committee or their successor committees shall consider any motion to recommend the proposed tax rates to the full legislature by roll call vote.

F. In addition to publishing the truth in taxation notice under subsection E, paragraph 1 of this section, the joint meeting of the house of representatives ways and means committee and the senate finance committee or their successor committees shall issue a press release containing the truth in taxation notice.

G. Notwithstanding any other law, the legislature shall not adopt a state budget that provides for either qualifying tax rates pursuant to section 15-971 or a state equalization assistance property tax rate pursuant to section 15-994 that exceeds the truth in taxation rates computed pursuant to subsection A of this section unless the rates are adopted by a concurrent resolution approved by an affirmative roll call vote of two-thirds of the members of each house of the legislature before the legislature enacts the general appropriations bill. If the resolution is not approved by two-thirds of the members of each house of the legislature, the rates for the following fiscal year shall be the truth in taxation rates determined pursuant to subsection C of this section and shall be transmitted to the superintendent of public instruction and the county boards of supervisors.

H. Notwithstanding subsection C of this section and if approved by the qualified electors voting at a statewide general election, the legislature shall not set a qualifying tax rate that exceeds $2.1265 for a common or high school district or $4.253 for a unified school district. The legislature

shall not set a ~~county~~ STATE equalization assistance ~~for education~~ PROPERTY TAX rate that exceeds $0.5123.

I. Pursuant to subsection C of this section, the qualifying tax rate in tax year 2008 for a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447 is $1.4622 and for a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects as provided in section 15-447 is $2.9244. The state equalization assistance property tax rate in tax years 2006, 2007 and 2008 is zero. The state equalization assistance property tax rate in tax year 2009 shall be computed by annually adjusting the tax year 2005 rate of $0.4358 as provided by this section through tax year 2009.

Sec. 199. Section 41-1609.02, Arizona Revised Statutes, is amended to read:

41-1609.02. Establishment of private prison facilities; notice; hearing

A. Before expanding an existing minimum or medium security level prison or before establishing a new minimum or medium security level prison, the director shall give consideration to contracting for private prisons for the incarceration of:

1. Prisoners convicted of offenses pursuant to title 28, chapter 4, article 3.
2. Prisoners convicted of offenses pursuant to title 13, chapter 14.
3. Female prisoners.
4. Prisoners over the age of fifty-five years.
5. Other inmate populations identified by the director.

B. Before entering into a contract with a private prison facility contractor for the incarceration of prisoners listed in subsection A of this section, the director shall determine that the contractor will provide at least the same quality of services as this state at a lower cost or that the contractor will provide services superior in quality to those provided by this state at essentially the same cost. In making this determination, the director shall consider the following:

1. Security.
2. Inmate management and control.
3. Inmate programs and services.
4. Facility safety and sanitation.
5. Administration.
6. Food service.
7. Personnel practices and training.
8. Inmate health services.
9. Inmate discipline.

C. The director shall identify from subsection A of this section, the appropriate inmate population for placement in privatized beds and the corresponding number of inmates. The director shall report the information to the governor, the legislature and the joint select committee on corrections by October 15 of every year for consideration in determining expansion of prison capacity.

D. The director may establish other private incarceration facilities that are dedicated to the confinement of persons who are sentenced to the department.

E. Before incurring any obligation for the establishment of any private incarceration facility, the department shall give at least sixty days' written notice to all of the following:

1. The president of the senate.

2. The speaker of the house of representatives.

3. The senate minority leader and the house of representatives minority leader.

4. The state senator and the state representatives whose legislative district includes the proposed site.

5. Any state senator and state representatives whose legislative district is located within two miles of the proposed site.

6. Each member of the county board of supervisors if the proposed site is in an unincorporated area or each member of the governing body of the city or town in which the proposed site is located.

7. Each member of the governing board of the local school district in which the proposed site is located.

F. The department shall hold a hearing in the county for an unincorporated area or in the city or town in which the potential site is located. The department shall publish a notice of the public hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area at least ten days before the hearing. After the public hearing, the department shall make a final site determination for the private incarceration facility.

~~G. The final site determination of a private incarceration facility is subject to review by the joint select committee on corrections pursuant to section 41-1610.04.~~

Sec. 200. Section 41-1713, Arizona Revised Statutes, is amended to read:

41-1713. Powers and duties of director; authentication of records

A. The director of the department shall:

1. Be the administrative head of the department.

2. Subject to the merit system rules, appoint, suspend, demote, promote or dismiss all other classified employees of the department on the recommendation of their respective division superintendent. The director shall determine and furnish the law enforcement merit system council established by section 41-1830.11 with a table of organization. The

superintendent of each division shall serve at the concurrent pleasure of the director and the governor.

3. Except as provided in sections 12-119, 41-1304 and 41-1304.05, employ officers and other personnel as the director deems necessary for the protection and security of the state buildings and grounds in the governmental mall described in section 41-1362, state office buildings in Tucson and persons who are on any of those properties. Department officers may make arrests and issue citations for crimes or traffic offenses and for any violation of a rule adopted under section 41-796. For the purposes of this paragraph, security does not mean security services related to building operation and maintenance functions provided by the department of administration.

4. Make rules necessary for the operation of the department.

5. Annually submit a report of the work of the department to the governor and the legislature, or more often if requested by the governor or the legislature.

6. Appoint a deputy director with the approval of the governor.

7. Adopt an official seal that contains the words "department of public safety" encircling the seal of this state as part of its design.

8. Investigate, on receipt, credible evidence that a licensee or registrant has been arrested for, charged with or convicted of an offense that would preclude the person from holding a license or registration certificate issued pursuant to title 32, chapter 26.

9. Cooperate with the Arizona-Mexico commission in the governor's office and with researchers at universities in this state to collect data and conduct projects in the United States and Mexico on issues that are within the scope of the department's duties and that relate to quality of life, trade and economic development in this state in a manner that will help the Arizona-Mexico commission to assess and enhance the economic competitiveness of this state and of the Arizona-Mexico region.

10. Adopt and administer the breath, blood or other bodily substances test rules pursuant to title 28, chapter 4.

11. Develop procedures to exchange information with the department of transportation for any purpose related to sections 28-1324, 28-1325, 28-1326, 28-1462 and 28-3318.

12. Collaborate with the state forester in presentations to legislative committees on issues associated with wildfire prevention, suppression and emergency management as provided by section 37-622, subsection B.

B. The director may:

1. Issue commissions to officers of the department.

2. Request the cooperation of the utilities, communication media and public and private agencies and any sheriff or other peace officer in any county or municipality, within the limits of their respective jurisdictions when necessary, to aid and assist in the performance of any duty imposed by this chapter.

3. Cooperate with any public or private agency or person to receive or give necessary assistance and may contract for such assistance subject to legislative appropriation controls.

4. Utilize the advice of the board and cooperate with sheriffs, local police and peace officers within the state for the prevention and discovery of crimes, the apprehension of criminals and the promotion of public safety.

5. Acquire in the name of the state, either in fee or lesser estate or interest, all real or any personal property that the director considers necessary for the department's use, by purchase, donation, dedication, exchange or other lawful means. All acquisitions of personal property pursuant to this paragraph shall be made as prescribed in chapter 23 of this title unless otherwise provided by law.

6. Dispose of any property, real or personal, or any right, title or interest in the property, when the director determines that the property is no longer needed or necessary for the department's use. Disposition of personal property shall be as prescribed in chapter 23 of this title. The real property shall be sold by public auction or competitive bidding after notice published ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM, not less than three times, two weeks before the sale and subject to the approval of the director of the department of administration. When real property is sold, it shall not be sold for less than the appraised value as established by a competent real estate appraiser. Any monies derived from the disposal of real or personal property shall be deposited, pursuant to sections 35-146 and 35-147, in the Arizona highway patrol fund as authorized by section 41-1752, subsection B, paragraph 6.

7. Sell, lend or lease personal property directly to any state, county or local law enforcement agency. Personal property may be sold or leased at a predetermined price without competitive bidding. Any state, county or local law enforcement agency receiving personal property may not resell or lease the property to any person or organization except for educational purposes.

8. Dispose of surplus property by transferring the property to the department of administration for disposition to another state budget unit or political subdivision if the state budget unit or political subdivision is not a law enforcement agency.

9. Lease or rent personal property directly to any state law enforcement officer for the purpose of traffic safety, traffic control or other law enforcement related activity.

10. Sell for one dollar, without public bidding, the department issued handgun or shotgun to a department officer on duty related retirement pursuant to title 38, chapter 5, article 4. Any monies derived from the sale of the handgun or shotgun to the retiring department officer shall be deposited, pursuant to sections 35-146 and 35-147, in the Arizona highway patrol fund as authorized by section 41-1752, subsection B, paragraph 6.

11. Conduct state criminal history records checks for the purpose of updating and verifying the status of current licensees or registrants who have a license or certificate issued pursuant to title 32, chapter 26. The director shall investigate, on receipt, credible evidence that a licensee or registrant has been arrested for, charged with or convicted of an offense that would preclude the person from holding a registration certificate issued pursuant to title 32, chapter 26.

12. Grant a maximum of two thousand eighty hours of industrial injury leave to any sworn department employee who is injured in the course of the employee's duty, any civilian department employee who is injured in the course of performing or assisting in law enforcement or hazardous duties or any civilian department employee who was injured as a sworn department employee rehired after August 9, 2001 and would have been eligible pursuant to this paragraph and whose work-related injury prevents the employee from performing the normal duties of that employee's classification. This industrial injury leave is in addition to any vacation or sick leave earned or granted to the employee and does not affect the employee's eligibility for any other benefits, including workers' compensation. The employee is not eligible for payment pursuant to section 38-615 of industrial injury leave that is granted pursuant to this paragraph. Subject to approval by the law enforcement merit system council, the director shall adopt rules and procedures regarding industrial injury leave hours granted pursuant to this paragraph.

13. Sell at current replacement cost, without public bidding, the department issued badge of authority to an officer of the department on the officer's promotion or separation from the department. Any monies derived from the sale of the badge to an officer shall be deposited, pursuant to sections 35-146 and 35-147, in the department of public safety administration fund to offset replacement costs.

C. The director and any employees of the department that the director designates in writing may use the seal adopted pursuant to subsection A, paragraph 7 of this section to fully authenticate any department records and copies of these records. These authenticated records or authenticated copies of records shall be judicially noticed and shall be received in evidence by the courts of this state without any further proof of their authenticity.

Sec. 201. Section 41-2533, Arizona Revised Statutes, is amended to read:

41-2533. Competitive sealed bidding

A. Contracts shall be awarded by competitive sealed bidding except as otherwise provided in section 41-2532.

B. An invitation for bids shall be issued and shall include a purchase description and all contractual terms and conditions applicable to the procurement.

C. Adequate public notice of the invitation for bids shall be given a reasonable time before the date set forth in the invitation for the opening

of bids, in accordance with rules adopted by the director. The notice may include publication one or more times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM a reasonable time before bid opening. If the invitation for bids is for the procurement of services other than those described in sections 41-2513, 41-2578, 41-2579 and 41-2581, the notice shall include publication in a single ~~newspaper~~ PUBLIC MEDIUM or in multiple ~~newspapers~~ PUBLIC MEDIA within this state. The publication shall be not less than two weeks before bid opening and shall be circulated within the affected governmental jurisdiction. The notice may also be posted at a designated site on a worldwide public network of interconnected computers.

D. Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid, and such other relevant information as may be specified by rule, together with the name of each bidder shall be recorded. This record shall be open to public inspection at the bid opening in a manner prescribed by rule. The bids shall not be open for public inspection until after a contract is awarded. To the extent the bidder designates and the state concurs, trade secrets or other proprietary data contained in the bid documents shall remain confidential in accordance with rules adopted by the director.

E. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this chapter. Bids shall be evaluated based on the requirements set forth in the invitation for bids, including criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose, as prescribed in rules adopted by the director. The invitation for bids shall set forth the evaluation criteria to be used, including the weighting of identified criteria. Evaluation criteria shall not be used for construction and no criteria may be used in bid evaluation that are not set forth in the invitation for bids.

F. The correction or withdrawal of erroneous bids before or after bid opening, based on bid mistakes, may be permitted in accordance with rules adopted by the director. After bid opening, no corrections in bid prices or other provisions of bids prejudicial to the interest of this state or fair competition shall be permitted. Except as otherwise provided by rule, all decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the director.

G. The contract shall be awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the invitation for bids. The amount of any applicable transaction privilege or use tax of a political subdivision of this state is not a factor in determining the lowest bidder. If all bids for a construction project exceed available monies as certified by the appropriate fiscal officer, and the low responsive and responsible bid does not exceed such monies by more than five per cent, the director may in

situations in which time or economic considerations preclude resolicitation of work of a reduced scope negotiate an adjustment of the bid price, including changes in the bid requirements, with the low responsive and responsible bidder, to bring the bid within the amount of available monies.

H. The multistep sealed bidding method may be used if the director determines in writing that it is not practicable to initially prepare a definitive purchase description ~~which~~ THAT is suitable to permit an award based on competitive sealed bidding. An invitation for bids may be issued requesting the submission of technical offers to be followed by an invitation for bids limited to those bidders whose offers are determined to be technically acceptable under the criteria set forth in the first solicitation, except that the multistep sealed bidding method may not be used for construction contracts.

I. If the price of a recycled paper product which conforms to specifications is within five per cent of a low bid product ~~which~~ THAT is not recycled and the recycled product bidder is otherwise the lowest responsible and responsive bidder, the award shall be made to the bidder offering the recycled product. The director may adopt rules requiring a five per cent preference for other products made from recycled materials.

Sec. 202. Section 42-1124, Arizona Revised Statutes, is amended to read:

42-1124. Failure to affix stamps or pay or account for tax; forfeiture of commodity; sale of forfeited commodity; effect of seizure and sale; request for administrative hearing; definitions

A. If the department or its authorized agents or representatives discover any luxury subject to tax under chapter 3 of this title to which official stamps have not been affixed as required or on which the tax has not been paid or accounted for, the department or its agent or representative may seize and take possession of the luxury, and it is deemed forfeited to this state. Except as provided in subsection D or E of this section, the department ~~shall~~ within a reasonable time thereafter, pursuant to a notice posted on the premises or by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the sale is to take place, not fewer than five days before the date of sale, SHALL offer for sale and sell the forfeited luxuries. The department shall pay the proceeds of the sale into the state general fund. The sale shall take place in the county ~~which~~ THAT is most convenient and economical. The department need not offer any property for sale if, in its opinion, the probable cost of sale exceeds the value of the property.

B. The seizure and sale do not relieve any person from the penalties provided for violating this title.

C. The department of revenue may enter into an interagency agreement with the department of transportation for the purpose of carrying out tobacco enforcement under chapter 3 of this title at ports of entry.

D. All cigarettes that are seized for violations under this title shall be forfeited to this state. All cigarettes that are forfeited to this state pursuant to section 36-798.06 or 42-3210 or section 44-7111, section 6(b) shall be destroyed. If a cigarette distributor defrauds this state by knowingly and intentionally failing to keep or make any record, return, report or inventory pertaining to cigarettes, by refusing to pay any luxury tax for cigarettes subject to tax under chapter 3 of this title or by attempting to evade or defeat any requirement of this title, the cigarette distributor shall forfeit to this state all fixtures, equipment and all other materials and personal property that are located on the premises of the cigarette distributor. Alternatively, at the request of the department, the cigarette distributor may be enjoined by an action commenced by the attorney general or a county attorney in the name of the state from engaging or continuing in any business for which a tax is imposed by this chapter until the tax has been paid and until such person has complied with this title.

E. The department may sell or otherwise dispose of any cigarettes forfeited to this state on such conditions as it deems most advantageous and just under the circumstances, unless such cigarettes are forfeited pursuant to section 36-798.06 or 42-3210 or section 44-7111, section 6(b). The department shall deposit the proceeds of any sales made pursuant to this subsection in the state general fund.

F. The department shall give notice of the seizure and forfeiture of cigarettes described in this section by personal service or by certified mail to all persons known by the department to have any right, title or interest in the property. Notice shall include a description of the cigarettes seized, the reason for the seizure and the time and place of the seizure. The following apply to the notice under this subsection:

1. Except as provided in paragraph 2 of this subsection, the department shall post and maintain an ~~on-line~~ ONLINE notice of seizure and forfeiture on its ~~web site~~ WEBSITE for a period of at least six months, beginning no later than ten business days after the date of the personal service of the notice to a person or the date of the mailing of the notice. The ~~on-line~~ ONLINE notice shall display the date on which the department posts the notice to the ~~web site~~ WEBSITE, which shall serve as the date of publication of the notice.

2. An ~~on-line~~ ONLINE notice is not required if the amount of cigarettes seized is less than sixty-one cartons of two hundred cigarettes each.

G. Any person whose legal rights, duties or privileges are determined by the notice of seizure and forfeiture may file a request for an administrative hearing with the department on a form prescribed by the department. The request for an administrative hearing shall contain a statement of the petitioner's interest in the cigarettes and an explanation of why the release or recovery of the cigarettes is warranted on the ground that the cigarettes were erroneously or illegally seized.

H. The seizure and forfeiture of cigarettes or other tobacco products by the department is an appealable agency action as defined in section 41-1092 and is governed by title 41, chapter 6, article 10 and section 42-1251, except that:

1. A request for an administrative hearing that is filed under subsection G of this section is deemed to be timely filed if the request is filed with the department within ten days after the date of personal service on the petitioner or the date of mailing the notice to the petitioner. Any person not served personally or by mail shall file the request within ten days after the date of publication of the notice. The failure of a person to file a timely request constitutes a bar to that person's right to any interest in the cigarettes or other tobacco products, except insofar as the rights of that person may be established in an action filed by the department under this chapter.

2. If a request for an administrative hearing is not filed with the department at the expiration of ten days after the notice has been personally served, mailed or published, the department's determination is final. If a timely request for an administrative hearing has been filed with the department, the department shall request a hearing by the office of administrative hearings and the department shall suspend action until the final order of the department has been issued. An order that is issued by the office of administrative hearings shall be the final order of the department thirty days after the petitioner receives the decision unless a decision by the director is issued pursuant to section 42-1251. If the director issues a decision, that decision is the final order of the department.

I. For the purposes of this section, "cigarette" and "cigarette distributor" have the same meanings prescribed in section 42-3001.

Sec. 203. Section 42-2056, Arizona Revised Statutes, is amended to read:

42-2056. Closing agreements in cases of extensive taxpayer misunderstanding or misapplication; attorney general approval; rules; definition

A. If the department determines that noncompliance with tax obligations results from extensive misunderstanding or misapplication of provisions of this title or title 43 it may enter into closing agreements with those taxpayers under the following terms and conditions:

1. Extensive misunderstanding or misapplication of the tax laws occurs if the department determines that more than sixty per cent of the persons in the affected class have failed to properly account for their taxes owing to the same misunderstanding or misapplication of the tax laws.

2. The department shall make an initial determination as to the existence of an affected class of taxpayers. After a review of the taxpayer's request, the department may determine that there has not been an extensive misunderstanding or misapplication of the tax laws by an affected

class of taxpayers. At that time, the department will notify the taxpayer that the request is denied.

3. The department shall publicly declare the nature of the possible misunderstanding or misapplication and the proposed definition of the class of affected taxpayers and shall conduct a public hearing to hear testimony regarding the extent of the misunderstanding or misapplication and the definition of the affected class. Within sixty days after close of the public hearing, the department shall notify the attendees at the public hearing and publish a public notice on its website stating whether relief will be granted.

4. If, after the public hearing, the department determines that a class of affected taxpayers has failed to comply with ~~their~~ ITS tax obligations because of extensive misunderstanding or misapplication of the tax laws, it shall issue a tax ruling announcing that finding and publish the ruling ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM.

5. A closing agreement under this section may abate some or all of the penalties, interest and tax that the taxpayers have failed to remit, or the agreement may provide for the prospective treatment of the matter as to the class of affected taxpayers. Notwithstanding section 42-1113, all taxpayers in the class shall be offered the opportunity to enter into a similar agreement for the same tax periods.

6. Taxpayers in the affected class who have properly accounted for their tax obligations for these tax periods shall be offered the opportunity to enter into a similar closing agreement providing for a pro rata credit or refund of their taxes previously paid, subject to section 42-1104, subsection A and section 42-1106, subsection A.

7. The closing agreement shall require the taxpayers to properly account for and pay such taxes in the future. If a taxpayer fails to comply with that requirement, the agreement is voidable by the department and the department may assess the taxpayer for the delinquent taxes. The department may issue such a proposed assessment within six months after the date that it declares the agreement void or within the period prescribed by section 42-1104, whichever is later.

B. A person who filed a written request for relief under this section but has been denied relief as the result of the department's determination that the elements of subsection A, paragraph 3 of this section have not been established may appeal that determination pursuant to the same procedure as provided in chapter 1, article 6 of this title. A person who files an appeal under this subsection, who also has another appeal pending pursuant to chapter 1, article 6 of this title on a matter solely related to the matter at issue in the department's determination under this section, may petition the relevant appellate forum to hold that appeal in abeyance pending the resolution of the person's appeal pursuant to this section, and the agency, tribunal or court must grant the petition.

C. Before entering into closing agreements pursuant to this section, the department shall secure the approval of the attorney general of the tax ruling and the agreements. The department may not enter into the agreements without such approval from the attorney general.

D. After a closing agreement has been signed pursuant to this section, and subject to the taxpayer's compliance with the requirements of subsection A, paragraph 6 of this section, it is final and conclusive except on a showing of fraud, malfeasance or misrepresentation of a material fact. The case shall not be reopened as to the matters agreed on, and the agreement shall not be modified by any officer, employee or agent of the state. The agreement or any determination, assessment, collection, payment abatement, refund or credit made pursuant to the agreement shall not be annulled, modified, set aside or disregarded in any suit, action or proceeding.

E. The department shall report in writing its activities under this section to the governor, the president of the senate and the speaker of the house of representatives on or before February 1 of each year.

F. The department may adopt rules to implement this section.

G. For the purposes of this section, "affected class" means taxpayers who are similarly situated and directly affected by the department's position in a tax matter. For transaction privilege or use tax purposes, affected class may include taxpayers in the same industry code under the North American ~~industrial~~ INDUSTRY classification system ~~code~~, if applicable to the tax matter or taxpayers that directly compete with each other. For the purposes of this section, affected class shall not be broadly described unless such description increases the number of taxpayers who are eligible for relief.

Sec. 204. Section 42-6054, Arizona Revised Statutes, is amended to read:

42-6054. Modifications to model city tax code; notice and hearing

A. If a city or town adopts the model city tax code, the city or town shall not adopt any modification or amendment to the code unless the city or town holds a public hearing on the proposed action before the modification or amendment becomes effective.

B. If a city or town that has adopted the model city tax code issues a written notice with respect to an interpretation of any provision of the code or any procedures to be followed under the code, the city or town shall not adopt any modification or amendment to the written notice unless the city or town holds a public hearing on the proposed action before the modification or amendment becomes effective.

C. A city or town that has adopted the model city tax code shall not change the application of the code from audit to audit unless the city or town adopted an amendment or modification to the code.

D. The governing body of the city or town shall publish a notice of the hearing at least fifteen days before the date of the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town. At the hearing the governing body shall receive all written and oral comments relating to the proposed action. If, after receiving and considering all comments, the governing body proceeds with the proposed action, the modification or amendment shall not become effective for at least thirty days after the date of the hearing, unless otherwise provided by city charter.

Sec. 205. Section 42-17103, Arizona Revised Statutes, is amended to read:

42-17103. Public access to estimates of revenues and expenses; notice of public hearing; access to adopted budget

A. The governing body of each county, city or town shall publish the estimates of revenues and expenses, or a summary of the estimates of revenues and expenses, and a notice of a public hearing of the governing body to hear taxpayers and make tax levies at designated times and places. The summary shall set forth the total estimated revenues and expenditures by fund type, truth in taxation calculations and primary and secondary property tax levies for all districts. A complete copy of the estimates of revenues and expenses shall be made available at the city, town or county libraries and city, town or county administrative offices and shall be posted in a prominent location on the official websites, or on a website of an association of cities and towns for cities and towns that do not have official websites, no later than seven business days after the estimates of revenues and expenses are initially presented before the governing body. A complete copy of the budget finally adopted under section 42-17105 shall be posted in a prominent location on the official websites no later than seven business days after final adoption.

B. Beginning with fiscal year 2011-2012, both the estimates of revenues and expenses initially presented before the governing body and the budget finally adopted under section 42-17105 shall be retained and accessible in a prominent location on the official websites, or on a website of an association of cities and towns for cities and towns that do not have official websites, for at least sixty months.

C. The summary of estimates and notice, together with the library addresses and websites where the complete copy of estimates may be found, shall be published once a week for at least two consecutive weeks after the estimates are tentatively adopted ~~in the official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county, city or town~~, if there is one, and, if not, in a newspaper of general circulation in the county, city or town~~.

D. If a truth in taxation notice and hearing is required under section 42-17107, the governing body may combine the notice under this section with the truth in taxation notice.

Sec. 206. Section 42-17107, Arizona Revised Statutes, is amended to read:

42-17107. Truth in taxation notice and hearing; roll call vote on tax increase; definition

A. On or before February 10 of the tax year, the county assessor shall transmit and certify to the property tax oversight commission and to the governing body of the county, city or town the total net primary assessed values that are required to compute the levy limit prescribed by section 42-17051. If the proposed primary property tax levy, excluding amounts that are attributable to new construction, is greater than the amount levied by the county, city or town in the preceding tax year in the county, city or town:

1. The governing body shall publish a notice that meets the following requirements:

(a) The notice shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county, city or town. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.

(b) The notice shall be published in a location other than the classified or legal advertising section of the ~~newspaper~~ PUBLIC MEDIUM in which it is published.

(c) The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

(d) The notice shall be in the following form, with the "truth in taxation hearing notice of tax increase" headline in at least eighteen-point type:

Truth in Taxation Hearing
Notice of Tax Increase

In compliance with section 42-17107, Arizona Revised Statutes, _____ (name of county, city or town) is notifying its property taxpayers of _____'s (name of county, city or town) intention to raise its primary property taxes over last year's level. _____ (name of county, city or town) is proposing an increase in primary property taxes of $_____ or _____%.

For example, the proposed tax increase will cause _____'s (name of county, city or town) primary property taxes on a $100,000 home to increase from $_____ (total taxes that would be owed without the proposed tax increase) to $_____ (total proposed taxes including the tax increase).

This proposed increase is exclusive of increased primary property taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax

levies for voter approved bonded indebtedness or budget and tax overrides.

All interested citizens are invited to attend the public hearing on the tax increase that is scheduled to be held _____ (date and time) at _____ (location).

2. In lieu of publishing the truth in taxation notice, the governing body may mail the truth in taxation notice prescribed by paragraph 1, subdivision (d) OF THIS SUBSECTION to all registered voters in the county, city or town at least ten but not more than twenty days before the date of the hearing on the estimates pursuant to section 42-17104.

3. In addition to publishing the truth in taxation notice under paragraph 1 OF THIS SUBSECTION or mailing the notice under paragraph 2 OF THIS SUBSECTION, the governing body shall issue a press release containing the truth in taxation notice.

4. The governing body shall consider a motion to levy the increased property taxes by roll call vote.

5. Within three days after the hearing, the governing body shall mail a copy of the truth in taxation notice, a statement of its publication or mailing and the result of the governing body's vote under paragraph 4 OF THIS SUBSECTION to the property tax oversight commission.

6. The governing body shall hold the truth in taxation hearing on or before the adoption of the county, city or town budget under section 42-17105.

B. If the governing body fails to comply with the requirements of this section, the governing body shall not fix, levy or assess an amount of primary property taxes that exceeds the preceding year's amount, except for amounts attributable to new construction.

C. For the purposes of this section, "amount attributable to new construction" means the net assessed valuation of property added to the tax roll since the previous year multiplied by a property tax rate computed by dividing the primary property tax levy of the county, city or town in the preceding year by the estimate of the total net assessed valuation of the county, city or town for the current year, excluding the net assessed valuation attributable to new construction.

Sec. 207. Section 42-18051, Arizona Revised Statutes, is amended to read:

42-18051. Notice of tax; payment by electronic funds transfer

A. Immediately on receiving the tax roll from the county board of supervisors, the county treasurer shall publish an official notice stating:

1. That the assessment and tax roll is now in the treasurer's possession for collecting the taxes levied.

2. That the taxes on real property and personal property are due and payable and become delinquent at the dates and times prescribed by section 42-18052, and interest will be added to the tax from the time of the delinquency as prescribed by section 42-18053, unless either:

(a) The first half of the taxes are paid before they are delinquent.

(b) The full year tax is paid on or before December 31, as provided by section 42-18053.

3. That all taxes may be paid at the time the first installment is due and payable.

4. When and where tax payments may be made.

B. The county treasurer shall publish the notice once a week for four consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

C. No other demand for taxes is necessary.

D. Each person who is subject to taxation shall pay the taxes at the county treasurer's office, or at any other location designated by the treasurer, before they become delinquent.

E. The county treasurer may require electronic transmission of supporting documentation and payment that includes the name of the taxpayer, tax parcel number and amount of tax, on or before the dates prescribed by section 42-18052, by any person or entity, acting on behalf of multiple owners of property who submit tax payments to the county treasurer in a lump sum exceeding fifty thousand dollars or owners who submit fifty or more tax payments. If the sum of funds submitted fails to balance with the tax parcel information and supporting documentation submitted electronically, and there have been no changes to the tax bills as a result of assessor resolutions or tax court judgments, the funds shall not be accepted and the treasurer shall return the funds and request that the correct amount be submitted. If any payment is received after a delinquent date as prescribed in section 42-18052, interest accrues as prescribed by section 42-18053.

Sec. 208. Section 42-18109, Arizona Revised Statutes, is amended to read:

42-18109. Publication and posting of list and notice

A. The county treasurer shall post a correct copy of the list and notice under section 42-18106 near the outer door of the office of the county treasurer. The list and notice shall remain posted for at least two weeks before the date of the sale.

B. The county treasurer shall publish a correct copy of the list and notice under section 42-18106 at least one time ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The publication shall be at least two weeks but not more than three weeks before the date of sale stated in the notice.

C. The ~~newspaper~~ PUBLIC MEDIUM that prints the list and notice under section 42-18106 shall also post the list and notice from the first publication date through March 1 of the current year on the internet on a ~~web site~~ WEBSITE that posts the legal notices of ten or more Arizona newspapers.

Sec. 209. Section 42-18208, Arizona Revised Statutes, is amended to read:

42-18208. Expiration of lien and certificate; notice

A. If a tax lien that was purchased pursuant to section 42-18114 on or before August 31, 2002 is not redeemed and the purchaser or the purchaser's heirs or assigns fail to commence an action to foreclose the right of redemption on or before ten years from the date that the lien was purchased, the certificate of purchase or registered certificate expires and the lien is void.

B. At least six months before the certificate of purchase or registered certificate expires, the county treasurer shall:

1. Notify each purchaser by certified mail of the pending expiration.

2. Post the names of purchasers who hold liens that are subject to pending expiration:

(a) Near the outer door of the office of the county treasurer.

(b) On the county treasurer's ~~web site~~ WEBSITE.

3. Publish the names of purchasers who hold liens that are subject to pending expiration at least one time ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

C. Subsection A of this section does not apply if the tax lien is assigned to the state pursuant to section 42-18113 unless the lien is resold pursuant to section 42-18122.

D. If a judicial proceeding prohibits bringing an action to foreclose the right to redeem, the time of expiration under this section shall be extended by twelve months following the completion of the judicial proceeding.

Sec. 210. Section 42-18265, Arizona Revised Statutes, is amended to read:

42-18265. Publishing notice

A. In addition to mailing notice pursuant to section 42-18264, the county treasurer shall publish notice once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area in which the property is located, or ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

B. The published notice shall state the application for a treasurer's deed and shall include:

1. The name of the applicant.

2. A description of the property.

3. The date on which the tax lien was assigned.

4. The amount of taxes, interest, penalties and charges for which the tax lien was assigned.

5. A statement that unless the property is redeemed before the stated date a treasurer's deed will be executed and delivered to the county board of supervisors acting on behalf of this state.

6. The last date for redeeming the tax lien.

Sec. 211. Section 42-18267, Arizona Revised Statutes, is amended to read:

42-18267. Issuance of treasurer's deed; form

A. If the property is not redeemed before the date stated in the notice, the county treasurer shall execute and deliver to the board of supervisors, acting on behalf of this state, a treasurer's deed conveying to the state of Arizona the real property that was assigned at the tax sale. On the delivery of the deed, the redemption rights of all persons terminate, whether or not they were named in the notice.

B. The treasurer's deed may be in the following form:

Treasurer's Deed

On ___(Date)____, I, treasurer of _____ county, Arizona, published notice according to law ~~in~~ ON _____, ~~a newspaper of general circulation~~ A PUBLIC MEDIUM PUBLISHED in _____ county, Arizona, that both:

1. The board of supervisors of _____ county, acting on behalf of the state of Arizona, applied for a treasurer's deed to the real property described below.

2. Unless the tax lien was redeemed before ___(Date)____, I would issue a treasurer's deed to the state of Arizona.

The property tax lien was not redeemed from that sale, and, therefore, I foreclose the right to redeem and convey to the state of Arizona the following real property located in _____ county, Arizona:

(Description)

_____

County Treasurer

_____

(Date)

(Acknowledgment)

C. The foreclosure of the right to redeem does not extinguish any easement on or appurtenant to the property.

Sec. 212. Section 42-18302, Arizona Revised Statutes, is amended to read:

42-18302. Notice of sale

A. The board of supervisors shall advertise the real property for sale at a public sale. The advertisement shall be by:

1. Publishing the list and notice of sale ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county at least once a week for at least two weeks, but not more than three weeks, before the stated date of the sale.

2. Continuously posting a current list and notice in the offices of the board of supervisors.

B. The ~~newspaper that prints~~ PUBLIC MEDIUM THAT PUBLISHES the list and notice shall also post the list and notice on the internet on a website that posts the legal notices of ten or more Arizona newspapers.

Sec. 213. Section 42-18401, Arizona Revised Statutes, is amended to read:

42-18401. Collection of personal property tax by seizure and sale

A. At any time after receiving the roll the county treasurer may collect the taxes due on personal property by seizure and sale if not otherwise collected.

B. The sale shall be at public auction after notice of one week of the time and place of the sale by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM PUBLISHED in the county or by posting notices of the sale in three public places in the county. The notice shall state that a sufficient amount of the property will be sold to pay the taxes, fees and costs.

C. For seizing and selling personal property the treasurer may charge in each case three dollars and the same mileage as allowed by law to the sheriff in serving civil process.

D. On payment of the purchase price and delivery of the property with a bill of sale, the title to the property vests in the purchaser.

E. Any amount collected that exceeds the taxes, fees and costs shall be returned to the owner of the property sold and, until claimed, shall be deposited in the county treasury subject to the order of the owner.

Sec. 214. Section 42-19111, Arizona Revised Statutes, is amended to read:

42-19111. Notice of sale

A. After seizing the property the sheriff shall give notice of the time, place and terms of sale by:

1. Posting three notices in the county where the property is to be sold. One of the notices shall be posted at the place where the property is located, and the other two shall be posted in locations in the county that are commonly and regularly observed by the general public.

2. Either personal service on the owner of the property or mailing a copy of the notice to the owner by certified mail, return receipt requested. If notification under this paragraph cannot be completed because the owner is unknown or the owner's address is unknown, the sheriff shall publish notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the unsecured property was seized. If the notice is published in a weekly ~~newspaper~~ PUBLIC MEDIUM, the notice must appear once each week for two consecutive weeks. If the notice is published in a daily ~~newspaper~~ PUBLIC MEDIUM, the notice must appear six consecutive times. In either case, the last publication must appear at least three weeks but not more than four weeks before the date of the sale.

B. The notices shall:

1. Describe the property to be sold.

2. State the name of the owner or person to whom the property is assessed.

3. State the place and time of holding the sale.

4. State the amount of taxes for which the property is to be sold.

C. The sheriff may not sell personal property under section 42-19113 until at least three weeks after the notice is served on the property owner, after receiving confirmation that the owner received the notice by certified mail or after the last date of notice by publication, whichever method the sheriff used under subsection A, paragraph 2 of this section.

D. If a court determines that a sheriff failed to give notice as required by this section:

1. Any sale of the personal property by the sheriff is void.

2. The owner is entitled to redeem the property as provided by this article on paying the outstanding taxes, interest and costs associated with collecting the taxes.

3. The court may award fees and other expenses associated with the adjudication to the owner as provided by section 12-348.

Sec. 215. Section 44-309, Arizona Revised Statutes, is amended to read:

44-309. Notice and publication of abandoned property

A. The department shall publish a notice at least semiannually with a toll free telephone number and directing the public to the department's ~~web site~~ WEBSITE regarding abandoned property that has been paid or delivered to the department. The department shall cause the notice to be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county. The department shall ensure that the notice is in a form that in the judgment of the department is likely to attract the attention of the apparent owner of the unclaimed property. The department's ~~web site~~ WEBSITE shall contain all of the following information not later than November 30 of the year after the year in which abandoned property has been paid or delivered to the department:

1. The name of each person that appears to be the owner of the property as stated in the report filed by the holder.

2. The last known address or location of each person that appears to be the owner of the property, if an address or location is stated in the report filed by the holder.

3. A statement that explains that the property of the owner is presumed abandoned and is in the protective custody of the department.

4. A statement that on request to the department information about the property and its return to the owner is available to a person who has a legal or beneficial interest in the property.

B. The department's ~~web site~~ WEBSITE is not required to contain the name, address or location of an owner of property that has a total value of less than fifty dollars or information concerning a traveler's check, money order or similar instrument.

Sec. 216. Section 44-312, Arizona Revised Statutes, is amended to read:

44-312. Public sale of abandoned property

A. Except as otherwise provided in this section, within three years after receiving abandoned property the department shall sell the property to the highest bidder at a public sale at a location in this state that in the judgment of the department affords the most favorable market for the property. The department may decline the highest bid and reoffer the property for sale if the department considers the bid to be insufficient. The department is not required to offer the property for sale if the department determines that the probable cost of the sale will exceed the proceeds from the sale. Before conducting a sale pursuant to this section, the department shall cause a notice to be published at least three weeks before the sale ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the sale will occur.

B. The department shall sell securities that are listed on an established stock exchange at prices prevailing on the exchange at the time of the sale. The department may sell other securities over the counter at prices prevailing at the time of the sale or by any reasonable method selected by the department.

C. A person who makes a claim pursuant to this chapter for securities is entitled to receive from the department the securities that the holder delivered to the department if the securities remain in the department's custody or the person is entitled to receive the net proceeds of the sale. Except in a case of intentional misconduct or malfeasance by the department, the person is not entitled to receive any appreciation in the value of the property that occurred after the delivery to the department.

D. A purchaser of property at a sale conducted by the department pursuant to this chapter takes the property free of all claims of the owner or previous holder and of all persons claiming through or under the owner or previous holder. The department shall execute all documents necessary to complete the transfer of ownership.

Sec. 217. Section 44-353, Arizona Revised Statutes, is amended to read:

44-353. Acquiring title to undocumented property

A. A museum may acquire title to undocumented property held by a museum for seven years or longer, verifiable through written records, with no valid claim or contact by any person in the following manner:

1. The museum shall publish a notice once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the museum is located and in the county in which the lender's last known address is located, if applicable. This notice shall include:

(a) A brief and general description of the property.

(b) The date or approximate date of the loan or acquisition by the museum, if known.

(c) Notice of the intent of the museum to claim title if no valid claims are made within sixty-five days from the date of the first notice, if no publication ~~in a newspaper~~ ON A PUBLIC MEDIUM is required, or publication under this section.

(d) The name and address of the museum representative to contact for more information or to make a claim.

(e) The lender's name and last known address, if known.

2. If no valid claims have been made by the end of sixty-five days, the museum shall publish a second notice once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the museum is located and in the county in which the lender's last known address is located, if applicable. This second notice shall include:

(a) A brief and general description of the property.

(b) The date or approximate date of the loan or acquisition by the museum, if known.

(c) Notice that the museum claims title to the property as of the date described in paragraph 1, subdivision (c) of this subsection.

(d) The lender's name and last known address, if known.

B. On compliance with subsection A of this section clear and unrestricted title is transferred to the museum as of the date described in subsection A, paragraph 1, subdivision (c) of this section.

Sec. 218. Section 44-1035, Arizona Revised Statutes, is amended to read:

44-1035. Notice of appointment of assignee; publication

The assignee ~~shall~~, within thirty days after recording the assignment, SHALL give public notice of his appointment ~~in some newspaper printed~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the assignor resides or where his principal business was conducted, and as far as possible, the assignee shall also give personal notice or notice by mail to each of the creditors.

Sec. 219. Section 45-108.01, Arizona Revised Statutes, is amended to read:

45-108.01. Application for water report or designation of adequate water supply; notice; objections; hearing; appeals

A. On receipt of an application for a water report or an application by a city, town or private water company to be designated as having an adequate water supply under section 45-108, if the proposed use is in a county that has adopted the provision authorized by section 11-823, subsection A or in a city or town that has enacted an ordinance pursuant to section 9-463.01, subsection O, the director shall publish notice of the application once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the groundwater basin in

which the applicant proposes to use water. The first publication shall occur within fifteen days after the application is determined or deemed to be administratively complete. If the application is substantially modified after notice of the application is given pursuant to this subsection, the director shall give notice of the application as modified in the manner prescribed by this subsection. The first publication of any subsequent notice shall occur within fifteen days after the modified application is determined or deemed to be administratively complete.

B. Notice pursuant to subsection A of this section shall state that written objections to the application may be filed with the director by residents and landowners within the groundwater basin within fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector and be signed by the objector, the objector's agent or the objector's attorney. The grounds for objection are limited to whether the application meets the criteria for determining an adequate water supply set forth in section 45-108, subsection I. The objection shall clearly set forth reasons why the application does not meet the criteria.

C. In appropriate cases, including cases in which a proper written objection to the application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. Thirty days before the date of the hearing, the director shall give notice of the hearing to the applicant and to any person who filed a proper written objection to the application. The hearing shall be scheduled for at least sixty days but not more than ninety days after the expiration of the time in which to file objections.

D. If the application is for a water report:

1. If the director determines that an adequate water supply exists for the proposed use, the director shall issue a water report stating that the water supply for the subdivision is adequate.

2. If the director determines that an adequate water supply does not exist, the director shall issue a water report stating that the water supply for the subdivision is inadequate.

E. If the application is for a designation of adequate water supply:

1. If the director determines that an adequate water supply exists for the proposed use, the director shall approve the application.

2. If the director determines that an adequate water supply does not exist, the director shall deny the application.

F. The applicant or a person who contested the application by filing a proper objection pursuant to subsection B of this section may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in the superior court.

G. Section 45-114, subsections A and B govern administrative proceedings, rehearings or reviews and judicial reviews of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the groundwater basin in which the use is located.

Sec. 220. Section 45-172, Arizona Revised Statutes, is amended to read:

45-172. Transfer of water rights; application; limitations; required consent

A. A water right may be severed from the land to which it is appurtenant or from the site of its use if for other than irrigation purposes and with the consent and approval of the owner of such right may be transferred for use for irrigation of agricultural lands or for municipal, stock watering, power and mining purposes and to the state or its political subdivisions for use for recreation and wildlife purposes, including fish, without losing priority theretofore established, subject to the following limitations and conditions:

1. Except as otherwise provided in this section no such severance or transfer shall be made unless approved by the director, and the approval of the director shall prescribe the conditions of the approval.

2. Vested or existing rights to the use of water shall not be affected, infringed upon nor interfered with, and in no event shall the water diverted or used after the transfer of such rights exceed the vested rights existing at the time of such severance and transfer, and the director shall by order so define and limit the amount of water to be diverted or used annually subsequent to such transfer.

3. The water rights sought to be transferred shall have been lawfully perfected under the laws of the territory or the state of Arizona and shall not have thereafter been forfeited or abandoned.

4. No such severance or transfer of water rights shall be permitted or allowed from lands within the exterior boundaries of any irrigation district, agricultural improvement district or water users' association without first having obtained the written consent and approval of such irrigation district, agricultural improvement district or water users' association.

5. No right to the use of water on or from any watershed or drainage area ~~which~~ THAT supplies or contributes water for the irrigation of lands within an irrigation district, agricultural improvement district or water users' association shall be severed or transferred without the consent of the governing body of such irrigation district, agricultural improvement district or water users' association. All proposed applications for the severance and transfer of a right to use water of or from any watershed or drainage area ~~which~~ THAT supplies or contributes water for the irrigation of lands within any irrigation district, agricultural improvement district or water users' association shall be submitted to the governing body of such irrigation district, agricultural improvement district or water users' association prior to the filing of such application with the director. Within forty-five days after the receipt of the application such governing body shall reject or approve the proposed application. Failure of such governing body to approve or reject the proposed application within forty-five days after receipt shall constitute approval of the proposed application by such governing body. No

application for the severance or transfer of a right to the use of water of or from any watershed or drainage area ~~which~~ THAT supplies or contributes water for the irrigation of lands within any irrigation district, agricultural improvement district or water users' association shall be accepted for filing by the director unless accompanied by the written consent of the governing body of such irrigation district, agricultural improvement district or water users' association to the proposed application or by satisfactory evidence that such governing body failed to either accept or reject the proposed application within forty-five days after receipt by such governing body.

6. A severance and transfer of an irrigation water right appurtenant to lands within the boundaries of an irrigation district to other lands within the boundaries of the same irrigation district for agricultural use may be accomplished by the exclusion of lands to which a water right is appurtenant from within the boundaries of an irrigation district, and the inclusion in lieu of other lands within the boundaries of such irrigation district. Such severance and transfer of a water right shall require the consent of only the irrigation district within which the affected lands are situated and of the owners of the lands affected by the severance and transfer. No proceedings before nor approval by the director shall be required to accomplish such severance and transfer.

7. An application for severance and transfer of a water right shall be filed with the director. The director shall give notice of the application by publication once a week for three successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which the watershed or drainage area is located. The notice shall state that any interested person may file written objections to the proposed severance and transfer with the director within thirty days after the last publication of the notice. In appropriate cases, including cases in which an objection has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary.

B. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section.

Sec. 221. Section 45-253, Arizona Revised Statutes, is amended to read:

45-253. Service of summons; statement of claimant form; record

A. Personal service of the summons and petition shall not be required. The court shall order that:

1. The clerk of the court issue the summons ~~which~~ THAT shall specify the date by which the statement of claimant must be filed, generally describe the nature of the general adjudication and set forth such other information as may be necessary or desirable in the circumstances. The form of the summons shall be approved by the court.

2. The clerk of the court deliver the summons to the director who shall make such copies and prepare such documents as may be necessary to effect service. The director shall assist the court in determining the scope of adjudication by recommending the portions of the river, its tributaries and any other relevant sources subject to the adjudication and in development of a statement of claimant form, which shall include such duplicates as may be necessary. ~~Upon~~ ON identifying the potential claimants pursuant to section 45-256, subsection A, paragraph 1, the director shall effect service on all known potential claimants by mailing a copy of the summons by registered or certified mail, return receipt requested, to such known potential claimants.

3. When the superior court determines that the services of a master or masters appointed pursuant to section 45-255 are no longer necessary and enters an order terminating the appointment the clerk of the court shall reimburse the director from the fund of fees paid by the claimants pursuant to section 45-254 for funds expended by the director in effecting service of process and any subsequent notices to claimants. Reimbursement shall only be from monies remaining in the fund after payment of the costs and expenses attributable to the appointment of a master or masters in accordance with section 45-255, subsection B.

B. At the time of commencement of mailing of service of process on known potential claimants, the director shall effect service on all unknown potential claimants by publication of the summons at least once a week for four consecutive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in each of the counties within which interests in and to the use of water may be affected by the general adjudication.

C. The director shall publicize the general adjudication through the electronic media and ~~in general circulation newspapers~~ ON A PUBLIC MEDIUM.

D. The court shall direct the director:

1. To return the original summons to the clerk of the court with an endorsement of the dates on which mailing and publication were completed.

2. To maintain a true and accurate record of the names and addresses of all persons who have in fact been served by ~~registered~~ CERTIFIED mail, return receipt requested. Any such record, together with all supporting documents, shall constitute the records of the court, which shall be subject as such to the supervision and control of the court.

Sec. 222. Section 45-292, Arizona Revised Statutes, is amended to read:

45-292. Approval required to transport water out of state; application; fee; criteria; hearing

A. A person may withdraw, or divert, and transport water from this state for a reasonable and beneficial use in another state if approved by the director pursuant to this article. A person shall not transport water from this state unless approved by the director, but this article does not apply

to or prohibit transporting water from this state as required by interstate compact, federal law or international treaty.

B. An application to transport water from this state for use in another state shall be filed with the director, including a fee established by the director by rule. In establishing a fee by rule, the director may consider factors including the amount of time likely to be expended in processing the application, the amount of preexisting hydrological information available, if any, and the complexity of the application. The application shall include:

1. The name and address of the applicant's statutory agent in this state for service of process and other legal notices.

2. The legal basis for acquiring the water to be transported.

3. The purpose for which the water will be used.

4. The annual amount of water in acre-feet for which the application is made.

5. The proposed duration of the permit, not to exceed fifty years with an option to renew.

6. Studies satisfactory to the director of the probable hydrologic impact on the area from which the water is proposed to be transported.

7. Any other information which the director may require.

C. The director shall approve or reject the application. If the director approves the application, the director may prescribe terms and conditions for the approval. In determining whether to approve the application the director shall consider:

1. Whether the proposed action would be consistent with conservation of water, including any applicable management goals and plans.

2. Potential harm to the public welfare of the citizens of this state.

3. The supply of water to this state and current and future water demands in this state in general and the proposed source area in particular.

4. The feasibility of intrastate transportation of the water that is the subject of the application to alleviate water shortages in this state.

5. The availability of alternative sources of water in the other state.

6. The demands placed on the applicant's supply in the other state.

7. Whether the proposed action is prohibited or affected by other law, including sections 45-165 and 45-172 and chapter 2 of this title.

D. This article does not authorize and the director shall not approve transporting from this state water allocated to this state by federal law or interstate compact.

E. An administrative hearing shall be held on the application, and the director shall give notice of the hearing by publication once a week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties from which the applicant proposes to transport the water. The hearing shall be conducted in the area from which water is proposed to be transported. Any interested person, including

the department, may appear and give oral or written testimony on all issues involved.

F. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section.

G. The director shall deposit, pursuant to sections 35-146 and 35-147, all fees received under this section in the water resources fund established by section 45-117.

Sec. 223. Section 45-403, Arizona Revised Statutes, is amended to read:

45-403. Designation of groundwater basins and sub-basins; hearing

A. Within eighteen months ~~of~~ AFTER the effective date of this section, the director shall propose boundaries for all groundwater basins and sub-basins of groundwater basins in this state not included within initial active management areas established pursuant to section 45-411.

B. Within twenty-four months ~~of~~ AFTER the effective date of this section, the director shall hold public hearings to consider the final boundaries of groundwater basins and sub-basins in this state not included within initial active management areas established pursuant to section 45-411. The director shall give reasonable notice of the hearing appropriate to the circumstances, which shall include the publication once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which the proposed groundwater basin is located. Any notice shall contain the time and place of the hearing, the legal description and a map clearly identifying and describing all lands to be included in the proposed groundwater basin and any sub-basin and any other information the director deems necessary.

C. The hearings shall be held at the county seat of the county in which the major portion of the land in the proposed groundwater basin is located as soon as practicable but no less than thirty days and no more than sixty days after the first publication of the notice of the hearing. At the hearing, the director shall present the factual data in his possession in support of the proposed action. Any person may appear at the hearing, either in person or by representative, and submit oral or documentary evidence for or against the proposed action. In making his determination, the director shall give full consideration to public comment and to recommendations made by local political subdivisions.

Sec. 224. Section 45-413, Arizona Revised Statutes, is amended to read:

45-413. Hearing on designation of subsequent active management areas and boundaries; notice; procedures

A. If the director proposes to designate a subsequent active management area pursuant to section 45-412, subsection A, the director shall hold a public hearing to consider:

1. Whether to issue an order declaring the area an active management area.

2. The boundaries and any sub-basins of the proposed active management area.

B. The director shall give reasonable notice of the hearing under the circumstances, which shall include publication once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which the proposed active management area is located. Any notice shall contain the time and place of the hearing, the legal description and a map clearly identifying and describing all lands to be included in the proposed active management area and any sub-basins and any other information the director deems necessary.

C. The hearing shall be held at a location within the proposed active management area as soon as practicable but no less than thirty days and no more than sixty days after the first publication of the notice of hearing. At the hearing, the director shall present the factual data in his possession in support of the proposed action. Any person may appear at the hearing, either in person or by representative, and submit oral or documentary evidence for or against the proposed action. In making his determination, the director shall give full consideration to public comment and to recommendations made by local political subdivisions.

Sec. 225. Section 45-435, Arizona Revised Statutes, is amended to read:

45-435. Hearing on designation of subsequent irrigation non-expansion areas and boundaries; notice; procedures

A. If the director finds that an area which is not included within an active management area meets the criteria specified in section 45-432, or a petition is filed pursuant to section 45-433, the director shall hold a public hearing to consider:

1. Whether to issue an order declaring the area an irrigation non-expansion area.

2. The boundaries of the proposed irrigation non-expansion area.

B. The director shall give reasonable notice of the hearing under the circumstances, which shall include the publication once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which the proposed irrigation non-expansion area is located. Any notice shall contain the time and place of the hearing, the legal description and a map clearly identifying and describing all lands to be included in the proposed irrigation non-expansion area and any other information the director deems necessary.

C. The hearing shall be held at a location in the county in which the major portion of the proposed irrigation non-expansion area is located no less than thirty days but no more than sixty days after the first publication of the notice of the hearing. At the hearing, the director shall present the

factual data in his possession in support of or in opposition to the proposed action. Any person may appear at the hearing, either in person or by representative, and submit oral or documentary evidence for or against the proposed action. In making his determination, the director shall give full consideration to public comment and to recommendations made by local political subdivisions.

Sec. 226. Section 45-523, Arizona Revised Statutes, is amended to read:

45-523. Notice; objections; hearing

A. Except as provided in section 45-518, subsection D and section 45-519.01, subsection F, when the permit application is determined complete and correct, the director ~~shall~~, within fifteen days of such determination, SHALL give notice of the application once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which the active management area in which the applicant proposes to withdraw groundwater is located.

B. Notice pursuant to subsection A of this section shall state that objections to the issuance of the permit may be filed, by persons residing in the active management area, in writing, with the director within fifteen days after the last publication of notice and that objections are limited to whether the permit application meets the criteria for issuance of a permit as set forth in this article. An objection shall state the name and mailing address of the objector, be signed by the objector, the objector's agent or the objector's attorney and clearly set forth reasons why the permit should not be issued.

C. In appropriate cases, including cases where a proper written objection to the permit application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. The director ~~shall~~, thirty days ~~prior to~~ BEFORE the date of the hearing, SHALL give notice to the applicant and to any person who filed a proper written objection to the issuance of the permit. The hearing shall be scheduled for not less than sixty days nor more than ninety days after the expiration of the time in which to file objections.

D. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the active management area in which the use is located.

Sec. 227. Section 45-547, Arizona Revised Statutes, is amended to read:

45-547. Transportation of groundwater withdrawn in the Yuma basin; permit

A. Groundwater may be withdrawn in the Yuma basin for direct or indirect transportation outside of the basin, including transportation to an initial active management area, only if a permit is obtained from the director pursuant to this section.

B. A person who has the legal right to divert and use Colorado river water may apply to the director for a permit to withdraw groundwater in the Yuma basin for direct or indirect transportation outside of the basin, including transportation to an initial active management area. The director may issue the permit if all of the following apply:

1. The water to be withdrawn was originally Colorado river water applied for irrigation purposes.

2. The water to be pumped is groundwater under Arizona law that is causing waterlogging to the detriment of agricultural operations or municipal infrastructure in the Yuma basin.

3. No person is currently pumping or will pump the water for use in the Yuma basin during the term of the permit.

4. Issuance of the permit will result in water being returned to the Colorado river that otherwise would not have returned.

5. Any irrigation district or water users' association in the Yuma basin that has a contractual right with the secretary of the interior for a return flow credit for the water returned to the river pursuant to the permit has waived that right.

6. The permittee will comply with all federal laws and treaties and state laws regarding returning the water to the Colorado river.

7. If the groundwater will be pumped from wells within the exterior boundaries of an irrigation district or water users' association, that irrigation district or water users' association has consented to the issuance of the permit.

8. If the groundwater will be pumped from wells within the city limits of a city or town that holds an entitlement to Colorado river water, that city or town has not objected to the issuance of the permit.

9. If the applicant is the United States or an agent or agency of the United States, the water transported pursuant to the permit will be used as replacement water for the specific purposes identified in section 45-107.01, paragraph 2.

C. An applicant for a permit issued under this section shall apply to the director in writing and shall submit all evidence necessary to establish that the requirements of subsection B of this section apply, including a hydrologic study. The director shall review the application and determine within one hundred days of receipt of the application whether it is administratively complete. The director shall complete the substantive review of the application and shall issue or deny the permit within nine months of determining the application to be administratively complete.

D. If the application is determined to be administratively complete, the director, within fifteen days of that determination, shall give notice of the application once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in Yuma, La Paz and Mohave counties. The director shall also give first class mail notice of the application to each city, town, private water company, irrigation district,

water users' association and electrical district within Yuma county and to any multicounty water conservation district as defined in section 48-3701. The notice shall state that persons adversely affected by the withdrawal of groundwater in the Yuma basin and the transportation of that water may file written objections to the issuance of the permit with the director within fifteen days after the last publication of the notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth the reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing the permit as prescribed by subsection B of this section.

E. If the director deems a hearing necessary or if a proper objection to the permit application has been filed, an administrative hearing shall be held before the director's decision on the application. At least thirty days before the hearing, the director shall notify the applicant and any person who filed a proper objection to the issuance of the permit. The hearing shall be scheduled for at least ninety days but no more than one hundred twenty days after the expiration of the time in which to file objections. If an administrative hearing is held, it shall be held in the Yuma basin.

F. A permit under this section shall contain that information determined to be necessary by the director and may include any condition determined by the director to be consistent with this section or necessary to protect the interests of this state and the water users of the Yuma basin. The director may issue a permit under this section for a period of not more than ten years and, on the director's initiative or the request of a water user in the Yuma basin, may review the permit to ensure that the requirements of subsection B of this section continue to apply. If the requirements no longer apply, the director may revoke the permit. On the request of the permit holder, the director may renew the permit if the director determines that the requirements of subsection B of this section apply. The director shall monitor withdrawals of groundwater pursuant to permits issued under this section and shall terminate a permit if the static groundwater level at the location of waterlogging identified in the permit reaches a depth greater than twenty feet below land surface or the conditions specified in subsection B, paragraph 2 of this section for issuance of the permit no longer apply.

G. Issuance of a permit under this section to the United States, an agent or agency of the United States or any other person shall not preclude issuance of a permit to any other eligible applicant to transport water for use within this state.

H. Before October 1 of each year, each permit holder shall file a written statement of intent with the director stating the quantity of groundwater the permit holder intends to withdraw and transport pursuant to its permit during the next calendar year. A permit holder who fails to submit a written statement of intent on or before October 1 of any year shall not withdraw or transport any groundwater pursuant to its permit in the

following calendar year. A permit holder who files a statement of intent shall not withdraw and transport an amount of groundwater greater than that reported on its statement of intent. If, based on the statements of intent, the director determines that there is insufficient groundwater available to allow withdrawal of the total amount reported in the statements of intent filed by all permit holders, the director, on or before December 1, shall send notice by first class mail to all permit holders who filed a statement of intent. The notice shall state that the director shall allocate the groundwater available to each permit holder, up to the amount reported in the statement of intent, according to each permit holder's priority to divert and use Colorado river water, except that the director may allocate the groundwater in accordance with a written agreement signed by all permit holders who filed a statement of intent.

Sec. 228. Section 45-570, Arizona Revised Statutes, is amended to read:

45-570. Hearing on management plans; notice; procedures

A. The director shall hold a public hearing on each proposed management plan in each active management area ~~prior to~~ BEFORE final adoption of the management plan.

B. The director shall give notice of the hearing within thirty days after the proposed management plan is completed. The notice shall include a summary of the management plan, a map or a description of the boundaries of the active management area, and the time and place of the hearing. The notice shall be published once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which the active management area is located.

C. The hearing shall be held at a location within the active management area as soon as practicable but no less than thirty days and no more than sixty days after the first publication of the notice of the hearing.

D. At the hearing, the director shall present data in support of the adoption of the proposed management plan and a summary of the comments on the draft management plan made to the director by the groundwater users advisory council pursuant to section 45-421, paragraph 1. Any person may appear at the hearing either in person or by representative and submit oral or documentary evidence for or against the adoption of the management plan.

Sec. 229. Section 45-576.03, Arizona Revised Statutes, is amended to read:

45-576.03. Director's review of plans

A. Within sixty days after receiving a groundwater replenishment district's preliminary and long-range plans pursuant to section 45-576.02, the director shall determine if the district has submitted sufficient information to determine whether the district's plan for operation is consistent with the management goal of the active management area. If the director determines that the information is insufficient for such a

determination, the director shall notify the district of the insufficiency in writing and shall specify what additional information is required. The district shall provide the information to the director within thirty days after receiving the notice.

B. On determining that the district's preliminary or long-range plan is complete, the director shall publish notice ~~in a newspaper of general statewide circulation~~ ON A PUBLIC MEDIUM once each week for two consecutive weeks:

1. Requesting public comment concerning information supplied by the district to meet the requirements of section 45-576.02.

2. Setting a date and location of a public hearing to be held pursuant to subsection C of this section.

C. The director shall hold a public hearing within sixty days after the last day of notice under subsection B of this section. The hearing shall be conducted in an informal manner without adhering to the rules of evidence required in judicial proceedings. Any person, including the department, shall have an opportunity to comment on or to present evidence concerning the submitted plan.

D. The district shall respond in writing to all public comments whether received at the hearing or otherwise received by a date announced by the director.

E. Within one hundred twenty days after the hearing on the preliminary plan, the director shall issue a preliminary decision determining whether or not the plan for district operation shall be designated as being consistent with achieving the management goal. If the director determines that the preliminary plan for district operation is consistent with achieving the management goal, the designation expires on January 1 of the thirteenth calendar year following the calendar year in which the district is established. Within one hundred twenty days after the hearing on the long-range plan, the director shall issue a final decision determining whether or not the plan for district operation shall be designated as being consistent with achieving the management goal. The director shall include findings with the decision and a summary of all public comments received in writing and public comments made at the public hearing.

F. The director shall issue a decision that the district's plan for operation is consistent with achieving the management goal if the director finds that the district has the current capability to meet the district members' replenishment obligations for the five calendar years following the calendar year in which the district submits its plan and, in addition, the director makes either of the following findings, as applicable:

1. If the director is evaluating the preliminary plan, that the district has established an adequate plan for obtaining financing and water resources that are necessary to meet the district members' replenishment obligations through the eighteenth calendar year following the year in which the district is established.

2. If the director is evaluating the long-range plan, that the district has established an adequate plan to meet the projected replenishment obligations through the first calendar year in which achieving safe-yield is required.

G. Unless the district successfully appeals the director's decision pursuant to subsection H of this section, if the director has made a determination that the district's plan for operation is not consistent with achieving the management goal, the director shall notify the district of the inconsistency in writing and shall specify how the district's plan for operation is inconsistent with achieving the management goal. The district shall modify its proposed plan and resubmit the plan, and the director shall review the plan as provided by section 45-576.02 and this section, except that the director shall only hold a hearing regarding those matters that the district has modified in its resubmitted plan.

H. The director's determination under subsection E of this section is subject to rehearing or review and to judicial review as provided in section 45-114, subsection C, but the court shall not issue a temporary restraining order or preliminary injunction to prevent the director from acting under this chapter while the action is pending.

I. Within sixty days after receiving a conservation district's plan or a water district's plan pursuant to section 45-576.02, including a revised plan pursuant to subsection R of this section, the director shall determine if the conservation district or water district, as the case may be, has submitted sufficient information to determine whether the conservation district's plan for operation is consistent with the management goals of each of the active management areas in which a member land or member service area is or may be located or whether the water district's plan for operation is consistent with the management goal of the active management area in which a water district member land or a water district member service area is or may be located. If the director determines that the information is insufficient for such a determination, the director shall notify the conservation district or water district, as the case may be, of the insufficiency in writing and shall specify what additional information is required. The conservation district or water district, as the case may be, shall provide the information to the director within a reasonable time as specified by the director.

J. On determining that the conservation district's plan or the water district's plan, as the case may be, is complete, the director shall publish notice ~~in a newspaper of general statewide circulation~~ ON A PUBLIC MEDIUM once each week for two consecutive weeks:

1. Requesting public comment concerning information supplied by the conservation district or water district, as the case may be, to meet the requirements of section 45-576.02.

2. Setting a date and location of a public hearing to be held pursuant to subsection K of this section.

K. The director shall hold a public hearing within sixty days after the last day of the notice under subsection J of this section. The hearing shall be conducted in an informal manner without adhering to the rules of evidence required in judicial proceedings. Any person, including the department, shall have an opportunity to comment on or to present evidence concerning the submitted plan.

L. The conservation district or the water district, as the case may be, shall respond in writing to all public comments whether received at the hearing or otherwise received by a date announced by the director.

M. Within sixty days after the hearing on the first plan required under section 45-576.02, subsection C or the first plan required under section 45-576.02, subsection E and within one hundred twenty days after the hearing on any subsequent plan required under section 45-576.02, subsection C or E, including a revised plan pursuant to subsection R of this section, the director shall issue a decision for each of the active management areas in which a member land or member service area is or may be located, and the active management area in which a water district member land or water district member service area is or may be located, as to whether or not the plan submitted with respect to an active management area is consistent with achieving the management goal of the active management area. The director shall include findings with the decision and a summary of all public comments received in writing and public comments made at the public hearing. If the director's decision includes a determination that the plan submitted for an active management area is consistent with achieving the management goal of that active management area, except as provided in subsection S of this section, the determination expires on December 31 of the year following the year in which the conservation district or the water district, as the case may be, is required to submit its next plan under section 45-576.02, subsections C and E, or the date the director issues a decision determining that the next plan is consistent with achieving the management goal of the active management area, whichever occurs first.

N. The director shall make a determination that the conservation district's plan is consistent with achieving the management goal for each active management area if all of the following have been demonstrated:

1. The conservation district has identified sufficient water supplies to meet its replenishment obligations for current members during the twenty calendar years following the submission of the plan and has identified additional water supplies potentially available for the district's projected groundwater replenishment obligations for the one hundred calendar years following the submission of the plan for current members and potential members based on reasonable projections of real property and service areas that could qualify for membership in the ten years following the submission of the plan.

2. The replenishment reserve target for each active management area was calculated as prescribed in section 48-3772, subsection E, and the district is developing a replenishment reserve in each active management area pursuant to section 48-3772, subsection E.

3. The conservation district has identified sufficient capacity at storage facilities and projects to be used for replenishment purposes during the twenty calendar years following the submission of the plan.

4. The district has made a reasonable estimate of its projected replenishment obligations for the one hundred calendar years following the submission of the ten year plan as required by section 45-576.02, subsection C, paragraph 2, subdivision (b).

O. The director shall issue a decision that the water district's plan is consistent with achieving the management goal of the active management area in which the water district is located if the director finds that the water district has the current capability to meet the current and projected water district groundwater replenishment obligation, as that term is defined and used in title 48, chapter 28, for the five calendar years following the calendar year in which the water district submits its plan and, in addition, the director finds the water district has established an adequate plan to meet the projected water district groundwater replenishment obligation for the twenty calendar years following the calendar year in which the plan was submitted.

P. Unless the conservation district or water district successfully appeals the director's decision pursuant to subsection Q of this section, if the director finds for one or more active management areas that the conservation district's plan for operation or the water district's plan is not consistent with achieving the management goal of an active management area, the director shall notify the conservation district or water district, as the case may be, of the inconsistency in writing and shall specify how the conservation district's plan for operation or the water district's plan is inconsistent with achieving the management goal. The conservation district or water district, as the case may be, shall modify its proposed plan and resubmit the plan within sixty days after it has been notified in writing of the director's decision, and the director shall review the plan as provided by section 45-576.02 and this section, except that the director shall only hold a hearing regarding those matters that the conservation district or water district, as the case may be, has modified in its resubmitted plan.

Q. The director's decision under subsection M or R of this section is subject to rehearing or review and to judicial review as provided in section 45-114, subsection C, but the court shall not issue a temporary restraining order or preliminary injunction to prevent the director from acting under this chapter while the action is pending.

R. If, at any time between the second anniversary and the eighth anniversary of the director's determination of consistency with the management goal, the director finds that there has been either an unexpected

increase in the conservation district's projected groundwater replenishment obligations or an unexpected reduction in water supplies available to meet the conservation district's current obligations such that the conservation district's plan no longer demonstrates consistency with the management goal for one or more active management areas, the director shall require the conservation district to submit a revised plan for operation. The revised plan for operation shall be submitted within one calendar year after the date that the director notifies the conservation district of such a finding, unless the director extends this time for good cause. The director shall review, hold a hearing on and make a decision on the revised plan as provided by this section, except that the director shall only hold a hearing regarding those conditions that have changed.

S. Unless the conservation district successfully appeals the director's decision pursuant to subsection Q of this section, if the director's decision includes a finding for one or more active management areas that the conservation district's revised plan for operation is not consistent with achieving the management goal of that active management area pursuant to this section and the conservation district is unable to satisfy the director's concerns within sixty days after the director has notified the conservation district of the decision, the determination that the district's plan is consistent with the management goal of the active management area shall expire.

Sec. 230. Section 45-576.04, Arizona Revised Statutes, is amended to read:

45-576.04. Report and review of plans by groundwater replenishment district

A. At least once every five years after the final determination that a groundwater replenishment district's plan for operation is consistent with achieving the management goal of the active management area, the district shall prepare and submit a replenishment report to the director and to the district's board of directors. The replenishment report shall include at least the following:

1. An estimate of the district members' replenishment obligations that will arise during the following twenty year period.

2. A description of water resources that will be available to the district during the following twenty year period.

3. A description of any facilities and projects to be used for replenishment during the following twenty year period.

4. A description of the district's financial capabilities and financial requirements necessary to address the replenishment obligations during the following twenty year period.

5. A description of the district's current capability to meet the replenishment obligations for the five calendar years following the calendar year in which the district submits its report.

B. Within thirty days after receiving the district report, the director shall submit written comments to the district. On receiving the director's comments, the district shall publish a notice ~~in a newspaper of general statewide circulation~~ ON A PUBLIC MEDIUM once each week for two consecutive weeks:

1. Requesting public comment concerning information supplied by the district in the report.

2. Setting a date and location of a public hearing to be held pursuant to subsection C OF THIS SECTION.

C. Within sixty days after the last day of notice under subsection B, the district shall hold a hearing concerning the report. The hearing shall be conducted in an informal manner without adhering to the rules of evidence required in judicial proceedings. At the hearing, the district shall present a summary of the director's comments and public comments received before the hearing relating to the report. Any person, including the director, shall have an opportunity to present evidence and comments relating to the report.

D. Within ninety days after the hearing, the district shall transmit to the director a summary of all comments and evidence submitted at the hearing relating to the report. The district shall include in this document its written response to all comments it received, including the director's comments.

E. Within one hundred twenty days after the hearing, the district's board of directors shall determine whether to adopt the report. The decision shall be based on the following factors:

1. Whether the report indicates that the district has sufficient projected replenishment efforts to meet the projected replenishment obligations for the twenty calendar years following the calendar year in which the district submits the report.

2. Whether the report indicates that the district has the current capability to meet the replenishment obligations for the five calendar years following the calendar year in which the district submits its report.

F. If the district's board of directors does not adopt the report, it shall require that the report be modified to sufficiently address the factors described in subsection E OF THIS SECTION. The board shall adopt the report as modified.

G. On adoption, the board of directors shall transmit a copy of the report to the director and shall make the report and the information described in subsection D OF THIS SECTION available to the general public.

Sec. 231. Section 45-576.07, Arizona Revised Statutes, is amended to read:

45-576.07. Determining water sufficiency and availability; water availability status capability plans

A. For the purposes of determining whether to designate or maintain the designation of a city, town or private water company as having an assured water supply, when the service area of that city, town or private water

company has qualified as a member service area of a conservation district pursuant to title 48, chapter 22, article 4, and when the member service area has been granted water availability status by a resolution of the conservation district adopted pursuant to section 48-3772, subsection B, paragraph 10, the director shall find that sufficient groundwater, surface water or effluent will be continuously available to satisfy the water needs of a proposed use for at least one hundred years under section 45-576 if all of the following apply:

1. The conservation district has committed through the resolution granting water availability status to the city, town or private water company to replenish a specified average annual volume of water in a location where the city, town or private water company may physically access the water for service to its customers.

2. The director finds that the commitment by the conservation district to replenish the specified average annual volume of water will provide a sufficient supply of water that will be continuously available to satisfy the water needs of the ~~city~~ CITY'S, ~~town~~ TOWN'S or private water company's proposed use for at least one hundred years.

3. The director finds that, without the water supply provided through the resolution adopted by the conservation district, the city, town or private water company would be unable to obtain or maintain a designation as having an assured water supply for its current and committed demands beyond 2010.

4. The director finds that the commitment by the conservation district to replenish a specified average annual volume of water in a location where the city, town or private water company may physically access the water for service to its customers is consistent with the most recent plan approved by the director pursuant to subsection H of this section.

5. The director finds that the conservation district or the city, town or private water company has committed to ensure that a five year supply of water will be maintained and available for use by the city, town or private water company in years in which water is not available for replenishment.

6. The conservation district or the city, town or private water company has obtained all permits necessary to replenish water at the location specified in the resolution, including underground storage facility permits and water storage permits issued under chapter 3.1 of this title.

7. If the water supply made available to the city, town or private water company through replenishment by the conservation district will serve only a portion of the water needs of the city, town or private water company, the director finds that the city, town or private water company has sufficient groundwater, surface water or effluent that will be continuously available to satisfy the remaining needs of the city, town or private water company for at least one hundred years, in accordance with the rules adopted by the director pursuant to section 45-576, subsection H.

8. The director has determined pursuant to subsection H of this section that the most recent plan submitted by the conservation district pursuant to this section establishes that the conservation district has the capability to grant water availability status to member service areas.

B. To establish that the conservation district has the capability to grant water availability status to member service areas in an active management area, the conservation district may submit a plan for the active management area to the director that includes all of the following information:

1. An estimate of the conservation district's current and projected groundwater replenishment obligations, as defined in section 48-3701, for the following one hundred calendar years.

2. An estimate of the conservation district's current and projected contract replenishment obligations, as defined in section 48-3701, for the following one hundred calendar years.

3. An estimate of the conservation district's current and projected commitments to member service areas that have or will be granted water availability status by the conservation district.

4. A description of water resources that are available to the conservation district for use in satisfying the obligations described in paragraphs 1 through 3 of this subsection during the following twenty calendar years.

5. A description of water resources that are expected to be available to the conservation district for use in satisfying the obligations described in paragraphs 1 through 3 of this subsection during the following one hundred calendar years.

6. A description of the transportation facilities and available capacity in those facilities to be used in satisfying the obligations described in paragraphs 1 through 3 of this subsection during the following twenty calendar years.

7. An analysis of potential transportation facilities and available capacity in those facilities that could be used in satisfying the obligations described in paragraphs 1 through 3 of this subsection during the following one hundred calendar years.

C. Within sixty days after receiving the conservation district's plan, the director shall determine if the conservation district has submitted sufficient information to determine whether the conservation district has the capability to grant water availability status to member service areas. If the director determines that the information is insufficient for that determination, the director shall notify the conservation district of the insufficiency in writing and shall specify what additional information is required. The conservation district shall provide the information to the director within a reasonable time as specified by the director.

D. ~~Upon~~ ON determination that the plan of the conservation district is complete, the director shall publish notice ~~in a newspaper of general~~

~~statewide circulation~~ ON A PUBLIC MEDIUM once each week for two consecutive weeks:

1. Requesting public comment concerning information supplied by the conservation district to meet the requirements of subsection B of this section.

2. Setting a date and location of a public hearing to be held pursuant to subsection E of this section.

E. The director shall hold a public hearing within sixty days after the last day of the notice under subsection D of this section. The hearing shall be conducted in an informal manner without adhering to the rules of evidence in judicial proceedings. Any person, including the department, shall have an opportunity to comment on or to present evidence regarding the submitted plan.

F. The conservation district shall respond in writing to all public comments whether received at the hearing or otherwise received by a date announced by the director.

G. Within sixty days after the hearing on the first plan submitted under subsection B of this section, or within one hundred twenty days after the hearing on any subsequent plan submitted under subsection K of this section, the director shall issue a decision for each of the active management areas in which the conservation district is attempting to establish that the conservation district has the capability to grant water availability status to member service areas.

H. The director shall issue a decision that the conservation district's plan establishes that the conservation district has the capability to grant water availability status to member service areas, if the director finds that the conservation district has the current capability to meet the obligations described in subsection B, paragraphs 1 through 3 OF THIS SECTION for the twenty calendar years following the submission of the plan and if the director finds that the conservation district has established an adequate plan to meet those obligations for the one hundred calendar years following the submission of the plan.

I. Unless the conservation district successfully appeals the director's decision pursuant to subsection J of this section, if the director has made a determination that the conservation district does not have the capability to grant water availability status to member service areas, the director shall notify the conservation district of the insufficiency of the plan in writing and shall specify the insufficiencies of the plan. If, at the time the conservation district receives the insufficiencies of the plan from the director, any member service area has water availability status, the conservation district shall modify and resubmit the plan, and the director shall review the plan as provided in this section, except that the director shall only hold a hearing regarding those matters that the conservation district has modified in its resubmitted plan.

J. The director's determination under subsection H of this section is subject to rehearing or review and to judicial review as provided in section 45-114, subsection C, but the court shall not issue a temporary restraining order or preliminary injunction to prevent the director from acting under this chapter while the action is pending.

K. If the conservation district submits a plan for an active management area to the director pursuant to subsection B of this section, the conservation district shall thereafter, in conjunction with every plan required by section 45-576.02, subsection C, also submit the plan for that active management area described by subsection B of this section. The director shall then review the plan in accordance with subsections C through J of this section. The conservation district shall not be required to submit the plan described in this section for an active management area unless a member service area which has water availability status is located within that active management area.

Sec. 232. Section 45-578, Arizona Revised Statutes, is amended to read:

45-578. Notice; objections; hearing; issuance of certificate; appeals

A. The director shall give notice of the application for a certificate of assured water supply once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the active management area in which the applicant proposes to use water. The first publication shall occur within fifteen days after the application is determined complete and correct or at any earlier time as the applicant may request after the application is determined complete. If the application is substantially modified after notice of the application is given pursuant to this subsection, the director shall give notice of the application as modified in the manner prescribed by this subsection. The first publication of any subsequent notice shall occur within fifteen days after the modified application is determined complete and correct or at any earlier time as the applicant may request after the modified application is determined complete.

B. Notice pursuant to subsection A of this section shall state that objections to the issuance of the certificate may be filed by residents of the active management area, in writing, with the director within fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, be signed by the objector, the objector's agent or the objector's attorney and clearly set forth reasons why the certificate should not be issued. The grounds for objection are limited to whether the certificate application meets the criteria for determining an assured water supply set forth in section 45-576, subsection ~~I~~ J.

C. In appropriate cases, including cases where a proper written objection to the certificate application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. The director, thirty days ~~prior to~~

BEFORE the date of the hearing, shall give notice of the hearing to the applicant and to any person who filed a proper written objection to the issuance of the certificate. The hearing shall be scheduled for not less than sixty days nor more than ninety days after the expiration of the time in which to file objections.

D. ~~Upon~~ ON finding that an assured water supply exists for the proposed use, the director shall issue a certificate of assured water supply to the applicant. ~~Upon~~ ON finding that an assured water supply does not exist, the director shall deny the application and return it to the applicant.

E. An aggrieved party or a person who contested a certificate by filing a proper objection pursuant to subsection B of this section may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in the superior court.

F. If the application for a certificate of assured water supply is for land that has qualified as a member land under title 48, chapter 22, the director shall notify the conservation district when a certificate of assured water supply is issued and shall report the total projected average annual replenishment obligation at build-out for each plat under the certificate. On or before January 1, 2005, the director shall provide a written report to the conservation district indicating the total projected average annual replenishment obligation at build-out for each plat under certificates of assured water supply issued for land that qualified as member land under title 48, chapter 22 before January 1, 2004.

G. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the active management area in which the use is located.

Sec. 233. Section 45-704, Arizona Revised Statutes, is amended to read:

45-704. Notice of application; objections; hearing; approval or rejection

A. On receiving an application under section 45-703, the director shall record the application and endorse on the application the date of receipt. The director shall conduct an initial review of the application within fifteen days of receiving the application. If the director determines in the initial review that the application is incomplete, the director shall notify the applicant. The application is incomplete until the applicant files all of the information requested in the application. The director shall determine whether the application is correct within ninety days after receiving a complete application. The director may request additional information from the applicant. The director may conduct independent investigations as may be necessary to determine whether the application should be approved or rejected.

B. If the director determines that the application is complete and correct, the director, within fifteen days after the determination, or a longer period if the applicant requests, shall give notice of the application once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which persons reside who could reasonably be expected to be affected by the designation of groundwater oversupply. The notice shall state that persons who may be adversely affected by the designation may file written objections to the issuance of the certificate with the director within fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth reasons why the certificate should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing a certificate prescribed in section 45-702, subsection B.

C. In appropriate cases, including cases in which a proper objection to the certificate application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. At least thirty days before the hearing, the director shall notify the applicant and any person who filed a proper objection to the issuance of the certificate. The hearing shall be scheduled for at least sixty but not more than ninety days after the expiration of the time in which to file objections.

D. The director shall record and endorse the approval or denial of the application on the application. If the certificate is denied, the director shall return a copy of the application to the applicant specifically stating the reasons for denial.

E. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the active management area in which the use is located.

Sec. 234. Section 45-871.01, Arizona Revised Statutes, is amended to read:

45-871.01. Permit application; fee; notice of application; objections; hearing; appeal

A. The director shall prescribe and furnish application forms for the permits prescribed by articles 2 and 3 of this chapter. The application forms shall require the applicant to submit the information needed by the director to determine whether the permit may be issued. The director shall establish and collect a reasonable fee from the applicant to cover the cost of administrative services and other expenses associated with evaluating and issuing each permit. The director shall deposit, pursuant to sections 35-146 and 35-147, all fees received under this subsection in the water resources fund established by section 45-117.

B. On receipt of an application for a permit pursuant to this chapter, the director shall endorse on the application the date of its receipt and shall keep a record of the application. Within fifteen days after receipt of an application for an underground storage facility permit, the director shall post notice of the application on the department's website until the director issues a decision on the application. The notice shall state the name of the applicant, the location of the proposed underground storage facility, the date the application was filed and the application number. The notice required by this subsection is in addition to the notice requirement in subsection D of this section. The director shall conduct a review of the application within one hundred days of receipt of the application. If the director determines in the review that the application is incomplete or incorrect, the director shall notify the applicant and the review period is extended by fifteen days. The application is incomplete or incorrect until the applicant files the information requested in the application. The director may conduct independent investigations as necessary to determine whether the application should be approved or rejected.

C. If the application is for water storage at an underground storage facility that is exempt from the requirement for an aquifer protection permit under section 49-250, subsection B, paragraph 12, 13 or 24, the director of water resources shall consult with the director of environmental quality and shall develop a coordinated and unified permit review process, that conforms to the time schedule prescribed by this section, to determine whether the permit application is correct and whether the development of a plan of action for monitoring and data analysis shall be required.

D. Except as provided in subsection E of this section, if the application is determined to be complete and correct and the application is for a storage facility permit or a water storage permit, the director, within fifteen days of that determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which persons reside who could reasonably be expected to be affected by the water storage. The director shall also give notice by first class mail to each city, town, private water company, conservation district, irrigation district and electrical district that serves land within the area of impact of the stored water. The notice shall state that persons who may be adversely affected by the water storage may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth the reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing the permit being requested as prescribed by articles 2 and 3 of this chapter.

E. If the application is determined to be complete and correct and the application is for a water storage permit to store Colorado river water at a storage facility where storage of Colorado river water has previously been permitted, the director may issue the permit within twenty days of that determination if all of the following apply:

1. The holder of the storage facility permit with which the water storage permit will be affiliated has consented to the water storage.

2. The water storage permit will not require a modification of an affiliated water storage facility permit.

3. Colorado river water will be the only type of water stored under the water storage permit.

4. The applicant has the right to use the Colorado river water.

F. Except as provided in section 45-834.01, subsection D, if the application is determined to be complete and correct and the application is for a recovery well permit, the director, within fifteen days of the determination or a longer period if requested by the applicant, shall give notice of the application once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the applicant proposes to recover stored water. If the application is for a well located inside of or within three miles of the exterior boundaries of the service area of a city, town, private water company or irrigation district, the applicant shall give notice of the application by first class mail to each city, town, private water company or irrigation district within that distance. The applicant shall file proof of the notice with the director. The notice shall state that persons who may be adversely affected by the recovery well may file written objections to the issuance of the permit with the director for fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector, shall be signed by the objector or the objector's agent or attorney and shall clearly set forth reasons why the permit should not be issued. The grounds for objection are limited to whether the application meets the criteria for issuing a recovery well permit as set forth in section 45-834.01, subsection B. For the purposes of this subsection, if the proposed recovery well is located within three miles outside of the exterior boundaries of the service area of a city, town, private water company or irrigation district, a city, town, private water company or irrigation district within that distance shall be considered a person who may be adversely affected by the recovery well.

G. In appropriate cases, including cases in which a proper objection to the permit application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. At least thirty days before the hearing, the director shall notify the applicant and any person who filed a proper objection to the issuance of the permit. The hearing shall be scheduled for at least sixty

days but not more than ninety days after the expiration of the time in which to file objections.

H. If a hearing is not held, the director shall issue a decision and order within six months of the date notice of the application is first given pursuant to subsection D or F of this section, or within ninety days in the case of an application under article 6 of this chapter. The director shall record and endorse the approval or rejection of the application on the application. If the permit is denied, the director shall return a copy of the application to the applicant specifically stating the reasons for denial.

I. The applicant or any person who filed a proper objection to the application may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in superior court as provided in section 45-405.

J. Section 45-114, subsections A and B govern administrative proceedings, rehearings or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the active management area in which the storage or recovery is located.

K. On receipt of an application for a permit pursuant to this section, the director shall provide written notice of the proposed permit to the city, town or county that has land use jurisdiction over the site that is the subject of the permit. The notice shall be given at the same time and in the same manner as the notices prescribed by subsections D and F of this section in order to provide the city, town or county with the opportunity to comment on the proposed facility's or well's compliance with site planning and operational requirements of the city, town or county. This subsection shall not be construed to limit the exclusive authority of the director to determine the issuance of the permit or the site of the facility or well or to reduce the authority of the city, town or county to enforce its applicable ordinances governing site planning and operational requirements.

Sec. 235. Section 45-1042, Arizona Revised Statutes, is amended to read:

45-1042. Application for water exchange permit; notice; objections; hearing

A. On receiving an application for a water exchange permit, the director shall endorse on the application the date of receipt and keep a record of the application. The director shall conduct an initial review of the application within fifteen days after receiving the application. If the director determines in the initial review that the application is incomplete, the director shall notify each applicant. The application is incomplete until the applicants file the information requested in the application. The director shall determine whether the application is correct within ninety days after receiving a complete application. The director may request additional information from the applicants. The director may conduct

independent investigations as may be necessary to determine whether the application should be approved or rejected.

B. Within fifteen days after the director determines that an application for a water exchange permit is complete and correct or a longer period if requested by an applicant, the director shall give notice of the application once each week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which any water is proposed to be withdrawn, diverted or used pursuant to the water exchange. In appropriate cases, including those in which surface water subject to decreed or appropriative rights is to be exchanged, the director shall provide personal notice of the application to each person who has made a written request to the director for a mailed copy of the notice. The notice shall state that objections to the issuance of the permit may be filed in writing with the director by interested persons within thirty days after the last publication of notice and that objections are limited to whether the permit application meets the criteria for issuing a permit as prescribed by this article. An objection shall state the name and mailing address of the objector, shall be signed by the objector, the objector's agent or the objector's attorney and shall clearly state reasons why the permit should not be issued. The director shall prepare the notice and shall determine the cost of publishing the notice. Before the notice is published, the applicant shall pay for publication by submitting to the director a check or money order made payable to the ~~newspaper~~ PUBLIC MEDIUM in which the notice is to be published for the cost of publishing the notice. The director shall transmit the check or money order with the notice to the ~~newspaper~~ PUBLIC MEDIUM for publication.

C. In appropriate cases, including cases in which a proper written objection to the permit application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. At least thirty days before the date of the hearing, the director shall give notice to the applicants and to any person who filed a proper written objection to the issuance of the permit. The hearing shall be scheduled for at least sixty days but not more than ninety days after the expiration of the time in which to file objections. If a hearing is not held, the director shall issue a decision and order within six months after the date notice of the application is first given pursuant to subsection B of this section.

D. The approval or rejection of an application for a water exchange permit shall be endorsed on the application and dated. If the permit is denied, the director shall return the application to the applicants specifically stating the reasons for denial.

E. Section 45-114, subsections A and B govern administrative proceedings, rehearing or review and judicial review of final decisions of the director under this section. If an administrative hearing is held, it

shall be conducted in any county in which water may be withdrawn, diverted or used pursuant to the permit.

Sec. 236. Section 45-1902, Arizona Revised Statutes, is amended to read:

45-1902. Formation

A. An authority may be established in any active management area in which all of the following conditions exist on the date the authority is organized:

1. Over fifty per cent of the area of the active management area lies within a single county.

2. The population of the county is less than one hundred fifty thousand persons according to the most recent United States decennial census.

3. A political subdivision of this state within the active management area directly receives Colorado river water pursuant to contracts with a multi-county water conservation district and the United States secretary of the interior through facilities of the central Arizona project.

B. The boundaries of the authority shall be coterminous with the boundaries of the active management area, EXCEPT FOR TERRITORY EXCLUDED PURSUANT TO SUBSECTION C, PARAGRAPH 5 OF THIS SECTION.

C. An authority shall be established in the following manner:

1. A person who desires to propose establishment of an authority shall prepare and submit a petition to the board of supervisors of the county in which the authority is to be established. The petition shall contain, at least:

(a) The name of the proposed authority.

(b) Certified copies of adopted resolutions approving the authority's formation by the governing bodies of a majority of the incorporated cities and towns located entirely within the boundaries of the proposed authority on January 1, 1993, and the irrigation districts located entirely or in part within the boundaries of the proposed authority on January 1, 1993.

(c) A request that the board of supervisors schedule a hearing.

2. On receipt of the petition, the board of supervisors shall set a day, at least sixty but not more than ninety days from that date, for a hearing on the petition.

3. The clerk of the board of supervisors shall publish ~~in a newspaper or newspapers of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed authority, at least twenty days before the scheduled hearing, a notice setting forth the date, hour and place of the hearing and the purpose of the hearing. The clerk shall also notify the governing body of each city, town, irrigation district and water company located within the boundaries of the proposed authority of the date, hour and place of the hearing and the purpose of the hearing.

4. At the hearing, the board of supervisors shall hear those who appear for and against the proposed authority and shall determine whether the petition conforms to the requirements of this section. At the hearing all

interested persons residing within the boundaries of the proposed authority may appear and may be heard on any matter relating to the establishment of the proposed authority. Before the date set for the hearing, any person wishing to support or oppose the establishment of the authority may file a statement of support or opposition with the clerk of the board of supervisors.

5. At or before the time for a hearing, any city, town or irrigation district may file a statement requesting to be excluded from the authority, together with a description of any portion of its territory to be excluded from the authority.

6. If the board of supervisors determines that the petition conforms to the requirements of this section and that the public convenience and welfare will be served by the establishment of the authority, it shall order the establishment of the authority. The order shall exclude from the authority those cities, towns and irrigation districts that filed statements to exclude TERRITORY pursuant to paragraph 5 of this subsection and shall specify the territory to be excluded. The powers and duties of the authority that are conferred in this chapter do not extend to or otherwise include the entities and territories that are excluded.

7. Any entity excluded pursuant to paragraphs 5 and 6 of this subsection may petition the board of supervisors to be included in the authority. The board of supervisors shall comply with paragraphs 2, 3, 4 and 6 of this subsection to determine whether to include the entity and its territory within the authority. An order of inclusion extends the powers and duties of the authority over the entity and territory that are included and entitles the entity to representation on the board of the authority as prescribed by section 45-1921.

Sec. 237. Section 45-1994, Arizona Revised Statutes, is amended to read:

45-1994. Hearing; findings

A. The chairman of the board, at the earliest practical date, shall fix a time and place for a hearing at least twenty but not more than thirty days after adopting the resolution. The authority shall publish notice of the time and place fixed for the hearing twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the authority is established.

B. All pertinent records and documents shall be filed at least ten days before the date set for the hearing. Prehearings respecting any particular document, feature or incidental matter or any separable part or portion of any resolution may be held by the board on ten days' previous written notice if the board deems that holding a prehearing is conducive to expediting a final hearing, and a decision as to the issues presented may thereupon be rendered.

C. At the time and place fixed for the hearing, the board shall examine and determine the matters and questions involved. Hearings may be recessed, adjourned or continued as the board orders.

D. Any person who holds an original agreement or proposal made with the authority relating to or concerning the handling, sale, control or disposition of a proposed issue of bonds or who has previously made an offer or bid in good faith to purchase the bonds pursuant to a published invitation for bids by the authority, and any operating unit holding contracts with the authority at least ten days before the date fixed for the hearing, may qualify to be heard.

E. If the board finds that all precedent requirements and conditions have been fulfilled, it shall approve the bond issue in whole or in part or shall otherwise disapprove the bond issue as a whole or as to such features or proposals as do not meet the essential requirements. When the board has made and entered its findings, it shall enter a decision accordingly.

F. The decision of the board based on findings of fact that are supported by a preponderance of the evidence and that are not arbitrary or unreasonable is final and conclusive.

Sec. 238. Section 45-2202, Arizona Revised Statutes, is amended to read:

45-2202. Formation

A. An authority may be formed in any county with a population of more than ninety thousand persons and less than one hundred twenty thousand persons according to the most recent United States decennial census.

B. The members of the authority shall include municipal corporations in the county that:

1. Had contracts with the United States for the delivery of Colorado river water as of January 1, 1993.

2. Have adopted resolutions approving the formation of the authority as prescribed by subsection C, paragraph 1 OF THIS SECTION.

C. The authority shall be formed on the occurrence of the following events:

1. The adoption of resolutions approving the authority's formation by a majority of the municipal corporations in the county that had contracts with the United States for the delivery of Colorado river water as of January 1, 1993. A municipal corporation shall concurrently appoint the person who will represent the municipal corporation on the authority's board.

2. The transfer to the authority of the right to the delivery of eighteen thousand five hundred acre-feet per year of Colorado river water from a municipal corporation in the county where the authority is to be formed within seven hundred thirty days of the adoption of resolutions as prescribed by paragraph 1 of this subsection.

D. On full compliance with subsection C OF THIS SECTION, the authority shall:

1. Notify the board of supervisors in the county in which the authority is formed of the authority's formation.

2. Publish a notice of the authority's formation once each week for two consecutive weeks ~~in three newspapers of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the authority is formed.

3. Notify each authority member that the events prescribed by subsection C OF THIS SECTION have occurred.

E. An authority member that in connection with the formation of the authority or after the formation of the authority transfers, or causes to be transferred, to the authority all or a portion of its contractual entitlement to the delivery of Colorado river water shall remain an authority member after the transfer.

F. By vote of the directors, the membership of the authority may be expanded to include municipal corporations in the county that obtain contracts for the delivery of Colorado river water from the United States after January 1, 1993.

Sec. 239. Section 45-2261, Arizona Revised Statutes, is amended to read:

45-2261. Construction work and purchases by bid only; exceptions; award of contract

A. The authority shall undertake the construction of projects or facilities by contract and not by force account. For construction contracts exceeding twenty-five thousand dollars, notice shall be published for at least two days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the authority is formed, except in emergency cases to prevent imminent loss or danger. All contracts shall be let by public bid to the lowest responsible bidder. The authority may call for sealed bids and may accept or reject any bid. Bids shall be accompanied by a reasonable bid bond in an amount determined by the authority. The authority shall require that a bond or bonds as are required under title 34, chapter 2, article 2 shall be provided and secured for construction contracts exceeding two hundred thousand dollars.

B. All purchases and contracts made by the authority for material or services other than personal or professional services shall be made after advertising in a manner and time sufficiently in advance of opening bids as the authority deems adequate to ensure appropriate notices and an opportunity for competition. Advertisement is not required, and the purchase may be made in the open market in any of the following cases:

1. An emergency requiring immediate delivery of materials or performance of the services.

2. Repair parts, accessories or supplemental equipment or services that are required for material or services previously furnished or contracted for.

3. If the aggregate amount involved in the purchase of material or procurement of services does not exceed twenty-five thousand dollars.

C. In comparing bids and making awards the authority shall give due consideration to such factors as:

1. The relative quality and adaptability of materials or services.

2. The bidder's financial responsibility, skill, experience, record of integrity in dealing and ability to furnish repair and maintenance services.

3. The time of delivery or performance offered.

4. Whether the bidder has complied with the specifications.

D. Subsections A, B and C OF THIS SECTION do not apply to any contracts entered into with a state or federal agency, a political subdivision OF THIS STATE or an Indian tribe.

E. The board may cause the review and approve or reject all specifications, plans and construction contracts before their finalization.

Sec. 240. Section 47-7210, Arizona Revised Statutes, is amended to read:

47-7210. Enforcement of warehouse's liens

A. Except as otherwise provided in subsection B OF THIS SECTION, a warehouse's lien may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification must include a statement of the amount due, the nature of the proposed sale and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a method different from that selected by the warehouse is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The warehouse sells in a commercially reasonable manner if the warehouse sells the goods in the usual manner in any recognized market therefore, sells at the price current in that market at the time of the sale or otherwise sells in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

B. A warehouse may enforce its lien on goods, other than goods stored by a merchant in the course of its business, only if the following requirements are satisfied:

1. All persons known to claim an interest in the goods have been notified.

2. The notification includes an itemized statement of the claim, a description of the goods subject to the lien, a demand for payment within a specified time not less than ten days after receipt of the notification and a conspicuous statement that unless the claim is paid within that time the goods will be advertised for sale and sold by auction at a specified time and place.

3. The sale conforms to the terms of the notification.

4. The sale is held at the nearest suitable place to where the goods are held or stored.

5. After the expiration of the time given in the notification, an advertisement of the sale is published once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED where the sale is to be held. The advertisement must include a description of the goods, the name of the person on whose account the goods are being held and the time and place of the sale. The sale must take place at least fifteen days after the first publication. If there is no ~~newspaper of general circulation~~ PUBLIC MEDIUM PUBLISHED where the sale is to be held, the advertisement must be posted at least ten days before the sale in not fewer than six conspicuous places in the neighborhood of the proposed sale.

C. Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but must be retained by the warehouse subject to the terms of the receipt and this chapter.

D. A warehouse may buy at any public sale held pursuant to this section.

E. A purchaser in good faith of goods sold to enforce a warehouse's lien takes the goods free of any rights of persons against which the lien was valid despite the warehouse's noncompliance with this section.

F. A warehouse may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the warehouse would have been bound to deliver the goods.

G. The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

H. If a lien is on goods stored by a merchant in the course of its business, the lien may be enforced in accordance with subsection A or B OF THIS SECTION.

I. A warehouse is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of wilful violation, is liable for conversion.

Sec. 241. Section 48-144, Arizona Revised Statutes, is amended to read:

48-144. Resolution calling bond election; publication

A. The board of directors shall adopt a resolution calling an election ~~upon~~ ON the question of the issuance of the bonds. The resolution shall state in substance:

1. The maximum amount of bonds to be issued.

2. The purpose for which the bonds are to be issued.

3. The maximum rate of interest which the bonds are to bear.

4. A brief, concise statement, which need not include any detail other than the mere statement of the fact, showing that the bonds will be payable solely from revenues.

5. The date on which the election is to be held.

6. The places where votes may be cast.

7. The hours between which such polling places will be open.

B. The election resolution shall be posted in three public places in each division of the district for at least fifteen days ~~prior to~~ BEFORE the date of the election and shall be published at least once not less than fifteen days nor more than thirty days ~~prior to~~ BEFORE the date of the election ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors of the district is located.

C. Instead of publishing the notice described in subsection A OF THIS SECTION, the board of directors may, and for a nonresident qualified elector of the district shall, mail a notice of election to each household containing a qualified elector of the district. The notice shall contain the same information described in subsection A, paragraphs 1 through 5 OF THIS SECTION and the polling place for that household's qualified electors and the times it is open. The notice shall be mailed at least thirty-five days before the election.

Sec. 242. Section 48-147, Arizona Revised Statutes, is amended to read:

48-147. Form of bonds

A. Bonds issued under this article shall be fully negotiable within the meaning and for all purposes under the applicable provisions of title ~~44~~ 47. They may be in one or more series, bear such dates, be payable in such medium of payment, at such places, carry such registration privileges, be executed in such manner, contain such other terms, covenants and conditions, and be in such form, either couponed or registered, as the board of directors may by resolution prescribe. They shall be payable in equal annual installments, or they shall be of such maturities that the amount required for the payment of interest and principal becoming due thereon each year will be substantially the same, and in either event the final payment shall be due not more than thirty years from the date of issuance, but the first installment may be payable on such date as the board of directors prescribes, not more than two years after the date of issuance. Any or all such bonds shall be callable at such times, on such terms and in such manner as the board of directors by resolution prescribes. The bonds shall bear interest, payable semiannually, at the rate or rates set by the accepted bid which rate shall not exceed the maximum rate of interest set forth in the resolution calling the election, and shall be sold at not less than par to the person making the best bid therefor.

B. The board of directors shall call for bids thereon by giving thirty days' notice thereof by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the county in which the office of the board of directors is located. The notice shall be in such form as prescribed by the board of directors. The bids shall be for the entire bond issue unless the board of directors by resolution allows bidding therefor in parcels of less than the entire issue.

C. Pending the preparation of the definitive bonds, interim receipts or certificates may be issued to the purchasers of the bonds in such form and with such provisions as the board of directors may determine.

Sec. 243. Section 48-175, Arizona Revised Statutes, is amended to read:

48-175. Approval of contract by real property taxpayers

A. Notwithstanding the provisions of any general, special or local law, before any contract or agreement with the federal government becomes effective and binding ~~upon~~ ON the district, the contract or agreement shall be submitted to and approved by the vote of a majority of the real property taxpayers voting on the question of approving or disapproving the contract or agreement. The taxpayers shall also in all respects be qualified electors of this state and of the district affected by the question. The question may be submitted at a general, special or primary election.

B. Notice of the time and place of a general or primary election shall be given in the manner provided by law therefor. If a special election is held, notice of the time and place thereof shall be given by posting notices in three public places in the district for at least ten days ~~prior to~~ BEFORE the election, and if a ~~newspaper~~ PUBLIC MEDIUM is published in the county in which the office of the governing body of the district is located, by one publication of the notice at least ten days ~~prior to~~ BEFORE the election. At any general, primary or special election at which the proposition is to be submitted, the election notice shall recite that the district proposes to enter into a contract or agreement with the federal government for a loan or grant of money to or for the benefit of the district or for the purchase or exchange by the federal government of bonds issued or to be issued by the district. The notice shall also recite the maximum amount of money that may be advanced by the federal government pursuant to the contract or agreement and the maximum amount, interest rate and maturities of any new bonds that may be issued by the district pursuant thereto, and shall state that a copy of the proposed contract or agreement is available for inspection by any elector of the district at the office of the governing body.

C. At the election the ballots shall contain the words "Shall the proposed contract between the district and _____ and the issuance of any bonds thereunder be approved?" "Yes", "No", or other words equivalent thereto. If no bonds are to be issued pursuant to the contract, the words "and the issuance of any bonds thereunder" may be omitted from the question. Any special election shall be conducted and the votes canvassed in all

respects as nearly as practicable in conformity with the provisions of law relating to the election of members of the governing body of the district. No informalities in conducting the election shall invalidate it if the election has been otherwise fairly conducted.

D. A contract or agreement on which there has been an adverse vote may be resubmitted to the electors in the same or any modified form at a subsequent election. If the proposition voted ~~upon~~ ON is approved, no further or additional approval by the voters at an election or otherwise shall be required for the acquisition, construction, reconstruction, extension, improvement, betterment or repair of works, properties or undertakings of or for the district insofar as they are financed pursuant to the contract or agreement, or for any refunding, refinancing, retiring or reducing all or any part of the indebtedness of the district, or for the issuance of bonds by the district as provided in the contract or agreement, or for the levy of any taxes, assessments or other charges for the payment of any amounts payable by the district pursuant to the provisions of the contract or agreement or of principal and interest on any such bonds when they fall due.

E. A sanitary district bond election under section 48-2020 or a sanitary district proceeding under chapter 14, article 2 of this title satisfies the requirements of subsection A of this section if, at the bond election, a majority of the qualified electors voting in the election approves, or if, under chapter 14, article 2 of this title, the owners of a majority of the frontage of the property along the proposed improvement do not file an objection to the proceedings, the contract or agreement with the federal government, as described in the resolution calling for the bond election under section 48-2020 or the resolution of intention to order the improvements under section 48-2044, is effective and binding on the sanitary district.

Sec. 244. Section 48-180, Arizona Revised Statutes, is amended to read:

48-180. Time for hearing; notice; summons; parties; pleadings

A. ~~Upon~~ ON filing of the petition in the superior court, the court or judge thereof shall fix a time for a hearing on the petition, which shall be not less than fifteen days from the date of filing the petition, and shall order the clerk of the court to issue summons in the matter directed to all persons who may have or claim any interest in any land located in the district or in any matters referred to in the petition. The court shall also order the clerk to give notice of the filing of the petition and the date of the hearing thereon by publishing the summons at least once a week for two weeks ~~in a newspaper published or of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the office of the district is located, and by posting a written or printed copy of the notice in at least three public places in the district, the first of the publications and postings to be not less than ten days ~~prior to~~ BEFORE the date fixed for the hearing.

B. The summons shall state the maximum amount that may be advanced by the federal government pursuant to the contract, shall describe in general terms the maximum amount, interest rate and maturities of any new bonds to be issued by the district pursuant thereto, and shall contain any other information the court deems advisable to have inserted therein. The summons shall also state the time and place fixed for hearing the petition and that any person interested in or whose rights may be affected by the execution of the contract or agreement, or by issuance or sale of any bonds, or by the levy of taxes or assessments, or by the limitation of the taxes or assessments, or by the proceedings had or to be had by the governing body with respect to the matters, or by the entering into or the performance of the contract or agreement, ~~may,~~ on or before the date fixed for hearing the petition, MAY move to dismiss the petition for failure to state a claim ~~upon~~ ON which relief can be granted or answer the petition, and may appear in the hearing and contest the granting of the petition and the entry of any order of confirmation pursuant thereto.

C. Any owner of land in the district or any other person interested in or whose rights may be affected by the entering into or the performance of the contract or agreement, or by the issuance or sale or exchange of any bonds, or by the levy of any taxes or assessments or by the limitation of indebtedness, taxes or assessments, or by the entry of any order of confirmation, may enter his appearance in the proceeding and move to dismiss the petition for failure to state a claim ~~upon~~ ON which relief can be granted or answer the petition and contest the granting of the prayer of the petition.

D. The provisions of law pertaining to civil actions shall be applicable to the responsive pleadings to the petition. The governing body of the district shall be the plaintiff and the person or persons filing the responsive pleadings shall be the defendants in the proceeding. Every material allegation of the petition not specifically controverted by the answer shall be taken as true, and every holder of title or evidence of title to lands included in the district and every other party in interest failing to file a responsive pleading to the petition, shall be deemed to admit as true all the material allegations thereof.

Sec. 245. Section 48-261, Arizona Revised Statutes, is amended to read:

48-261. District creation; procedures; notice; hearing; determinations; petitions

A. A fire district, community park maintenance district, sanitary district or hospital district for either a hospital or an urgent care center shall be created by the following procedures:

1. Any adult person desiring to propose creation of a district shall provide a legal description of the area proposed for inclusion in the district to the county assessor of the county in which the district is to be located. The county assessor shall provide to the person proposing formation

of the district a detailed list of all ~~taxed~~ TAXABLE properties in the area proposed for inclusion in the district. The person proposing formation of the district shall prepare and submit a district impact statement to the board of supervisors of the county in which the district is to be located. Except for a proposed community park maintenance district that is to be located in more than one county, if a proposed district is located in more than one county, the impact statement shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The boards of supervisors of any other counties in which a portion of the district is to be located shall provide information and assistance to the responsible board of supervisors. For a community park maintenance district that is to be located in more than one county, the impact statement shall be submitted to the board of supervisors for each of the affected counties. If the person desiring to create a district pursuant to this section is unable to complete the district impact statement, the board of supervisors may assist in the completion of the impact statement if requested to do so, provided the bond required in subsection C of this section is in an amount sufficient to cover any additional cost to the county. The district impact statement shall contain at least the following information:

(a) A legal description of the boundaries of the proposed district and a map and a general description of the area to be included in the district sufficiently detailed to permit a property owner to determine whether a particular property is within the proposed district.

(b) The detailed list of ~~taxed~~ TAXABLE properties provided by the assessor pursuant to this paragraph.

(c) An estimate of the assessed valuation within the proposed district.

(d) An estimate of the change in the property tax liability, as a result of the proposed district, of a typical resident of the proposed district.

(e) A list and explanation of benefits that will result from the proposed district.

(f) A list and explanation of the injuries that may result from the proposed district.

(g) The names, addresses and occupations of the proposed members of the district's organizing board of directors.

(h) A description of the scope of services to be provided by the district during its first five years of operation. At a minimum this description shall include an estimate of anticipated capital expenditures, personnel growth and enhancements to service.

2. On receipt of the district impact statement, the board of supervisors shall set a day, not fewer than thirty nor more than sixty days from that date, for a hearing on the impact statement. The board of supervisors, at any time before making a determination pursuant to paragraph

4 of this subsection, may require that the impact statement be amended to include any information that the board of supervisors deems to be relevant and necessary.

3. On receipt of the district impact statement, the clerk of the board of supervisors shall mail, by first class mail, notice of the day, hour and place of the hearing on the proposed district to each owner of taxable property within the boundaries of the proposed district. The written notice shall state the purpose of the hearing and shall state where a copy of the impact statement may be viewed or requested. The clerk of the board of supervisors shall post the notice in at least three conspicuous public places in the area of the proposed district and shall publish twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed district, at least ten days before the hearing, ~~or, if no daily newspaper of general circulation exists in the area of the proposed district, at least twice at any time before the date of the hearing,~~ a notice setting forth the purpose of the impact statement, the description of the area of the proposed district and the day, hour and place of the hearing.

4. At the hearing called pursuant to paragraph 2 of this subsection, the board of supervisors shall hear those who appear for and against the proposed district and shall determine whether the creation of the district will promote public health, comfort, convenience, necessity or welfare. If the board of supervisors determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall approve the district impact statement and authorize the persons proposing the district to circulate petitions as provided in this subsection. For a community park maintenance district that is required to obtain the approval of more than one county's board of supervisors, the petitions may only be circulated after approval of the board of supervisors from each affected county. The order of the board of supervisors shall be final, but if the request to circulate petitions is denied, a subsequent request for a similar district may be refiled with the board of supervisors after six months from the date of such denial. The county board of supervisors shall authorize the circulation of petitions of only one proposed new district of the same type in which any property owner's land is proposed for inclusion. No new petition circulation shall be authorized until the one-year period to submit signatures prescribed by ~~section 48-261, subsection A,~~ paragraph 6~~,~~ OF THIS SUBSECTION of the original petition circulation has expired or has otherwise been extinguished.

5. Within fifteen days after receiving the approval of the board of supervisors as prescribed by paragraph 4 of this subsection, the clerk of the board shall determine the minimum number of signatures and assessed valuation required for compliance with paragraph 7 of this subsection. After making that determination, the number of signatures shall remain fixed and the assessed valuation of the ~~taxed~~ TAXABLE properties within the boundaries of the proposed district shall remain fixed for purposes of determining

compliance with the property valuation requirement prescribed in paragraph 7 of this subsection.

6. After receiving the approval of the board of supervisors as provided in paragraph 4 of this subsection, any adult person may circulate and present petitions to the board of supervisors of the county in which the district is located. All petitions circulated shall be returned to the board of supervisors within one year from the date of the approval of the board of supervisors pursuant to paragraph 4 of this subsection. Any petition that is returned more than one year from that date is void.

7. The petitions presented pursuant to paragraph 6 of this subsection shall comply with the provisions regarding verification in section 48-266 and shall:

(a) At all times, contain a map and general description of the boundaries of the proposed district sufficiently detailed to permit a property owner to determine whether a particular property is within the proposed district and the names, addresses and occupations of the proposed members of the district's organizing board of directors. No alteration of the proposed district shall be made after receiving the approval of the board of supervisors as provided in paragraph 4 of this subsection. The items required to be contained with the petition under this ~~subsection~~ SUBDIVISION shall be printed on the back of the petition form required pursuant to section 48-266 unless the size of the items ~~preclude~~ PRECLUDES COMPLIANCE WITH this requirement. An error in the legal description of the proposed district shall not invalidate the petitions if considered as a whole the information provided is sufficient to identify the property as illustrated in the map required pursuant to ~~subsection A of this section~~ THIS SUBDIVISION.

(b) Be signed by owners of more than one-half of the ~~taxed~~ TAXABLE property units in the area of the proposed district and be signed by persons owning collectively more than one-half of the assessed valuation of the property in the area of the proposed district. Property exempt pursuant to title 42, chapter 11, article 3 shall not be considered in determining the total assessed valuation of the proposed district nor shall owners of property not subject to taxation be eligible to sign petitions.

8. On receipt of the petitions, the board of supervisors shall set a day, not fewer than ten nor more than thirty days from that date, for a hearing on the petition. The hearing shall be postponed if a timely request to supplement petition signatures is made pursuant to section 48-266, subsection ~~K~~ L, so that any supplemental petition signatures submitted pursuant to that section may be considered by the board of supervisors. The postponed hearing shall be held no more than thirty days after the submission of any supplemental petition signatures.

9. Before the hearing called pursuant to paragraph 8 of this subsection, the board of supervisors shall determine the validity of the petitions presented.

10. At the hearing called pursuant to paragraph 8 of this subsection, the board of supervisors, if the petitions are valid, shall order the creation of the district. The board of supervisors shall enter its order setting forth its determination in the minutes of the meeting, not later than ten days from the day of the hearing, and a copy of the order shall be filed in the county recorder's office. The order of the board of supervisors shall be final, and the proposed district shall be created thirty days after the board of supervisors votes to create the district, except that for a community park maintenance district that is proposed for more than one county, the proposed district is created thirty days after the approval of the board of supervisors of the final county of the counties in which the district is to be located. A decision of the board of supervisors under this subsection is subject to judicial review under title 12, chapter 7, article 6.

B. For the purpose of determining the validity of the petitions presented pursuant to subsection A, paragraph 6 of this section:

1. Property held in multiple ownership shall be treated as if it had only one property owner, so that the signature of only one of the owners of property held in multiple ownership is required on the formation petition. The number of persons owning property inside the boundaries of the proposed district shall be determined as follows:

(a) In the case of property assessed by the county assessor, the number of persons owning property shall be as shown on the most recent assessment of property.

(b) In the case of property valued by the department of revenue, the number of persons owning property shall be as shown on the most recent valuation of property.

(c) If an undivided parcel of property is owned by multiple owners, those owners are deemed to be one owner for the purposes of this section.

(d) If a person owns multiple parcels of property, that owner is deemed to be a single owner for the purposes of this section.

2. The value of property shall be determined as follows:

(a) In the case of property assessed by the county assessor, values shall be the same as those shown on the last assessment roll of the county containing such property.

(b) In the case of property valued by the department of revenue, the values shall be those determined by the department in the manner provided by law, for municipal assessment purposes. The county assessor and the department of revenue, respectively, shall furnish to the board of supervisors, within twenty days after such a request, a statement in writing showing the owner, the address of each owner and the appraisal or assessment value of properties contained within the boundaries of the proposed district as described in subsection A of this section.

3. Petition signatures REPRESENTING REAL PROPERTY on which taxes and assessments are not current at the time of petition review shall be invalidated.

C. The board of supervisors may require of the person desiring to propose creation of a district pursuant to subsection A, paragraph 1 of this section a reasonable bond to be filed with the board at the start of proceedings under this section. The bond shall be in an amount sufficient to cover costs incurred by the county if the district is not finally organized. County costs covered by the bond include any expense incurred from completion of the district impact statement, mailing of the notice of hearing to district property owners, publication of the notice of hearing and other expenses reasonably incurred as a result of any requirements of this section.

D. If a district is created pursuant to this section, the cost of publication of the notice of hearing, the mailing of notices to property owners and all other costs incurred by the county as a result of this section shall be a charge against the district.

E. If a proposed district would include property located within an incorporated city or town, in addition to the other requirements of subsection A of this section, the board shall approve the creation and authorize the circulation of petitions only if the governing body of the city or town has by ordinance or resolution endorsed such creation.

F. Except as provided in section 48-851 and section 48-2001, subsection A, the area of a district created pursuant to this section shall be contiguous.

G. A district organized pursuant to this section shall have an organizing board of directors to administer the affairs of the district until a duly constituted board of directors is elected as provided in this title. The organizing board shall have all the powers, duties and responsibilities of an elected board. The organizing board shall consist of the three individuals named in the district impact statement and the petitions presented pursuant to subsection A of this section. If a vacancy occurs on the organizing board, the remaining board members shall fill the vacancy by appointing an interim member. Members of the organizing board shall serve without compensation but may be reimbursed for actual expenses incurred in performing their duties. The organizing board shall elect from its members a chairman and a clerk.

H. For the purposes of this section assessed valuation does not include property exempt pursuant to title 42, chapter 11, article 3.

Sec. 246. Section 48-262, Arizona Revised Statutes, is amended to read:

48-262. District boundary changes; procedures; notice; hearing; determinations; petitions

A. Except as prescribed by subsection I of this section, a fire district, community park maintenance district or sanitary district shall change its boundaries by the following procedures:

1. Any adult person desiring to propose any change to the boundaries of a district shall provide a legal description of the area proposed for inclusion in the district to the county assessor of the county in which the district is to be located. The county assessor shall provide to the person proposing any change to the boundaries of the district a detailed list of all ~~taxed~~ TAXABLE properties in the area proposed for inclusion in the district. The person proposing any change to the boundaries of the district shall prepare and submit a boundary change impact statement to the governing body of the district. The boundary change impact statement shall contain at least the following information:

(a) A legal description of the boundaries of the area to be included within the proposed change and a map and general description of the area sufficiently detailed to permit a property owner to determine whether a particular property is within the proposed district. The boundaries of the proposed change shall not overlap with the boundaries of any other proposed new district of the same type or any annexation by a district of the same type for which petitions are being circulated on the date that the boundary change impact statement is filed with the governing body.

(b) The detailed list of ~~taxed~~ TAXABLE properties provided by the assessor pursuant to this paragraph.

(c) An estimate of the assessed valuation within the boundaries of the proposed change.

(d) An estimate of the change in the tax rate of the district if the proposed change is made.

(e) An estimate of the change in the property tax liability, as a result of the proposed change, of a typical resident of a portion of the district, not in the area of the proposed change, before and after the proposed change and of a typical resident of the area of the proposed change.

(f) A list and explanation of benefits that will result from the proposed change to the residents of the area and of the remainder of the district.

(g) A list and explanation of the injuries that may result from the proposed change to residents of the area and of the remainder of the district.

2. On receipt of the boundary change impact statement, the governing body shall set a day, not fewer than twenty nor more than thirty days from that date, for a hearing on the boundary change impact statement. The board of supervisors may at any time prior to making a determination pursuant to paragraph 5 of this subsection require that the impact statement be amended to include any information that the board of supervisors deems to be relevant and necessary.

3. On receipt of the boundary change impact statement, the clerk of the governing body shall mail, by first class mail, written notice of the statement, its purpose and notice of the day, hour and place of the hearing on the proposed change to each owner of taxable property within the

boundaries of the proposed change. The clerk of the governing body shall post the notice in at least three conspicuous public places in the area of the proposed change and also publish twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed change, at least ten days before the hearing, ~~or if no daily newspaper of general circulation exists in the area of the proposed change, at least twice at any time before the date of the hearing,~~ a notice setting forth the purpose of the impact statement, the description of the boundaries of the proposed change and the day, hour and place of the hearing.

4. On receipt of the boundary change impact statement the clerk shall also mail notice, as provided in paragraph 3 of this subsection, to the chairman of the board of supervisors of the county in which the district is located. The chairman of the board of supervisors shall order a review of the proposed change and may submit written comments to the governing body of the district within ten days of receipt of the notice.

5. At the hearing called pursuant to paragraph 2 of this subsection, the governing body shall consider the comments of the board of supervisors, hear those who appear for and against the proposed change and determine whether the proposed change will promote the public health, comfort, convenience, necessity or welfare. If the governing body determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall approve the impact statement and authorize the persons proposing the change to circulate petitions as provided in this subsection. The order of the governing body shall be final, but if the request to circulate petitions is denied, a subsequent request for a similar change may be refiled with the governing body after six months from the date of such denial. The county board of supervisors shall authorize the circulation of petitions for only one boundary change of a district of the same type in which any property owner's land is proposed for inclusion. No new petition circulation shall be authorized until the one-year period to submit signatures set by subsection B, paragraph 3 of this section of the original petition circulation has expired or has otherwise been extinguished.

6. Except as provided by section 48-851, the governing body shall not approve a proposed annexation if the property to be annexed is not contiguous with the district's existing boundary. For purposes of determining whether or not the proposed addition is contiguous, the addition is deemed contiguous if land that is owned by or under the jurisdiction of the United States government, this state or any political subdivision of this state, other than an incorporated city or town, intervenes between the proposed addition and the current district boundary.

7. The governing body shall not approve a proposed annexation if the area proposed to be annexed surrounds any unincorporated territory and that unincorporated territory is not also included in the district.

8. After receiving the approval of the governing body as provided in paragraph 5 of this subsection and provided no appeal filed pursuant to

paragraph 14 of this subsection remains unresolved, any adult person may circulate and present petitions to the governing body of the district.

9. Within fifteen days after receiving the approval of the governing body as prescribed by paragraph 5 of this subsection, the clerk of the board shall determine the minimum number of signatures and the assessed valuation required to comply with paragraph 10, subdivision (b) of this subsection. After making that determination, the number of signatures shall remain fixed and the assessed valuation of the ~~taxed~~ TAXABLE properties within the boundaries of the proposed change shall remain fixed for purposes of determining compliance, notwithstanding any subsequent changes in ownership of the property within the boundaries of the proposed change.

10. The petitions presented pursuant to paragraph 8 of this subsection shall comply with the provisions regarding petition form in section 48-266 and shall:

(a) At all times, contain a map and general description of the boundaries of the area to be included within the proposed change sufficiently detailed to permit a property owner to determine whether a particular property is included within the proposed change. No alteration of the described area shall be made after receiving the approval of the governing body as provided in paragraph 5 of this subsection. The items required to be contained with the petition under this ~~subsection~~ SUBDIVISION shall be printed on the back of the petition form required pursuant to section 48-266 unless the size of the items ~~preclude~~ PRECLUDES COMPLIANCE WITH this requirement. An error in the legal description of the proposed change shall not invalidate the petitions if considered as a whole the information provided is sufficient to identify the property as illustrated in the map required pursuant to ~~subsection A of this section~~ THIS SUBDIVISION.

(b) Be signed by owners of more than one-half of the ~~taxed~~ TAXABLE property units within the boundaries of the proposed change and be signed by persons owning collectively more than one-half of the assessed valuation of the property within the boundaries of the proposed change. Property exempt pursuant to title 42, chapter 11, article 3 shall not be considered in determining the total assessed valuation of the proposed change nor shall owners of property not subject to taxation be eligible to sign petitions.

11. On receipt of the petitions, the governing body shall set a day, not fewer than ten nor more than thirty days from that date, for a hearing on the request. The hearing shall be postponed if a timely request to supplement petition signatures is made pursuant to section 48-266, subsection ~~K~~ L, so that any supplemental petition signatures submitted pursuant to that section may be considered by the board of supervisors. The postponed hearing shall be held no more than thirty days after the submission of any supplemental petition signatures.

12. ~~Prior to~~ BEFORE the hearing called pursuant to paragraph 11 of this subsection, the board of supervisors shall determine the validity of the petitions presented pursuant to subsection B of this section.

13. At the hearing called pursuant to paragraph 11 of this subsection, the governing body, if the petitions are valid, shall order the change to the boundaries. The governing body shall enter its order setting forth its determination in the minutes of the meeting, not later than ten days from the day of the hearing, and a copy of the order shall be sent to the officer in charge of elections and a copy shall be recorded in the county recorder's office. The order of the governing body shall be final, and the proposed change shall be made to the district boundaries thirty days after the governing body votes.

14. On filing a verified complaint with the superior court, the attorney general, the county attorney or any other interested party may question the validity of the annexation for failure to comply with this section. The complaint shall include a description of the alleged noncompliance and shall be filed within thirty days after the governing body of the district adopts a resolution that annexes the territory of the district. The burden of proof is on the plaintiff to prove the material allegations of the verified complaint. An action shall not be brought to question the validity of an annexation resolution unless it is filed within the time and for the reasons prescribed in this subsection. All hearings that are held pursuant to this paragraph and all appeals of any orders shall be preferred and shall be heard and determined in preference to all other civil matters, except election actions. If more than one complaint questioning the validity of an annexation resolution is filed, all such complaints shall be consolidated for the hearing.

B. For the purpose of determining the validity of the petitions presented pursuant to subsection A, paragraph 8 of this section:

1. Property held in multiple ownership shall be treated as if it had only one property owner, so that the signature of only one of the owners of property held in multiple ownership is required on the boundary change petition. The number of persons owning property inside the boundaries of the proposed boundary change shall be determined as follows:

(a) In the case of property assessed by the county assessor, the number of persons owning property shall be as shown on the most recent assessment of property.

(b) In the case of property valued by the department of revenue, the number of persons owning property shall be as shown on the most recent valuation of property.

(c) If an undivided parcel of property is owned by multiple owners, those owners are deemed to be one owner for the purposes of this section.

(d) If a person owns multiple parcels of property, that owner is deemed to be a single owner for the purposes of this section.

2. The value of property shall be determined as follows:

(a) In the case of property assessed by the county assessor, values shall be the same as those shown on the last assessment roll of the county containing such property.

(b) In the case of property valued by the department of revenue, the values shall be those determined by the department in the manner provided by law, for municipal assessment purposes. The county assessor and the department of revenue, respectively, shall furnish to the governing body, within twenty days after such a request, a statement in writing showing the owner, the address of each owner and the appraisal or assessment value of properties contained within the area of a proposed change as described in subsection A of this section.

3. All petitions circulated shall be returned to the governing body of the district within one year from the date of the approval given by the governing body pursuant to subsection A, paragraph 5 of this section. Any petition returned more than one year from that date is void. If an appeal is filed pursuant to subsection A, paragraph 14 of this section, this time period for gathering signatures is tolled beginning on the date an action is filed in superior court and continuing until the expiration of the time period for any further appeal.

C. For the purposes of determining whether or not the proposed addition is contiguous, the addition is deemed contiguous if land that is owned by or under the jurisdiction of the United States government, this state or any political subdivision of this state, other than an incorporated city or town, intervenes between the proposed addition and the current district boundary. Property shall not be approved for annexation if the area proposed to be annexed surrounds any unincorporated territory and that unincorporated territory is not also included in the district.

D. If the change in the boundaries proposed pursuant to subsection A of this section would result in a withdrawal of territory from an existing district, the petitions shall be approved by the governing body only if the proposed withdrawal would not result in a noncontiguous portion of the district that is less than one square mile in size.

E. If the impact statement described in subsection A of this section relates to the withdrawal of property from a district, in addition to the other requirements of subsection A of this section, the governing body shall also determine:

1. If the district has any existing outstanding bonds or other evidences of indebtedness.

2. If those bonds were authorized by an election and issued during the time the property to be withdrawn was lawfully included within the district.

F. If the conditions of subsection E of this section are met:

1. The property withdrawn from the district shall remain subject to taxes, special assessments or fees levied or collected to meet the contracts and covenants of the bonds. The board of supervisors shall provide for the levy and collection of such taxes, special assessments or fees.

2. The governing body shall:

(a) Annually determine the amount of special property taxes, special assessments or fees that must be levied and collected from property withdrawn from the district and the mechanism by which such amount is to be collected.

(b) Notify the board of supervisors on or before the third Monday in July of the amount determined in subdivision (a) of this paragraph.

3. Property withdrawn from an existing district shall not be subject to any further taxes, special assessments or fees arising from the indebtedness of such district except as provided in this subsection.

G. If the statement described in subsection A, paragraph 1 of this section requests the annexation of property located within an incorporated city or town, in addition to the other requirements of subsection A of this section, the governing body shall approve the district boundary change impact statement and authorize the circulation of petitions only if the governing body of the city or town has by ordinance or resolution endorsed such annexation and such annexation is authorized pursuant to this title.

H. Except as provided in subsection D of this section and section 48-2002, no change in the boundaries of a district pursuant to this section shall result in a district which contains area that is not contiguous.

I. Notwithstanding subsection A of this section, any property owner, including a county, this state or the United States government, whose land is within a county that contains a sanitary district or fire district and whose land is contiguous to the boundaries of the sanitary district or fire district may request in writing that the governing body of the district amend the district boundaries to include that property owner's land. If the property is located in an incorporated city or town, in addition to the other requirements prescribed in this subsection, the governing body of the fire district or sanitary district may approve the boundary change only if the governing body of the affected city or town by ordinance or resolution has approved the inclusion of the property in the district. If the governing body determines that the inclusion of that property will benefit the district and the property owner, the boundary change may be made by order of the governing body and is final on the recording of the governing body's order that includes a legal description of the property that is added to the district. A petition and impact statement are not required for an amendment to a sanitary district's or fire district's boundaries made pursuant to this subsection.

J. Until August 1, 2014, in a county with a population greater than two million persons, notwithstanding subsection I of this section, any property owner, including the United States, this state or a county, whose land is within two thousand six hundred forty feet of an adjacent sanitary district or fire district, not contiguous to the boundaries of the sanitary district or fire district and within an unincorporated area or county island may request in writing that the governing body of the district amend the district boundaries to include that property owner's land.

K. A fire district shall not annex or otherwise add territory that is already included in another existing fire district, unless deannexed pursuant to subsections D, E and F of this section.

L. A fire district, community park maintenance district or sanitary district may appropriate and spend monies as necessary or reasonably required to assist one or more individuals or entities to change the district's boundaries pursuant to this section.

M. Notwithstanding subsection A of this section, if an incorporated city or town has previously adopted a resolution designating a fire district as the fire service agency for the city or town, the jurisdictional boundaries of the fire district without further notice or election shall be changed to include any property annexed into the city or town. If the annexation occurs pursuant to a joint petition for annexation, any joint petition for annexation shall clearly indicate in its title and in the notice required in the petition that the property to be annexed will be subject to the jurisdiction of both the city or town and the fire district. A joint petition for annexation shall comply with both section 9-471 and this section. Any fire district boundary change that occurs through city or town annexation pursuant to this subsection is effective on the effective date of the annexation by the incorporated city or town. If an incorporated city or town that has designated a fire district as the fire service agency for that city or town annexes property that is already part of another fire district, the annexed property shall remain part of the fire district in which it was located before the city or town's annexation.

N. Notwithstanding subsection I of this section, from ~~the effective date of this amendment to this section~~ AUGUST 2, 2012 until July 1, 2015, in counties with a population of more than two million five hundred thousand persons, any property owner, including the United States, this state or a county, whose land is within two thousand six hundred forty feet of an adjacent sanitary district or fire district~~,~~ AND IS not contiguous to the boundaries of the sanitary district or fire district may request in writing that the governing body of the district amend the district boundaries to include that property owner's land. If the property is located in an incorporated city or town, in addition to the other requirements prescribed in this subsection, the governing body of the sanitary district or fire district may approve the boundary change only if the governing body of the affected city or town, by ordinance or resolution, has approved the inclusion of the property in the district. If the governing body determines that the inclusion of that property will benefit the district and the property owner, the boundary change may be made by order of the governing body and is final on the recording of the governing body's order that includes a general description of the property, including the assessor's parcel number, that is added to the district. A petition and impact statement are not required for an amendment to a sanitary district's or fire district's boundaries made pursuant to this subsection.

O. For the purposes of this section, assessed valuation does not include property exempt pursuant to title 42, chapter 11, article 3.

Sec. 247. Section 48-506, Arizona Revised Statutes, is amended to read:

48-506. Notice of resolution

A. The street superintendent shall cause to be conspicuously posted along all streets and parts of streets within the assessment district described in the resolution, at not more than three hundred feet in distance apart, not less than three notices of the passage of the resolution.

B. The notices shall be headed "Notices of public work" in letters not less than one inch in height, shall state the fact and date of passage of the resolution, shall briefly describe the improvement proposed, shall refer to the resolution for further particulars, and shall publish the notice ~~in a newspaper~~ ON A PUBLIC MEDIUM as required by section 39-204.

Sec. 248. Section 48-507, Arizona Revised Statutes, is amended to read:

48-507. Protests; filing; presentation to council; hearing

A. Any person interested and objecting to the improvement, or to the extent of the assessment district, may file a written protest with the city or town clerk within fifteen days after completion of posting the notice, or within fifteen days after the date of the last publication of the notice if such date is subsequent to the completion of the posting.

B. The protest shall contain a description of the property in which each signer thereof is interested and the nature of his interest therein, and shall be accompanied by the affidavit of one of the signers thereof that each signature is the genuine signature of the person whose name is thereto subscribed. If a signature is made by an agent, there shall be attached to the protest the affidavit of the agent that he is duly authorized to sign the protest. A protest not complying with the foregoing requirements shall not be considered. If property is held by tenancy in common, and a cotenant signs the protest, only the proportionate share of the frontage represented by his interest shall be counted in determining the amount of frontage represented by the protest.

C. The clerk shall endorse on the protest the date of its filing, and, at the next meeting of the council after the expiration of the time for filing protests, shall present to the council all protests filed with him. If the protests are against the improvement, and the council finds that they are signed by the owners of a majority of the frontage of the property fronting on streets or parts of streets within the assessment district, all further proceedings under the resolution of intention, excepting in the cases otherwise provided in this article, shall be barred, unless the owners of a majority of the frontage of the property fronting on streets or parts of streets within the assessment district shall in the meantime petition therefor.

D. The council at the meeting shall fix a time for hearing protests, not less than ten days thereafter, in the following cases:

1. If the protests are against the improvement, and the council finds that they are not signed by the owners of a majority of the property fronting on streets or parts of streets within the assessment district.

2. If the protests are only against the extent of the assessment district.

3. If the proposed improvement is for opening or extending a street for a distance of not more than two blocks intervening between the terminations of two different streets, or two portions of the same street, both of which are at least five blocks in length, and which existed at the time the resolution of intention for the proposed improvement was adopted, and the opening or extending of the streets will, together with the different streets or portions of the same street so existing, make, as nearly as practicable, one connecting or continuous street.

4. If the proposed improvement is for opening or extending a street into a different street for a distance of not more than one block intervening, and the street so proposed to be opened or extended through the intervening block existed for a distance of at least five blocks at the time the resolution of intention was adopted.

5. If the proposed improvement is for opening or extending a public street, lane, alley, court or place through the remainder of a block when the public street, lane, alley, court or place existed at the time the resolution of intention was adopted for at least one-half the distance through the block.

E. The council shall cause notice of the time of the hearing to be published for at least two days ~~in a daily newspaper published and circulated in the city or town, or if there is no daily newspaper, by at least one publication in a weekly newspaper so published and circulated, the first publication to be~~ ON A PUBLIC MEDIUM PUBLISHED not less than five days before the hearing.

F. The council shall hear the protest at the time appointed, or any time to which the hearing thereof may be adjourned, and pass ~~upon~~ ON it, and its decision thereon shall be final and conclusive. If any protests are sustained, no further proceedings shall be had under the resolution of intention, but a new resolution of intention for the same improvement may be passed at any time. If the protests are denied, the proceedings shall continue as if such protests had not been made.

G. At the expiration of the time within which protests may be filed, if none are filed, or if protests are filed and are denied, the council shall acquire jurisdiction to order the improvement described in the resolution of intention.

Sec. 249. Section 48-513, Arizona Revised Statutes, is amended to read:

48-513. Referee's report; objections; notice of hearing; court action on report

A. ~~Upon~~ ON filing the referee's report the court ~~shall, upon~~, ON motion of any party, SHALL appoint a day for hearing the report, not less than fifteen days thereafter. Notice of the time and place of the hearing ~~shall~~, at least ten days before the time so appointed, SHALL be served on all other parties, except those in default.

B. The plaintiff, or any defendant who has answered, may file objections in writing to the report, specifying the grounds, at any time not less than one day ~~prior to~~ BEFORE the hearing.

C. The clerk of the court shall give notice of filing the report and of the time and place appointed for the hearing to all persons owning or having an interest in any property included within the assessment district described in the resolution of intention, by causing the notice to be published for two days ~~in a daily newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the city. ~~If there is no daily newspaper, then publication shall be by at least one insertion in a weekly newspaper so published and circulated.~~ The publication shall commence at least five days before the time appointed for hearing the report, and shall require all persons owning or having an interest in any property included within the assessment district to intervene in the action, and file, in the office of the clerk of the court, their objections in writing to the report specifying the grounds ~~upon~~ ON which the objections are based. The notice shall also contain a description of the assessment district as set forth in the resolution of intention.

D. At any time within not less than one day ~~prior to~~ BEFORE the hearing, a person not a party to the action owning, or having an interest in, any property included within the assessment district, may intervene in the action and file objections in writing to the report, specifying the grounds ~~upon~~ ON which the objections are based and such person so intervening may appear and contest the report and introduce evidence in support of the objections.

E. After hearing the report and objections, the court may confirm the report, may modify it and confirm it as modified or may set it aside and order a new report from the same referees, or from new referees to be appointed. If new referees are appointed, the same proceedings shall be had as ~~upon~~ ON the first reference.

Sec. 250. Section 48-521, Arizona Revised Statutes, is amended to read:

48-521. Filing of assessment and diagram; notice

A. When the assessment is completed the street superintendent shall file it, with the diagram attached, with the city clerk, who shall give notice of the filing by publication for at least five days ~~in a daily~~

~~newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town~~, or if there is no daily newspaper, by two successive insertions in a weekly newspaper so published and circulated~~.

B. The notice shall:

1. State the date of the first publication of the notice.

2. Require all persons interested to file with the clerk their objections to the confirmation of the assessment within fifteen days thereafter.

3. State that at the first meeting of the council after the expiration of the time for filing objections the council will hear all objections filed and may confirm, modify or correct the assessment and may reduce or increase the amount assessed against any lot, piece or parcel of land without further notice.

4. State that all persons interested have a right to be present at the meeting and be heard on any proposed increase.

Sec. 251. Section 48-525, Arizona Revised Statutes, is amended to read:

48-525. Notice that assessments are due; payment; delinquent assessments

A. The street superintendent ~~shall, upon~~, ON recording the assessment, SHALL give notice by publication for at least two days ~~in a daily newspaper, published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality~~, or by at least two successive insertions in a weekly newspaper so published and circulated~~.

B. The notice shall state:

1. That the assessment has been recorded in his office.

2. That all sums assessed therein are due and payable immediately.

3. The date of the first publication of notice.

4. That payment thereof shall be made to him within thirty days thereafter.

5. That all assessments not paid before the expiration of the thirty days will become delinquent, and that thereupon five per cent ~~upon~~ ON the amount of each assessment will be added thereto.

C. The street superintendent shall also notify the owners of the several lots, pieces and parcels of land affected by the assessment, as shown by the assessment rolls of the city or town, by mailing a copy of the notice to the last known address of such persons, and the affidavit of the street superintendent of the mailing shall be conclusive evidence thereof.

D. When payment for any assessment is made, the street superintendent shall mark opposite the assessment the word "paid," the date of payment, and the name of the person by or for whom the assessment is paid, and give receipt therefor.

E. On the expiration of thirty days, all assessments then unpaid shall become delinquent, and the street superintendent shall certify that fact at

the foot of the assessment roll, and mark each such assessment "delinquent," and add five per cent to the amount of each assessment delinquent.

Sec. 252. Section 48-526, Arizona Revised Statutes, is amended to read:

48-526. Delinquent list; publication; notice of sale of delinquent property

A. The street superintendent ~~shall~~, within ten days from the date of the delinquency, SHALL publish ~~in a newspaper~~ ON A PUBLIC MEDIUM not less than three times a list of the delinquent assessments, which shall contain a description of each parcel of property delinquent, and opposite or against each description the name of the owner as stated in the assessment roll, and the amount of the assessment, penalty and costs due, including the cost of advertising. The cost of advertising shall not exceed fifty cents for each lot of land separately assessed.

B. The street superintendent shall append to and publish with the delinquent list a notice that unless each assessment delinquent, together with the penalty and costs thereon, is paid, the property ~~upon~~ ON which the assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The time of sale shall be not less than five nor more than ten days after the expiration of the period of publication of the list, and the place of sale shall be in, or in front of, the office of the street superintendent.

Sec. 253. Section 48-535, Arizona Revised Statutes, is amended to read:

48-535. Publication of notices by posting

A. If there is no ~~daily or weekly newspaper~~ PUBLIC MEDIUM published ~~and circulated~~ in the city or town, then the notices and delinquent lists required to be published ~~in a newspaper~~ ON A PUBLIC MEDIUM shall be posted in three public places in the city or town for the length of time required for the publication ~~in a weekly newspaper~~ ON A PUBLIC MEDIUM.

B. Publication or notice other than that herein provided is not necessary to give validity to any proceedings had under this article.

Sec. 254. Section 48-543, Arizona Revised Statutes, is amended to read:

48-543. Sale of bonds; disposition of proceeds

A. Improvement bonds issued under this article may be sold to the highest cash bidder, after advertising for bids by publication at least three times ~~in a daily newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town~~, or if there is no daily newspaper, then once in a weekly or semiweekly newspaper so published and circulated~~.

B. The council may not sell the bonds for less than par. If sold in excess of par the excess shall be paid into the general fund of the city or town. The proceeds of the sale shall be paid into a fund representing the assessments on which the bonds were issued.

Sec. 255. Section 48-545, Arizona Revised Statutes, is amended to read:

48-545. Collection of assessment installments; notice of delinquent installment

A. All assessments not certified through the clerk shall remain collectible by sale of the property as provided in this article, but the superintendent shall promptly collect all installments of principal and interest on the assessments so certified to the clerk. The superintendent ~~shall~~, thirty days before any installment of principal or interest becomes due, SHALL give notice by mail to every person interested who has filed his name and address with the superintendent, and by publication in not smaller than eighteen point type at least two times ~~in a daily newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality~~, or at least two successive insertions in a weekly or semiweekly newspaper so published and circulated~~.

B. The notice shall serve for all assessments in the municipality becoming due on the date specified therein, and shall be substantially in the following form: "Notice of special assessments due on improvements. All persons owning property heretofore assessed for improvements, will take notice that an installment of _____ becomes due and payable on or before the _____ day of _____, ~~19____~~ 20____ and if not so paid on or before said date the same will become delinquent and five per cent penalty will be added to the amount thereof."

C. The council may publish a more detailed notice, in smaller type, but the heading of the notice shall not be smaller type than eighteen point. The first publication of notice shall be at least thirty days before the installment is payable. The method of publication of notice provided for in this section shall apply to and govern all bonds and assessments heretofore issued and levies, and all notices of special assessments due on improvements shall be given and published in accordance herewith.

D. When an installment is paid, the superintendent shall note in his record the date of the payment, the name of the person by or for whom it is paid and ~~shall~~, if requested, SHALL give receipt therefor.

E. On the day succeeding the date on which the installment becomes due, all installments unpaid shall become delinquent, and the superintendent shall certify such fact on his records and mark each installment delinquent and add five per cent to the amount of each installment.

Sec. 256. Section 48-546, Arizona Revised Statutes, is amended to read:

48-546. List of delinquent installments; publication of notice; sale of delinquent property

A. The superintendent ~~shall~~, within twenty days from the date of the delinquency, SHALL begin publication of the list of assessments on which any installment is delinquent. The list shall contain a description of each parcel of property, and opposite each description the name of the owner as

stated in the assessment, or, if no name is stated in the assessment, the word "unknown", and the amount of the installment delinquent, together with penalty and costs due, including the cost of advertising.

B. The superintendent shall append to and publish with the list, a notice that unless each delinquent installment, together with the penalty and costs thereon, is paid, the whole amount of the assessment will be declared due by him, and the property upon which the assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The publication shall be published ~~and circulated~~ in the municipality for a period of ten days ON A PUBLIC MEDIUM. ~~in a daily newspaper, or for two weeks in a weekly newspaper so published and circulated. If published in a daily newspaper, publication shall be made in two issues of the paper, and eight days shall intervene between the first and last publication.~~

C. The time of sale shall not be less than five days nor more than ten days after the last publication, and the place of sale shall be in or in front of the office of the superintendent, or in or in front of the usual place of meeting of the governing body of the municipality.

Sec. 257. Section 48-549, Arizona Revised Statutes, is amended to read:

48-549. Resolution calling hearing when improvement bonds remain unsold; publication; determination of continuance or abandonment of project

A. When bonds authorized to be issued under the provisions of this article have been advertised for sale under the provisions of section 48-543, and the bonds have not been sold within two years from the date of the first advertisement for sale, the governing body of the municipality authorizing issuance of the bonds may provide for a hearing of all persons interested in the property affected by the opening or widening proceedings for the purpose of determining whether or not the proceedings shall be abandoned under the provisions of section 48-517 or whether they shall be continued by sale of the improvement bonds theretofore authorized without reappraisal of compensation and damages, or benefits, or whether they shall be continued under a reappraisal of the compensation and damages awarded for taking the property and of the benefits assessed for such opening or widening.

B. The hearing may be provided for by resolution ~~which~~ THAT shall state:

1. The name of the street proposed to be opened or widened.

2. The approximate limits between which the opening or widening is to be made.

3. The time and place of the hearing.

4. That the purpose of the hearing is to determine whether or not the proceedings shall be abandoned or shall be continued by sale of the improvement bonds theretofore authorized without reappraisal of compensation and damages, or benefits, or whether they shall be continued under a

reappraisal of compensation and damages awarded for the taking of property and of the benefits assessed for such street opening or widening.

5. That all owners of property and persons having an interest in or lien ~~upon~~ ON property proposed to be taken for public purposes, or included in the district to be assessed, as described in the proceedings theretofore had and taken at or before the time fixed for the hearing, may file written request as to the action desired by them in regard to the matter.

C. The resolution, or a notice stating the matter as provided in subsection B of this section to be stated in the resolution, shall be published ~~in a daily or weekly newspaper~~ ON A PUBLIC MEDIUM published in the municipality, on not less than two different days before the day fixed for the hearing, the first of which shall be not less than five days before the day fixed for the hearing.

D. At the hearing all persons interested shall be heard in support of written requests filed by them. The hearing may be continued from time to time by the governing body, and ~~upon~~ ON termination of the hearing or continuance thereof, the governing body shall enter an order in its minutes, determining what action shall be taken with respect to the proceedings.

Sec. 258. Section 48-553, Arizona Revised Statutes, is amended to read:

48-553. Hearing on reappraisal report; publication of notice; refiling report on approval

A. As soon as the reappraisals provided for in sections 48-551 and 48-552 are completed, the appraiser or appraisers shall certify and file them in the office of the superintendent of streets, and the superintendent shall thereupon set a time for reviewing and passing ~~upon~~ ON the reappraisals, including the compensation and damages to be awarded for taking property and the assessments for benefits. He shall give notice of the hearing by publication ~~in a daily or weekly newspaper~~ ON A PUBLIC MEDIUM published in the municipality. The notice shall appear on at least two different days of publication before the date of the hearing, and the first publication shall appear not less than five days before the date of the hearing.

B. Notices shall state:

1. The time and place fixed for the hearing.

2. That at the hearing the governing body will consider and pass upon all reappraisals made by the appraiser or appraisers.

3. That the reappraisals are on file in the office of the superintendent of streets where they may be seen and examined by interested property owners.

4. That all owners of property or persons having liens ~~upon~~ ON or interested in property to be taken for the improvement, or to be assessed therefor, shall have the right to file written objections to the reappraisals and may appear at the hearing in person, or by counsel, and be heard in support of objections filed by them or against changes in the figures made at the hearing.

C. The governing body, at the time fixed for the hearing, may continue it by order in their minutes, or may proceed therewith. It shall hear all persons interested and shall approve the reappraisal figures or make such changes therein at the hearing, or any postponement thereof, as it finds just and proper. All such changes shall be entered ~~upon~~ ON the minutes of the legislative body.

D. ~~Upon~~ ON conclusion of the hearing, the governing body shall approve the reappraisal figures with any changes it may have made therein, and they shall be refiled in the office of the superintendent of streets.

Sec. 259. Section 48-574, Arizona Revised Statutes, is amended to read:

48-574. Improvement districts for operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities and parkings and parkways

A. In addition to the purposes for which an improvement district may be formed under the provisions of section 48-572, an improvement district may be formed for the sole purpose of the operation, maintenance, repair and improvements of pedestrian malls, off-street parking facilities, and parkings and parkways.

B. Subject to the powers granted and the limitations contained in this section, the powers and duties of the governing body of the municipality and the procedure to be followed shall be as provided in this article for other types of special improvement districts.

C. If a petition for the formation of an improvement district under the provisions of this section is presented to the governing body purporting to be signed by all of the real property owners in the proposed district, exclusive of mortgagees and other lienholders, the governing body, after verifying the property ownership and making a finding of that fact, shall adopt a resolution of intention to order the improvement pursuant to the provisions of section 48-576 and shall have immediate jurisdiction to adopt the resolution ordering the improvement pursuant to the provisions of section 48-581, without the necessity of the publication and posting of the resolution of intention provided for in section 48-578.

D. The governing body shall make annual statements and estimates of the expenses of the district, which shall be provided for either:

1. By the levy and collection of ad valorem taxes ~~upon~~ ON the assessed value of all the real and personal property in the district.

2. By assessment of the total sum ~~upon~~ ON the several lots, each respectively in proportion to the benefits to be received by each lot.

E. If the expenses of the district are provided for by ad valorem taxes, the governing body shall publish notice, have hearings and adopt the taxes at the times and in the manners provided for incorporated cities and towns by the applicable portions of title 42, chapter 17, article 3. The governing body, on or before the third Monday in August of each year, shall

fix, levy and assess the amount to be raised by ad valorem taxes ~~upon~~ ON all of the property of the district. If the expenses of the district are assessed ~~upon~~ ON the several lots in proportion to the benefits received by each lot, the governing body shall follow the procedures established in section 48-575 for the assessment and collection of the assessments. All statutes providing for the levy and collection of general county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, shall be applicable to the district taxes provided for under this section.

F. An improvement district formed under the provisions of this section shall not be authorized to issue improvement bonds.

G. No improvement district formed under the provisions of this section shall be authorized to engage in any activity other than as provided in subsection A of this section. If the municipality is willing to participate in the cost of the district, the governing body ~~may~~, by resolution, MAY summarily order such participation.

H. The formation of an improvement district under the provisions of this section shall not prevent the subsequent establishment of improvement districts for any other purpose authorized by law.

I. If, in the opinion of the governing body, any portion of the territory of a district formed under this section is no longer benefited by being a part of the district, the governing body may, by resolution, summarily delete from the district formed under this section any area and may form a new district from the balance of the original district formed under this section.

J. If, in the opinion of the governing body, territory adjacent to a district formed under this section would benefit from being a part of the district, the governing body, by resolution, may include the territory in the district formed under this section if the following conditions are met:

1. Improvements that meet the standards and specifications established by the governing body have been constructed in the territory and will be used for the purposes of the district.

2. Any required public dedications of property have been made or will be made before the inclusion of the territory in the district.

3. Including the territory in the district will not adversely affect the district.

4. Notice of the proposed inclusion of the territory in the district has been published ~~in five consecutive issues of a daily newspaper or two consecutive issues of a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the municipality and a public hearing has been held to consider the inclusion of the territory in the district.

5. Notice has been sent by first class mail at least ten days ~~prior to~~ BEFORE the hearing specified in paragraph 4 of this subsection with an accurate map of the territory proposed for inclusion in the district to each owner of real and personal property within the district and in the proposed

area of inclusion as shown on the statement furnished pursuant to subsection K of this section that is now or would be subject to taxation by the district in the event of inclusion of the proposed area.

K. The county assessor and the department of revenue, respectively, shall furnish to the district within thirty days after a request a statement in writing showing the name and the address of each owner of real and personal property within the district and in the proposed area of inclusion that is now or that would be subject to taxation by the district in the event of inclusion of the proposed area.

L. Within ten days after the governing body adopts a resolution pursuant to subsection J of this section, the municipality shall record the resolution in the office of the county recorder in the county in which the district is located to give notice of the inclusion of the territory in the district to all property owners in the district. If, before the governing body adopts the resolution pursuant to subsection J of this section, a majority of the property owners, by area, of either the original district formed under this section or the territory proposed to be included in the district files with the governing board written objections to the proposed inclusion of the territory, the territory shall not be included in the district.

M. Within ten days after adoption of the resolution of intention to order the improvement pursuant to section 48-576, the municipality shall record the resolution in the office of the county recorder in the county in which the district is located to give notice of formation of the district to all property owners within the district.

N. For the purposes of this subsection, a property owner is an owner of real property, exclusive of mortgagees and other lienholders, that is within an improvement district that was formed as prescribed by this section. A property owner may petition the governing body to dissolve the district pursuant to the following procedures:

1. A property owner shall file with the clerk of the governing body in which the district is located a written notice of the property owner's intent to circulate a petition to dissolve the district. The notice shall include the name, address and telephone number of at least one property owner living within the district who intends to circulate the petition, the name, location and general purpose of the district ~~which~~ THAT is to be dissolved and a true and concise statement of two hundred words or less explaining the advantages of dissolving the district. A petition shall not be circulated for thirty days after the property owner files with the governing body the notice of intent to circulate a dissolution petition.

2. The governing body may provide a form of petition to be used to dissolve the district. Any petition shall include the statement provided in the notice of intent to circulate a petition regarding the advantages of dissolving the district.

3. The governing body may provide a true and concise written statement of two hundred words or less regarding the petition or dissolution of the district. If so provided, the property owner must circulate this statement affixed to the petition.

4. Property owners shall submit to the clerk of the governing body a petition for the dissolution of an improvement district formed under this section that purports to be signed by more than fifty per cent of the property owners in the district.

5. Within twenty days of receipt of the signed petition, the governing body shall verify that the petition is signed by more than fifty per cent of the property owners as set forth in paragraph 4 of this subsection.

6. If the governing body finds the petition contains valid signatures of more than fifty per cent of the property owners, the governing body shall set the date for dissolution of the district within ninety days. The district may continue to operate after dissolution only as needed to collect money and make payments on any outstanding district obligations.

7. Each property in the district with outstanding assessments or liens attached shall remain subject to those assessments or liens for payment of the existing obligations of the district, notwithstanding dissolution of the district.

8. If a district formed under this section subsequently dissolves as prescribed in this subsection, the governing body may not attempt to form any district for the same purpose for at least two years after the date the district is dissolved if the proposed district includes lands formerly located within the dissolved district.

O. Districts that are located in slum or blighted areas as defined in section 36-1471 are exempt from subsection N of this section.

Sec. 260. Section 48-575, Arizona Revised Statutes, is amended to read:

48-575. Improvement districts for enhanced municipal services

A. In addition to the purposes for which an improvement district may be formed under the provisions of section 48-572, an improvement district may be formed within a designated area to provide public service within the district at a higher level or greater degree than provided in the remainder of the community, including such services as public safety, fire protection, refuse collection, street or sidewalk cleaning or landscape maintenance in public areas, planning, promotion, transportation and public parking.

B. The powers and duties of the governing body of the municipality and the procedure to be followed shall be as provided in this article for other types of special improvement districts.

C. If a petition for the formation of an improvement district under the provisions of this section is presented to the governing body purporting to be signed by all of the real property owners in the proposed district, exclusive of mortgagees and other lienholders, the governing body, after verifying such ownership and making a finding of such fact, shall adopt a

resolution of intention to order the improvement pursuant to the provisions of section 48-576 and shall have immediate jurisdiction to adopt the resolution ordering the improvement pursuant to the provisions of section 48-581, without the necessity of the publication and posting of the resolution of intention provided for in section 48-578.

D. The engineer shall make duplicate diagrams of the property contained within the improvement district. The diagram shall show each separate lot numbered consecutively, the area in square feet of each lot, and the area in square feet of any building or buildings located on each lot. ~~Prior to~~ BEFORE making any assessment ~~upon~~ ON the district, the diagram shall be approved by the governing body.

E. The governing body shall make annual statements and estimates of the expenses of the district, and shall assess the total sum ~~upon~~ ON the several lots, each respectively in proportion to the benefits to be received by each lot. When the assessments have been completed, the governing body shall fix a time when it will hear and pass ~~upon~~ ON the assessments and the prior proceedings relating thereto ~~which~~ THAT shall not be less than twenty days from the date of the notice. Notice of hearing shall be given in the manner provided by section 48-590, subsection E. Any person owning real property affected by the assessment who has any objection to the legality of the assessment, or to any of the previous proceedings connected therewith, ~~may prior to~~ BEFORE the time fixed for the hearing MAY file a written notice briefly specifying the grounds of the objection. At the time fixed for the hearing or at any time not later than ten days thereafter to which the hearing may be postponed, the governing body shall hear and pass ~~upon~~ ON the objections. The decision of the governing body shall be final and conclusive ~~upon~~ ON all persons entitled to object as to all errors, informalities and irregularities which the governing body might have remedied or avoided any time during the progress of the proceedings.

F. The assessments for the annual expenses shall be collectible in the manner and by the officers provided by law for the collection and enforcement of general taxes the municipality is authorized to levy. All statutes providing for the levy and collection of county and city taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, shall be applicable to the district assessments provided for under this section.

G. An improvement district formed under the provisions of this section shall not be authorized to issue improvement bonds.

H. No improvement district formed under the provisions of this section shall be authorized to engage in any activity other than as provided in subsection A of this section. If the municipality is willing to participate in the cost of the district, the governing body ~~may~~, by resolution, MAY summarily order such participation.

I. The formation of an improvement district under the provisions of this section shall not prevent the subsequent establishment of improvement districts for any other purpose authorized by law.

J. If, in the opinion of the governing body, any territory of a district formed under this section is not benefited by being a part of the district, the governing body ~~may~~, by resolution, MAY exempt such territory from assessment under this chapter, or if any portion of the territory of a district formed under this section is no longer benefited by being a part of the district, the governing body ~~may~~, by resolution, MAY summarily delete from the district formed under this section any such area and may form a new district from the balance of the original district formed under this section.

K. Any real property that is within the boundaries of the district, that is utilized for residential purposes and that is not specifically benefited by the public services at a higher level or greater degree shall be exempt from assessment pursuant to this section for that year. Existing improved real property utilized for residential purposes with four units or less per building at the time of formation of the district is presumed to not be specifically benefited by a public service at a higher level or greater degree.

L. Within ten days after adoption of the resolution of intention to order the improvement, the municipality shall record the resolution in the office of the county recorder in the county in which the district is located in such a way as to give notice of formation of the district to all property owners within the district.

M. If, in the opinion of the governing body of the municipality, territory adjacent to a district formed under this section would benefit from being a part of the district, the governing body, by resolution, may include the territory in the district formed under this section if all of the following conditions are met:

1. Including the territory in the district will not adversely affect the district.

2. Notice of the proposed inclusion of the territory in the district has been published ~~in five consecutive issues of a daily newspaper or two consecutive issues of a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the municipality and a public hearing has been held to consider the inclusion of the territory in the district.

3. Notice, including an accurate map of the territory proposed for inclusion in the district, has been sent by first class mail at least ten days before the hearing prescribed in paragraph 2 OF THIS SUBSECTION to each owner of property listed on the tax roll within the district and in territory that is now or would be subject to taxation by the district in the event of inclusion of the territory.

N. Within ten days after the governing body of the municipality adopts a resolution pursuant to subsection M of this section, the municipality shall record the resolution in the office of the county recorder in the county in

which the district is located to give notice of the inclusion of the territory in the district to all property owners in the district. If, before the governing body of the municipality adopts the resolution pursuant to subsection M of this section, a majority of the property owners, by area, of either the original district formed under this section or the territory proposed to be included in the district files with the governing body of the municipality written objections to the proposed inclusion of the territory, the territory shall not be included in the district.

O. An improvement district to provide enhanced municipal services may continue to exist in an area that is no longer in a designated area as defined in section 48-571, if at the time of district formation all of the following apply:

1. The area contained in the improvement district has been in a designated area for five or more years.

2. Not more than ten per cent of the frontage of the property fronting on the proposed improvement, or if the cost of the improvement is to be made chargeable on a district, not more than ten per cent of the frontage of the property contained within the limits of the improvement district, is owned by the same person.

3. Not more than one-third of the property owners by frontage of the area contained in the improvement district files with the governing body of the municipality written objections to the improvement district.

4. The municipality otherwise complies with the provisions of this article for the process of forming the improvement district.

Sec. 261. Section 48-578, Arizona Revised Statutes, is amended to read:

48-578. Publication of resolution of intention; posting notice of resolution

The resolution of intention shall be published ~~in successive issues five times in a daily newspaper, or two times in a weekly or semiweekly newspaper, published and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality. The superintendent of streets shall also cause to be conspicuously posted along the line of the proposed improvement, at not more than three hundred feet apart, notices of the passage of the resolution. The notice shall be headed "Notice of proposed improvement" in letters at least one inch in height, and shall state the fact of the passage of the resolution of intention, and briefly describe the improvement proposed.

Sec. 262. Section 48-580, Arizona Revised Statutes, is amended to read:

48-580. Procedure for making and hearing protests and objections

A. In determining protests and objections, the governing body shall be guided by these rules:

1. Each paper containing signatures shall have attached thereto the affidavit of an owner to be assessed, stating that each signature was affixed in his presence and is the signer's genuine signature.

2. The protest or objection shall be counted only for the property described as belonging to the signer, and a signature without the description shall not be counted.

3. The signature of one cotenant, or, if community property, the signature of either spouse, is sufficient for a protest if no objection to the signature is made by the other cotenant or spouse. If the signature is so protested, the protest shall be counted only to the extent of the signer's interest in the property.

4. A protest or objection signed by a guardian, executor, administrator or trustee is valid without an order of court therefor.

5. A protest or objection by a person in possession under contract of purchase is valid.

6. When several persons have a claim to or an interest in property, the signature of any of them is sufficient unless questioned by another having such claim or interest, whereupon the wishes of the person legally entitled to possession of the property at the date of the protest shall control.

7. A protest or objection signed by an agent or attorney in fact shall be disregarded unless the authority of the agent has been recorded with the county recorder, or written or telegraphic authority is attached to the protest or objection before expiration of the time for filing the protest or objection.

8. A signature may be withdrawn from a protest or objection by filing the withdrawal with the clerk in his office at or before five o'clock p.m., of the last day set for filing protests.

9. An objection to the signature of a cotenant, spouse, claimant or person interested may be filed, and the authority of an agent or attorney in fact questioned, at any time before the governing body finally passes ~~upon~~ ON the sufficiency of the protest, but an agency or authority may not be revoked as to the signature after expiration of the protest period.

B. The governing body may fix a date for a hearing ~~upon~~ ON the sufficiency of a protest, which shall be within thirty days from the expiration of the protest period, and shall give notice of the hearing by publication ~~twice in a daily, or once in a weekly or semiweekly paper~~ ON A PUBLIC MEDIUM published in the municipality or county, and by mailing the notice to each protestant at his address of record.

C. The notice shall require all persons signing the protest, their agents or attorneys, to appear and show cause why the protest should not be overruled.

D. ~~Upon~~ ON the hearing the governing body may disregard all signatures of which the right to sign does not appear ~~upon~~ ON the records of the county recorder, and which is not supported by evidence at the hearing.

Sec. 263. Section 48-581, Arizona Revised Statutes, is amended to read:

48-581. Resolution ordering improvement; notice; bids

A. When no protests against the work or no objections as to the extent of the proposed assessment district have been filed within the time specified, or when a protest is found by the governing body to be insufficient, or when the objections to the extent of the proposed district have been heard and denied, the governing body may order, by resolution, the proposed improvements described in the resolution of intention.

B. The resolution need not fully describe the improvement nor the extent of the assessment district, but may refer to the resolution of intention for the description.

C. On completion of the plans and specifications, the superintendent shall publish a notice of the passage of the resolution ordering the work, and inviting sealed bids for making the improvement therein ordered, ~~twice in one or more daily newspapers or once in a weekly or semiweekly newspaper, published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town, and shall post a copy of the notice for five days on or near the door of the meeting place of the governing body. The notice shall state the time within which proposals may be filed with the clerk, which shall not be less than ten days from the date of the first publication of the notice.

D. When in the resolution of intention the governing body has provided for alternative plans and specifications, the invitation for bids for making the improvement may require separate bids according to each of the several alternative plans and specifications.

E. The governing body may combine by resolution two or more improvement projects for which resolutions of intention have been approved in order to allow the construction of those improvements under one contract and to allow one series of improvement bonds.

Sec. 264. Section 48-584, Arizona Revised Statutes, is amended to read:

48-584. Bids; bond; award of contract; entering into contract; liability on bond

A. Bids shall be submitted accompanied by a bond payable to the municipality for an amount not less than ten per cent of the aggregate bid. Alternative bids may be accompanied by one bond at least equal to ten per cent of the amount of the highest proposal submitted.

B. The governing body of the city or town ~~shall~~, in open session, SHALL publicly declare the bids, and may reject any or all when deemed for the public good, and shall reject all bids other than the lowest and best bid of a responsible bidder. The governing body may award the contract for the work or improvement to the lowest and best responsible bidder at the price named in his bid, ~~upon~~ ON motion, noted in its minutes, and ~~upon~~ ON a majority vote of its members.

C. When the resolution of intention to make the improvement and the resolution ordering the work has provided for alternative plans and specifications, and the notice has invited separate bids in accordance with the alternative plans and specifications, the governing body shall not award the contract for the improvement until fifteen days after the bids have been opened, examined and declared. If within such period the owners of a majority of the frontage of property fronting on the proposed improvement, or, when the cost of the improvement has been made chargeable ~~upon~~ ON a district, the owners of a majority of the frontage of property contained within the limits of the assessment district, in writing require that the proposed improvement be constructed in accordance with any particular one of the alternative plans and specifications, then the governing body shall so determine and require, and shall award the contract to the lowest and best responsible bidder. If no such written requirement is filed, then the governing body shall determine which of the alternative plans and specifications shall be adopted, considering the cost and efficiency thereof, and shall award the contract accordingly.

D. Notice of the award of contract shall be published ~~twice in a daily newspaper or once in a weekly or semiweekly newspaper, published and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town.

E. At any time within fifteen days from the date of the first publication, any person having an interest in a lot liable to assessment, claiming that any of the previous acts or proceedings relating to the improvements are irregular, illegal or faulty, may file with the clerk a written notice specifying in what respect the acts and proceedings are irregular, illegal or faulty, and all objections to any act or proceeding ~~which~~ THAT are not made ~~prior to~~ BEFORE the notice of award shall be waived, except as to matters directly affecting the authority of the governing body. If the governing body finds any objection well taken, it may abandon the proceedings, or correct or modify any portion thereof, and proceed as in the first instance.

F. Within twenty days after the date of the first publication, if no objections have been filed, the successful bidder shall enter into a contract to make the improvement according to his bid. If objections are filed but are rejected by the governing body, the contract shall be entered into within five days after receiving notice from the clerk of such rejection. If the bidder fails to enter into the contract within such period provided, then the governing body without further proceedings shall again advertise for bids as in the first instance, and the bidder shall be liable ~~upon~~ ON his bond accompanying the bid for all costs and damages incurred and sustained by reason of the failure to enter into the contract.

Sec. 265. Section 48-590, Arizona Revised Statutes, is amended to read:

48-590. Delivery of warrant and assessment to contractor; demand for payment; release of assessments; review of assessment

A. After the warrant and assessment are recorded, they shall be delivered to the contractor, or to the treasurer of the municipality if the municipality charges itself with the duty of making demands for the payment of the several assessments, together with one of the diagrams, and by virtue of the warrant, the contractor or treasurer, as the case may be, is authorized to demand and receive the amount of the several assessments.

B. The contractor or treasurer, as the case may be, shall call ~~upon~~ ON the person assessed, either in person or by use of the United States mail if the person can conveniently be found, and demand payment, and if paid shall give a receipt therefor. The receipt, when presented to the superintendent, shall be an order to the superintendent to release the assessment.

C. The contractor or treasurer shall promptly notify the superintendent of all payments made to the contractor or treasurer, whereupon the superintendent shall release assessments ~~which~~ THAT have been fully paid. When the name of the owner of the lot is stated as "unknown" on the assessment, the contractor or treasurer shall demand payment of a person in possession. If someone is in possession, such demand may be made either by use of the United States mail, if a mailing address for the person in possession can be determined, or in person. If the premises are unoccupied or the person in possession cannot be found, such demand is unnecessary.

D. The warrant shall be returned to the superintendent within thirty days after its date with a "return" endorsed thereon, signed by the contractor or treasurer, as the case may be, verified ~~upon~~ ON oath stating the nature and character of the demand, and whether any assessments remain unpaid in whole or in part, and the amount thereof. In the absence of fraud or bad faith, the verified statement of the person making the return is conclusive proof that the demand for payment was made ~~upon~~ ON each owner, person in possession or each parcel of property as required by this section. The superintendent shall record the return so made in the margin of the record of the warrant and assessment. After return of the assessment and warrant all amounts remaining due shall draw interest at the rate of eight per cent per annum until paid or, upon the issuance of bonds, at the rate specified in the bonds payable for the semiannual period specified in the bonds notwithstanding the fact that the installments of assessments may be due at dates earlier than installments of interest are payable on the bonds.

E. After completion of the work, the superintendent shall notify the governing body of such fact, and the board shall fix a time when it will hear and pass ~~upon~~ ON the assessment and the proceedings theretofore had and taken, which shall not be less than twenty days thereafter. The governing body shall cause notice of the hearing to be given by publication for five

days ~~in a daily newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality~~, or two times in a semiweekly or weekly newspaper so published~~, and the street superintendent shall cause notices of the time and place of the hearing to be mailed by first class mail, at least twenty days before the hearing date, to all persons owning real property affected by the assessments as the names and addresses appear on the last certified property tax roll. If no address appears for any person on the last certified tax roll, then no notice need be mailed to such person. The street superintendent shall make an affidavit of the mailing and shall recite therein that the persons to whom notices were mailed constitute all persons whose names and addresses appear upon the tax roll as owning property within the particular improvement area, which affidavit shall be conclusive proof that notice was mailed each person to whom notice is required to be mailed. Failure to receive notice shall not constitute any jurisdictional defect invalidating any proceeding or assessment if notice has been sent pursuant to this section.

F. If the assessment is dated before the work has been completed, the superintendent shall file with the clerk, at or ~~prior to~~ BEFORE the hearing, a recapitulated assessment based on the actual quantities determined by the engineer to have been constructed or installed, or the actual cost of the acquisition, as the case may be, together with the known incidental expenses expended to that date and the itemized estimated incidental expenses remaining to be expended. The engineer need not recompute each individual assessment but shall determine the amount of the increase or decrease to be assessed and shall file a supplemental statement with the clerk setting forth the ratio of the differential between the contractor's bid and the recapitulated amount and ordering that each assessment be increased or decreased, as the case may be, by such ratio. If the total assessment is decreased, the treasurer shall return to the owner, if the owner can be located, that portion of each assessment previously paid in cash which represents an excess payment.

G. The owners, contractor and all other persons directly interested in the work or in the assessment, who have any objection to the legality of the assessment or to any of the previous proceedings connected therewith, or who claim that the work has not been performed according to the contract, ~~may, prior to~~ BEFORE the time fixed for the hearing, MAY file a written notice briefly specifying the grounds of their objections. At the time fixed for the hearing or at any time not later than ten days thereafter to which the hearing may be postponed, the governing body shall hear and pass ~~upon~~ ON the objections. The decision of the governing body shall be final and conclusive upon all persons entitled to object as to all errors, informalities and irregularities which the governing body might have remedied or avoided at any time during the progress of the proceedings.

H. If the governing body finds that the contract has not been fully performed, it shall withhold all amounts or bonds owed and not then paid, or delivered, to the contractor until such time as in its opinion the contract is fully performed. If the governing body finds that the amount or bonds left on hand to be paid to the contractor is not sufficient to pay the costs necessary to complete the work and that the contractor is not likely to complete the work according to the contract, the governing body may summon the contractor and contractor's surety for a hearing pursuant to section 48-586. The governing body may modify the amounts of the several assessments after hearing, and may order that the assessment be recomputed if it finds that the benefits to any lots do not equal the amount of such lot's respective assessment. When recomputing the assessment, the superintendent of streets shall again levy the assessments according to the benefits derived, as instructed by the governing body, notwithstanding the fact that the reduction of any assessment may cause a corresponding increase in other assessments.

Sec. 266. Section 48-600, Arizona Revised Statutes, is amended to read:

48-600. Collection of assessment installments; notice; delinquent installments

A. All assessments not certified to the clerk shall remain collectable by the contractor as provided by this article, but the superintendent shall promptly collect all installments of principal and interest on the assessments so certified to the clerk. The superintendent ~~shall~~, thirty days before any installment of principal or interest becomes due, SHALL give notice by mail to every person interested who has filed his name and address with the superintendent, and by publication ~~in not smaller than eighteen point type at least two times in a daily newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality~~, or at least two successive insertions in a weekly or semiweekly newspaper so published and circulated~~.

B. The notice shall serve for all assessments in the municipality becoming due on the date specified therein, and shall be substantially in the following form: "Notice of special assessments due on improvements. All persons owning property heretofore assessed for improvements, will take notice that an installment of _____ becomes due and payable on or before the _____ day of _____ ~~19____~~ 20____ and if not so paid on or before said date the same will become delinquent and five per cent penalty will be added to the amount thereof."

C. The governing body may publish a more detailed notice, in smaller type, but the heading of the notice shall not be smaller type than eighteen point. The first publication of notice shall be at least thirty days before the installment is payable. The method of publication of notice provided for in this section shall apply to and govern all bonds and assessments heretofore issued and levied, and all notices of special assessments due on improvements shall be given and published in accordance herewith.

D. When an installment is paid, the superintendent shall note in his record the date of the payment, the name of the person by or for whom it is paid and shall, if requested, give receipt therefor.

E. On the day succeeding the date on which the installment becomes due all installments unpaid shall become delinquent, and the superintendent shall certify such fact on his records and mark each installment delinquent and add five per cent to the amount of each installment.

Sec. 267. Section 48-601, Arizona Revised Statutes, is amended to read:

48-601. List of delinquent installments; publication of notice; sale of delinquent property

A. The superintendent ~~shall~~, within twenty days from the date of the delinquency, SHALL begin the publication of the list of the assessments on which any installment is delinquent. The list shall contain a description of each parcel of property, and opposite each description the name of the owner as stated in the assessment, or, if no name is stated in the assessment, the word "unknown," and the amount of the installment delinquent, together with penalty and costs due, including the cost of advertising.

B. The superintendent shall append to and publish with the list, a notice that unless each delinquent installment, together with the penalty and costs thereon, is paid, the whole amount of the assessment will be declared due by him, and the property upon which the assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The publication shall be published ~~and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality for a period of ten days ~~in a daily newspaper, or for two weeks in a weekly newspaper so published and circulated. If published in a daily newspaper, publication shall be made in two issues of the paper, and eight days shall intervene between the first and the last publication~~.

C. Before the date fixed for the sale or before the date to which the sale has been postponed, the superintendent shall obtain a record search that shows the names and addresses of record of all lien claimants on, and other persons with an interest in, all lots or parcels on which an installment of the assessment is delinquent. The cost of a record search may be added to the assessment and is deemed to be a portion of the delinquent installment.

D. At least ten days before the sale date or the date to which the sale has been postponed, the superintendent shall serve by first class mail a notice of the date and place of the sale or postponed sale to the owner and to each of the lien claimants and other persons with an interest as shown by the search of records. The notice shall state the date of the sale, the amount of the delinquent installments including penalties, costs of advertisement and costs of the record search, shall state either that the whole amount of the assessment and costs and penalties or, if the municipality has provided for the sale of the amount of the delinquent assessment, that the amount then delinquent and costs and penalties are due at the time of the sale and shall state that, unless redeemed within the time

allowed by law, a superintendent's deed will be delivered to the purchaser and the superintendent's deed shall convey title to the lands described therein free and clear of all interests and liens, except for the lien for general property taxes and prior special assessments.

E. A final sale may not be held unless the superintendent has provided notice by mail as prescribed by this section to all lien claimants discovered in the search of records. The mailing may occur either before the date originally set for the sale or before the date of any postponed sale, and only one mailing and one record search is required.

F. The time of sale shall not be less than five days after the last publication, and the place of sale shall be in or in front of the office of the superintendent, or in or in front of the usual place of meeting of the governing body of the municipality. The sale may be postponed.

Sec. 268. Section 48-611, Arizona Revised Statutes, is amended to read:

48-611. Failure to hold or adjourn scheduled hearing; provision for subsequent hearing

When the time and place for a hearing is fixed by a governing body under this article, and for any reason the hearing is not then and there held or regularly adjourned to a time and place fixed, the authority of the governing body shall not thereby be divested or lost, but it may thereafter fix a time and place for the hearing and cause notice thereof to be given by publication ~~by at least one insertion in a newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality and designated by the governing body. The publication shall be at least five days before the date of the hearing, and thereupon the governing body may act as in the first instance.

Sec. 269. Section 48-655, Arizona Revised Statutes, is amended to read:

48-655. Publication and posting of resolution

A. The resolution of intention shall be published~~, in successive issues, five times in a daily newspaper or two times in a weekly or semi-weekly newspaper published and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality.

B. The clerk shall also cause to be conspicuously posted along the line of the improvement for which the bonds to be refunded were issued, at not more than three hundred feet apart, a notice of the proposed issuance of refunding bonds, which shall be sufficient if it is headed, "notice of proposed issuance of refunding bonds," in letters at least one inch in height, and shall substantially state all matters required to be stated in the resolution of intention, and give the date of the passage of the resolution of intention.

Sec. 270. Section 48-683, Arizona Revised Statutes, is amended to read:

48-683. Election resolution

A. The governing body shall adopt a resolution calling an election ~~upon~~ ON the question of the issuance of bonds. The resolution shall state in substance:

1. The maximum amount of bonds to be issued.

2. The purpose for which the bonds are to be issued.

3. The maximum rate of interest ~~which~~ THAT the bonds are to bear.

4. A brief and concise statement containing an irrevocable appropriation providing for the payment of the principal and interest of the bonds from monies to be derived from taxes, fees, charges and other monies collected by the state and returned to such city or town for street and highway purposes pursuant to law which have not been theretofore specially allocated and pledged for the payment of indebtedness.

5. The date on which the election will be held.

6. The places where votes may be cast.

7. The hours between which polling places will be open.

B. The election resolution shall be published in full at least once, not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of the election, ~~in a newspaper published in the county and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality, or, if there is no ~~such newspaper~~ PUBLIC MEDIUM, the resolution shall be printed in full and posted in five conspicuous places in the municipality not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of the election.

Sec. 271. Section 48-688, Arizona Revised Statutes, is amended to read:

48-688. Form of bonds; interest rates; redemption; payment of principal and interest; additional security; definition

A. Bonds issued under this article shall be fully negotiable within the meaning and for all purposes provided by title 47. They may be in one or more series, may bear dates, may be payable in a medium of payment and at places, may carry registration privileges, may have that priority or lien position between bondholders, shall be executed in a manner, may contain other terms, covenants and conditions, and SHALL be in a form as the governing body by resolution prescribes. The final payment shall be due not more than thirty years from the date of issuance, as the governing body may prescribe. Any or all of the bonds shall be callable at times, on terms and in a manner as the governing body by resolution prescribes.

B. Any or all of the bonds may be sold by calling for bids at public sale or through an ~~on-line~~ ONLINE bidding process or bonds may be sold under an accelerated bidding process. If sold under an accelerated bidding process, the bonds shall be sold at the lowest cost the governing body deems then available after having received at least three pricing quotations from

recognized purchasers of bonds of the type being sold. If sold at public sale, the bonds shall be sold to the bidder making the best bid. If bonds are sold through an ~~on-line~~ ONLINE bidding process, bids for the bonds that are entered into the system may be concealed until a specified time or disclosed in the ~~on-line~~ ONLINE bidding process, may be subject to improvement in favor of the district before a specified time and may be for an entire issue of bonds or specified maturities according to the manner, terms and notice provisions ordered by the governing body.

C. The bonds may be sold below, at or above par. If an issue of bonds is sold below par, the aggregate amount of discount plus interest to be paid on the bonds must not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the governing body at the maximum rate set out in the resolution calling the election at which the bonds were voted.

D. If sold at public sale, the governing body shall call for bids for the bonds by giving notice at least once a week for two successive weeks in cities having a population of fifteen thousand or more persons according to the most recent federal census, and once a week for four successive weeks in all other cities and towns by publication ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county. The notice shall be in the form prescribed by the governing body. The bids shall be for the entire bond issue unless the governing body by resolution allows bidding in parcels of less than the entire issue. Notwithstanding any other provision of this subsection, bonds may be sold to natural persons residing in this state by negotiated sale on terms the governing body deems to be the best then available and may bear interest payable at times as shall be determined by the governing body. The bonds may be sold below, at or above par, provided that if the bonds are sold below par, the aggregate amount of discount plus interest to be paid on the bonds must not exceed the amount of interest that would be payable on the bonds over the maturity schedule prescribed by the governing body at the maximum rate set out in the resolution calling the election at which the bonds were voted.

E. Bonds issued by a city or town may bear interest at any rate or rates not in excess of the maximum rate of interest set forth in the resolution calling the election, payable at the times determined by the governing body, provided that each bond may be evidenced by one instrument, or if commercial paper by a succession of instruments each bearing interest payable only at maturity. Bonds or commercial paper issued under this article shall be subject to the following:

1. The bonds may bear interest at a fixed, variable or combination rate, none of which exceeds the maximum rate of interest set forth in the resolution calling the election.

2. A variable rate shall be based on any objective measure of the current value of money borrowed such as the announced prime rate of a bank, the rates borne by obligations of the United States or an index or other

formula provided for by the governing body. The governing body shall employ a recognized agent in municipal bonds to market and remarket the bonds or commercial paper issued and to establish an interest rate in accordance with the approved index or formula.

3. The governing body may grant to the owner of any bond a right to tender or may require the tender of the bond for payment or purchase at one or more times before maturity and may enter into appropriate agreements with any bank, financial institution, insurance company or indemnity company for the purchase of bonds so tendered. The agreement may provide that while the bonds are held by the bank, financial institution, insurance company or indemnity company the bonds may bear interest at a rate higher than when the bonds are held by other owners, but not in excess of the maximum rate of interest set forth in the resolution calling the election.

4. If bonds are tendered before maturity under an agreement to pay for or purchase bonds when so tendered, the city or town may provide for the purchase and resale of the bonds pursuant to the tenders without extinguishing the obligation represented by them or incurring a new obligation on the resale, whether or not the bonds are represented by the same instruments when purchased as when resold.

5. Compensation for the resale of the bonds shall not be based on or measured by the difference between the price at which the bonds are purchased and the price at which they are resold.

6. The governing body may:

(a) Contract with a bank, financial institution, insurance company or indemnity company to provide additional security for the bonds in the form of a line of credit, letter of credit, insurance policy or other security.

(b) Pay the costs of an additional security from amounts provided in the bond issue or from other available sources and may enter into reimbursement obligations in connection with the cost of the additional security.

7. Any reimbursement obligation entered into with the bank, financial institution, insurance company or indemnity company shall not provide for the payment of interest in excess of the maximum rate of interest set forth in the resolution calling the election. The reimbursement obligation does not constitute a general obligation of the city or town and is payable from the same source as the bonds, or from other available revenues, as determined by the governing body.

8. Variable rate bonds and commercial paper may be sold at competitive public sale, through an ~~on-line~~ ONLINE bidding process or at negotiated sale. A competitive public sale may be accomplished pursuant to a notice of sale published at the times and in the manner provided in subsection D OF THIS SECTION. This notice shall provide terms and conditions as may be determined by the governing body.

9. If bonds are to be issued in the form of commercial paper the governing body shall first provide for the establishment of the schedule for

the maturities of the bonds within the maximum period permitted by the voted proposition. The individual instruments representing the bonds may mature over shorter periods and may be retired with proceeds of subsequent instruments, or with the proceeds of definitive bonds, but they shall be finally paid according to the schedule of bond maturities or earlier.

10. Bonds issued in the form of commercial paper may be sold through an agent in the form of instruments which mature at intervals the agent determines to be most advantageous to the issuer after giving public notice to potential investors as determined by the governing body.

11. Bonds may be issued as compound interest bonds bearing interest payable only at maturity but compounded periodically until that date at a fixed rate no higher than the rate set forth in the resolution calling the election.

F. Pending preparation of the definitive bonds, interim receipts or certificates may be issued to the purchaser of the bonds in a form and with provisions as the governing body prescribes.

G. The principal of and interest upon the bonds shall be payable primarily from the proceeds of revenues derived from taxes, fees, charges and other monies collected by the state and returned to the cities and towns for street and highway purposes pursuant to law.

H. As additional security for the payment of the bonds, a city or town, by resolution submitted to the electors at a special election called for this purpose, and ~~upon~~ ON the approval of the resolution by a majority of the voters voting at the election, may pledge its full faith and credit for the payment of the bonds, and if the pledge is made, and the revenues pledged to the payment of the bonds are at any time insufficient, the city or town shall be obligated to pay the bonds with interest to the same extent as other general obligation bonds of the city or town, and shall be reimbursed from subsequent revenues received by the city or town from taxes, fees, charges and other monies collected by the state and returned to the city or town for street and highway purposes pursuant to law.

I. For THE purposes of this section, "~~on-line~~ ONLINE bidding process" means a procurement process in which the governing body receives bids electronically over the internet in a real-time, competitive bidding event.

Sec. 272. Section 48-703, Arizona Revised Statutes, is amended to read:

48-703. Notice

A. The clerk shall execute a notice ~~which~~ THAT shall read substantially as follows:

> To whom it may concern:
>
> The governing body of the (city) (town) (county) of _____, on ____(Date)____, adopted the attached resolution declaring its intention to form a tax levying community facilities district. A hearing on formation will be held on ____(Date)____, at _____(Time)____ at ____(Location)____. All

persons owning or claiming an interest in property in the proposed district who object to the inclusion of their land in the district, to the formation of the district or to the contents of the general plan must file a written objection with the undersigned at the following address before the time set for the hearing.

(Date)_____

_____

Clerk

_____

Address

(Name of municipality or county)

B. A copy of the resolution declaring the governing body's intention to form the district shall be attached to the notice and the clerk shall cause a copy to be mailed to the owners of real property in the district as shown on the most recent property tax assessment roll and to all other persons claiming an interest in such property who have filed a written request for a copy of the notice within the six months preceding or at any time following the adoption of the resolution of intent to form the district. The clerk shall also publish a copy of the notice and resolution at least once ~~in the official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the municipality or county~~, if there is one, or, if there is no official newspaper of the municipality, in a newspaper of general circulation in the county in which the municipality is located~~. The mailing and publication shall be completed at least twenty days before the date set for hearing. The clerk shall execute an affidavit of mailing stating the date of mailing and the names and addresses of the persons to whom the notices and copies of the resolutions were mailed. The clerk shall obtain an affidavit from the ~~newspaper~~ PUBLIC MEDIUM in which the publication was made. The clerk shall cause both affidavits to be placed in the official records of the municipality or county. The affidavits are conclusive evidence of the mailing and publishing of notice. Notice shall not be held invalid for failure of delivery to the addressee.

C. If the clerk is informed that the person listed on the assessment roll is no longer the owner and the name and address of the successor owner become known, the clerk shall cause a copy of the notice and resolution to be mailed to the successor owner as soon as practicable after learning of the change of ownership.

Sec. 273. Section 48-707, Arizona Revised Statutes, is amended to read:

48-707. Notice and conduct of elections; waiver

A. Any election under this article shall be a nonpartisan election called by posting notices in three public places within the boundaries of the district not less than twenty days before the election. Notice shall also be published ~~in a newspaper of general circulation in the municipality or county~~

~~or if there is no newspaper so circulated in the municipality in a newspaper of general circulation in the county in which the municipality is located once a week for two consecutive weeks before the election~~ ON A PUBLIC MEDIUM PUBLISHED IN THE MUNICIPALITY. The notice shall state:

1. The place of holding the election.

2. The hours during the day, not less than six, in which the polls will be open.

3. If it is a formation election, the boundaries of the proposed district.

4. If it is a bond election, the amount of bonds to be authorized for the district, the maximum rate of interest to be borne on the bonds, the maximum term of the bonds, not exceeding twenty-five years, and the purposes for which the monies raised will be used.

5. If it is an ad valorem tax levy election pursuant to section 48-723, the maximum tax rate per one hundred dollars of assessed valuation to be imposed, the purposes for which the monies raised will be used and the existing maximum tax rate, if any.

6. That a general plan is on file with the clerk.

B. The district board or the governing body, as applicable, shall determine the date of the election and the polling places for the election and may consolidate county precincts. For other than a formation election pursuant to section 48-705, subsection B, and an election held pursuant to subsection G of this section, precinct registers shall be used. The county recorder shall submit precinct registers on the request of the clerk, and if the district includes land lying partly in and partly out of any county election precinct, the precinct registers may contain the names of all registered voters in the precinct and the election boards at those precincts shall require that a prospective elector execute an affidavit stating that the elector is also a qualified elector of the district. For formation elections and elections held pursuant to subsection G of this section, a prospective elector shall execute an affidavit stating that the elector is the owner of land in the proposed district and is a qualified elector of this state or otherwise qualified to vote pursuant to section 48-3043 and stating the area of land in acres owned by the elector. Election board members may administer oaths or take all affirmations for these purposes. A community facilities district election held pursuant to this article is not subject to title 16, chapter 2, article 3.

C. Except as otherwise provided by this article, the election shall comply with the general election laws of this state, except that the words to appear on the ballots shall be for a formation election "district, yes" and "district, no", for a bond election "bonds, yes" and "bonds, no", for a tax election if no tax is in place "tax, yes" and "tax, no" and for a tax election to change an existing maximum or eliminate an existing tax "tax change, yes" and "tax change, no". The returns of election shall be made to the governing body or, if after formation, to the district board.

D. Within fourteen days after an election, the governing body, or if after formation, the district board, shall meet and canvass the returns, and if a majority of the votes cast at the election is in favor of formation, issuing the bonds, imposing the tax or changing the tax, the governing body or the district board, as appropriate, shall enter that fact on its minutes. The canvass may be continued from time to time. Failure of a majority to vote in favor of the matter submitted does not prejudice the submission of the same or similar matters at a later election.

E. If a person listed on the assessment roll is no longer the owner of land in the district and the name of the successor owner becomes known and is verified by recorded deed or other similar evidence of transfer of ownership, the successor owner is deemed to be the owner for the purposes of this article.

F. Notwithstanding any other provision of this article, if a petition for formation is signed by owners of all of the land in the district described in the petition and is approved by the municipality or county, the municipality or county may waive any or all requirements of posting, publication, mailing, notice, hearing and landowner election. On receipt of such a petition, and after approval by an election of resident electors, if any, the municipality or county shall declare the district formed without being required to comply with the provisions of this article for posting, publication, mailing, notice, hearing or landowner election.

G. Notwithstanding any other provision of this article, if no person has registered to vote within the district within fifty days immediately preceding any scheduled election date, any election required to be held pursuant to this article shall be held with the vote by the owners of land within the district who are qualified electors of this state and other landowners according to section 48-3043. Each owner has the number of votes or portion of votes equal to the number of acres or portion of acres rounded upward to the nearest one-fifth of an acre owned in the district by that person.

H. For a district that is proposed to be formed by a county, a district may be formed only if a petition for formation is signed by the owners of all of the land in the district that is described in the petition and if it is approved by the county. If the district is proposed to be formed in a county island, as defined in section 11-251.12, in existence on ~~the effective date of this amendment to this section~~ SEPTEMBER 21, 2006, the petition must be signed by the owners of all of the land in the district that is described in the petition and the district must be approved by the county and by the municipality or all municipalities that form the county island. If the petition is signed by the owners of all of the land in the district, the county may waive any or all requirements of posting, publication, mailing, notice, hearing and landowner election. On receipt of such a petition, and after approval by an election of one hundred per cent of the resident electors, if any, the county shall declare the district formed

without being required to comply with the provisions of this article for posting.

Sec. 274. Section 48-715, Arizona Revised Statutes, is amended to read:

48-715. Project approval

Before constructing or acquiring any public infrastructure, the district board shall cause a study of the feasibility and benefits of the project to be prepared by engineers and other qualified persons, which shall include a description of the public infrastructure to be constructed or acquired and all other information useful to understand the project, a map showing, in general, the location of the project, an estimate of the cost to construct, acquire, operate and maintain the project, an estimated schedule for completion of the project, a map or description of the area to be benefited by the project, and a plan for financing the project. The board shall hold a public hearing on the report and provide notice of the hearing by publication not less than ten days in advance ~~in the official newspaper of the municipality or county or, if none in the municipality, a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and by mail to the governing body of the municipality. After the hearing the district board may reject, amend or approve the report. If the report is amended substantially a new hearing shall be held before approval. If the report is approved, the district board shall adopt a resolution of intent which identifies the public infrastructure of the project, the areas benefited, the expected method of financing and an appropriate system of providing revenues to operate and maintain the project.

Sec. 275. Section 48-805, Arizona Revised Statutes, is amended to read:

48-805. Fire district; powers and duties

A. A fire district, through its board or elected chief and secretary-treasurer, shall:

1. Hold public meetings at least once each calendar month.

2. Prepare an annual budget that contains detailed estimated expenditures for each fiscal year and that clearly shows salaries payable to employees of the district, including the appointed chief. For a fire district governed by an elected chief and elected secretary-treasurer, and beginning on July 29, 2010, the amount of any salary for the chief and the secretary-treasurer shall remain unchanged for the remainder of the term of office. The budget shall be posted in three public places and published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district twenty days before a public hearing at a meeting called by the board or elected chief to adopt the budget and if the fire district maintains a publicly viewable website, the budget shall be posted for the public on the website at least twenty days before the public hearing. Copies of the budget shall also be available to members of the public on written request to the

district. Following the public hearing, the district board or elected chief and secretary-treasurer shall adopt a budget.

3. Determine the compensation payable to district personnel.

4. Require probationary employees in a paid sworn firefighter position, a reserve firefighter position or a volunteer firefighter position to submit a full set of fingerprints to the fire district. The fire district shall submit the fingerprints to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

B. A fire district, through its board or elected fire chief and secretary-treasurer, may:

1. Employ any personnel and provide services deemed necessary for fire protection, for preservation of life and for carrying out its other powers and duties, including providing ambulance transportation services when authorized to do so pursuant to title 36, chapter 21.1, article 2, but a member of a district board shall not be an employee of the district. The merger of two or more fire districts pursuant to section 48-820 or the consolidation with one or more fire districts pursuant to section 48-822 shall not expand the boundaries of an existing certificate of necessity unless authorized pursuant to title 36, chapter 21.1, article 2.

2. Construct, purchase, lease, lease-purchase or otherwise acquire the following or any interest therein and, in connection with such construction or other acquisition, purchase, lease, lease-purchase or grant a lien on any or all of its present or future property, including:

(a) Apparatus, water and rescue equipment, including ambulances and equipment related to any of the foregoing.

(b) Land, buildings, equipment and furnishings to house equipment and personnel necessary or appropriate to carry out its purposes.

3. Finance the acquisition of property as provided in this section and costs incurred in connection with the issuance of bonds as provided in section 48-806. Bonds shall not be issued without the consent of a majority of the electors of the district voting at an election held for that purpose. For the purposes of an election held under this paragraph, all persons who are eligible to vote in fire district elections under section 48-802 are eligible to vote.

4. Enforce the fire code adopted by the district, if any, and assist the state fire marshal in the enforcement of fire protection standards of this state within the fire district including enforcement of a nationally recognized fire code when expressly authorized by the state fire marshal.

5. After the approval of the qualified electors of the fire district voting at a regular district election or at a special election called for such purpose by the district board or the elected chief and secretary-treasurer, as appropriate, or at any election held in the county which encompasses the fire district, adopt the _____ fire code, which is

a nationally recognized fire code approved by the state fire marshal. The words appearing on the ballots shall be "should _____ fire district adopt the _____ fire code, which is a nationally recognized fire code approved by the state fire marshal--yes", "should _____ fire district adopt the _____ fire code, which is a nationally recognized fire code approved by the state fire marshal--no". Such code shall be enforced by the county attorney in the same manner as any other law or ordinance of the county. Any inspection or enforcement costs are the responsibility of the fire district involved. The district shall keep on file such code, which shall be open to public inspection for a period of thirty days prior to any election for the purpose of adopting a fire code. Copies of the order of election shall be posted in three public places in the district not less than twenty days before the date of the election, and ~~if a newspaper is published in the county having a general circulation in the district,~~ the order shall be published ~~in the newspaper~~ ON A PUBLIC MEDIUM not less than once a week during each of the three calendar weeks preceding the calendar week of the election.

6. Amend or revise the adopted fire code, including replacement of the adopted fire code with an alternative nationally recognized fire code, with the approval of the state fire marshal and after a hearing held pursuant to posted and published notice as prescribed by subsection A, paragraph 2 of this section. The district shall keep three copies of the adopted code, amendments and revisions on file for public inspection.

7. Enter into an agreement procuring the services of an organized private fire protection company or a fire department of a neighboring city, town, district or settlement without impairing the fire district's powers.

8. Contract with a city or town for fire protection services for all or part of the city or town area until the city or town elects to provide regular fire department services to the area.

9. Retain a certified public accountant to perform an annual audit of district books.

10. Retain private legal counsel.

11. Accept gifts, contributions, bequests and grants and comply with any requirements of such gifts, contributions, bequests and grants not inconsistent with this article.

12. Appropriate and expend annually such monies as are necessary for the purpose of fire districts belonging to and paying dues in the Arizona fire district association and other professional affiliations or entities.

13. Adopt resolutions establishing fee schedules both within and outside of the jurisdictional boundaries of the district for providing fire protection services and services for the preservation of life, including emergency fire and emergency medical services, plan reviews, standby charges, fire cause determination, users' fees, facilities benefit assessments or any other fee schedule that may be required.

14. Adopt resolutions for a schedule for financial reimbursement to taxpayers for installation of certain fire protection systems such as sprinklers and monitored alarms. Any resolution to offer reimbursements shall include all of the following:

(a) A nationally recognized analysis of the cost savings to the district by using the fire protection systems.

(b) The specifications of all qualifying systems.

(c) The requirements for claiming reimbursement. The amount of reimbursement offered shall bear a reasonable relationship to the cost savings that accrue to the district as a result of the installation of qualifying systems.

(d) The requirement that the resolution to offer reimbursements expires one year after its adoption unless specifically readopted by the governing board. A resolution to readopt a schedule for financial reimbursement shall additionally include a statement as to the program's effectiveness. The statement shall include the amount of reimbursements paid to each taxpayer for the installation of the fire protection system.

15. With the approval of two of the three members of a three member board, four of the five members of a five member board or five of the seven members of a seven member board, change the district's name and on so doing shall give written notice to the board of supervisors of the change. The governing board of a fire district may place a question on the general election ballot as to whether the fire district shall change its name.

16. Require all employees to submit a full set of fingerprints as prescribed by subsection A, paragraph 4 of this section.

17. Enter into intergovernmental agreements or contracts as follows:

(a) Enter into an intergovernmental agreement with another political subdivision for technical or administrative services or to provide fire services to the property owned by the political subdivision, including property that is outside the district boundary.

(b) Enter into a contract with individuals to provide technical or administrative services.

(c) Enter into a contract with individuals to provide fire protection services or emergency medical services, or both, to the extent not regulated by title 36, chapter 21.1 to property owned by the individual located outside the district boundaries if the individual's property is not located in a county island as defined in section 11-251.12 and at least one of the following apply:

(i) The existing fire service provider where the individual's property is located has issued a notice to the individual that the provider plans to discontinue service.

(ii) Fire service is not available to the individual's property.

(iii) Fire service is offered pursuant to a contract or subscription and the individual has not obtained service for a period of twenty-four months before the date of the contract with the district.

(d) Enter into a contract with individuals to provide fire services to property owned by the individual located outside the district boundaries, where the individual's property is located in a county island as defined in section 11-251.12, if both of the following apply:

(i) The existing fire service provider where the individual's property is located has issued a notice to the residents of the county island and the individual that the provider plans to discontinue or substantially reduce service.

(ii) The district offers contracts to all residents and property owners of the county island who will be affected by the discontinuance or substantial reduction in service by the current fire service provider.

(e) For the purposes of subdivision (a), (b), (c) or (d) of this paragraph, a district may contract with any public or private fire service provider to provide some or all of the contractual services the district is contracting to deliver.

(f) Any contract entered into pursuant to subdivisions (b), (c) and (d) of this paragraph shall include a provision setting forth the cost of service and performance criteria.

C. The chairman and clerk of the district board or their respective designees or the elected chief and secretary-treasurer, as applicable, shall draw warrants on the county treasurer for money required to operate the district in accordance with the budget and, as so drawn, the warrants shall be sufficient to authorize the county treasurer to pay from the fire district fund.

D. The district shall not incur any debt or liability in excess of taxes levied and to be collected and the money actually available and unencumbered at the time in the fund, except as provided in subsection B, paragraph 2 of this section and in sections 48-806 and 48-807.

E. The district board may assess and levy a secondary property tax pursuant to this article to pay for the costs of fire protection services or emergency medical services except for services regulated pursuant to title 36, chapter 21.1.

F. The county attorney may advise and represent the district when in the county attorney's judgment such advice and representation are appropriate and not in conflict with the county attorney's duties under section 11-532. If the county attorney is unable to advise and represent the district due to a conflict of interest, the district may retain private legal counsel or may request the attorney general to represent it, or both.

Sec. 276. Section 48-806, Arizona Revised Statutes, is amended to read:

48-806. Bond election; issuance and sale of bonds

A. Except for a district formed pursuant to section 48-851, the district board or the elected chief and secretary-treasurer may order an election by the qualified electors of the district to be held pursuant to title 16, chapter 2, article 1 to determine whether bonds shall be issued on

behalf of the district. The order shall specify the maximum principal amount of bonds to be issued, the maximum number of years bonds of any issue or series may run from their date not exceeding thirty years, the purpose for which the bonds are to be issued, the maximum rate of interest which the bonds are to bear, the date and hours of the election and the location of the polling places. Copies of the order shall be posted in three public places within the district not less than twenty days ~~prior to~~ BEFORE the date of the election, and ~~if a newspaper is published within the county having a general circulation within the district,~~ the order shall be published ~~in the newspaper not less than once a week during each of the three calendar weeks preceding the calendar week of the election~~ ON A PUBLIC MEDIUM.

B. A district board formed pursuant to section 48-851 shall not order an election for or issue bonds under this section.

C. Instead of publishing the notice described in subsection A of this section, the board of directors may mail a notice of election to each household containing a qualified elector of the district. The notice shall contain the same information described in subsection A of this section except that the notice shall not contain the location of all the polling places for that election. The notice shall contain the location of the polling place for that household's qualified electors. The notice shall be mailed at least thirty-five days before the election.

D. At the election the ballot shall contain the phrases "for the bonds" and "against the bonds". There shall be placed a square or other designated marking space in the same manner as used for candidates on ballots. The voter shall indicate a vote "for the bonds" or "against the bonds". No other question, word or figure need be printed on the ballot. The ballot need not be any particular size, nor need sample ballots be printed, posted or distributed but ballots shall comply with standards otherwise provided by law including requirements for electronic voting, if applicable.

E. If a majority of the qualified electors of the district voting at the election approves the issuance of bonds, the district board or the elected chief and secretary-treasurer, as appropriate, may issue bonds in an aggregate principal amount not exceeding the lesser of six per cent of the value of the taxable property in the district as shown on the last property tax assessment roll before issuing the bonds or the maximum amount specified in the election order.

F. Bonds may be in such denominations, may be in registered or bearer form either as to principal or interest, or both, may mature at such times not exceeding the maximum maturity specified in the election order and may be subject to redemption prior to maturity, all as specified by the district board or elected chief and secretary-treasurer, as appropriate, as provided in subsection E of this section. The district may engage the services of a depository to administer a book entry system for the bonds. The costs and expenses of such depository and any registrar or paying agent for the bonds

shall be deemed to be interest expenses that may also be paid from the tax levy made pursuant to subsection I of this section.

G. Bonds shall be executed by the manual or facsimile signatures of the chairman and clerk of the district board or elected chief and secretary-treasurer of the district. Coupons attached to the bonds shall bear the facsimile signature of the chairman of the district board or the elected chief of the district, as appropriate.

H. The district board may sell the bonds at public or private sale or through an ~~on-line~~ ONLINE bidding process. In addition, the district board may negotiate loan agreements or loan repayment agreements with the greater Arizona development authority in lieu of selling bonds where authority to sell bonds has been granted by the district's voters. The proceeds of sale on the bonds shall be deposited in an account of the fire district fund to be known as the capital fund to be applied for the purpose for which the bonds were issued.

I. After the bonds are issued, the district board or elected chief and secretary-treasurer, as appropriate, shall enter on the district's minutes a record of the bonds sold and shall annually determine the amount of the tax levy to pay the bonds and certify such amount to the board of supervisors of the county. The board of supervisors shall annually cause to be levied and collected a tax, at the same time and in the same manner as other taxes are levied and collected upon all taxable property in the district, sufficient to pay principal of and interest on the bonds as they become due and payable. Monies derived from the levy of the tax when collected shall be deposited in the debt service fund and shall be applied only to payment of the principal of and interest on the bonds. On payment of the outstanding bonded indebtedness of the district, any monies remaining in the debt service fund shall be used to reduce the district's property tax levy in the next fiscal year.

Sec. 277. Section 48-815.01, Arizona Revised Statutes, is amended to read:

48-815.01. District dissolution; procedures; notice; hearing; determinations; petitions

A. A fire district may be dissolved by the following procedures:

1. Any adult person desiring to dissolve a fire district shall prepare and submit a dissolution statement to the board of supervisors of the county in which the district is located. The dissolution statement shall contain at least the following information:

(a) A legal description of the boundaries of the district and a detailed, accurate map of the district.

(b) A list and explanation of benefits that will result from the proposed dissolution of the district.

(c) A list and explanation of the injuries that will result from the proposed dissolution of the district.

2. On receipt of the dissolution statement, the board of supervisors shall set a day, not fewer than thirty nor more than sixty days from that date, for a hearing on the dissolution statement. The board of supervisors, at any time ~~prior to~~ BEFORE making a determination pursuant to paragraph 4 of this subsection, may require that the dissolution statement be amended to include any information that the board of supervisors deems to be relevant and necessary.

3. On receipt of the dissolution statement, the clerk of the board of supervisors shall mail, by first class mail, written notice of the statement, its purpose and notice of the day, hour and place of the hearing on the proposed dissolution of the district to each owner of taxable property within the boundaries of the district. The clerk of the board of supervisors shall post the notice in at least three conspicuous public places in the area of the district and shall publish twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the district, at least ten days before the hearing, or, if no ~~daily newspaper of general circulation~~ PUBLIC MEDIUM exists in the area of the district, at least twice at any time before the date of the hearing, a notice setting forth the purpose of the dissolution statement, the description of the area of the district and the day, hour and place of the hearing.

4. At the hearing called pursuant to paragraph 2 of this subsection, the board of supervisors shall hear those who appear for and against the proposed dissolution of the district and shall determine whether the dissolution of the district will promote public health, comfort, convenience, necessity or welfare. If the board of supervisors determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall approve the dissolution statement and authorize the persons proposing the dissolution of the district to circulate petitions as provided in this subsection. The order of the board of supervisors shall be final, but if the request to circulate petitions is denied, a subsequent request for a similar district dissolution may be refiled with the board of supervisors after six months from the date of such denial.

5. Within fifteen days after receiving the approval of the board of supervisors as prescribed by paragraph 4 of this subsection, the clerk of the board shall determine the minimum number of signatures required for compliance with paragraph 7 of this subsection. After making that determination, that number of signatures shall remain fixed.

6. After receiving the approval of the board of supervisors as provided in paragraph 4 of this subsection, any adult person may circulate and present petitions for the dissolution of the district to the board of supervisors of the county in which the district is located. All petitions circulated shall be returned to the board of supervisors within one year from the date of the approval of the board of supervisors pursuant to paragraph 4 of this subsection. Any petition that is returned more than one year from that date is void.

7. The petitions presented pursuant to paragraph 6 of this subsection shall comply with section 48-815.02 and shall at all times~~,~~ contain a legal description of the boundaries of the district and a detailed, accurate map of the district. Petitions shall be signed by more than one-half of the property owners in the area of the district and be signed by persons owning collectively more than one-half of the assessed valuation of the property in the area of the district.

8. On receipt of the petitions, the board of supervisors shall set a day, not fewer than ten nor more than thirty days from that date, for a hearing on the petition.

9. Prior to the hearing called pursuant to paragraph 8 of this subsection, the board of supervisors shall determine the validity of the petitions presented.

10. At the hearing called pursuant to paragraph 8 of this subsection, the board of supervisors, if the petitions are valid, shall order the dissolution of the district. The board of supervisors shall enter its order setting forth its determination in the minutes of the meeting, not later than ten days from the day of the hearing, and a copy of the order shall be filed in the county recorder's office. The order of the board of supervisors shall be final, and the district shall be dissolved thirty days after the board of supervisors votes. A decision of the board of supervisors under this section is subject to judicial review under title 12, chapter 7, article 6.

11. On the recording of the order prescribed in paragraph 10 of this subsection, all money remaining in the fire district fund after the payment of all valid claims against the district shall be transferred to the general fund of the county in which the fire district is located, but if all of the fire district has been included within the corporate limits of a city or town, then on dissolution as provided by this section, the equipment, assets and liabilities of the district shall be transferred to that city or town. If the district was an employer covered by the Arizona state retirement system, the clerk of the county board of supervisors shall notify the director of the Arizona state retirement system of the dissolution of the district.

12. Taxes shall continue to be levied as provided in section 48-806, subsection I on all the taxable property within the ~~formal~~ FORMER boundaries of the district to pay the principal or any interest on outstanding bonds of the district.

B. For the purpose of determining the validity of the petitions presented pursuant to subsection A, paragraph 6 of this section:

1. Property held in multiple ownership shall be treated as if it had only one property owner, so that the signature of only one of the owners of property held in multiple ownership is required on the formation petition.

2. The value of property shall be determined as follows:

(a) In the case of property assessed by the county assessor, values shall be the same as those shown on the last assessment roll of the county containing such property.

(b) In the case of property valued by the department of revenue, the values shall be those determined by the department in the manner provided by law, for municipal assessment purposes. The county assessor and the department of revenue, respectively, shall furnish to the board of supervisors, within twenty days after such a request, a statement in writing showing the owner, the address of each owner and the appraisal or assessment value of properties contained within the boundaries of the proposed district as described in subsection A of this section.

C. For the purposes of this section assessed valuation does not include the assessed valuation of property that is owned by a county, this state or the United States government and in the case of multiple ownership of a single parcel of property, any one property owner constitutes the entire ownership interest.

D. The board of supervisors may require of the person desiring to dissolve a district pursuant to subsection A, paragraph 1 of this section a reasonable bond to be filed with the board at the start of proceedings under this section. The bond shall be in an amount sufficient to cover costs incurred by the county if the district is not finally dissolved. County costs covered by the bond include any expense incurred from completion of the dissolution statement, mailing of the notice of hearing to district property owners, publication of the notice of hearing and other expenses reasonably incurred as a result of any requirements of this section.

E. If a district is dissolved pursuant to this section, the cost of publication of the notice of hearing~~,~~ AND the mailing of notices to property owners and all other costs incurred by the county as a result of this section shall be a valid charge against the district.

Sec. 278. Section 48-820, Arizona Revised Statutes, is amended to read:

48-820. Election to merge fire districts; notice; hearing; approval; joint meeting; merged district board

A. Except as provided in subsection J of this section, the board of supervisors shall make an order calling for an election to decide whether to merge fire districts when a resolution for merger from each district is submitted to the board. The board of supervisors shall not make an order calling for an election to merge fire districts more frequently than once every two years. Whether or not the districts are merged, the fire districts shall reimburse the counties for the expenses of the election, including the cost of mailing any notices required pursuant to this section. If the proposed district is located in more than one county, the resolutions shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The words appearing on the ballot shall be "(insert fire districts' names) merge as a fire district--yes" and "(insert fire districts' names) merge as fire district--no."

B. Within fourteen days after the election, the board of supervisors shall meet and canvass the returns, and if it is determined that a majority of the votes cast at the election in each of the affected districts is in favor of merging the fire districts, the board shall enter that fact on its minutes.

C. Except as prescribed in subsection D of this section, two or more fire districts may merge if the governing body of each affected fire district, by a majority vote of the members of each governing body, adopts a resolution declaring that a merger be considered and a public hearing be held to determine if a merger would be in the best interests of the district and would promote public health, comfort, convenience, necessity or welfare. After each district adopts such a resolution, the governing body by first class mail shall send written notice of the resolution, its purpose and notice of the day, hour and place of a hearing on the proposed merger to each owner of taxable property within the boundaries of the district. The notice shall contain the name and description of the boundaries of each district proposed to be merged and a detailed, accurate map of the area to be included in the merger. The notice also shall contain an estimate of the assessed value of the merged district, the estimated change in property tax liability for a typical resident of the proposed merged district and a list of the benefits and injuries that may result from the proposed merged district. No new territory may be included as a result of the merger.

D. A noncontiguous county island fire district formed pursuant to section 48-851 shall not merge with a fire district formed pursuant to section 48-261.

E. The clerk of the governing body shall post notice in at least three conspicuous public places in the district and shall also publish notice ~~twice in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the district is located, at least ten days before the public hearing. The clerk of each governing body affected by the proposed merger shall also mail notice and a copy of the resolution in support of considering the merger to the chairman of the board of supervisors of the county or counties in which the affected districts are located. The chairman of the board of supervisors shall order a review of the proposed merger and shall submit written comments to the governing body of each fire district located in that county within ten days after receipt of the notice.

F. At the hearing, each governing body of the district shall consider the comments of the board of supervisors, hear those persons who appear for or against the proposed merger and determine whether the proposed merger will promote public health, comfort, convenience, necessity or welfare. If, after the public hearing each of the governing bodies of the districts affected by the proposed merger adopt a resolution by a majority vote that the merger will promote public health, comfort, convenience, necessity or welfare, each of the governing bodies of the districts affected by the proposed merger

shall submit to the board of supervisors the resolutions that call for an election.

G. Before considering any resolution of merger pursuant to this section, a governing body shall obtain written consent to the merger from any single taxpayer residing within each of the affected districts who owns thirty per cent or more of the net assessed valuation of the total net assessed valuation of the district. If written consent contemplated by this subsection is not obtained, subsections A and B OF THIS SECTION apply, and the merger may only be accomplished by election.

H. If the merger is approved as provided by subsection B or J of this section, the governing body of the affected district with the largest population within thirty days shall call a joint meeting of the governing bodies of all of the affected districts. At the joint meeting, a majority of the members of the governing body of each affected district constitutes a quorum for the purpose of transacting business. The members of the governing body shall appoint a total of five persons from those currently serving on the governing bodies who shall complete their regular terms of office, except that no more than three of the persons appointed may serve terms that end in the same year. No more than three members shall be appointed from the same fire district board. Subsequent terms of office for district board members shall be filled by election of board members who shall be qualified electors of the merged district.

I. The appointed governing body shall immediately meet and organize itself and elect from its members a chairman and a clerk. The appointed board by resolution shall declare the districts merged and each affected district joined. The governing board by resolution shall declare the name of the newly merged fire district. The resolution and the names of the new board members for the newly organized district shall be sent to the board of supervisors, and the districts are merged effective thirty days after the adoption of the resolution.

J. If the requirements of subsection G of this section are met and each of the governing body votes required by subsections C and F of this section are unanimous, the following apply:

1. The governing bodies of each district may choose to merge by unanimous resolution without an election and subsections A and B of this section do not apply.

2. The governing bodies of each district may choose to hold an election on the question of merger and subsections A and B of this section apply.

Sec. 279. Section 48-822, Arizona Revised Statutes, is amended to read:

48-822. Election to consolidate fire districts; resolution; hearing

A. Except as provided in subsection E of this section, the board of supervisors shall make an order calling for an election to decide whether to

consolidate fire districts when a resolution for consolidation of fire districts from each district is submitted to the board of supervisors. The board of supervisors shall not make an order calling for an election to consolidate fire districts more frequently than once every two years. Whether or not the districts are consolidated, the fire districts shall reimburse the counties for the expenses of the election, including the cost of mailing any notices. If the proposed district is located in more than one county, the resolutions shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The words appearing on the ballot shall be "(insert fire districts' names) consolidate as a fire district--yes" and "(insert fire districts' names) consolidate as fire district--no."

B. Within fourteen days after the election, the board of supervisors shall meet and canvass the returns, and if it is determined that a majority of the votes cast at the election in each of the affected districts is in favor of consolidating the fire districts, the board shall enter that fact on its minutes.

C. Except as proscribed by subsection D of this section, a fire district may consolidate with one or more other fire districts formed pursuant to section 48-261 as follows:

1. A resolution requesting the consolidation of a fire district is passed by a majority vote of the governing body requesting consolidation into another fire district. The requesting district shall send by first class mail the notice of request to consolidate districts to the fire district in which the consolidation is requested.

2. On receipt of the resolution requesting consolidation, and on approval by majority vote of the governing body receiving the request, two or more fire districts may consolidate if the governing body of each affected fire district by a majority vote of the members of each governing body adopts a resolution declaring that a consolidation be considered and a public hearing be held to determine if a consolidation would be in the best interest of the districts and would promote the public health, comfort, convenience, necessity or welfare. After each district adopts such a resolution, the governing body by first class mail shall send written notice of the resolution, its purpose and notice of the day, hour and place of a hearing on the proposed consolidation to each owner of taxable property within the boundaries of the district. The notice shall contain the name and description of the boundaries of each district that is proposed to be consolidated and a detailed, accurate map of the area to be included in the consolidation. The notice also shall contain an estimate of the assessed value of the consolidated district, the estimated change in the property tax liability for a typical resident of the proposed consolidated district and a list of the benefits and injuries that may result from the proposed consolidated district. No new territory may be included as a result of the consolidation.

3. The clerk of the governing body of the fire districts affected by the proposed consolidation shall post notice in at least three conspicuous public places in the district and also shall publish notice twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the district is located at least ten days before the public hearing. The clerk of each governing body affected by the proposed consolidation shall also mail notice and a copy of the resolution in support of considering consolidation to the chairman of the board of supervisors of the county or counties in which the affected districts are located. The chairman of the board of supervisors shall order a review of the proposed consolidation and shall submit written comments to the governing body of each fire district located in the county within ten days after receipt of the notice.

4. At the hearing, the governing body of the district shall consider the comments of the board of supervisors, hear those persons who appear for or against the proposed consolidation and determine whether the proposed consolidation will promote the public health, comfort, convenience, necessity or welfare. If, after the public hearing, each of the governing bodies of the districts affected by the proposed consolidation adopt a resolution by a majority vote that the consolidation will promote the public health, comfort, convenience, necessity or welfare, each of the governing bodies of the districts affected by the proposed consolidation shall submit the resolutions calling for an election to the board of supervisors.

5. If the proposal for consolidation is approved as provided in subsections A and B of this section, the governing body of the district into which consolidation was requested shall by resolution declare the district consolidated and each affected district joined. Those persons currently serving as the governing body of the district into which consolidation was requested shall serve as the governing body of the newly consolidated district and complete their regular terms of office. The newly consolidated district governing body shall consist of at least five members.

6. If the consolidation results in a new district population that is greater than fifty thousand persons, the new governing board may appoint an additional two members to serve until the next general election at which time the newly elected member with the highest number of votes serves a four year term and the other member serves a two year term. Thereafter, the term of office for these two new members is four years.

7. The governing body by resolution shall declare the name of the newly consolidated fire district.

8. If a proposed consolidated district would include property located in an incorporated city or town, in addition to the other requirements of this section, the governing body of the district shall approve the creation of the consolidated district only if the governing body of the city or town endorses the creation by ordinance or resolution.

9. Before considering any resolution of consolidation pursuant to this section, a governing body shall obtain written consent to the consolidation

from any single taxpayer residing within each of the affected districts who owns thirty per cent or more of the net assessed valuation of the total net assessed valuation of the district.

D. A noncontiguous county island fire district formed pursuant to section 48-851 shall not consolidate with a fire district formed pursuant to section 48-261.

E. If the requirements of subsection C, paragraph 9 of this section are met and each of the governing body votes required by this section are unanimous, the following apply:

1. The governing bodies of each district may choose to consolidate by unanimous resolution without an election and subsections A and B of this section do not apply.

2. The governing bodies of each district may choose to hold an election on the question of consolidation and subsections A and B of this section apply.

Sec. 280. Section 48-851, Arizona Revised Statutes, is amended to read:

48-851. Noncontiguous county island fire district; formation; definition

A. A noncontiguous county island fire district shall be formed by the following procedures:

1. One or more persons who wish to petition for a noncontiguous county island fire district shall request and the county assessor shall provide a map and a detailed list of all property parcels that includes the assessed values of all of the county island areas that are contained within the municipal planning area of a city or other unincorporated area as prescribed in subsection E, paragraph 2 of this section.

2. Within sixty days after receiving a map from the county assessor, the person shall submit a revised map that indicates those county island areas that are proposed to be included in the noncontiguous county island fire district and shall submit a district impact statement that shall contain at least the following:

(a) A general description of the boundaries of the proposed district, a map of the area to be included in the district and a list of the parcels to be included in the district by assessor parcel number.

(b) An estimate of the assessed valuation within the proposed district.

(c) An estimate of the change in the property tax liability, as a result of the proposed district, of a typical resident of the proposed district.

(d) A list and explanation of benefits that will result from the proposed district.

(e) A list and explanation of the injuries that will result from the proposed district.

(f) The names, addresses and occupations of the three proposed members of the district's organizing board of directors.

(g) A description of the scope of services to be provided by the district during its first five years of operation.

3. On receipt of the revised map and the impact statement, the board of supervisors shall set a day for a hearing on the proposed district formation not more than sixty days from the date the map and impact statement are received.

4. The clerk of the board of supervisors shall mail, by first class mail, written notice of the day, hour and place of the hearing on the proposed district to each owner of taxable property within the boundaries of the proposed district. The written notice shall state the purpose of the hearing and shall state where a copy of the impact statement may be viewed or requested. The clerk of the board of supervisors shall post the notice in at least three conspicuous public places in the area of the proposed district and shall publish twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed district, at least ten days before the hearing, or, if no ~~daily newspaper of general circulation~~ PUBLIC MEDIUM exists in the area of the proposed district, at least twice at any time before the date of the hearing, a notice setting forth the purpose of the proposed district formation, the description of the area of the proposed district and the day, hour and place of the hearing.

5. At the hearing called pursuant to paragraph 3 of this subsection, the board of supervisors shall hear those who appear for and against the proposed district and shall determine whether the creation of the district will promote public health, comfort, convenience, necessity or welfare. If the board of supervisors determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall authorize the persons proposing the district to circulate petitions as provided in this subsection. The order of the board of supervisors shall be final, but if the request to circulate petitions is denied, a subsequent request for a similar district may be refiled with the board of supervisors after six months from the date of the denial.

6. Within fifteen days after receiving the approval of the board of supervisors as prescribed by paragraph 5 of this subsection, the clerk of the board shall:

(a) Determine the minimum number of signatures required for compliance with paragraph 8, subdivision (b) of this subsection. After making that determination, that number of signatures shall remain fixed.

(b) Certify whether the petition form to be used is valid and in compliance with section 48-266.

7. After receiving the approval of the board of supervisors as provided in paragraph 5 of this subsection, any adult person may circulate and present petitions to the board of supervisors of the county in which the district is located. All petitions circulated shall be returned to the board

of supervisors within one year from the date of the approval of the board of supervisors pursuant to paragraph 5 of this subsection. Any petition that is returned more than one year from that date is void. On authorization of the board of supervisors to circulate petitions, the organizing board of the district established pursuant to this subsection may enter into written agreements with third parties to provide services related to the formation of the district that may include the cost of circulating petitions and associated expenses, but in no event may the cost of reimbursable expenses exceed fifteen dollars per parcel. The district shall reimburse third parties subject to the successful formation of the district and on receipt of secondary property tax revenues by the district.

8. The petitions presented pursuant to paragraph 7 of this subsection shall comply with the provisions regarding verification in section 48-266 and shall:

(a) At all times, contain a general description of the boundaries of the proposed district, the assessor's map of the proposed district and the names, addresses and occupations of the proposed members of the district's organizing board of directors. No alteration of the proposed district shall be made after receiving the approval of the board of supervisors as provided in paragraph 5 of this subsection.

(b) Be signed by more than one-half of the aggregate number of property owners in the county island areas contained in the proposed district.

9. On receipt of the petitions, the board of supervisors shall set a day, not more than thirty days from that date, for a hearing on the petition.

10. Before the hearing called pursuant to paragraph 9 of this subsection, the board of supervisors shall determine the validity of the petition signatures presented. At the hearing called pursuant to paragraph 9 of this subsection, the board of supervisors, if the petitions are valid, shall order the formation of the district. The board of supervisors shall enter its order setting forth its determination in the minutes of the meeting, not later than ten days from the day of the hearing, and a copy of the order shall be filed in the county recorder's office. The order of the board of supervisors shall be final, and the proposed district is formed thirty days after the board of supervisors votes to form the district. A decision of the board of supervisors under this subsection is subject to judicial review under title 12, chapter 7, article 6.

B. For the purpose of determining the validity of the petitions presented pursuant to subsection A, paragraph 7 of this section property held in multiple ownership shall be treated as if it had only one property owner, so that the signature of only one of the owners of property held in multiple ownership is required on the formation petition.

C. If a district is formed pursuant to this section, the cost of publication of the notice of hearing and the mailing of notices to electors

and property owners and all other costs incurred by the county as a result of this section shall be a charge against the district.

D. A district organized pursuant to this section shall have an organizing board of directors to administer the affairs of the district until a duly constituted board of directors is elected as provided in this title. The organizing board shall have all the powers, duties and responsibilities of an elected board. The organizing board shall consist of the three individuals named in the petitions presented pursuant to subsection A of this section. If a vacancy occurs on the organizing board, the remaining board members shall fill the vacancy by appointing an interim member. Members of the organizing board shall serve without compensation but may be reimbursed for actual expenses incurred in performing their duties. The organizing board shall elect from its members a chairperson and a clerk. For any challenge to the formation of the district, the district board is a proper party to the challenge and any petition circulators are not proper parties.

E. For the purposes of this article, "noncontiguous county island fire district" means a district that is formed pursuant to this section and for which either of the following applies:

1. The district consists of only noncontiguous county islands in a geographic boundary area that is contained in a municipal planning area and:

(a) Is within the boundaries of an automatic aid or mutual aid consortium.

(b) Fire protection services are not funded pursuant to section 48-807 at the time of the district's formation.

(c) There is only one fire district within the geographic area of the municipal planning area for any one city or town.

2. The district consists of only one or more noncontiguous county islands that are not contained in a municipal planning area in which the geographic boundary area of the district is surrounded by any combination of federal, state, county, municipal or fire district jurisdictional boundaries and:

(a) The area is currently served by a private fire protection service provider.

(b) Fire protection services are not funded pursuant to section 48-807 at the time of the district's formation.

Sec. 281. Section 48-853, Arizona Revised Statutes, is amended to read:

48-853. District board; powers and duties; intergovernmental agreements; contract; administration; definition

A. A fire district formed pursuant to this article, through its board shall:

1. Hold public meetings as necessary to carry out its powers and duties but at least once every ninety days.

2. Prepare an annual budget that contains detailed estimated expenditures for each fiscal year and that clearly shows expenses of the

district. The budget shall be posted in three public places and published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district twenty days before a public hearing at a meeting called by the board to adopt the budget. The budget shall be posted in a prominent location on the official website no later than seven business days after the estimates of revenues and expenses are tentatively adopted. A complete copy of the approved estimates of revenues and expenses shall be posted in a prominent location on the official website no later than seven business days after final adoption. Copies of the budget shall also be available to members of the public on written request to the district. Following the public hearing, the district board shall adopt a budget. Both the tentatively adopted estimates of revenues and expenses and the budget finally adopted under this section shall be retained and accessible in a prominent location on the official website for at least sixty months.

3. Maintain a website for the purpose of providing access to public records. The district shall post permanent public records to its website.

4. Maintain and store all permanent public records in an electronic media or digital imaging format according to standards for the storage of permanent public records established by the director of the Arizona state library, archives and public records. The director of the Arizona state library, archives and public records shall approve an acceptable electronic media or digital imaging format for the district. The county in which the district is located shall maintain an official copy of the permanent public records of the district. The copy of the permanent public records shall be provided to the county by the district annually no later than ninety days after the end of the fiscal year.

5. Appoint the fire chief of the fire service provider selected pursuant to paragraph 9 of this subsection, either public or private, as the fire chief for the district.

6. Adopt the fire code of the municipality whose municipal planning area includes the district except that the fire district's authority to conduct inspections shall apply only to commercial and industrial properties and shall not apply to residential properties.

7. Keep three copies of the applicable fire code, amendments and revisions on file for public inspection.

8. Notify the county board of supervisors of the cost of providing fire protection service and emergency medical service for each household or other structure in the district if the district provides service pursuant to paragraph 9, subdivision (a) or (c) of this subsection.

9. Act within sixty days after the formation of the district to do any of the following:

(a) If the district is formed pursuant to section 48-851, subsection E, paragraph 1, enter into an intergovernmental agreement with a municipal provider for fire protection services for the district. A municipal provider seeking to enter into an agreement with the district

formed pursuant to section 48-851, subsection E, paragraph 1 shall make a formal expression of intent to enter into an agreement with the district within twenty-one days of district formation.

(b) If the district is formed pursuant to section 48-851, subsection E, paragraph 2, enter into a contract with a private fire protection service provider for the district. The private fire protection service provider seeking to enter into a contract with the district shall make a formal expression of intent within twenty-one days of district formation to enter into the contract with the district. If the private fire protection service provider makes a formal expression of intent to enter into a contract with the district, the provider shall have a right of first refusal to contract with the district on terms established by the district pursuant to subdivision (c) of this paragraph.

(c) Issue a request for proposals for nonmunicipal private providers of fire protection services for the district if the current private provider fails to notify the district of its intention to enter into a contract with the district or for any contract to be awarded pursuant to subdivision (b) of this paragraph. Notwithstanding any other law, municipal annexation shall not be undertaken during the term of any contract entered into between the district and a private fire service provider, except that in the one hundred eighty day period before the end of the contract, the municipality shall notify the residents of the opportunity to annex into the municipality. A resident shall notify the district and the municipality within ninety days before the end of the contract that the resident is annexing into the municipality and shall complete the annexation within ten days after the completion of the contract. If no district residents notify the municipality that the resident is annexing, the district may renew the contract automatically. If a resident proposes to annex into the municipality, the district shall issue a request for proposals again as prescribed in this subdivision.

(d) Before applying this subdivision, request an independent review by the county attorney of the negotiations, if any, that were conducted as prescribed in subdivision (a) of this paragraph and the request for proposals and resulting bids. After the independent review, the county attorney shall certify whether the negotiations and proposals were based on commercially reasonable assumptions. If the county attorney certifies that any one or more of the provisions are not commercially reasonable, the district and the other party to the negotiations have ten days to cure and continue negotiations before resubmitting information on the negotiations and proposals to the county attorney for certification. Notwithstanding any other law, the county attorney shall have access to sealed bids for purposes of this subdivision. The county attorney shall review and issue a certification pursuant to this subdivision within thirty days after the information and documents regarding negotiations and proposals are submitted to the county attorney. If a fire district as defined in section 48-851,

subsection E, paragraph 1 does not enter into an intergovernmental agreement pursuant to subdivision (a) of this paragraph or enter into a contract pursuant to subdivision (c) of this paragraph, the surrounding municipality shall provide fire protection and emergency medical services except for services regulated pursuant to title 36, chapter 21.1 in the district immediately on request by the district, following final certification by the county attorney. The municipality shall be compensated by the district as follows:

(i) A three person board shall set the secondary property tax rate for the district. The district shall appoint one person to the board, the surrounding municipality shall appoint one person to the board, and the two appointees shall agree on a third person for the board. If the two appointees cannot agree on a third appointee within five days after the two persons are appointed, the county board of supervisors shall appoint the third person to the board.

(ii) The three person board shall meet and set the tax rate within thirty days after the third person is appointed to the board.

(iii) The district shall levy the tax at the rate as determined by the three person board and the tax shall be collected as other property taxes are collected. On receipt of monies from the property tax levied, the district shall reimburse the county for the costs associated with the formation of the district, including administrative expenses.

(e) On formation and subject to the availability of funds, reimburse third parties for services rendered pursuant to section 48-851, subsection A, paragraph 7.

10. Require that any intergovernmental agreement or contract between the district and a provider of fire protection services include:

(a) A term of duration between three and five years.

(b) A provision setting forth the cost of service and performance criteria.

(c) An acknowledgment of the right of the municipality to determine the location of future infrastructure if the district is in the municipality's planning area at the time of the execution of the contract.

11. If necessary, issue a request for proposals for providers of emergency medical services and enter into an intergovernmental agreement or contract with a provider of emergency medical services except for those services regulated by title 36, chapter 21.1.

12. Assess and levy a secondary property tax to pay for the costs of the fire protection service or emergency medical service except for those services regulated by title 36, chapter 21.1. A secondary property tax assessed pursuant to this section is not subject to the levy limitation prescribed by section 48-807.

13. Defend, indemnify and hold harmless a municipal provider or any other provider of fire protection from and against any claims or expenses to which it may be subjected by reason of injury or death of any person or loss

or damage to any property directly attributable to the provision of the services unless the services were provided in a grossly negligent manner. The fire district shall secure insurance sufficient to cover liability exposure.

B. A fire district formed pursuant to this article, through its board, may:

1. Contract for administrative staff services, if any, deemed necessary or appropriate to carry out its powers and duties, but a member of a district board shall not be an employee of the district.

2. Retain a certified public accountant to perform an annual audit of district books.

3. Retain private legal counsel.

4. Sue and be sued.

5. Accept gifts, contributions, bequests and grants and comply with any requirements of such gifts, contributions, bequests and grants not inconsistent with this article.

6. Appropriate and expend annually such monies as are necessary for the purpose of fire districts belonging to and paying dues in the Arizona fire district association and other professional affiliations or entities.

7. Expand its boundaries pursuant to the requirements of section 48-262 to include unincorporated parcels within a ~~city~~ CITY'S or a town's municipal planning area with the permission of the city or town.

C. The county attorney may advise and represent the district when in the county attorney's judgment such advice and representation are appropriate and not in conflict with the county attorney's duties under section 11-532. If the county attorney is unable to advise and represent the district due to a conflict of interest, the district may retain private legal counsel or may request the attorney general to represent it, or both.

D. The chairperson and clerk of the district board or their respective designees, as applicable, shall draw warrants on the county treasurer for money required to operate the district in accordance with the budget and, as so drawn, the warrants shall be sufficient to authorize the county treasurer to pay from the fire district fund.

E. The district shall not incur any debt or liability in excess of taxes levied and to be collected and the money actually available and unencumbered at the time in the fund, except as provided in section 48-807.

F. If a district formed under section 48-851 agrees to provide fire and emergency medical services in a county island where a private provider of fire or emergency services has facilities and provides fire service, or where the private provider is the closest responding fire service provider, the district and the private provider shall enter into an agreement covering the roles and relationships regarding mutual aid or backup and any services for which the district wishes to contract. The agreement shall include an allocation of the district's property tax revenues to the municipal contractor ~~and~~ or the private provider, OR BOTH, based on the proportionate

share of the fire services each contractor will provide to the district. The agreement shall be executed before the district begins providing service in the county island. If an agreement is not reached within ninety days after the district requests the private provider to establish a plan, either party may request that the matter be arbitrated pursuant to title 12, chapter 21.

G. This section does not require a fire district or a city or town to provide fire protection or emergency medical services to an area of the county that is receiving services from a private provider, except as provided by a mutual aid or backup agreement pursuant to this section.

H. For the purposes of this article, "fire service" and "fire protection" include fire prevention, emergency medical services and inspection of commercial or industrial property.

Sec. 282. Section 48-905, Arizona Revised Statutes, is amended to read:

48-905. Hearing on petition; summary establishment; notice

A. Except as provided in subsection C of this section, ~~upon~~ ON receipt of a petition for the establishment of a district, or for an addition to an existing district, the board of supervisors shall set a date for a hearing on the petition not later than forty days after presentation of the petition. At the hearing all interested property owners may appear and be heard on any matter relating to the establishment of the proposed improvement district, or addition to an existing district. Any person wishing to object to the establishment of the district or addition may file, before the date set for the hearing, the person's objections with the clerk of the board of supervisors.

B. Notice announcing the hearing and stating the boundaries of the proposed district or addition shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which the proposed district or addition is located. The publications shall be one week apart, and the first publication shall be not less than ten days ~~prior to~~ BEFORE the date of the hearing. The notice shall also be mailed by first class mail at least twenty days before the hearing to:

1. The owners of the real property within the area of the proposed district according to the names and addresses that appear on the most recent property tax assessment roll.

2. The corporation commission, if the petition requests the establishment of a district or an addition to an existing district for the purposes described in section 48-909, subsection A, paragraph 5 or 6 and the boundaries of the proposed district or addition are wholly or partially within either of the following:

(a) The boundaries of the existing service territory of a public service corporation that provides domestic water or wastewater services as defined by a certificate of convenience and necessity issued by the corporation commission.

(b) The boundaries of the proposed service territory of a public service corporation that provides domestic water or wastewater services as defined in an application for a certificate of convenience and necessity that is pending before the corporation commission or that has been considered by the commission within one year before the date the petition for an improvement district is filed with the clerk of the board.

C. Except as provided in subsection G of this section, if the petition is signed by the owners of all of the real property in the proposed district and if the petitioners provide a copy of a record search that shows the names of the owners of all the property in the proposed district, the board of supervisors may summarily order the formation of the district and a hearing is not required.

D. The clerk shall retain all notices that are mailed pursuant to subsection B of this section and that are returned to the clerk as undeliverable or that indicate that the address is incorrect. The clerk shall prepare a list of the names and addresses on the returned notices and shall deliver that list to the county recorder or a searcher of records.

E. The county recorder or a searcher of records shall determine from the records in the office of the county recorder whether the listed owner has another address or whether a different person is shown as the owner of the parcel. The county recorder or a searcher of records shall provide to the clerk the new information on the owners and the addresses as shown in the records. The new information shall be used by the clerk for purposes of sections 48-916, 48-917, 48-924 and 48-928 until a new assessment roll is approved by the board of supervisors of the county. The recorder may charge up to three dollars for each record search. The charges of the recorder or of a searcher of records are incidental expenses pursuant to section 48-927.

F. A district may be formed or its boundaries may be changed without mailing notice to new owners or new addresses that are provided to the clerk pursuant to subsection E of this section.

G. The board of supervisors shall hold a hearing pursuant to subsection A of this section if the petition requests the establishment of a district or an addition to an existing district for the purposes described in section 48-909, subsection A, paragraph 5 or 6 and the boundaries of the proposed district or addition are wholly or partially within the service area or proposed service area of a public service corporation as prescribed in section 48-903, subsection D.

Sec. 283. Section 48-906, Arizona Revised Statutes, is amended to read:

48-906. Establishment of district; dismissal of proceedings; costs; addition or elimination of certain areas

A. ~~Upon~~ ON the hearing, if it appears after consideration of all objections that the petition is signed by the requisite number of owners of real property, and that the public convenience, necessity or welfare will be promoted by the establishment of the district, the board of supervisors by

formal order shall declare its findings, establish the boundaries and declare the improvement district organized under a corporate name by which it shall be known in all proceedings. Thereafter the district shall be a body corporate with the powers of a municipal corporation for the purposes of carrying out this article.

B. If the board finds that the territory set out in the petition should not be incorporated into an improvement district, it shall dismiss the proceedings and tax the costs against the signers of the petition, and may collect the costs on the bond of the petitioners. If the district is established, certified bills covering the costs of the board of supervisors and the disbursements of the petitioners shall be presented to the board of directors of the district and paid from the funds of the district.

C. If it appears to the board of supervisors at the hearing that territory not included in the petition should be included within the improvement district, the real property owners in the additional territory shall be notified in like manner as provided in connection with the original hearing, and a subsequent hearing shall be held on the question of including the additional territory. In establishing the improvement district, the board shall eliminate any territory described in the petition which it finds will not be benefited by the establishment of the district.

D. Additions to and alterations of an improvement district shall be made as follows:

1. A petition addressed to the district governing board requesting the addition or alteration may be filed with the clerk of the governing body, if signed by a majority of the persons owning property and by the owners of fifty-one per cent or more of the assessed valuation of the property within the limits of the proposed addition or alteration.

2. A petition with the required number of signatures shall not be declared void on account of any alleged defect, but the governing body shall allow the petition to be amended in form and substance to conform to the requirements of this article. One or more similar petitions, or copies of the same petition with additional signatures, for the addition to or alteration of the improvement district may be filed before the time of the hearing on the first petition, and shall be considered as though filed with the first petition. The petition shall be presumed to contain the signatures of the persons whose signatures appear on the petition, unless the contrary is proved.

3. The petition shall set forth:

(a) The name of the improvement district to which the addition or alteration is proposed.

(b) The necessity for the proposed addition or alteration.

(c) That the public convenience, necessity or welfare will be promoted by the addition or alteration of the district and that the property to be included in the district will be benefited.

(d) The boundaries of the proposed addition or alteration.

4. Each copy of the petition shall be verified by one of the petitioners and shall be accompanied by a plat or sketch indicating the approximate area and boundaries of the district.

5. On receipt of a petition for an addition or alteration of a district, the governing body shall set a date for a hearing on the petition not later than forty days after presentation of the petition. At the hearing all interested property owners may appear and be heard on any matter relating to the addition to or alteration of the district. Any person wishing to object to the addition or alteration may file, before the date set for the hearing, the person's objections with the clerk of the governing body.

6. Notice announcing the hearing and stating the boundaries of the proposed addition or alteration shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which the district is located. The publications shall be one week apart, and the first publication shall be not less than ten days before the date of the hearing. The notice shall also be mailed by first class mail at least twenty days before the hearing to the property owners within the area of the proposed addition or alteration according to the names and addresses that appear on the most recent property tax assessment roll.

7. Notice announcing the hearing and stating boundaries of the proposed addition or alteration shall be mailed by first class mail at least twenty days before the hearing to the corporation commission, if the petition requests an addition or alteration of a district for the purposes described in section 48-909, subsection A, paragraph 5 or 6 and the boundaries of the proposed addition or alteration to a district are wholly or partially within either of the following:

(a) The boundaries of the existing service territory of a public service corporation that provides domestic water or wastewater services as defined by a certificate of convenience and necessity issued by the corporation commission.

(b) The boundaries of the proposed service territory of a public service corporation that provides domestic water or wastewater services as defined in an application for a certificate of convenience and necessity that is pending before the corporation commission or that has been considered by the commission within one year before the date the petition for an addition or alteration of a district is filed with the clerk of the governing board.

8. At the hearing, if it appears after consideration of all objections that the petition is signed by the requisite number of property owners, and that the public convenience, necessity or welfare will be promoted by the addition to or alteration of the district, the governing body by formal order shall declare its findings and order the addition to or alteration of the district.

9. If the governing board finds that the public convenience, necessity or welfare will not be promoted by the addition to or alteration of the district, the governing body by formal order shall declare its findings.

E. Notwithstanding subsection D of this section, any property owner whose land is within a county that contains an improvement district and whose land is adjacent to the boundaries of the improvement district may request in writing that the governing body of the district amend the district boundaries to include that property owner's land. If the governing body determines that the inclusion of that property will benefit the district and the property owner, the boundary change may be made by order of the governing body and is final on the recording of the governing body's order that includes a legal description of the property that is added to the district. A petition is not required for an amendment to an improvement district's boundaries made pursuant to this subsection.

F. On approval of any boundary change of the district, the district board may order the successful petitioners or requester to pay all of the costs of the boundary change.

Sec. 284. Section 48-910, Arizona Revised Statutes, is amended to read:

48-910. Domestic water and domestic wastewater services; authority to set fees; liens; foreclosure

A. The board of directors of a domestic water improvement district, a domestic wastewater improvement district or a county improvement district that provides or is established for the purpose of providing water or wastewater services shall have the authority to set fees for the district following a public hearing. Fees may include any of the following:

1. User fees that are proportionate shares of the cost of operation, maintenance and replacement of a water delivery system, a water disposal system or a wastewater treatment and disposal system or any combination of those systems, including a system for the treatment and use of effluent, and may include the cost of administrators, surveyors, sanitation experts, engineers, legal counsel and other persons as are reasonably necessary for the operation, maintenance and replacement of the systems. The fees may also include any contractual amounts required to meet covenants relating to bonds or other obligations of the district secured by a pledge of, or promise to pay from, the district's fees.

2. Hookup fees for connection to the district water or wastewater system, not including the cost of the actual physical connection.

3. Lateral fees for the cost of constructing a water or wastewater lateral from the property line of the user to the middle of the easement or right-of-way in which the water system or wastewater system is located.

4. For a domestic wastewater improvement district or a county improvement district that provides or is established for the purpose of providing wastewater systems or services, either of the following:

(a) A capacity fee based on the cost of developing the wastewater collection, treatment and disposal facilities that are required to treat the flows into the system from a particular wastewater connection.

(b) An availability fee that is charged on all property in the district that is not connected to the existing wastewater treatment system but that is adjacent to a wastewater line and that is based on the cost of having the wastewater line and treatment facility capacity to accommodate that property if it is developed. An availability fee is limited to fifty per cent of the user fee.

B. Notice announcing the hearing shall be posted in not less than three places within the district for not less than ten days before the date of the hearing and shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the district. The ~~newspaper~~ publications shall be not less than one week apart, and the first publication shall be not less than ten days before the date of the hearing. The district may also mail notice of the hearing to all district customers. The notice may be included in the district's regular billings and shall be mailed at least ten days before the date of the hearing.

C. The board of supervisors shall be notified by mail of the hearing not less than ten days before the date of the hearing. The board of supervisors may be represented at the hearing and may advise the board of directors.

D. At the hearing all interested district property owners and customers may appear and be heard on any matter relating to the establishment of the proposed fees. Any person wishing to object to the establishment of the proposed fees, before the date set for the hearing, may file objections with the chairman or the clerk of the board of directors.

E. A domestic water improvement district, A domestic wastewater improvement district or a county improvement district that provides or is established for the purpose of providing water or wastewater systems or services may file a lien on property for the nonpayment of user fees for services provided to the property if the fees are delinquent for more than ninety days. At least thirty days before filing the lien, the district shall provide written notice to the owner of the property and shall include notice of an opportunity for a hearing before a designated officer of the district. The notice of lien shall be personally served on the property owner or mailed by certified mail to the property owner's last known address or to the address to which the most recent property tax assessment was mailed. If the property owner does not reside on the property, the notice shall be mailed by certified mail to the owner's last known address.

F. The unpaid user fees are a lien on the property from the date of recording in the office of the county recorder in the county in which the property is located until the fees and all costs are paid. The lien is subject and inferior to the lien for general taxes and to all prior recorded mortgages and encumbrances of record. A sale of the property to satisfy a lien assessed pursuant to this section shall be made on a judgment of foreclosure and order of sale. A domestic water or domestic wastewater improvement district or a county improvement district that provides or is

established for the purpose of providing water or wastewater systems or services may bring an action to foreclose the lien in the superior court in the county in which the property is located any time after recording. Failure to foreclose the lien does not affect its validity. The recorded unpaid user fees are prima facie evidence of the truth of all matters recited in the recording and of the regularity of all proceedings before the recording.

G. Unpaid user fees pursuant to this section accrue interest at the rate prescribed by section 44-1201.

H. The district shall add all costs incurred by the district, including interest, attorney fees and costs in filing and enforcing the lien, to the unpaid user fees, and the costs are a liability of the property owner payable from the proceeds of the sale.

I. A prior assessment of unpaid user fees pursuant to this section does not bar a subsequent assessment pursuant to this section, and any number of liens on the same parcel of property may be enforced in the same action.

J. A district shall not file a lien for unpaid user fees against a residential property that is occupied by a lessee and at which the lessee is responsible for payment of the user fees. The district shall determine the status of leased residential property before filing the lien.

Sec. 285. Section 48-918, Arizona Revised Statutes, is amended to read:

48-918. Procedure for making and hearing protests and objections

A. In determining protests and objections, the board of directors shall be guided by these rules:

1. Each paper containing signatures shall have attached thereto the affidavit of an owner to be assessed, stating that each signature was affixed in his presence and is the signer's genuine signature.

2. The protest or objection shall be counted only for the property described as belonging to the signer, and a signature without the description shall not be counted.

3. The signature of one cotenant or, if community property, the signature of either spouse, is sufficient for a protest if no objection to the signature is made by the other cotenant or spouse. If such an objection is made, the protest shall be counted only to the extent of the signer's interest in the property.

4. A protest or objection signed by a guardian, conservator, personal representative, administrator or trustee is valid without an order of court therefor.

5. A protest or objection by a person in possession under contract of purchase is valid.

6. When several persons have a claim to or an interest in property, the signature of any of them is sufficient unless questioned by another having such claim or interest, whereupon the wishes of the person legally

entitled to possession of the property at the date of the protest shall control.

7. A protest or objection signed by an agent or attorney in fact shall be disregarded unless the authority of the agent has been recorded with the county recorder, or written or telegraphic authority is attached to the protest or objection before expiration of the time for filing the protest or objection.

8. A signature may be withdrawn from a protest or objection by filing the withdrawal with the clerk in his office at or before five o'clock p.m. of the last day set for the filing of protests.

9. An objection to the signature of a cotenant, spouse, claimant or person interested may be filed, and the authority of an agent or attorney in fact questioned, at any time before the board of directors finally passes upon the sufficiency of the protest, but an agency or authority may not be revoked as to the signature after the expiration of the protest period.

B. The board of directors may fix a date for a hearing ~~upon~~ ON the sufficiency of a protest, which shall be within thirty days from the expiration of the protest period, and shall give notice of the hearing by publication twice ~~in a daily, or once in a weekly or semiweekly paper published or circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the district or county, and by mailing the notice to each protestant at his address of record.

C. The notice shall require all persons signing the protest or their agents or attorneys to appear and show cause why the protest should not be overruled.

D. At the hearing the board of directors may disregard all signatures of which the right to sign does not appear ~~upon~~ ON the records of the county recorder, and which are not supported by evidence at the hearing.

Sec. 286. Section 48-919, Arizona Revised Statutes, is amended to read:

48-919. Resolution ordering improvement; notice; bids

A. When no protests against the proposed work or no objections as to the extent of the proposed assessment district have been filed within the time specified, or when a protest is found by the board of directors to be insufficient, or when the objections to the extent of the proposed district have been heard and denied, the board of directors may order, by resolution, the proposed improvements described in the resolution of intention.

B. The resolution need not fully describe the improvement nor the extent of the assessment district, but may refer to the resolution of intention for such description.

C. The superintendent shall then publish a notice of the passage of the resolution ordering the work, and inviting sealed bids for making the improvement therein ordered, twice ~~in one or more daily newspapers or once in a weekly or semiweekly newspaper, published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the district is located, and shall post a

copy of the notice for five days on or near the door of the meeting place of the board of directors. The notice shall state the time within which proposals may be filed with the clerk, which shall not be less than ten days from the date of the first publication of the notice.

D. When in the resolution of intention the board of directors has provided for alternative plans and specifications, the invitation for bids for making the improvement may require separate bids according to each of the several alternative plans and specifications.

Sec. 287. Section 48-923, Arizona Revised Statutes, is amended to read:

48-923. Notice of award; objection to proceedings; entering into contract; liability on bond

A. Notice of the award of contract shall be published twice ~~in a daily newspaper or once in a weekly or semiweekly newspaper, published and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which the district is located.

B. At any time within fifteen days from the date of the first publication, any person having an interest in a lot liable to assessment, claiming that any of the previous acts or proceedings relating to the improvement are irregular, illegal or faulty, may file with the clerk a written notice specifying in what respect the acts and proceedings are irregular, illegal or faulty, and all objections to any act or proceeding which are not made ~~prior to~~ BEFORE the notice of award shall be waived, except as to matters directly affecting the authority of the board of directors. If the board of directors finds any objection well taken, it may abandon the proceedings, or correct or modify any portion thereof, and proceed as in the first instance.

C. Within twenty days after the date of the first publication, if no objections have been filed, the successful bidder shall enter into a contract to make the improvement according to his bid. If objections are filed but are rejected by the board of directors, the contract shall be entered into within five days after receiving notice from the clerk of such rejection. If the bidder fails to enter into the contract within such period, then the board of directors without further proceedings shall again advertise for bids as in the first instance, and the bidder shall be liable ~~upon~~ ON his bond accompanying the bid for all costs and damages incurred and sustained by reason of the failure to enter into the contract.

Sec. 288. Section 48-928, Arizona Revised Statutes, is amended to read:

48-928. Delivery of warrant and assessment to contractor or treasurer; demand for payment; release of assessments; review of assessment; hearing

A. After the assessment and warrant, if applicable, are recorded, they shall be delivered to the contractor or to the treasurer of the district if the district charges itself with the duty of making demands for the payment

of the several assessments, together with one of the diagrams, and by virtue of the warrant, the contractor or treasurer is authorized to demand and receive the amount of the several assessments.

B. The contractor or district shall call ~~upon~~ ON the owner of the lot assessed either in person or by mail, if the owner can conveniently be found, and demand payment, and if paid shall give a receipt therefor. The receipt, when presented to the superintendent, shall authorize or be an order to the superintendent to release the assessment.

C. The contractor or the responsible person acting for the district shall promptly notify the superintendent of all payments made to him, whereupon the superintendent shall release assessments which have been fully paid. When the name of the owner of the lot is stated as "unknown" on the assessment, the contractor or treasurer shall demand payment of a person in possession. If a person is in possession, such demand may be made either by mail if a mailing address for the person in possession can be determined or in person. If the premises are unoccupied or the person in possession cannot be found, such demand is unnecessary. The district may appoint a bank, savings and loan association or trust company as its depository for collection of the cash demands. Fees and expenses for such services may be included in the incidental expenses.

D. The warrant shall be returned to the superintendent within forty days after its date with a "return" endorsed on the warrant, signed by the contractor or treasurer, verified ~~upon~~ ON oath stating the nature and character of the demand, and whether any assessments remain unpaid in whole or in part, and the amount thereof. In the absence of fraud or bad faith, the verified statement of the person making the return is conclusive proof that the demand for payment was made ~~upon~~ ON each owner, person in possession or each parcel of property as required by this section. The superintendent shall record the return so made in the margin of the record of the warrant and assessment. After return of the assessment and warrant all amounts remaining due shall draw interest at the rate of eight per cent per annum until paid or, on the issuance of bonds, at the rate specified in the bonds, payable for the semiannual period specified in the bonds notwithstanding the fact that the installments of assessments may be due at dates earlier than installments of interest are payable on the bonds.

E. ~~Upon~~ ON recording the assessment and warrant, the superintendent shall notify the board of directors of the recording, and the board shall fix a time when it will hear and pass ~~upon~~ ON the assessment and the proceedings theretofore had and taken, which shall not be less than twenty days from the date of the recording. The board shall cause notice of the hearing to be given by publication for five days ~~in a daily newspaper or two times in a semiweekly or weekly newspaper published and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which the district is located, the first publication of which shall be at least ten days ~~prior to~~ BEFORE the hearing, and by mailing a copy of the notice showing the amount of proposed

assessment by first class mail, at least twenty days before the hearing date, to all persons owning real property affected by the assessments as the names and addresses appear on the last equalized certified property tax roll. If no address appears for any person on the last equalized certified tax roll, then no notice need be mailed to such person. The street superintendent shall make an affidavit of the mailing and shall recite in the affidavit that the persons to whom notices were mailed constitute all persons whose names and addresses appear on the tax roll as owning property within the area to be assessed. The affidavit is conclusive proof that notice was mailed to each person to whom notice is required to be mailed. Failure to receive notice does not constitute any jurisdictional defect invalidating an improvement district, any proceeding or assessment if notice has been sent pursuant to this section.

F. The owners and all other persons directly interested in the work or in the assessment who have any objection to the legality of the assessment or to any of the previous proceedings connected therewith ~~may, prior to~~, BEFORE the time fixed for the hearing, MAY file a written notice briefly specifying the grounds of their objections. At the time fixed for the hearing or at any time not later than ten days thereafter to which the hearing may be postponed, the board of directors shall hear and pass ~~upon~~ ON the objections. The decision of the board of directors shall be final and conclusive ~~upon~~ ON all persons entitled to object as to all errors, informalities and irregularities ~~which~~ THAT the board of directors might have remedied or avoided at any time during the progress of the proceedings.

G. After the hearing, if the board of directors finds that the assessment has not been fairly apportioned, it shall modify the amounts of the several assessments and may order that the assessment be recomputed if it finds that the benefits to any lots do not equal the amount of such lots' assessment. When recomputing the assessment, the superintendent of streets shall levy the reassessments according to the benefits derived, as instructed by the board of directors, notwithstanding the fact that the reduction of any assessment may cause a corresponding increase in other assessments; except that without the written consent of the owner of land to be assessed, no assessment or assessments may be increased in such a manner which causes the total assessment for all work and expenses to exceed the stated total amount set forth on the engineer's official estimate.

H. At any time within one year from the date the superintendent of streets files the certificate of completion as provided in section 48-935, subsection G, the superintendent of streets, any member of the board of directors, any owner or any person claiming an interest in any lot which received an assessment may file a written notice with the clerk stating that the work has not been performed substantially in accordance with the resolution of intention, the plans, specifications and estimate. The notice shall state in particular the contractor's failure to perform and may also state, if applicable, any requested reduction in the assessment of any one or

more parcels due solely to the failure of such performance. The notice shall state the name and address of the person filing the notice and shall describe such person's interest in land subject to assessment, if applicable.

I. On receipt of such a notice, the board of directors shall set a date for a hearing on the notice. The board of directors shall give notice of the hearing to the contractor and the contractor's surety, the superintendent of streets, the person appointed to take charge of and superintend the work and all persons whose names and addresses appear in the notice. In addition, the clerk shall cause a notice of the hearing to be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

J. At the hearing, the board shall determine whether the work was completed in accordance with the resolution of intention, the plans and specifications and any corrections or alterations of such plans deemed necessary by the superintendent. If the board of directors determines that the work has not been so completed, it shall order the contractor to complete the work and shall set a reasonable time for such completion and shall recess the hearing until the date set for completion. If at the date set to reconvene the hearing, the evidence shows that the work is then completed, the board of directors shall enter such findings on its minutes. If the board determines that the contractor is making a good faith attempt to complete the work, it may continue the completion date and recess the hearing to a later date. If, at the hearing or at any recessed hearing, the board of directors finds that the contractor refuses to complete or is incapable of completing the work, it shall order and the county attorney shall bring an action against the contractor and its surety to collect such amounts or cause such performance as is necessary to complete the work.

K. If the board determines that for any reason the work cannot be completed and no recovery can be made against the contractor or the contractor's surety, the board may then order the superintendent of streets to recalculate the assessment, taking into consideration the effect the contractor's failure to perform may have had on the actual benefits derived from the improvement and to reduce some or all assessments to reflect the reduced benefits. If the assessments are reduced, the district shall assume as a contingent liability any difference between the amounts thereafter received on the semiannual assessment payments and the amounts of principal and interest thereafter due on the bonds. The assumption of such amount becomes a general obligation of the district.

L. All decisions made concerning any notice filed under authority of this section are final and conclusive as to the persons filing the notice, the contractor and the contractor's surety and as to the alleged defect in the work. After a ruling on any alleged defect in the work, the board shall not entertain or hear a later notice concerning the same defect, whether or not filed by a person other than the person filing the original notice.

M. After the work is completed, the superintendent shall file with the clerk a recalculated assessment based on the actual quantities determined by the engineer to have been constructed or installed, or the actual cost of the acquisition, as the case may be, together with the known incidental expenses expended to that date and the itemized estimated incidental expenses remaining to be expended. The engineer need not recompute each individual assessment but shall determine the amount of the increase or decrease to be assessed and shall file a supplemental statement with the clerk setting forth the ratio of the difference between the contractor's bid and the recapitulated amount and ordering that each assessment be increased or decreased, as the case may be, by such ratio. If the total assessment is decreased, the treasurer shall return to the owner, if the owner can be located, that portion of each assessment previously paid in cash which represents an excess payment.

Sec. 289. Section 48-948, Arizona Revised Statutes, is amended to read:

48-948. Failure to meet and adjourn scheduled hearing; provision for subsequent hearing

When the time and place for a hearing is fixed by the board of directors under this article, and for any reason the hearing is not then and there held or regularly adjourned to a time and place fixed, the authority of the board shall not thereby be divested or lost, but it may thereafter fix a time and place for the hearing and cause notice thereof to be given by publication ~~by at least one insertion in a newspaper published and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which the district is located and designated by the board. The publication shall be run at least five days before the date of the hearing, and thereupon the board of directors may act as in the first instance.

Sec. 290. Section 48-950, Arizona Revised Statutes, is amended to read:

48-950. Proof of notice; definition

A. Unless otherwise provided by this article, proof of mailing, of publication, or of posting resolutions or notices shall be made by affidavit of the person required to make the mailing or publication or do the posting. The affidavit shall state the manner of mailing, publication or posting, and the dates thereof, shall have attached thereto a copy of the publication or notice that was mailed or posted, and shall be filed in the office of the clerk.

B. An affidavit prepared pursuant to this section is prima facie proof of the posting, publication or mailing described. The failure of any person to receive a mailed notice does not affect the validity of any notice that was mailed as prescribed by this article. The failure to mail a notice to one or more persons does not affect any notices mailed to other persons. An error or informality in a notice does not invalidate other portions of a notice.

C. The costs of mailing and publishing provided in this section shall be a valid incidental expense pursuant to section 48-927, subsection E.

D. In addition to any notice required to be mailed, the board of directors, at its sole option, may also publish the notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area in which the district is located.

E. If any state lands are included in the district all notices shall be mailed to the state land commissioner.

F. For THE purposes of this section, ~~the terms~~ "mail", "mailed" or "mailing" means deposit of the notice or document with the United States postal service BY first class MAIL postage prepaid.

Sec. 291. Section 48-986, Arizona Revised Statutes, is amended to read:

48-986. Advancing maturity of bonds

A. When the treasurer determines that, by reason of the prepayment of an assessment or assessments as provided in section 48-985, a bond or bonds may be called, proceedings shall be had as provided in this section.

B. The treasurer shall advance the maturity of bonds in the amount determined at the time of the prepayment of the assessments, to any interest payment date. The bonds shall be called for par and a premium equal to five per cent of the principal amount of the bonds called, together with interest to the redemption date.

C. In selecting a bond for retirement, the lowest numbered bond of the annual series midway to the end of the bond term shall be chosen. Successive bonds shall be chosen from the lowest number of each annual series on either side thereof, so that bonds called shall be a pro rata part of each annual series after the one for which a levy has been posted to the county roll. The relationship of unpaid assessments to bonds outstanding shall be disturbed as little as possible by the call of bonds. The decision of the treasurer shall be final and conclusive.

D. The district treasurer shall give written notice of advanced maturity, entitled "to whom it may concern," to the holder or owner of each bond that is called, at least fourteen days ~~prior to~~ BEFORE the day of call. The notice may be given by personal service, by registered mail addressed to the last known address of the holder or owner, or by one publication ~~in a newspaper having circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district or in a financial paper in the United States. When given by publication, it shall also be mailed to the last known address of the holder or owner and if not known then to the original purchaser of the bonds.

E. If notice of advanced maturity is given, the bond shall mature and become payable on the date fixed for maturity in the notice. The holder or owner of the bond may surrender it prior to the date of advanced maturity and receive the principal and interest thereon to the date of payment.

F. If the bond has not been sooner surrendered, on the date fixed for advanced maturity the district treasurer shall set aside to the credit of the

owner of the bond the amount of principal and accrued interest then due on the bond, and the bond shall then be deemed to have matured and interest shall cease to accrue on the bond. The amount so set aside ~~shall, upon~~, ON demand and ~~upon~~ ON the surrender and cancellation of the bond and all unpaid coupons thereof, SHALL be paid to the holder or owner thereof.

G. The cost of serving or publishing the notice of advanced maturity shall be paid from the redemption fund.

H. More than one bond may be included in a single notice of advanced maturity. All bonds called and redeemed shall be canceled and destroyed.

I. ~~Prior to~~ BEFORE the surrender of any bond or the setting aside of any funds, the treasurer may waive and vacate any notice of advanced maturity ~~upon~~ ON being tendered for cancellation some other bond or bonds of an equivalent amount and of a maturity not earlier than that notice, if ten days' notice of his intention so to do is first given by mail or otherwise to the holder or owner of the bond noticed for advanced maturity and such holder or owner has not objected to such action.

Sec. 292. Section 48-1014, Arizona Revised Statutes, is amended to read:

48-1014. Powers and duties of an elected or appointed board of directors

A. The board of directors of a domestic water improvement district or domestic wastewater improvement district elected or appointed pursuant to this article shall have all the powers and duties of the board of supervisors sitting as the board of directors of a county improvement district formed for the purposes prescribed in section 48-909, subsection A, paragraph 1, 2, 3, 4, 5 or 6, including the related powers and duties prescribed in section 48-909, subsection B and section 48-910, and that are not in conflict with this article. A single district may be formed for or converted to a combination of water and wastewater purposes.

B. Additions to and alterations of the district shall be made as follows:

1. A petition addressed to the district governing board requesting the addition or alteration may be filed with the clerk of the governing body, if signed by a majority of the persons owning property and by the owners of fifty-one per cent or more of the assessed valuation of the property within the limits of the proposed addition or alteration.

2. A petition with the required number of signatures shall not be declared void on account of any alleged defect, but the governing body shall allow the petition to be amended in form and substance to conform to the requirements of this article. One or more similar petitions, or copies of the same petition with additional signatures, for the addition to or alteration of the improvement district may be filed before the time of the hearing on the first petition, and shall be considered as though filed with the first petition. The petition shall be presumed to contain the signatures

of the persons whose signatures appear on the petition, unless the contrary is proved.

3. The petition shall set forth:

(a) The name of the improvement district to which the addition or alteration is proposed.

(b) The necessity for the proposed addition or alteration.

(c) That the public convenience, necessity or welfare will be promoted by the addition or alteration of the district and that the property to be included in the district will be benefited.

(d) The boundaries of the proposed addition or alteration.

4. Each copy of the petition shall be verified by one of the petitioners and shall be accompanied by a plat or sketch indicating the approximate area and boundaries of the district.

5. On receipt of a petition for an addition or alteration of a district, the governing body shall set a date for a hearing on the petition not later than forty days after presentation of the petition. At the hearing all interested property owners may appear and be heard on any matter relating to the addition to or alteration of the district. Any person wishing to object to the addition or alteration may file, before the date set for the hearing, the person's objections with the clerk of the governing body.

6. Notice announcing the hearing and stating the boundaries of the proposed addition or alteration shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which the district is located. The publications shall be one week apart, and the first publication shall be not less than ten days before the date of the hearing. The notice shall also be mailed by first class mail at least twenty days before the hearing to the property owners within the area of the proposed addition or alteration according to the names and addresses that appear on the most recent property tax assessment roll.

7. At the hearing, if it appears after consideration of all objections that the petition is signed by the requisite number of property owners, and that the public convenience, necessity or welfare will be promoted by the addition to or alteration of the district, the governing body by formal order shall declare its findings and order the addition to or alteration of the district.

8. If the governing board finds that the public convenience, necessity or welfare will not be promoted by the addition to or alteration of the district, the governing body by formal order shall declare its findings.

C. Notwithstanding subsection B of this section, any property owner whose land is within a county that contains an improvement district and whose land is adjacent to the boundaries of the improvement district may request in writing that the governing body of the district amend the district boundaries to include that property owner's land. If the governing body determines that the inclusion of that property will benefit the district and the property owner, the boundary change may be made by order of the governing body and is

final on the recording of the governing body's order that includes a legal description of the property that is added to the district. A petition is not required for an amendment to an improvement district's boundaries made pursuant to this subsection.

D. On approval of any boundary change of the district, the district board may order the successful petitioners or requesters to pay all of the costs of the boundary change.

Sec. 293. Section 48-1033, Arizona Revised Statutes, is amended to read:

48-1033. Notice

A. The clerk shall execute a notice ~~which~~ THAT shall read substantially as follows:

To whom it may concern:

The board of supervisors of _____ county, on _____(date)_____, adopted the attached resolution declaring its intention to form a tax levying rural road improvement district. A hearing on formation will be held on _____(date)_____, at _____(time)_____ at _____(location)_____. All persons owning or claiming an interest in property in the proposed district who object to the inclusion of their land in the district, to the formation of the district or to the proposed improvements must file a written objection with the undersigned at the following address before the time set for the hearing.

(Date) _____

_____
Clerk

_____
Address

_____
County

B. A copy of the resolution declaring the INTENTION OF THE board of ~~supervisor's intention~~ SUPERVISORS to form the district shall be attached to the notice, and the clerk shall cause a copy to be mailed to the owners of real property in the proposed district as shown on the most recently certified property tax assessment roll and to all other persons claiming an interest in the property who have requested a copy of the notice. The clerk shall also publish a copy of the notice and resolution at least once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The mailing and publication shall be completed at least twenty days before the date set for hearing. The clerk shall execute an affidavit of mailing stating the date of mailing and the names and addresses of the persons to whom the notices and copies of the resolutions were mailed. The clerk shall obtain an affidavit from the publisher of the ~~newspaper in~~ PUBLIC MEDIUM ON which the publication was made. The clerk shall cause both affidavits to be

placed in the official records of the county. The affidavits are conclusive evidence of the mailing and publishing of notice. Notice shall not be held invalid for failure of delivery to the addressee.

C. If the clerk is informed that the person listed on the assessment roll is no longer the owner and the name and address of the successor owner become known, the clerk shall cause a copy of the notice and resolution to be mailed to the successor owner as soon as practicable after learning of the change of ownership.

Sec. 294. Section 48-1037, Arizona Revised Statutes, is amended to read:

48-1037. Notice and conduct of elections; waiver

A. Any election under this article shall be called by posting notices in three public places within the boundaries of the district not less than twenty days before the election. Notice shall also be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county once a week for two consecutive weeks before the election. The notice shall state:

1. The place of holding the election.

2. The hours during the day, not less than six, when the polls will be open.

3. If it is a formation election, the boundaries of the proposed district.

4. If it is a bond election, the amount of bonds to be authorized for the district, the maximum rate of interest to be borne on the bonds, the maximum term of the bonds, not exceeding thirty years, and the purposes for which the monies raised will be used.

B. A bond election under this section must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

C. The district board or the board of supervisors, as applicable, shall determine the polling places for the election and may consolidate county precincts. For other than a formation election, precinct registers shall be used. The county recorder shall submit precinct registers on the request of the clerk, and if the district includes land lying partly in and partly out of any county election precinct, the precinct registers may contain the names of all registered voters in the precinct and the election boards at such precincts shall require that a prospective elector execute an affidavit stating that he is also a qualified elector of the district. For formation elections a prospective elector shall execute an affidavit stating that he is the owner of land in the district, is a qualified elector of this state and stating the area of land in acres owned by the elector. Election board members may give oaths or take all affirmations for these purposes.

D. Except as otherwise provided by this article, the election shall comply with the general election laws of this state, except that the words to appear on the ballots shall be for a formation election "district, yes" and

"district, no" or for a bond election "bonds, yes" and "bonds, no". The returns of election shall be made to the district board.

E. On the seventh day after the election or within seven days of the election, the board of supervisors, or if after formation, the district board, shall meet and canvass the returns, and if a majority of the votes cast at the election is in favor of formation or issuing the bonds, the board shall enter that fact on its minutes. The board may continue the canvass from time to time.

F. Notwithstanding any other provision of this article, a petition for formation signed by owners of all of the land in the district described and approved by the board of supervisors waives any requirements of posting, publication, mailing, notice, hearing and election. On receipt of such a petition, the board of supervisors shall declare the district formed without being required to comply with this article for posting, publication, mailing, notice, hearing or election.

Sec. 295. Section 48-1062, Arizona Revised Statutes, is amended to read:

48-1062. Authorization and issuance of bonds; election

A. The district may, pursuant to this article:

1. Issue its bonds in the principal amount as set forth in AN action by the board of directors, as necessary to:

(a) Provide sufficient monies for any authorized purpose.

(b) Establish reserves to secure the bonds.

(c) Pay the necessary costs of issuing, selling, enhancing the credit of and redeeming the bonds.

(d) Pay all other costs and bond related expenses incidental to and necessary and convenient to carry out those purposes.

2. Issue refunding bonds if the board of directors deems refunding expedient. The board of directors may provide for investing and holding the proceeds of the refunding bonds in trust for the benefit of the holders of the bonds or other obligations being refunded.

3. Refund any bonds or other obligations issued by the district without regard to whether the refunded bonds or obligations are secured from the same revenues or source of revenues as the bonds authorized in this article, by issuing new bonds, whether the bonds or obligations to be refunded have or have not matured.

4. Issue bonds for any two or more purposes described ~~above~~ IN PARAGRAPHS 1, 2 AND 3 OF THIS SUBSECTION, consistent with this article.

5. Covenant and agree to maintain revenues sufficient to provide for the timely payment of principal, interest and other charges with respect to bonds of the district together with other obligations and expenses of the district.

B. On determining the amount of money necessary to be raised for any purposes stated in subsection A OF THIS SECTION, the board of directors shall immediately call a special election and shall submit to the electors of the

district the question of whether or not revenue bonds should be issued in the amount so determined. No election need be called or held with respect to bonds issued solely for refunding and related purposes.

C. The district shall issue a public notice of the election that specifies the date of the election, the amount of the bonds of each series proposed to be issued, the maximum rate of interest for each series of the bonds and the denominations of the series of the bonds. The notice shall be:

1. Posted in three public places in each election precinct of the district for at least twenty days before the election.

2. Published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the district is located once a week for at least two consecutive weeks.

D. The election shall be held and the results determined as nearly as practicable pursuant to the general election laws of this state, except as otherwise provided by this article. An informality in conducting the election does not invalidate the election if the election was otherwise conducted fairly.

E. At the election the ballots shall identify and describe generally the amount and purpose for which each series of bonds is proposed to be issued and contain the words "bonds--yes" and "bonds--no". If a majority of the votes cast at the election approves the bonds or any series thereof, the board of directors shall cause the bonds or the series approved at the election to be issued at the terms and time the board of directors deems appropriate pursuant to this article. If a majority of the votes cast at the election disapproves the bonds or any series thereof, the board of directors shall declare and enter the result of the election on its record, and if at any time thereafter one-fourth of the qualified electors of the district petition the district, or if the board of directors so directs, the district shall resubmit the question to the electors of the district in the manner prescribed by this section. Disapproval by the electors of the issuance of any bonds or series of bonds shall not bar subsequent submission of the issue to electors of the district.

F. The board of directors shall authorize the bonds by resolution. The resolution shall prescribe as to each series of bonds authorized:

1. The amount and principal purpose of the bonds.

2. The rate or rates of interest, which may be fixed or variable, and the denominations of the bonds.

3. The date or dates of the bonds, of the maturity thereof and any requirement for periodic deposits into any sinking or similar fund.

4. The coupon or registered form of the bonds.

5. The manner of executing the bonds.

6. The medium and place of payment.

7. The terms of mandatory or optional redemption, which may include a premium for early redemption.

8. The security for and source of payment of the bonds.

G. The district shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The last day of publication must be at least ten days before the board of directors authorizes issuance of the bonds. The notice shall state the amount of the bonds to be sold and the intended date of issuance.

H. The bonds shall be sold at public or private sale at the price and on the terms as the board of directors determines pursuant to this article. Bonds to fund or refund other bonds may be either sold or exchanged with the holders of bonds being funded or refunded on terms as determined by the board of directors. All proceeds from issuing the bonds shall be deposited in and disbursed from a segregated fund as determined by the board of directors.

I. The district, out of any available monies, may purchase bonds or other obligations of the district, which may thereupon be cancelled, at a price not exceeding the following:

1. If the bonds or obligations are then redeemable, the applicable redemption price plus accrued interest to the next payment date.

2. If the bonds or obligations are not then redeemable, the redemption price applicable on the first date after purchase on which the bonds become subject to redemption plus accrued interest to that date.

J. Neither the members of the board of directors nor any person executing the bonds is personally liable for the payment of the bonds.

K. Title 35, chapter 3, article 7 applies to the district and to bonds issued under this article.

Sec. 296. Section 48-1084, Arizona Revised Statutes, is amended to read:

48-1084. Powers and duties of an elected or appointed board of directors

A. The board of directors of a road improvement and maintenance district elected or appointed pursuant to this article shall have all the powers and duties of the board of supervisors sitting as the board of directors of a county improvement district formed for the purposes prescribed in section 48-909, subsection A, paragraph 1, 2, 3 or 4, including the related powers and duties prescribed in section 48-909, subsection B that are not in conflict with this article.

B. The board shall appoint a clerk and employ a superintendent. The board shall establish and make known an office and mailing address for the clerk and superintendent.

C. Additions to and alterations of the district shall be made in the manner provided for the establishment of the district, except that notification shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the district, petitions shall be filed with the district board and all actions related to a proposed boundary change are the responsibility of the district board.

D. Notwithstanding section 48-906, subsection D, on approval of any boundary change of the district, the district board may order the successful petitioners to pay all of the costs of the boundary change.

Sec. 297. Section 48-1094, Arizona Revised Statutes, is amended to read:

48-1094. Powers and duties of an elected or appointed board of directors

A. The board of directors of a road enhancement improvement district elected or appointed pursuant to this article shall have all the powers and duties of the board of supervisors sitting as the board of directors of a county improvement district formed for the purposes prescribed in section 48-909, subsection A, paragraph 1, 2, 3 or 4, including the related powers and duties prescribed in section 48-909, subsection B that are not in conflict with this article.

B. The board shall appoint a clerk and employ a superintendent. The board shall establish and make known an office and mailing address for the clerk and superintendent.

C. Additions to and alterations of the district shall be made in the manner provided for the establishment of the district, except that notification shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the district, petitions shall be filed with the district board and all actions related to a proposed boundary change are the responsibility of the district board.

D. Notwithstanding section 48-906, subsection D, on approval of any boundary change of the district, the district board may order the successful petitioners to pay all of the costs of the boundary change.

Sec. 298. Section 48-1102, Arizona Revised Statutes, is amended to read:

48-1102. Procedure for formation of district

A. The board of supervisors of a county ~~which~~ THAT qualifies under section 48-1101 ~~may~~, on its own initiative, MAY adopt a resolution setting forth:

1. The name of the proposed television improvement district.

2. The boundaries of the proposed district, which shall be coterminous with the boundaries of the county.

3. The necessity for the district, including a statement that the public interest, convenience and necessity will be promoted by establishing the district.

4. A general statement of the television translator and relay facilities ~~which~~ THAT are proposed to be operated and services to be provided by the district.

5. Such other matters as the board may deem necessary.

B. The resolution shall set a date for a hearing on the resolution, not less than twenty-one nor more than forty days from the date of the resolution. The notice of the hearing shall contain substantially all the

information contained in the resolution, ~~and~~ shall be published once each week for at least three consecutive weeks before the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and shall be posted at least three weeks before the hearing in at least three public places in the county. The board shall meet at the time and place fixed for the hearing. At the hearing the board shall hear all persons who wish to appear in favor of or against establishment of the district.

C. If, after the hearing, it appears to the board that the public interest, convenience and necessity will be served by establishing the district, the board shall declare its findings and order the formation of the television improvement district under the designated corporate name. The board shall file a certified copy of the proceedings with the county recorder.

D. Any party aggrieved by the action of the board under this section may bring an action in the superior court in the county in which the district is located to set aside the action of the board. The action must be instituted not more than thirty-five days after entry of the order forming the district and shall be heard in a trial de novo.

E. The board of supervisors may pay the necessary costs incurred in connection with the formation of the district from any funds available for such purpose.

Sec. 299. Section 48-1408, Arizona Revised Statutes, is amended to read:

48-1408. Notice of election

A. The election shall be called by posting notices signed by the board in three public places in the district for not less than twenty days before the election. If there is a ~~newspaper~~ PUBLIC MEDIUM published in the county, notice shall also be given by publishing the notice therein for not less than once a week for two successive weeks ~~prior to~~ BEFORE election.

B. The notice shall contain:

1. The name and place of holding the election.

2. The names of three judges to conduct the election.

3. The hours during the day, not less than six, in which the polls shall be open.

4. The amount and denomination of the bonds and the maximum rate of interest to be borne on the bonds.

5. The terms of the bonds, not exceeding twenty years.

Sec. 300. Section 48-1416, Arizona Revised Statutes, is amended to read:

48-1416. Formation of overlay district; hearing; procedures; election

A. On request of the board of trustees of two or more contiguous special road districts, or two or more contiguous special road districts which comprise a joint special road district, the board of supervisors shall set a hearing on the creation of a new special road district overlaying the

requesting districts. The proposed overlay district shall have boundaries coextensive with the exterior boundaries of the contiguous districts regardless of their shape or dimension, including any portion within any incorporated city or town.

B. Notice of the hearing shall be given by posting in four public places within the proposed district and by publication two times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the proposed district.

C. Interested parties may file written objections with the clerk of the board of supervisors no later than five days before the date set for the hearing.

D. At the hearing, written and oral objections shall be heard and the board of supervisors shall rule on the objections. The hearing may be continued from time to time. If the board determines that the land within the districts will be benefited by the formation of the new district, it shall order an election to be held in the proposed district. The determination of the board is final and conclusive.

E. The election shall be called and conducted, notice shall be given and the results shall be canvassed as provided in title 16, except that sections 16-226 and 16-227 do not apply. The election may be held on any date set by the board of supervisors ~~which~~ THAT is not less than thirty days after the date the board of supervisors adopts the order, except that if the election is combined with an election on the sale of bonds as provided by subsection I of this section, the election must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

F. If a majority of the qualified electors of the proposed district voting at the election favors formation of an overlay district, the board of supervisors shall order the formation of the overlay district.

G. If the formation of the overlay district is ordered the existing districts shall be dissolved and cease to exist, except that all real property and mobile homes within the dissolved districts remain subject to taxation for all the bonds, debts or obligations outstanding at the time of dissolution. All taxes levied and monies collected before dissolution shall be credited to the overlay district except for those levied or collected to pay bonds, debts and obligations of the dissolved districts outstanding at the date of dissolution. The dissolved districts shall transfer to the overlay district all other assets, including all other monies and the roads and rights-of-way, of the dissolved districts, and the overlay district shall assume the combined budget, operations and maintenance of the dissolved districts.

H. The initial board of trustees of the overlay district shall be comprised of the trustees of the dissolved districts who shall continue to serve only until their respective existing terms are completed. At the first annual trustee election after formation of the overlay district, only one

trustee shall be elected at large from the overlay district for a three year term to replace all former trustees whose terms are expiring. At each of the second and third annual trustee elections after formation, two trustees shall be elected at large for three year terms to replace all former trustees whose terms are expiring. Thereafter the district board shall consist of five trustees, elected at large, serving staggered three year terms.

I. If requested by the boards of trustees of the districts requesting the overlay district, the board of supervisors shall call, conduct and canvass, on behalf of the overlay district, an election on the sale of bonds by the overlay district to be held in conjunction with the election on formation and as provided in subsection E of this section.

J. The formation of the overlay district and dissolution of the previous districts become effective on a date set by the board of supervisors which is no earlier than thirty days after the canvass of the formation election.

K. A special road district formed pursuant to this section is subject to this article as a special road district.

Sec. 301. Section 48-1502, Arizona Revised Statutes, is amended to read:

48-1502. Petition for organization; publication; notice; qualification of petitioners

A. When five or more holders of title, or evidence of title, as provided by this section, to agricultural lands which are susceptible of cultivation by the same general system, or by individual system of works, desire to provide for the cultivation of such lands, they may propose the organization of a power district under the provisions of this chapter.

B. In order to propose the organization of a power district, a petition shall be presented to the board of supervisors of the county in which the lands within the proposed district, or the greater portion thereof, are located, signed by the required number of holders of title, or evidence of title, to the land within the proposed district.

C. The petition shall set forth and particularly describe the proposed boundaries of the district and shall pray that the lands therein be organized as a power district under the provisions of this chapter. The petitioners shall accompany the petition with a good and sufficient bond to be approved by the board of supervisors in the amount of the probable cost necessary to be incurred by the board of supervisors in organizing the district, conditioned that the obligors will pay all costs if the organization is not effected.

D. The petition shall be presented at a regular meeting of the board of supervisors after having been published for at least three weeks ~~prior to~~ BEFORE presentation ~~in some newspaper printed and~~ ON A PUBLIC MEDIUM published in the county in which the petition is presented, together with a notice stating the date of the meeting of the board at which the petition will be presented.

E. If any portion of the proposed district lies within another county or counties, the petition and notice shall be likewise published ~~in a newspaper printed and~~ ON A PUBLIC MEDIUM published in each of the counties.

F. Proof that the petition was signed by the persons whose names appear thereon and that notice of hearing was given by publication and posting may be made by the affidavits of persons having knowledge of the facts, which shall be filed with the board, and when so made and filed, shall be prima facie evidence that the petitioners are entitled to the hearing prayed for in the petition and of the truth of all matters set forth in the petition.

G. The county equalized assessment roll adopted next preceding presentation of the petition for organization of the district shall be sufficient evidence of title for the purposes of this chapter, but no person who has received or acquired title to land within the proposed district for the purpose of enabling such person to join in the petition, or to become an elector of the district, shall be allowed to sign the petition or to vote at any election to be held in the district.

H. The illegal signing of a petition shall not invalidate the petition when a sufficient number of other legal petitioners join in signing the petition.

Sec. 302. Section 48-1507, Arizona Revised Statutes, is amended to read:

48-1507. Notice of election

A. The board of supervisors shall cause a notice embodying in substance the order provided by section 48-1506, signed by the chairman and clerk of the board, to be issued and published, giving public notice of the election, the time and THE polling places, and specifying the matters to be submitted to the vote of the electors of the proposed district. The notice shall be published once a week for at least three weeks ~~prior to~~ BEFORE the election ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

B. If any portion of the proposed district lies within any other county or counties, the order and notice shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in each of the counties. A copy of the notice shall be posted in at least one conspicuous place in each of the divisions of the proposed district for at least two weeks ~~prior to~~ BEFORE the election.

Sec. 303. Section 48-1518, Arizona Revised Statutes, is amended to read:

48-1518. Notice of hearing on inclusion or exclusion of lands; objections; failure to object

A. ~~Upon~~ ON filing the petitions provided by section 48-1517, and payment of estimated expenses, the secretary shall cause notice to be given and published once each week for three successive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county where the office of the district is

located, giving notice of filing of the petitions, the names of the petitioners, a description of the land, the prayer of the petitioners and the time and place of hearing the petitions, and requiring any person objecting for any cause to allowance of the petitions to file the objections in writing in the district office on or before the time fixed for the hearing and appear at such time in support of the objections.

B. At the time and place mentioned in the notice, or at such time or times to which the hearing is adjourned, the board of directors shall proceed to hear the petitions and all objections filed thereto in writing by interested persons. Failure of any person to file objections in writing shall be deemed a consent to granting the petitions.

Sec. 304. Section 48-1554, Arizona Revised Statutes, is amended to read:

48-1554. Plans and specifications for construction; advertisement for bids; bid deposit; awarding contract; performance bond

A. When plans and specifications for any construction, repair, alteration, extension, improvement or other district purpose have been adopted by the board of directors and ratified by the electors when the probable amount involved requires ratification, the directors shall give notice of the proposed work by publication of an advertisement for bids for at least two weeks ~~in a weekly or daily newspaper~~ ON A PUBLIC MEDIUM published in each county in which portions of the district are located~~, and in such additional newspapers as the board deems advisable~~.

B. The advertisement for bids shall set forth:

1. A general description of the proposed work.

2. That the plans and specifications may be seen at the office of the district.

3. The date and hour up to which the board will receive sealed proposals.

4. That the contract may be let to the lowest responsible bidder.

5. That the right will be reserved to reject any and all bids.

6. The time and place for opening bids.

7. That each bid shall be accompanied by a bid bond, deposit or certified check equal to ten per cent of the total bid.

8. That the bids will be opened in public.

9. That as soon as convenient thereafter the board may let the contract for the work, either in part or as a whole, to the lowest responsible bidder.

C. At the time and place specified in the advertisement the board shall meet and consider the bids and shall within a reasonable time thereafter accept or reject all or any portion of any bid or may reject all bids, and shall return the deposits of unsuccessful bidders. The board may thereafter proceed to readvertise for the portions of the proposed project as

to which no bids are accepted, or the board may proceed to perform the work so advertised under its direction and supervision.

D. The board shall enter into contracts according to the accepted bids, and shall require from each person with whom such a contract is made to give such bond or bonds as are required under the provisions of title 34, chapter 2, article 2. ~~Upon~~ ON the bond being given and approved, prior deposits of the principal on the bond shall be returned.

Sec. 305. Section 48-1555, Arizona Revised Statutes, is amended to read:

48-1555. Conveyance or transfer to United States of irrigable lands within district included within federal reclamation project; election; terms of transfer

A. When irrigable lands within a power district have been included within any federal reclamation project, or subdivision thereof, authorized for construction under the federal reclamation laws, and the appropriate authority of the United States government certifies that funds are available for commencing the construction of works in connection with the reclamation project, or subdivision thereof, the board of directors of the power district may convey, transfer and assign to the United States, such lands, interests in lands and other property of the district, including electric power lines and other facilities, as the secretary of the interior deems appropriate for the protection, development or improvement of the reclamation project.

B. The power of conveyance accorded by this section shall not be exercised unless the conveyance has first been approved by a majority of the votes cast at a special election held in the district for the purpose of submitting the question of conveyance to the qualified electors of the district. The election shall be called by the board of directors of the district, and notice thereof shall be given by posting notices in three public places in each division of the district for at least twenty days ~~prior to~~ BEFORE the date of the election and by publication of notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located, once a week for at least two successive weeks ~~prior to~~ BEFORE the election. The notice shall specify the time and place of holding the election, and shall contain a general description of the character of the proposed property to be conveyed, transferred and assigned and a general statement of the reasons therefor. At the election the ballot shall contain the words "Shall the proposed conveyance, transfer and assignment of the district property to the United States be made?", "Yes", "No", or other words equivalent thereto. The election shall be conducted and canvassed in all respects as nearly as practicable in conformity with the provisions of law providing for the election of the governing body of the district. No informalities in conducting the election shall invalidate it if the election has been otherwise fairly conducted.

C. If at the election the proposed conveyance, transfer and assignment is approved by a majority of the electors voting, the board of directors may convey, transfer and assign all or any part of the property referred to in the notice of election ~~upon~~ ON such terms and conditions as the board of directors in their discretion deem for the best interests of the district.

Sec. 306. Section 48-1599, Arizona Revised Statutes, is amended to read:

48-1599. Remittance of collections to district treasurer; division of collections into funds; disbursements; treasurer's report

A. The county treasurer of each county containing a portion of any district, except the county treasurer of the county in which the office of the district is located, on or before the fifteenth day of each month shall remit to the district treasurer all monies, warrants, coupons or bonds collected or received by him on account of the district.

B. The district treasurer by computations based ~~upon~~ ON certified estimates as returned to the board of supervisors shall divide the money received from taxation on the lands of the district, or from other sources, into district funds corresponding with the purposes therein specified or for which they were paid. The monies received shall be divided as follows:

1. Money received on account of interest on the bonded indebtedness of a district shall be kept in an interest fund.

2. Money received on account of principal of bonded indebtedness of a district shall be kept in a bond fund.

3. Money received on account of the release and discharge of lands in the district from the lien of the bonded indebtedness of the district shall be kept in a call or prepayment fund.

4. Money received on account of maintenance, operation and current expenses for the district shall be kept in a maintenance, operation and current expense fund.

5. Money received on account of the levy for outstanding or deficiency warrants shall be kept in a deficiency fund.

6. Money received from any levy made for payment on completion of the power works of the district shall be kept in a completion fund.

7. If a levy is made or money received from any other source or for any other purpose, the money shall be kept in a separate fund so designated as to identify the purpose for which the money was levied or received.

C. The district treasurer shall pay from the bond fund the principal of bonds of the district at the time and place specified in the bonds, and shall pay from the interest fund the interest on the bonds of the district at the time and place specified therein. The district treasurer shall pay from all of the other funds, except the call or prepayment fund, ~~upon~~ ON warrants of the district signed by the president and countersigned by the secretary of the district. The district treasurer shall not pay from the bond or interest fund the principal or interest due upon any subsequent issue of bonds until

all matured bonds and interest of all prior issues have been paid, or a fund has been created for their payment.

D. The district treasurer shall use the call or prepayment fund for the payment of the highest numbered outstanding bond or bonds. At any time there is one thousand dollars or more in the call or prepayment fund, the district treasurer shall call in the highest numbered outstanding bonds equal to the amount on hand, designating the numbers of the bonds called. The call shall be given by notice ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the district is located for a period of two weeks, or ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the place where the bonds are payable for a period of ten days. The district treasurer shall call the bonds only once, and shall, after such call, hold the money to pay the bonds until they are presented for payment. The interest on bonds so called shall cease sixty days after the date of the first publication of the call.

E. On or before the fifteenth day of each month the district treasurer shall report to the secretary of the district the amounts available to the credit of the respective funds, the amount of warrants paid during the previous month and the amount of registered unpaid warrants, if any.

Sec. 307. Section 48-1612, Arizona Revised Statutes, is amended to read:

48-1612. Election to authorize issuance of bonds

A. ~~Upon~~ ON receiving the report from the engineer provided by section 48-1611, the board of directors shall proceed to determine the amount of money necessary to be raised and the character and extent of contract obligations to be undertaken to carry into effect the adopted plans and purposes, and shall forthwith call an election at which shall be submitted to the electors of the district possessing the qualifications prescribed by this chapter the question of whether or not bonds of the district shall be issued in the amount so determined. The election must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

B. Notice of the election shall be given by posting notices in three public places in each election precinct in the district for at least twenty days, and by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county where the office of the board of directors is maintained, once a week for at least three consecutive weeks. The notice shall specify the time of holding the election, the amount of bonds proposed to be issued and the maximum rate of interest to be borne on the bonds.

C. The election shall be conducted and the results thereof determined and declared in all respects as nearly as possible in conformity with article 3 of this chapter governing the election of directors. No informalities in conducting the election shall invalidate the election if it has been otherwise fairly conducted.

D. At the election the ballots shall contain the words "bonds - -yes" and "bonds - -no". If the majority of the votes cast is "bonds - -yes, "the board of directors shall cause a series of bonds in the amount authorized to be prepared. If the majority of the votes cast is "bonds - -no," the result of the election shall be so declared and entered of record.

E. When the board thereafter deems it for the best interest of the district to issue bonds for district purposes and that the question of the issuance thereof be submitted to the electors, the board shall adopt resolutions to that effect and record them in its minutes, and the board may thereupon submit the question to the electors in the same manner and with like effect as at the previous election.

Sec. 308. Section 48-1617, Arizona Revised Statutes, is amended to read:

48-1617. Sale of bonds; notice

A. The board may sell the bonds from time to time in such quantities as are necessary and most advantageous to raise money for the construction, purchase or lease of power plants, power lines, generators, motors, transformers, poles, wires and works, and otherwise to carry out the purposes of this chapter. Before making any sale, the board shall by resolution declare its intention to sell a specified amount of the bonds, shall fix the day, hour and place of sale, and shall cause such resolution to be entered in the minutes of the board.

B. Notice of the sale shall be given by publication thereof at least twenty days ~~in a daily newspaper~~ ON A PUBLIC MEDIUM published in the state or such other ~~newspaper~~ PUBLIC MEDIUM as the board directs. The notice shall state that sealed bids will be received by the board at its office for the purchase of bonds until the day and hour named in the resolution.

C. At the time appointed, the board shall open the bids and award the sale of the bonds to the highest responsible bidder. The board may reject all bids, but the board shall in no event sell any of the bonds for less than ninety per cent of the face value thereof. If no bid is made and accepted, the board is authorized to sell any or all of the bonds at private sale, or to use the bonds for the purchase or lease of power lines, power plants, generating or distributing systems, for the construction of any power plants, power lines, generating or distributing systems, the purchase or construction of which was authorized in the resolution entered in the records of the district setting forth the purposes for which the bonds were issued, but the bonds shall not be disposed of at less than ninety per cent of the face value thereof.

Sec. 309. Section 48-1704, Arizona Revised Statutes, is amended to read:

48-1704. Notice of hearing on petition; publication; continuance of hearing

A. The board of supervisors with which the petition is filed, at the next regular or special meeting thereafter or at a special meeting called

sooner for that purpose, shall fix a date for hearing the petition, which shall be recorded in the minutes of the board. The place of hearing shall be at the office of the board of supervisors unless the board determines for convenience of the parties to hold the hearing elsewhere in the county.

B. Notice of the hearing shall be ordered by the board of supervisors and signed by the chairman and shall be addressed to all owners of lands or interests in lands, and to all persons interested in or in any manner affected by organization of the proposed district. The notice shall state the time and place of hearing. It shall only be necessary to state generally, but clearly and fully, the objects of the hearing.

C. The notice shall be published ~~in at least one daily or weekly paper~~ ON A PUBLIC MEDIUM published in each county in which any part of the proposed district is located once a week for four consecutive weeks, and shall be posted in one public place in each township or part of township of each range or part of range, according to government survey, included in the proposed district. In addition, not less than three notices shall be posted in different public places in every county in which any part of the proposed district is located. The board of supervisors shall appoint a suitable person or persons to post the notices and cause ~~newspaper~~ publication of the notice as provided by this section. Proof of posting shall be by affidavit of the person or persons posting the notices and proof of publication shall be by affidavit of the publisher. Proof of posting and publication shall be filed with the board at or before the hearing.

D. The hearing shall be held not less than ten days after publication is completed, and not less than thirty-one days after the date of posting notice.

E. The board of supervisors before whom the hearing is held may for good and sufficient reason adjourn the hearing from time to time, but notice of adjournment need not be given, except that the day and hour to which adjournment is ordered shall be spread on the minutes or set forth in the resolution of the board.

Sec. 310. Section 48-1723, Arizona Revised Statutes, is amended to read:

48-1723. Notice of hearing on petition for exclusion of lands; hearing

A. ~~Upon~~ ON the filing of the petition and payment of estimated expenses as provided by section 48-1722, the secretary of the board shall cause notice to be given and published once each week for three successive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the district is located, giving notice of the filing of the petition, the names of the petitioners, a description of the lands, the request of the petitioners and the time and place of hearing the petition, and requiring any person objecting to allowance of the petition to file such objections in writing in the district office on or before the time fixed for hearing in the notice and appear at such time in support of the objections.

B. At the time and place designated in the notice, or at such time or times to which the hearing is adjourned, the board of directors shall proceed to hear the petitions and all objections filed thereto in writing by interested persons.

Sec. 311. Section 48-1794, Arizona Revised Statutes, is amended to read:

48-1794. Notice of election; publication; appointment of election officers

A. Notice of the election to vote ~~upon~~ ON the issuance of the bonds shall contain a general statement of the findings of the board of directors preliminary thereto and shall set forth the date of the election, the hours during which the polls will be open, which shall not be less than eight hours, the place or places of voting, the maximum amount of bonds sought to be authorized, the maximum rate of interest to be borne on the bonds, and such other matters as will give the electors and other interested parties a fair understanding of the proposition to be submitted and voted ~~upon~~ ON.

B. Notices of the election shall be posted at one public place in each township or part of township of each range or part of range, according to the government survey of the lands in the district and, in addition, at least three notices shall be posted at different public places in each county in which any part of the district is located. Notice of the election shall also be published ~~in one newspaper~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which any part of the district is located once a week for two weeks. The election shall be held not less than fifteen nor more than thirty days after posting the notices and not less than fifteen nor more than thirty days after commencement of the publications.

C. The board of directors shall name the election officers in conformity with the general election laws, and shall provide an official ballot and other supplies for the election officers. If the election officers fail to appear for the performance of their duties thirty minutes before the hour of opening the polls, the electors present may elect other qualified electors to fill such vacancies, and it shall be the duty of such electors to do so if the appointed officers do not appear at the time set for opening the polls.

Sec. 312. Section 48-1799, Arizona Revised Statutes, is amended to read:

48-1799. Issuance of refunding bonds; terms of bonds

A. The board of directors of a district organized under this chapter may authorize and issue refunding bonds to refund the bonded indebtedness of the district when it deems it expedient to issue such bonds.

B. The board shall adopt a resolution, and enter it ~~upon~~ ON its minutes, stating briefly the principal facts for determining the necessity and advisability of issuing refunding bonds, the amount of bonds to be issued, the rate of interest on the bonds, which shall not exceed the rate of interest on the original issue, the date of the bonds, the denomination

thereof, the maturity date, which shall not be more than thirty years after the date on which the refunded issue matures, and the places of payment, within or without the state, of the principal and interest.

C. The board may provide that the bonds be serial bonds payable in annual or periodical installments and may reserve the right to call for payment any part or all of the bonds on any interest payment date, and if optional maturity is reserved by the board, it shall be sufficient notice of the exercise of the option if the board enters on the minutes, not less than thirty days before any interest paying date, its determination to call specific bonds, and publish notice thereof, describing by number the bonds to be called, ~~in one issue of a daily or weekly newspaper~~ ON A PUBLIC MEDIUM published in the county in which the greater part of the district lies. The publication shall be completed at least thirty days before the call date and thereafter the bonds called shall cease to bear interest.

Sec. 313. Section 48-1902, Arizona Revised Statutes, is amended to read:

48-1902. Publication of notices

A. When a notice is required by this article to be published ~~in a newspaper~~, such notice shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published within the district concerned. ~~If none is published within the district, then the notice shall be published in a newspaper of general circulation published within the county in which the district is located.~~

B. When a district is located in more than one county, notices shall be published ~~in newspapers published~~ ON A PUBLIC MEDIUM PUBLISHED within each county in which part of the district is located, as provided by subsection A OF THIS SECTION.

Sec. 314. Section 48-1911, Arizona Revised Statutes, is amended to read:

48-1911. Leases of hospital or urgent care center and equipment; provisions; cancellation for failure to pay rent; re-lease; auction; notice

A. A lease of the hospital or urgent care center and its equipment, as required under section 48-1910 for districts with bonded indebtedness, executed by the board of directors of the district, shall:

1. Contain terms and provisions necessary to assure compliance by the district with the provisions of the federal act and any amendments thereto.

2. Extend for a term to be determined by the board, but not less than five nor more than ten years.

3. Be executed to a corporation not for pecuniary profit, duly organized under the laws of this state for the purpose of conducting a hospital, urgent care center, combined hospital and ambulance service or combined urgent care center and ambulance service.

4. Provide for a rental ~~upon~~ ON terms and in an amount ~~which~~ THAT will provide a fair return to the district on its investment, be sufficient to

meet the payments of principal and interest of bonds issued under this article, and provide amounts necessary to meet the expenses of the district.

B. If a lessee of the hospital or urgent care center and its equipment fails to make the payment of rental required by the lease, the board of directors of the district, at its option, may cancel the lease for such failure. If the lease is cancelled and if the board is then unable to re-lease the hospital or urgent care center and its equipment to a lessee qualified under the provisions of this article at a rental sufficient to meet the payments of principal and interest on any bonds issued by the district and to provide the amounts necessary to meet expenses of the district, the board shall, at public auction, offer to lease the hospital or urgent care center and its equipment to the highest responsible and qualified bidder for such term as the board prescribes, and shall lease the hospital and its equipment to the bidder who bids the highest rental for the prescribed period.

C. Notice of the auction shall be given ~~in a newspaper~~ ON A PUBLIC MEDIUM as provided by section 48-1902 at least once each week for four weeks immediately preceding the auction.

Sec. 315. Section 48-2001, Arizona Revised Statutes, is amended to read:

48-2001. Establishment of sanitary district; territory; purposes; change of name

A. Notwithstanding the provisions of section 48-261 or 48-262, a sanitary district shall not include territory located within an incorporated city or town at the time the district is established and the territory included in a sanitary district is required to be contiguous except as provided in section 48-2002.

B. In addition to the requirements set forth in section 48-261, a sanitary district may be formed only for:

1. The purposes of regulating, purchasing, establishing, constructing and operating a sewerage system or a sewage sludge or by-product processing and disposal system ~~which~~ THAT is owned by the district or any person and ~~which~~ THAT provides for sewage collection, treatment and disposal in the district. The system may include the collection, transportation, pumping, treatment and disposal of sewage~~,~~ AND THE processing, treating and disposing of sewage sludge and other by-products of sewage treatment.

2. Purchasing, establishing, constructing and operating a garbage disposal and treatment system. The garbage system shall be limited to the disposal and treatment of garbage, rubbish, trash and waste materials and shall not include collection.

C. In addition to the requirements set forth in sections 48-261 and 48-262, no territory ~~which~~ THAT lies within an urbanized area, as defined in section 9-101.01, shall be included in or annexed to a sanitary district unless the city or town shall have approved the inclusion or annexation of said territory into the sanitary district, or, ~~upon~~ ON request of the parties

seeking annexation or inclusion of territory within the sanitary district, the city or town has failed to act ~~upon~~ ON such request and either approve or deny the request within one hundred twenty days of its presentation to the city or town.

D. A sanitary district established under this chapter is a body corporate with the powers, privileges and immunities generally granted to municipal corporations by the constitution and laws of this state for the purposes prescribed by this chapter.

E. A sanitary district may change its name by resolution unanimously adopted by its board of directors. Before adopting a resolution to change the name of the district, the board shall give notice to all residents and property owners within the district by publication of the notice at least twenty days before the date of the hearing of the board at which the name change will be considered. The notice shall be ~~placed in a newspaper of general circulation within~~ PUBLISHED ON A PUBLIC MEDIUM PUBLISHED IN the district. The district shall also mail to each customer of the district within the district a notice of name change at least thirty days before the hearing on the change of name. At the hearing the customers and landowners shall be entitled to be heard as to why the name should or should not be changed. Following the hearing the board shall act on the resolution changing the name of the district.

Sec. 316. Section 48-2010, Arizona Revised Statutes, is amended to read:

48-2010. Board of directors; qualifications; term; appointment; election; conversion; reorganization; compensation; expenses

A. A sanitary district having an area of one hundred sixty acres or more shall be governed by a board of directors with not less than three members. Members of the board of directors shall be qualified electors of the district. Immediately after the first regular election held subsequent to the enactment of this section by a sanitary district organized and existing ~~prior to~~ BEFORE such enactment, the directors shall meet and divide themselves by lot into two classes as nearly equal in number as possible. Directors of the first class shall serve for a term of four years, and directors of the second class for a term of two years, and until the directors' successors are elected and qualified. Thereafter at each regular election one director for each expired term shall be elected, and shall hold office for a term of four years, and until the director's successor is elected and qualified. The dates of elections and of expiration of terms of the initial directors shall be specified in the petition for establishment of the district. Except for an election to reorganize a sanitary district, candidates for directors shall file nominating petitions with the board of supervisors as prescribed by title 16, chapter 3. If only one person files or no person files a nominating petition for an election to fill a district office, the board of supervisors may cancel the election for the position and

appoint the person who filed the nominating petition to fill the position. If no person files a nominating petition for an election to fill a district office, the board of supervisors may cancel the election for that office and that office is deemed vacant and shall be filled as otherwise provided by law. A person who is appointed pursuant to this section is fully vested with the powers and duties of the office as if elected to that office.

B. A director who resides in an area ~~which~~ THAT is deleted from the sanitary district during the director's term of office shall continue to serve until the next regular election, and until the director's successor is elected and qualified. If the director's term does not expire at that time, a new qualified director shall be elected to serve out the unexpired portion.

C. A sanitary district having an area of less than one hundred sixty acres shall be governed by the board of supervisors of the county in which the district is located, and the board of supervisors shall be the board of directors of the district. On receipt of a petition that contains the signatures of twenty-five per cent or more of the qualified electors residing in the district that are verified by the county recorder and that requests that the district be converted and administered by its own board of directors, the board of supervisors shall call an election on the conversion of the sanitary district. The election may be held on any consolidated election date as prescribed in section 16-204. The sanitary district shall reimburse the county for the expenses of the sanitary district election. The petition for the conversion of the district shall specify either three or five as the number of directors for the converted sanitary district. The board of supervisors shall give notice of the election by posting copies of the order of election in three public places within the district not less than twenty days ~~prior to~~ BEFORE the date of the election, and ~~if a newspaper is published within the county having a general circulation within the district~~, the order shall be published ~~in the newspaper~~ ON A PUBLIC MEDIUM not less than once a week during each of the three calendar weeks preceding the calendar week of the election. The ballot for the election shall state "convert from a sanitary district administered by the county board of supervisors to a sanitary district administered by a local board of directors consisting of (insert three members or five members, as appropriate) - yes", "convert from a sanitary district administered by the county board of supervisors to a sanitary district administered by a local board of directors consisting of (insert three or five members, as appropriate) - no". The ballot shall also allow each elector to indicate the elector's choice for board members in the event of conversion. Within twenty days after the election, the board of supervisors shall meet and canvass the returns, and if it is determined that a majority of the votes cast at the election were in favor of converting the sanitary district, the board shall enter that fact on its minutes, declare the district duly converted and announce the names of those elected to the district board.

D. The board of supervisors shall make an order calling an election to decide whether to reorganize a sanitary district that has a board consisting of three members as a sanitary district that has a board consisting of five members when a petition containing the signatures of twenty-five per cent of the qualified electors residing within the district and requesting that the district be reorganized is filed with the board except the board of supervisors shall not call for a reorganization election to expand the number of directors on the district board more frequently than once every two years. The election may be held on any consolidated election date as prescribed in section 16-204. The sanitary district shall reimburse the county for the expenses of the sanitary district election. The board of supervisors shall give notice of the election by posting copies of the order of election in three public places within the district not less than twenty days ~~prior to~~ BEFORE the date of the election, and ~~if a newspaper is published within the county having a general circulation within the district,~~ the order shall be published ~~in the newspaper~~ ON A PUBLIC MEDIUM not less than once a week during each of the three calendar weeks preceding the calendar week of the election. The ballot for the election shall state "shall the current three member sanitary district board be reorganized to a five member board - yes or no". The ballot shall also allow each elector to indicate the elector's choice for two additional board members in the event of reorganization. Within twenty days after the election, the board of supervisors shall meet and canvass the returns, and if it is determined that a majority of the votes cast at the election were in favor of reorganizing the sanitary district as a district with a five member board, the board shall enter that fact on its minutes, declare the district duly reorganized and announce the names of those elected to the district board.

E. Each director of a sanitary district shall receive not more than one hundred fifty dollars per month or a lesser amount as set by the board of directors of the district plus necessary traveling expenses, but members of the board of supervisors when serving as directors of a sanitary district shall receive no compensation for attending meetings but shall be reimbursed for their necessary expenses. No director shall receive compensation, other than expenses, for attending more than four meetings of the board during a calendar month.

F. For a district that is not governed by the board of supervisors, if a vacancy occurs on the district board due to death, disability, resignation or any other cause, the board of directors of the sanitary district shall appoint a qualified elector of the district to fill the office for the remaining portion of that term, except that if the remaining directors do not constitute a quorum, the county board of supervisors shall make the appointment to fill the vacancy.

Sec. 317. Section 48-2016, Arizona Revised Statutes, is amended to read:

48-2016. Sanitation survey report; hearings; approval

A. When the survey or plan and report prepared under section 48-2015 are filed, the board of directors may reject the report and direct that a new report be prepared or that changes be made. If the report complies with the provisions of section 48-2015 and is satisfactory to the board, the board shall hold a hearing on any objections to the report or to the performance of the proposed work. Notice of the hearing shall be given by publication five times ~~in a daily or twice in a weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the sanitary district.

B. At the conclusion of the hearing the board shall order the report to be changed, or shall approve it as made. If changes are ordered, further hearings shall be held thereon until the board approves the report. ~~Upon~~ ON approval by the board, the report or a resume thereof shall be published for distribution to the public.

Sec. 318. Section 48-2018, Arizona Revised Statutes, is amended to read:

48-2018. Performance of work; methods; calls for bids; modification of specifications

A. The board of directors shall employ qualified water or sanitation engineers necessary to superintend the performance of work specified in the approved report of the survey or plan. The work or any portion thereof may be performed, under the direction of the engineers employed for that purpose, in any of the following ways, as ordered by the board of directors:

1. By purchasing the material and performing the work.

2. By purchasing the material and letting a contract for performance of the work.

3. By purchasing a portion or none of the material and letting a contract for furnishing the balance or all of the material and performance of the work.

B. A contract for performance of work or for furnishing material shall be let to the lowest responsible bidder submitting a sealed bid in response to a call for bids published once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The call for bids shall include detailed plans and specifications covering the work to be done and the materials to be furnished. If materials to be purchased without the letting of a contract cost ten thousand dollars or more, they shall be purchased from the lowest responsible bidder after publication of a call for bids as provided by this subsection.

C. All work recommended in the approved report shall be performed in conformity with the plans and specifications contained in the report unless the board of directors by a two-thirds vote adopts a resolution declaring that the interest of the district requires a modification of or departure from the report, and specifying the modification or departure.

Sec. 319. Section 48-2026, Arizona Revised Statutes, is amended to read:

48-2026. Tax levy for current expenses

A. The board of directors of a sanitary district may at the time of certifying the amount required for payment of principal of and interest on bonds, certify to the board of supervisors the amount necessary to maintain, operate, extend and repair the sewerage system and the garbage disposal and treatment plants of the district during the ensuing year, and to defray all other expenses incidental to the exercise of powers granted by this article, together with an estimate of the revenue which will be received from rentals and service charges. In that event, the board of supervisors ~~shall~~, at the time of levying general county taxes, SHALL levy and cause to be collected in the manner prescribed by law for county taxes, a tax on real property and mobile homes within the sanitary district based on the current assessment roll, sufficient to pay the amount certified, less the amount estimated to be received from rentals and service charges.

B. The tax, when collected, shall be paid into the county treasury to the credit of the operating fund of the sanitary district, and the board of directors may order expenditure of the fund for the purposes for which levied. Payments from the operating fund shall be made ~~upon~~ ON claims allowed by the board of directors, prepared, presented and audited in the same manner as claims against the county.

C. Not less than twenty nor more than thirty days ~~prior to~~ BEFORE making the certification to the board of supervisors provided by subsection A OF THIS SECTION, the board of directors shall publish ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district~~,~~ an itemized statement of the amounts proposed to be certified, and the statement shall contain notice of a meeting to be held by the board of directors ~~prior to~~ BEFORE the time for the certification. At that meeting, any owner of real property or a mobile home within the district may appear and present objections to any item of the amount proposed to be certified.

Sec. 320. Section 48-2033, Arizona Revised Statutes, is amended to read:

48-2033. Standards for adoption of moratorium; extensions; limitations; definitions

A. A sanitary district shall provide continuous service and shall not adopt a moratorium on construction or land development unless the board of directors of the district first:

1. Provides notice to the public that is published once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the community at least thirty days before a final public hearing is held to consider the adoption of the moratorium.

2. Makes written findings justifying the need for the moratorium as provided for in subsection B of this section.

3. Holds a public hearing on the adoption of the moratorium and the findings that support the moratorium.

B. A moratorium may only be justified by demonstration of a need to prevent a shortage of essential public facilities that would otherwise occur during the effective period of the moratorium. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. The actual capacity of the existing essential public facilities based on current use.

2. The extent of need beyond the estimated capacity of existing essential public facilities expected to result from construction or new land development, including identification of any essential public facilities currently operating beyond capacity and the portion of this capacity already committed to development.

3. The moratorium is reasonably limited to those areas of the sanitary district where a shortage of essential public facilities would otherwise occur and on property that has not received development approvals based on the sufficiency of existing essential public facilities.

4. The housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining essential public facility capacity.

C. A moratorium adopted pursuant to this section:

1. Does not affect any express provision in a development agreement entered into pursuant to section 11-1101 governing the rate, timing and sequencing of development.

2. Does not affect rights acquired pursuant to a vested development right.

3. Shall provide a procedure for an individual landowner to apply for a waiver of the moratorium's applicability to the landowner's property by claiming rights obtained pursuant to a development agreement, a protected development right or any vested right, or by providing the public facilities that are the subject of the moratorium at the landowner's cost.

D. A moratorium shall not remain in effect for more than one hundred twenty days, except that a moratorium may be extended for additional periods of not more than one hundred twenty days if the sanitary district adopting the moratorium holds a public hearing on the proposed extension. The district shall provide notice to the general public published once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the community at least thirty days before the hearing on the proposed extension. After the hearing, the district may extend the moratorium if it makes written findings that:

1. Verify the problem requiring the need for the moratorium to be extended.

2. Demonstrate that reasonable progress is being made to alleviate the problem resulting in the moratorium.

3. Set a specific duration for the ~~renewal~~ EXTENSION of the moratorium.

E. This section does not prevent a sanitary district from complying with any state or federal law, regulation or order issued in writing by an authorized governmental entity.

F. A landowner aggrieved by a sanitary district's adoption of a moratorium pursuant to this section may file, at any time within thirty days after the moratorium is adopted, a complaint for a trial de novo in the superior court on the facts and the law regarding the moratorium. All matters presented to the superior court pursuant to this section have preference on the court calendar on the same basis as condemnation matters and the court shall further have the authority to award reasonable attorney fees incurred in the appeal and trial pursuant to this section to the prevailing party.

G. For the purposes of this section:

1. "Essential public facilities" means sewer improvements to the extent that these improvements provide service to the sanitary district.

2. "Moratorium on construction or land development":

(a) Means engaging in a pattern or practice of delaying or stopping issuance of permits, authorizations or approvals necessary for a subdivision and partitioning of, construction on, or provision of sewer service to, any land in the district.

(b) Does not include denial or delay of permits or authorizations because they are inconsistent with applicable statutes, rules or ordinances.

3. "Vested right" means a right to develop property established by the expenditure of substantial sums of money pursuant to a permit or approval granted by the county or sanitary district.

Sec. 321. Section 48-2046, Arizona Revised Statutes, is amended to read:

48-2046. Publication of resolution of intention; posting notice of resolution; mailing notice

A. The resolution of intention shall be published five times ~~in consecutive issues of a daily newspaper or two times in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the sanitary district. The board shall also cause to be conspicuously posted along the location of the proposed improvement, at not more than three hundred feet apart, notices of the passage of the resolution. The notice shall be headed "notice of proposed improvement", in letters at least one inch in height, and shall state the fact of the passage of the resolution of intention and briefly describe the improvement proposed.

B. The board shall cause to be sent to each property owner whose property may be assessed a notice of the passage of the resolution, which contains a brief description of the proposed improvement. The notices shall be sent by United States mail to each name on the most recent equalized property tax roll.

Sec. 322. Section 48-2048, Arizona Revised Statutes, is amended to read:

48-2048. Qualifications and procedure for making and hearing protests and objections

A. In determining protests and objections, the board shall be guided by the following rules:

1. Each paper containing signatures shall have attached the affidavit of an owner to be assessed, stating that each signature was affixed in his presence and is the signer's actual signature.

2. The protest or objection shall be counted only for the property described as belonging to the signer. A signature without the property description shall not be counted.

3. The signature of one cotenant or, if community property, the signature of either spouse is sufficient for a protest if no objection to the signature is made by the other cotenant or spouse. If the signature is so protested, the protest shall be counted only to the extent of the signer's interest in the property.

4. A protest or objection signed by a guardian, executor, administrator or trustee is valid without an order of a court.

5. A protest or objection by a person in possession under contract of purchase is valid.

6. If several persons have a claim to or an interest in property, the signature of any one of them is sufficient unless questioned by another having such claim or interest, whereupon the wishes of the person legally entitled to possession of the property at the date of the protest control.

7. A protest or objection signed by an agent or attorney-in-fact shall be disregarded unless the authority of the agent has been recorded with the county recorder, or written or telegraphic authority is attached to the protest or objection before the expiration of the time for filing the protest or objection.

8. A signature may be withdrawn from a protest or objection by filing the withdrawal with the clerk in his office at or before 5:00 p.m. of the last day set for filing protests.

9. An objection to the signature of a cotenant, spouse, claimant or person interested may be filed, and the authority of an agent or attorney-in-fact questioned, at any time before the board finally passes on the sufficiency of the protest. An agency or authority may not be revoked as to the signature after expiration of the protest period.

B. The board may fix a date for a hearing on the sufficiency of a protest. The date shall be within thirty days from the expiration of the protest period. The board shall give notice of the hearing by publication twice ~~in a daily or once in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the sanitary district or county and by mailing the notice to each objector at his address of record.

C. The notice shall require all persons signing the protest or their agents or attorneys to appear and show cause why the protest should not be overruled.

D. At the hearing the board may disregard all signatures of persons for whom the right to sign does not appear in the records of the county recorder or is not supported by evidence at the hearing.

Sec. 323. Section 48-2049, Arizona Revised Statutes, is amended to read:

48-2049. Resolution ordering improvement; notice; bids

A. The board may order, by resolution, the proposed improvements described in the resolution of intention if EITHER:

1. No protests against the work or no objections as to the extent of the proposed assessment district have been filed within the prescribed time.

2. The board finds a protest to be insufficient in that it does not contain the signatures required or the objections to the extent of the proposed district have been heard and denied and no action requesting review of the board's decision on protests against the proposed improvements is pending or all actions for review of the board's decision have been finally resolved in favor of the board's decision.

B. The resolution ordering the improvement need not fully describe the improvement or the extent of the assessment district but may refer to the resolution of intention for the description.

C. The board shall publish a notice of the passage of the resolution ordering the improvement and inviting sealed bids from persons interested in constructing the improvement twice ~~in one or more daily newspapers or once in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the sanitary district. The board shall post a copy of the notice for five days on or near the door of the meeting place of the board. The notice shall state the time within which bid proposals may be filed with the clerk, which shall not be fewer than ten days from the date of the first publication of the notice.

D. If the resolution of intention provides for alternative plans and specifications, the invitation for bids for making the improvements may require separate bids according to each of the several alternative plans and specifications.

Sec. 324. Section 48-2052, Arizona Revised Statutes, is amended to read:

48-2052. Bids; bond; award of contract; entering into contract; liability on bond

A. Bids shall be submitted accompanied by a bond payable to the sanitary district for an amount not less than ten per cent of the aggregate bid. Alternative bids may be accompanied by one bond at least equal to ten per cent of the amount of the highest proposal submitted.

B. The board ~~shall~~, in open session, SHALL examine and publicly declare the bids. The board may reject any bids if deemed for the public good and shall reject all bids other than the lowest and best bid of a responsible bidder. The board may award the contract for the improvement to the lowest and best responsible bidder at the price named in his bid on a motion, noted in its minutes, approved by a majority vote of its members.

C. If the resolution of intention to make the improvement and the resolution ordering the work have provided for alternative plans and specifications and the notice has invited separate bids pursuant to the alternative plans and specifications, the board shall not award the contract for the improvement until fifteen days after the bids have been opened, examined and declared. If, within such period, the owners of a majority of the property fronting on the proposed improvement, or if the cost of the improvement is made chargeable on a district, the owners of a majority of the frontage of the property in the assessment district, in writing, require that the proposed improvement be constructed according to one of the alternative plans and specifications, the board shall so determine and require and shall award the contract to the lowest and best responsible bidder. If no such written requirement is filed, the board shall determine which of the alternative plans and specifications to adopt, considering cost and efficiency, and shall award the contract accordingly.

D. Notice of the award of the contract shall be published twice ~~in a daily newspaper or once in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

E. At any time within fifteen days from the date of the first publication, a person having an interest in a lot liable for an assessment who claims that any of the previous acts or proceedings relating to the improvement are irregular, illegal or faulty may file with the board a written notice specifying in what respect the acts and proceedings are irregular, illegal or faulty. All objections to any act or proceeding ~~which~~ THAT are not made before the notice of the award are deemed to be waived, except as to matters directly affecting the authority of the board. If the board finds any objection to be valid, it may abandon the proceedings, correct or modify any portion of the proceedings or proceed as in the first instance.

F. Within twenty days after the date of the first publication, if no objections have been filed, the successful bidder shall enter into a contract to make the improvement according to his bid. If objections are filed but are rejected by the board, the contract shall be entered into within five days after receiving notice from the board of such rejection. If the bidder fails to enter into the contract within that period, the board, without further proceedings, shall advertise for bids in the same manner as for the initial bids. A bidder who fails to enter into the contract is liable on his bond accompanying the bid for all costs and damages incurred and sustained by reason of the failure to enter into the contract.

Sec. 325. Section 48-2058, Arizona Revised Statutes, is amended to read:

48-2058. Delivery of warrant and assessment to contractor; demand for payment; release of assessments; review of assessment

A. After the warrant and assessment are recorded, they shall be delivered to the contractor, or to the sanitary district if it charges itself with the duty of making demands for the payment, together with one of the diagrams. By virtue of the warrant, the contractor or the district, as the case may be, may demand and receive the amount of the several assessments.

B. The contractor, treasurer or other person nominated by the board, as the case may be, shall call on the person assessed, either in person or by mail if the person can conveniently be found, and demand payment, and if paid the contractor or treasurer or other person nominated by the board shall provide a receipt. The receipt, when presented to the district, constitutes an order to it to release the assessment.

C. The contractor, treasurer or other person nominated by the board shall promptly notify the district of all payments made to him, whereupon the district shall release assessments which have been fully paid. If the name of the owner of the lot is stated as "unknown" on the assessment, the contractor or treasurer or other person nominated by the board shall demand payment of a person in possession of the lot. If someone is in possession, the demand may be made either by mail, if a mailing address for the person in possession can be determined, or in person. If the premises are unoccupied or the person in possession cannot be found, the demand is unnecessary.

D. The warrant shall be returned to the board within thirty days after its date endorsed with "return", signed by the contractor or treasurer or other person nominated by the board, as the case may be, verified on oath and stating the nature and character of the demand, and whether any assessments remain wholly or partially unpaid, and the amount of the unpaid assessment. In the absence of fraud or bad faith, the verified statement of the person making the return is conclusive proof that the demand for payment was made on each owner, each person in possession or each parcel of property as required by this section. The board shall record the return so made in the margin of the record of the warrant and assessment. After return of the assessment and warrant all amounts remaining due draw interest at the rate of eight per cent a year until paid or, on the issuance of bonds, at the rate specified in the bonds payable for the semiannual period specified in the bonds notwithstanding that the installments of assessments may be due at dates earlier than installments of interest are payable on the bonds.

E. On recording the assessment and warrant, the board shall fix a time when it will hear and pass on the assessment and the proceedings taken, which shall not be fewer than twenty days from the date of the recording. The board shall cause notice of the hearing to be published for five days ~~in a daily newspaper, or two times in a weekly or semiweekly newspaper, of general~~

~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the sanitary district and shall cause notices of the time and place of the hearing to be mailed by first class mail, at least twenty days before the hearing date, to all persons owning real property affected by the assessments as their names and addresses appear on the last certified property tax roll. If no address appears for a person on the last certified tax roll, no notice need be mailed to that person. The chairman of the board shall make an affidavit of the mailing and shall state that the persons to whom notices were mailed constitute all persons whose names and addresses appear on the tax roll as owning property in the improvement area. The affidavit is conclusive proof that notice was mailed to each person to whom notice is required to be mailed. The failure to receive notice does not constitute any jurisdictional defect invalidating a district proceeding or assessment if notice has been sent pursuant to this section.

F. The owners, contractor and all other persons directly interested in the work or in the assessment, who have any objection to the amount or legality of the assessment or to any of the previous proceedings or who claim that the work has not been performed according to the contract, ~~may,~~ before the time fixed for the hearing, MAY file a written notice briefly specifying the grounds of their objections. At the time fixed for the hearing or at any time not later than ten days thereafter, to which the hearing may be postponed, the board shall hear and pass on their objections. The decision of the board is final and conclusive on all persons entitled to object as to all errors, informalities and irregularities ~~which~~ THAT the board may have remedied or avoided at any time during the progress of the proceedings.

G. After the hearing, if the board of directors finds that the assessment has not yet been fairly apportioned, it shall modify the amounts of the several assessments and may order that the assessment be recomputed if it finds that the benefits to any lots do not equal the amount of the lots' assessments. When recomputing the assessment, the board shall levy the reassessments according to the benefits derived, notwithstanding the fact that the reduction of any assessment may cause a corresponding increase in other assessments, except that without the written consent of the owner of land to be assessed, no assessment or assessments may be increased in a manner ~~which~~ THAT causes the total assessment for all work and expenses to exceed the total amount stated on the engineer's official estimate.

H. At any time within one year after the date the district files the certificate of completion as provided in section 48-2065, subsection G, any member of the board of directors, any owner or any person claiming an interest in any lot ~~which~~ THAT received an assessment may file a written notice with the clerk stating that the work has not been performed substantially according to the resolution of intention or the plans, specifications and estimate. The notice shall state in particular the contractor's failure to perform and may also state, if applicable, any requested reduction in the assessment of any one or more parcels due solely

to the failure of such performance. The notice shall state the name and address of the person filing the notice and shall describe the person's interest in land subject to assessment, if applicable.

I. On receipt of such a notice, the board of directors shall set a date for a hearing on the notice. The board of directors shall give notice of the hearing to the contractor, the contractor's surety, the person appointed to take charge of and superintend the work and all persons whose names and addresses appear in the notice. In addition, the clerk shall cause a notice of the hearing to be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

J. At the hearing, the board shall determine whether the work was completed according to the resolution of intention, the plans and specifications and any corrections or alterations of the plans deemed necessary. If the board determines that the work has not been so completed, it shall order the contractor to complete the work and shall set a reasonable time for completion and recess the hearing until the date set for completion. If, at the date set to reconvene the hearing, the evidence shows that the work is then completed, the board shall enter such findings on its minutes. If the board determines that the contractor is making a good faith attempt to complete the work, it may continue the completion date and recess the hearing to a later date. If, at the hearing or at any recessed hearing, the board of directors finds that the contractor refuses to complete or is incapable of completing the work, it shall order and the district's attorney shall bring an action against the contractor and its surety to collect such amounts or cause such performance as is necessary to complete the work.

K. If the board determines that for any reason the work cannot be completed and no recovery can be made against the contractor or the contractor's surety, the board may recompute the assessment, taking into consideration the effect the contractor's failure to perform may have had on the actual benefits derived from the improvement and reduce some or all assessments to reflect the reduced benefits. If the assessments are reduced, the district shall assume as a contingent liability any difference between the amounts thereafter received on the semiannual assessment payments and the amounts of principal and interest thereafter due on the bonds. The assumption of such amount becomes a general obligation of the district.

L. All decisions made concerning any notice filed pursuant to this section are final and conclusive as to the persons filing the notice, the contractor and the contractor's surety and as to the alleged defect in the work. After a ruling on any alleged defect in the work, the board shall not entertain or hear a later notice concerning the same defect, whether or not filed by a person other than the person filing the original notice.

M. After the work is completed, the district shall file a recomputed assessment based on the actual quantities determined by the engineer to have been constructed or installed, or the actual cost of the acquisition, as the case may be, together with the known incidental expenses paid to that date

and the itemized estimated incidental expenses remaining to be paid. The engineer need not recompute each individual assessment but shall determine the amount of the increase or decrease to be assessed and shall file a supplemental statement with the clerk stating the ratio of the difference between the contractor's bid and the recapitulated amount and ordering that each assessment be increased or decreased, as the case may be, by that ratio. If the total assessment is decreased, the treasurer shall credit the amount of the decrease proportionately on the assessments remaining unpaid and return to the owner, if the owner can be located, that portion of each assessment previously paid in cash which represents an excess payment.

N. At the hearing provided pursuant to subsection E of this section the board shall receive and consider applications from individual lot or parcel owners for financial assistance in paying assessments. The application shall be in a form approved by the board and the applicant shall provide reasonable evidence that the applicant lacks the financial capability to pay the full assessment or the annual assessment installments. The board shall appropriate monies from any source to provide assistance for any person by having the sanitary district pay the individual assessment and have the applicant provide an instrument, secured by an encumbrance on the applicant's property, which provides for repayment to the sanitary district on less burdensome terms than the assessment or the annual assessment installments of the monies paid by the district. This subsection applies only to applicants who own fewer than three parcels or lots within the area to be assessed.

Sec. 326. Section 48-2068, Arizona Revised Statutes, is amended to read:

48-2068. Collection of assessment installments; notice; delinquent installments

A. All assessments not certified remain collectible by the contractor or district pursuant to this article. The district shall promptly collect all installments of principal and interest on the assessments so certified. The district ~~shall~~, thirty days before any installment of principal or interest becomes due, unless the board has provided for collecting the assessments pursuant to section 48-2076, SHALL notify by mail every interested person who has filed his name and address with the district, and by publication in not smaller than eighteen-point type at least two times ~~in a daily newspaper or at least two successive insertions in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district.

B. The notice shall serve for all assessments in the sanitary district due on the date specified in the notice and shall be substantially in the following form:

Notice of special assessments
due on improvements

All persons owning property heretofore assessed for improvements will take notice that an installment of _____ becomes due and payable

on or before the _____ day of _____, ~~19____~~ 20____, and if not so paid on or before such date the same will become delinquent and a ten per cent penalty will be added to the amount thereof.

C. The board may publish a more detailed notice, in smaller type, but the heading of the notice prescribed in subsection B OF THIS SECTION shall not be printed in smaller type than eighteen-point. The first publication of notice shall be at least thirty days before the installment is payable. The method of publication of notice provided for in this section applies to all bonds and assessments issued and levied and all notices of special assessments due on improvements.

D. When an installment is paid, the district shall note in its records the date of the payment and the name of the person by or for whom it is paid and ~~shall~~, if requested, SHALL give a receipt.

E. On the days following the date on which the installment becomes due, all unpaid installments become delinquent. The district shall certify this fact on its records, mark each installment delinquent and add five per cent to the amount of each installment.

Sec. 327. Section 48-2069, Arizona Revised Statutes, is amended to read:

48-2069. List of delinquent installments; publication of notice; sale of delinquent property

A. The board, within twenty days from the date of the delinquency, shall begin the publication of the list of the assessments on which any installment is delinquent. The list shall contain a description of each parcel of property and, opposite each description, the name of the owner as stated in the assessment or, if no name is stated in the assessment, the word "unknown" and the amount of the installment delinquent, together with the penalty and costs due, including the cost of advertising.

B. The board shall attach to and publish with the list a notice that unless each delinquent installment, and the penalty and costs on the installment, is paid, the whole amount of the assessment will be declared due and the property on which the assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The publication shall be ~~circulated~~ PUBLISHED in the sanitary district for a period of ten days ON A PUBLIC MEDIUM. ~~in a daily newspaper, or for two weeks in a weekly newspaper so published and circulated. If published in a daily newspaper, publication shall be made in two issues for the paper, and eight days shall intervene between the first and last publication.~~

C. Before the date fixed for the sale or before the date to which the sale has been postponed, the district board shall obtain a record search that shows the names and addresses of record of all lien claimants on, and other persons with an interest in, all lots or parcels on which an installment of the assessment is delinquent. The cost of a record search may be added to the assessment and is deemed to be a portion of the delinquent installment.

D. At least ten days before the sale date or the date to which the sale has been postponed, the district shall cause to be mailed a notice of the date and place of the sale or postponed sale to the owner and to each of the lien claimants and other persons with an interest as shown by the search of records. The notice shall state the date of the sale, the amount of the delinquent installments including penalties, costs of advertisement and costs of the record search, shall state either that the whole amount of the assessment and costs and penalties or, if the district has provided for the sale of the amount of the delinquent assessment, that the amount then delinquent plus interest, penalties and costs are due at the time of the sale and shall state that, unless redeemed within the time allowed by law, the district's deed will be delivered to the purchaser and the district's deed shall convey title to the lands described therein free and clear of all interests and liens except liens for general property taxes and prior special assessments.

E. A final sale may not be held unless the district has provided notice by mail as prescribed by this section to all lien claimants and others with an interest discovered in the search of records. The mailing may occur either before the date originally set for the sale or before the date of any postponed sale, and only one mailing and one record search are required.

F. The time of the sale shall not be fewer than five days after the last publication. The place of sale shall be in or in front of the office of the district or in or in front of the usual place of meeting of the board. The sale may be postponed.

Sec. 328. Section 48-2078, Arizona Revised Statutes, is amended to read:

48-2078. Failure to hold or adjourn scheduled hearing; provision for subsequent hearing

If the time and place for a hearing are fixed by the board under this article, and for any reason the hearing is not held or regularly adjourned to a specified time and place, the authority of the board is not divested or lost. The board may thereafter fix a time and place for the hearing and cause notice to be given by publication ~~by at least one insertion in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district as designated by the board. The publication shall be at least five days before the date of the hearing.

Sec. 329. Section 48-2203, Arizona Revised Statutes, is amended to read:

48-2203. Formation of district; district impact statement; petition; hearing; notice

A. Any person proposing to create a district shall prepare a district impact statement and submit the statement, with the petition prescribed in subsection B of this section, to the board of supervisors of the county in which the district is to be located. If a proposed district is located in more than one county, the impact statement shall be submitted to the board of

supervisors of the county in which the majority of the assessed valuation of the property within the area of the proposed district is located. The boards of supervisors of any other counties in which a portion of the district is located shall provide information and assistance to the responsible board of supervisors. If the person proposing to create a district pursuant to this section is unable to complete the district impact statement, the board of supervisors may assist in the completion of the impact statement if requested to do so, provided the bond required in section 48-2204 is in an amount sufficient to cover any additional cost to the county. The district impact statement shall contain at least the following information:

1. A description of the boundaries of the proposed district and a detailed, accurate map of the area to be included in the district.

2. An estimate of the assessed valuation within the proposed district.

3. An estimate of the change in the property tax liability, as a result of the proposed district, of a typical resident of the proposed district.

4. A list and explanation of benefits that will result from the proposed district.

5. A list and explanation of the injuries that will result from the proposed district.

B. A petition requesting that a health service district be established by the board of supervisors in the county in which the district is to be located shall be filed with the clerk of the board if signed by ten per cent of the qualified electors within the proposed district and signed by persons owning collectively more than ten per cent of the assessed valuation of the property in the area of the proposed district. The petition shall be verified by one of the petitioners and shall be accompanied by a plat or sketch indicating the approximate areas and boundaries of the district.

C. The petition shall set forth:

1. The name of the proposed district.

2. That the public health, comfort, convenience, necessity or welfare will be promoted by the establishment of the district.

3. The boundaries of the district.

4. A general outline of the facilities and services to be offered by the district.

5. Other matters as required by this article.

D. Additional petitions with additional signatures may be filed before the hearing on the original petition and shall be considered as having been filed with the original petition.

E. A petition with the required number of signatures shall not be declared void on account of alleged defect, but the board of supervisors shall permit a petition to be amended in form and substance to conform to the facts and requirements of this section.

F. The clerk of each county shall maintain a list of property owners in the county who want to be notified of any proposed health service district affecting their current tax structure.

G. The petition shall be presented to the board of supervisors, and the board shall enter an order setting the time, at least three but not more than five weeks from the date of the order, at which time a hearing on the petition shall be held by the board, and directing that notice of the hearing shall be published once a week for at least two consecutive weeks before the date of the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the proposed district.

H. The clerk shall notify all property owners on the list regarding the pending hearing at least two but not more than three weeks from the date the board of supervisors ordered the hearing.

I. For THE purposes of this section, ~~"~~assessed valuation~~"~~ does not include the assessed valuation of property that is owned by a county.

Sec. 330. Section 48-2206, Arizona Revised Statutes, is amended to read:

48-2206. Election to determine organization of district; notice of election; qualifications of voters

A. Notwithstanding the provisions in sections 16-225 and 16-226, the board of supervisors may order formation of a health service district~~,~~. The board shall give notice as prescribed by this section of an election to be held within the proposed district for the purpose of determining whether the district shall be organized. The board shall set the date of the election.

B. The notice shall:

1. Designate a name for the proposed district.

2. Describe the boundaries of the district.

3. Designate the polling places to be established within the district for the election.

4. Be published once a week for at least two consecutive weeks immediately preceding the election ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the proposed district.

C. Notwithstanding the provisions in sections 16-225 and 16-226, the election shall be conducted as nearly as practicable in accordance with the general election laws of this state. The notice and time periods prescribed by this article apply instead of title 16, chapter 2, article 3.

D. Election ballots shall contain the words "health service district -- yes" and "health service district -- no".

E. Eligibility to vote in the election shall be determined by section 16-120.

F. The county recorder or elections director shall be designated the person in charge of the election and shall supply all election materials, ballots and election officers.

Sec. 331. Section 48-2211, Arizona Revised Statutes, is amended to read:

48-2211. Health services survey report; hearings; approval

A. When the health services survey report is filed, the board of directors may reject such report and direct that a new report be prepared or that changes be made. If the report complies with the provisions of section 48-2210 and is satisfactory to the board, the board of directors shall hold a hearing on any objections to the report or to the performance of the proposed work. Notice of the hearing shall be given by publication five times ~~in a daily or twice in a weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the health service district.

B. The department shall be notified by the board of directors of the date of the hearing within five days after the date is set and at least ten days ~~prior to~~ BEFORE the hearing date. The department shall be represented at the hearing and shall advise the board.

C. At the conclusion of the hearing the board of directors shall order the report to be changed, or shall approve it as made. If changes are ordered, further hearings shall be held thereon until the board of directors approves the report. ~~Upon~~ ON approval by the board of directors, the report or a summary thereof shall be published for distribution to the public.

Sec. 332. Section 48-2212, Arizona Revised Statutes, is amended to read:

48-2212. Construction of facilities; provision of services; methods; contracting for services

A. The board of directors shall superintend the construction of medical facilities and the delivery of ambulatory medical services and ambulance service, if any, as specified in the approved report of the health services survey.

B. The construction of medical facilities or any portion thereof may be performed under the direction of the board of directors in consultation with the department and in any of the following ways, as ordered by the board of directors:

1. By purchasing the material and performing the work.

2. By purchasing the material and letting a contract for performance of the work.

3. By purchasing a portion or none of the material and letting a contract for furnishing the balance or all of the material and performance of the work.

C. Services authorized pursuant to subsection A OF THIS SECTION may be performed, as ordered by the board, in any of the following ways, either singly or in combination:

1. By providing the facility and performing the services.

2. By supplying all, none or a portion of the facilities and letting a contract for the balance of the facilities, and providing the services.

3. By supplying the facility and providing all, none, or a portion of the services and letting a contract for the balance of the services.

D. All contracts shall be let to the lowest responsible bidder submitting a sealed bid in response to a call for bids published once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The call for bids shall include a detailed description of the services required. If materials to be purchased without the letting of a contract cost one thousand dollars or more, they shall be purchased from the lowest responsible bidder after publication of a call for bids as provided by this subsection.

E. All work recommended in the approved report shall be performed in conformity with the plans and specifications contained in the report unless the board of directors by a two-thirds vote adopts a resolution declaring that the interest of the district requires a modification of or departure from the report, and specifying the modification or departure.

F. Contracts for direct health services provided by physicians, professional nurses, or physician assistants licensed or certified pursuant to title 32 shall be exempt from the bidding requirements prescribed by subsection D OF THIS SECTION.

G. Among the medical services provided at such medical clinics, there shall be no drug, surgical procedure or other service provision administered or prescribed for the purpose of causing, directly or indirectly, an abortion of an unborn embryo or fetus at any stage of development. Neither shall such service be contracted to any other medical or paramedical group to be performed.

Sec. 333. Section 48-2214, Arizona Revised Statutes, is amended to read:

48-2214. Bond election; subsequent bond election

A. After approval of the health service survey report the board of directors of the district shall submit to the qualified electors of the district the proposition of incurring bonded indebtedness to obtain funds with which to acquire the property and perform the work set forth by the report. Elections under this subsection must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d). The resolution calling the election shall set forth:

1. The purposes of the proposed indebtedness.
2. A reference to the report for particulars.
3. The amount of the proposed indebtedness.
4. The maximum numbers of years for which the bonds may be outstanding.
5. The maximum rate of interest to be paid.
6. The date of the election.
7. The election precincts and polling places.

B. The resolution shall be published once each week for three successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district.

C. If the proposition of issuing bonds fails to receive a majority of the votes cast at the election to authorize issuance of the bonds, the board of directors, not less than six months after that election, may call another election on the question of issuing bonds under the terms of this article, either for the same purposes or for any lawful purpose of the district.

D. No bond election shall take place until the board of directors has demonstrated to the department that contractual arrangements have been made for staff and a coordinating medical provider, as defined in section 36-2351, and the department has certified to the board of directors and to the organizing board that the above arrangements are sufficient to ensure that ambulatory care services will be available to the district for a period of at least one year of medical clinic operation.

Sec. 334. Section 48-2222, Arizona Revised Statutes, is amended to read:

48-2222. Leases of medical clinic and equipment; provisions; cancellation for failure to pay rent; release; auction; notice

A. A lease of a district-owned medical clinic and its equipment executed by the board of directors of the district, shall:

1. Extend for a term to be determined by the board, but not less than five nor more than ten years.

2. Be executed for the purpose of providing ambulatory medical services.

3. Provide for a rental ~~upon~~ ON terms and in an amount ~~which~~ THAT will provide a fair return to the district on its investment and be sufficient to meet part or all of the payments of principal and interest of bonds issued under this article.

B. If a lessee of the medical clinic and its equipment fails to make the payment of rental immediately required by the lease, the board of directors of the district shall cancel the lease for such failure. If then unable to lease the medical clinic and its equipment to a lessee qualified under the provisions of this article at a rental sufficient to provide a fair return to the district and meet part or all of the payments of principal and interest on any bonds issued by the district, the board ~~may~~, at public auction, MAY offer to lease the medical clinic and its equipment to the highest responsible qualified bidder for such terms as the board prescribes, and shall lease the medical clinic and its equipment to the bidder who bids the highest rental for the prescribed period and who also agrees to provide the services required by this article. The board of directors ~~may~~, at any time, MAY implement a plan to provide ambulatory medical services on its own accord.

C. If the board of directors determines that an auction should be held, notice of the auction shall be given ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the district at least once each week for four weeks immediately preceding the auction.

Sec. 335. Section 48-2223, Arizona Revised Statutes, is amended to read:

48-2223. Tax levy for current expenses

A. The board of directors of a health service district, at the time of certifying the amount required for payment of principal and interest on bonds, may certify to the board of supervisors the amount necessary to maintain and operate the health service system of the district during the ensuing year, and to defray all other expenses incidental to the exercise of powers granted by this article, together with an estimate of the revenue ~~which~~ THAT will be received from rentals and service charges. In that event, the board of supervisors, at the time of levying county taxes, shall levy and cause to be collected in the manner prescribed by law for county taxes, a tax on real property within the health service district based on the current assessment roll, sufficient to pay the amount certified, less the amount estimated to be received from rentals and service charges. The levy for operational purposes shall not exceed seventy-five cents per one hundred dollars of assessed valuation except for a district that provides for ambulance service or a combined medical clinic and ambulance service as prescribed by section 48-2209.

B. The board of directors of a health service district may certify to the board of supervisors an amount to levy on all taxable property within the district for the purpose of funding the operation and maintenance of ambulance service or combined medical clinic and ambulance service that is owned or operated by the district or to pay the cost of an ambulance service contract entered into pursuant to section 48-2209. The amount of the levy necessary for the operation and maintenance of the ambulance service, if any, shall be separately stated in the levy. Before the initial imposition of such a tax, a majority of the qualified electors voting in an election conducted in the same manner provided in section 48-2213 must approve the initial imposition. The election must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d). The levy under this subsection for operation of ambulance service pursuant to this subsection shall not exceed seventy-five cents per one hundred dollars of assessed valuation, or one hundred thousand dollars, whichever is less. The one hundred thousand dollar limit in this subsection shall be adjusted annually from a 1991 base year according to the health services component of the metropolitan Phoenix consumer price index published by the bureau of business and economic research, college of business administration, Arizona state university or its successor.

C. The tax, when collected, shall be paid into the county treasury to the credit of the operating fund of the district, and the board of directors may order expenditure of the fund for the purposes for which levied. Payments from the operating fund shall be made ~~upon~~ ON claims allowed by the board of directors AND prepared, presented and audited in the same manner as claims against the county.

D. Not less than twenty nor more than thirty days ~~prior to~~ BEFORE making the certification to the board of supervisors provided by subsections A and B of this section, the board of directors shall publish ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district an itemized statement of the amounts proposed to be certified, and the statement shall contain notice of a meeting to be held by the board of directors ~~prior to~~ BEFORE the time for the certification. At that meeting, any owner of real property within the district may appear and present objections to any item of the amount proposed to be certified.

E. If a district lies in more than one county the amount necessary to maintain and operate the health service system of the district during the ensuing year shall be apportioned and the tax levied and collected in the same manner as established in section 48-2220, subsection E.

Sec. 336. Section 48-2227, Arizona Revised Statutes, is amended to read:

48-2227. Incorporated area in the district; withdrawal

A. The district may be established or the boundaries changed pursuant to section 48-262 to include incorporated cities or towns as well as unincorporated areas.

B. Notwithstanding section 48-262, the governing body of an incorporated city or town that desires to withdraw from the district shall notify the board of directors and publish a notice once each week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The municipal governing body shall hold at least one hearing on the issue of withdrawing from the district and shall receive all written and oral comments presented at the hearing. The municipal governing body shall vote on the issue at the conclusion of the hearing, and if the vote is to withdraw from the district, the withdrawal is effective ninety days after the hearing.

C. On withdrawal, property located in the city or town is subject to section 48-262, subsection F and the incorporated area of the city or town is not entitled to health service district services.

Sec. 337. Section 48-2304, Arizona Revised Statutes, is amended to read:

48-2304. Petition for organization; notice; bond

A. In order to propose the organization of an agricultural improvement district, a petition shall be presented to the board of supervisors of the county in which the lands within the proposed district, or the greater

portion thereof, are located, signed by the required number of holders of title or evidence of title to the lands within such proposed district.

B. The petition shall set forth and particularly describe the proposed boundaries of such district, or if the lands proposed to be included in the district are not contiguous, may set forth the description by legal subdivisions of the several tracts of land proposed to be included in the district, and shall pray that the lands be organized as an agricultural improvement district under the provisions of this chapter, under such name as the petition designates. The petitioners shall accompany the petition with a good and sufficient bond to be approved by the board of supervisors in the amount of the probable cost necessary to be incurred by the board of supervisors in organizing the district, conditioned that the obligors will pay all such costs if the organization is not effected.

C. The petition shall be presented at a regular or special meeting of the board of supervisors and the board shall thereupon enter an order fixing a time, not less than three nor more than six weeks after the date of the order, at which a hearing on the petition will be held by the board, and directing that the petition, together with the notice of hearing be published not less than two nor more than four weeks ~~prior to~~ BEFORE the date of the hearing ~~in a newspaper~~ ON A PUBLIC MEDIUM designated by the board, published in the county. If any portion of the proposed district lies within another county or counties, the order shall further direct that the petition and notice ~~shall~~ be likewise published ~~in a newspaper~~ ON A PUBLIC MEDIUM designated in the order~~, printed and published~~ in each of such counties.

D. The place for the hearing on the petition shall be at the office of the board of supervisors to which the petition is presented.

Sec. 338. Section 48-2308, Arizona Revised Statutes, is amended to read:

48-2308. Election on question of organization; notice

A. ~~Upon~~ ON entry of the order of the board of supervisors, it shall give notice of an election to be held in the proposed district for the purpose of determining whether or not it shall be organized under the provisions of this chapter. The notice shall designate the name for the proposed district, describe the boundaries thereof, and shall set forth the boundaries of the precincts established therein, when there is more than one, together with the designation of the polling place and a board of election for each precinct.

B. The notice shall be published for at least two weeks ~~prior to~~ BEFORE the election ~~in a newspaper~~ ON A PUBLIC MEDIUM published within the county in which the petition for the organization of the proposed district was presented. If any portion of the proposed district is within another county or counties, the notice shall be published for the same length of time ~~in a newspaper~~ ON A PUBLIC MEDIUM published in each of the counties.

Sec. 339. Section 48-2331, Arizona Revised Statutes, is amended to read:

48-2331. Organization of board; term of office; location of district office

A. On the third Tuesday in October following a regular district election, the directors elected at the regular October election and whose terms have not then expired shall meet and organize the board, elect a president and appoint a secretary who shall hold office during the pleasure of the board. The term of office of directors, except those who have drawn an initial shorter term as provided in section 48-2315, shall be four years.

B. The office of the board of directors of the district may be established by the board at the county seat or at some other convenient place, either within or without the district but within the county in which the district is organized. After the office is established it shall not be changed without giving notice thereof by posting in three public places in the district and by publishing a similar notice for at least one week ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county where the district is organized.

Sec. 340. Section 48-2334, Arizona Revised Statutes, is amended to read:

48-2334. Definitions; procedures for participation by interested persons in proposed changes in electric rates

A. In this section, unless the context otherwise requires:

1. "Change in the standard electric rate schedule" means an increase or decrease or other modification of the rate blocks in, or a change in the method of calculating an escalation provision of, a standard electric rate schedule or the implementation of any new standard rate schedule.

2. "Interested persons" means either electors as set forth in section 48-2309 or purchasers of power from the district under standard electric rate schedules.

3. "Public notice" means one publication ~~in one or more newspapers of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the district's electric service area and by a direct mailing to its standard electric rate schedule customers of record and to the governing body of each city, town or county lying in whole or in part within the boundaries of the district.

4. "Secretary" means the secretary or assistant secretary of the district.

5. "Standard electric rate schedule" means the district's published electric rate schedules for standard contract customers including, but not limited to, residential, industrial and commercial and agricultural irrigation customers.

B. The district shall provide public notice of proposed changes to standard electric rate schedules, stating:

1. That the district is considering making changes in the standard electric rate schedule.

2. That the data described in subsection C of this section is available for inspection.

3. That the board of directors will hold a special meeting as required by subsection D of this section and stating the date, time and place of the meeting.

C. For a period beginning with the public notice and until ten days after the close of the board meeting prescribed in subsection D of this section, the district shall make available to interested persons, at its main office, pertinent information, including:

1. Management's recommendation for proposed changes in the standard electric rate schedule.

2. Pertinent financial and planning information, including data from long-range plans and budgets.

3. Current and proposed rate schedules.

4. Reports of consultants, if any.

D. Interested persons may file written comments with the secretary at any time during the period prescribed in subsection C of this section. A meeting of the board of directors of the district shall be held no sooner than thirty days and no later than sixty days after the public notice referred to in subsection B of this section. At the meeting, the board of directors shall:

1. Afford representatives of management of the district an opportunity to explain the proposed changes in the standard electric rate schedule, the criteria for such rates and answer questions.

2. Afford any consultants retained by the board an opportunity to comment upon the proposed changes in the proposed rate schedule and criteria for such rates.

3. Afford interested persons a reasonable opportunity to submit written comments or make oral presentations of views, questions and comments.

E. Following review of the information and comments gathered in the course of the procedures described in subsection D of this section the board of directors shall make its decision on the proposed changes in the proposed standard electric rate schedules.

F. The board of directors shall establish and enforce rules and regulations to carry out the purposes of this section.

Sec. 341. Section 48-2384, Arizona Revised Statutes, is amended to read:

48-2384. Designation of election precincts and voting places; notice of election; election officers; polling places

A. The board shall on or before October 1st of each year preceding the year of an election, by an order, establish a convenient number of election precincts in each division, and define the boundaries thereof.

B. Fifteen days before an election held under this article, the secretary of the board shall cause a notice to be posted in a public place in each election precinct of the time and place of holding the election, and shall post a similar notice thereof in a conspicuous place at the office of the board, specifying the polling places of each precinct and the names of the members of the board of election for each precinct. Notice of the election shall also be given by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors of the district is located, once a week for at least two successive weeks. The notice shall specify the time of the holding of the election, the boundaries of the precincts, and the location of the polling places.

C. ~~Prior to~~ BEFORE the time for posting the notices the board shall appoint for each precinct from the electors thereof one inspector, one judge and one clerk, who shall constitute a board of election for the precinct. If the board fails to appoint a board of election, or if the persons appointed, or any of them, do not attend at the opening of the polls on the morning of the election, the electors of the precinct present at that hour may appoint the election board or fill the places of the absent members thereof.

D. The board of directors shall in its order appointing the board of election designate the place in each precinct where the election shall be held.

Sec. 342. Section 48-2384.01, Arizona Revised Statutes, is amended to read:

48-2384.01. Alternative election process

Notwithstanding any other law, as an alternative to the election process prescribed in section 48-2384, the board may choose to conduct voting in any election exclusively under the following alternative election process:

1. Beginning ninety days next preceding the Saturday before any election, the secretary of the board shall cause notice of the election to be given by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors of the district is located, once a week for at least two successive weeks. The notice shall provide that the election shall be conducted by the alternative election process and shall describe the procedures for obtaining and submitting a ballot and the applicable times and dates. In addition, the notice shall be posted in one public place in each division and in a conspicuous place at the office of the board.

2. Ballots may be requested in person at the office of the secretary of the board, or may be requested by mail, telephone, the internet or other electronic means consistent with procedures to be established by the secretary. Ballots may also be requested and voted at an on-site early voting location, which shall remain open until 7:00 p.m. on the day of the election. The process and time frames for requesting and voting ballots shall generally comply with the process established for early voting by section 16-542, to the extent not inconsistent with this article.

3. Ballots may be returned by mail and must be received by the secretary of the board no later than 7:00 p.m. on the day of the election.

4. Ballots may also be returned in person at the office of the secretary of the board and at other locations as may be established at the discretion of the board no later than 7:00 p.m. on the day of the election.

5. For purposes of elections conducted pursuant to this section, there shall be a single board of election consisting of one inspector, one judge and one clerk, all of whom are appointed by the board of directors.

6. Elections conducted pursuant to this section are exempt from title 16, chapter 4, article 8.1.

Sec. 343. Section 48-2423, Arizona Revised Statutes, is amended to read:

48-2423. Annual financial report by board of directors

The board of directors ~~shall~~, on the first Tuesday in March each year, SHALL make and immediately thereafter publish a verified statement of the financial condition of the district, showing particularly the receipts and disbursements of the preceding year, together with the source of the receipts and purpose of the disbursements. The publication shall be made ~~in at least one issue of a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located.

Sec. 344. Section 48-2442, Arizona Revised Statutes, is amended to read:

48-2442. Bond election; results

A. ~~Upon~~ ON determining the amount of money necessary to be raised for any or all of the purposes set forth in section 48-2441, the board of directors shall immediately call an election at which shall be submitted to the electors of the district the question of whether or not the bonds of the district shall be issued in the amount so determined. The election must be held on the first Tuesday after the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

B. Notice of the election shall be given by posting notice thereof in three public places in each election precinct of the district, or if the district is not divided into divisions, in three public places in the district, for at least twenty days, and by publication of the notice ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors of the district is located, once a week for at least two successive weeks. The notice shall specify the time of holding the election, the amount of bonds proposed to be issued, the maximum rate of interest to be borne on the bonds and the denominations thereof.

C. Except as otherwise provided, the election shall be held and the results thereof determined and declared in all respects as nearly as practicable in conformity with the provisions of article 4 of this chapter governing the election of directors. No informality in conducting the election shall invalidate the election if it has been otherwise fairly conducted.

D. At the election the ballots shall contain the words "bonds - -yes" and "bonds - -no." If a majority of the votes cast at the election is "bonds - -yes", the board of directors shall cause the bonds to be issued. If a majority of the votes cast is "bonds - -no," the result of the election shall be declared by the board of directors and entered on its record, and at any time thereafter when a petition signed by one-fourth or more of the qualified electors of the district is presented to the board of directors, the board shall record such presentation in its minutes, and shall thereupon again submit such question to the electors of the district in the same manner and with like effect as at the previous election.

Sec. 345. Section 48-2444, Arizona Revised Statutes, is amended to read:

48-2444. Sale of bonds; notice

A. The board of directors may sell the bonds from time to time in such amounts as may be necessary and most advantageous to raise the money to carry out the purposes specified in section 48-2441, or to carry out any of the objects and provisions of this chapter. Before making any sale the board shall declare by resolution its intention to sell a specified amount of the bonds, shall fix the day, hour and place of sale, and shall cause the resolution to be entered in the minutes of the board.

B. Notice of the sale shall be given by publication thereof for at least ten days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located~~, and in such other newspaper as the board directs~~. The notice shall state that sealed bids will be received by the board at its office for the purchase of the bonds until the day and hour named in the resolution.

C. At the time appointed the board shall meet and open the bids and award the purchase of the bonds to the highest responsible bidder. The board may, by the resolution and notice, require a deposit or certified check as an evidence of good faith to accompany each bid for the bonds. The board ~~may~~, in its discretion, MAY reject any and all bids. None of the bonds shall be sold for less than ninety-five per cent of the par value thereof.

Sec. 346. Section 48-2470, Arizona Revised Statutes, is amended to read:

48-2470. Sale of bonds

A. Bonds shall be sold at public or private sale, as the board of directors may determine.

B. If the board of directors determines to sell such bonds at public sale, notice of the sale shall be given by publication thereof for at least three days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located~~, and in such other newspaper as the board directs~~. The notice shall state that sealed bids will be received by the board at its office for the purchase of the bonds until the day and hour named in the resolution.

C. At the time appointed, the board shall meet and open the bids and award the purchase of the bonds or reject any or all bids. The board ~~may~~, by the resolution and notice, MAY require a deposit or certified check as an evidence of good faith to accompany each bid for the bonds. The bonds may be sold at such price or prices as the board may determine.

D. If the board of directors determines to sell such bonds at private sale, such sale shall be subject to prior approval by a majority of the members of the council.

E. The secretary of the district shall keep a record of the bonds sold, their number, the date of sale, the price received and the name of the purchaser or purchasers.

Sec. 347. Section 48-2603, Arizona Revised Statutes, is amended to read:

48-2603. Petition for organization; notice; bond

A. In order to propose the organization of a drainage district, a petition shall be presented to the board of supervisors of the county in which the lands within the proposed district, or the greater portion thereof, are located, signed by the required number of holders of title or evidence of title to the lands within the proposed district.

B. The petition shall set forth and particularly describe the proposed boundaries of the district and shall pray that the lands therein be organized as a drainage district under the provisions of this chapter. The petitioners shall accompany the petition with a good and sufficient bond to be approved by the board of supervisors in the amount of the probable cost necessary to be incurred by the board of supervisors in organizing the district, conditioned that the obligors will pay all costs if the organization is not effected.

C. The petition shall be presented at a regular or special meeting of the board of supervisors. If the board of supervisors determines that the organization of the drainage district is necessary and feasible, the board shall enter an order fixing a time and place for hearing the petition and directing that the petition, together with a notice of the hearing, be published for not less than six weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county, or if any portion of the proposed district lies within another county or counties, that the petition and notice be likewise published ~~in a newspaper~~ ON A PUBLIC MEDIUM published in each of such counties. ~~When more than one newspaper is published in any such county, the order shall require publication to be made in a newspaper which in the judgment of the board will reach the greatest number of persons residing within the boundaries of the proposed district.~~

Sec. 348. Section 48-2608, Arizona Revised Statutes, is amended to read:

48-2608. Election upon question of organization; notice

A. ~~Upon~~ ON entry of the order of the board of supervisors, it shall give notice of an election to be held in the proposed district for the

purpose of determining whether or not the district shall be organized under the provisions of this chapter. The notice shall designate a name for the proposed district and describe the boundaries thereof, and shall set forth the boundaries of the precincts established therein, when there is more than one, together with the designation of the polling place and a board of election for each precinct.

B. The notice shall be published for at least two weeks ~~previous to~~ BEFORE the election ~~in a newspaper~~ ON A PUBLIC MEDIUM published within the county in which the petition for organization of the proposed district was presented. If any portion of the proposed district is within another county or counties, the notice shall be published for the same length of time ~~in a newspaper~~ ON A PUBLIC MEDIUM published in each of the other counties.

Sec. 349. Section 48-2641, Arizona Revised Statutes, is amended to read:

48-2641. Dissolution of district

A. The board of directors of the district, or any landowner whose land is included within the boundaries of the district, may file with the board of supervisors of the county in which the lands included within the boundaries of the district, or the major portion thereof, are located, a verified petition for dissolution of the district, showing:

1. The date of organization of the district.

2. That all indebtedness of the district has been paid, and that there remains outstanding no unpaid warrants, bonds or other obligations of the district.

3. The amount of money of the district remaining undisposed of in the district treasury.

B. The petition shall also set forth any of the following:

1. That all lands of the district are being adequately drained by works constructed by the district, or other persons or organizations, and the works are being operated and maintained by persons or organizations other than the district.

2. That all or substantially all of the lands of the district, since its organization, have been included in an irrigation district vested with the power of drainage.

3. That satisfactory provision for drainage of all lands of the district has been made, and that the continuance of the drainage district is no longer required.

C. ~~Upon~~ ON filing of the petition the board of supervisors shall fix a date for hearing the petition, and the clerk of the board of supervisors shall give notice of the hearing by publication for three weeks ~~in a newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which any of the lands within the district are located. The date of the first publication of the notice shall not be less than twenty-one days before the date of the hearing.

D. All persons desiring to oppose dissolution of the district may file written objections thereto at or before the time of the hearing.

E. The board of supervisors shall hear the evidence offered in support of the petition and in opposition thereto. If the board finds the petition complies with the requirements of this section, and finds that the allegations thereof are sustained by the evidence, the board shall enter ~~upon~~ ON its records an order declaring the district dissolved. If the board finds that the petition does not comply with this section, or that any of the necessary allegations thereof are not sustained by the evidence, the board shall dismiss the petition. If an order of dissolution is entered it shall terminate all the legal powers and functions of the district.

F. Any funds remaining in the district treasury ~~upon~~ ON dissolution shall be disposed of either by being paid over to a drainage district or irrigation district with power of drainage that has been formed to replace such drainage district, or paid back pro rata to the taxpayers who paid in such funds, as is provided by the order of dissolution.

Sec. 350. Section 48-2661, Arizona Revised Statutes, is amended to read:

48-2661. Organization of board of directors; term; district office

A. On the third Tuesday in October following a regular district election, the directors elected at the regular October election and whose terms have not then expired shall meet and organize the board, elect a president and appoint a secretary who shall hold office during the pleasure of the board.

B. The term of office of directors, except those who have drawn an initial shorter term as provided in section 48-2615, shall be four years.

C. The office of the board of directors of the district may be established by the board at the county seat or at some other convenient place within the district. After the office is established it shall not be changed without giving notice thereof by posting in three public places in the district and by publishing a similar notice for at least one week ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county where the district is organized.

Sec. 351. Section 48-2665, Arizona Revised Statutes, is amended to read:

48-2665. Plan for construction of works; notice; bids; award of contract; bond

A. The board of directors shall adopt a plan for the construction of the works authorized by section 48-2664.

B. The board shall give notice by publication thereof for not less than fifteen days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in each of the counties in which lands within the district are located, ~~and in such other newspapers as the board deems advisable,~~ calling for bids for the construction of the works contemplated in such plan, or any portion thereof.

If less than the whole work is advertised then the portion so advertised shall be particularly described in the notice. The notice shall set forth that plans and specifications can be seen at the office of the board, that the board will receive bids for such work, and that the contract will be let to the lowest responsible bidder and shall state the time and place for opening bids. Any person to whom a contract is awarded shall provide such bond or bonds as required under the provisions of title 34, chapter 2, article 2.

C. The bids shall be opened in public at the time and place specified in the notice. As soon as convenient thereafter the board shall let the work in portions, or in whole, to the lowest responsible bidder, or it may reject any and all bids and readvertise for bids, or may proceed to construct the works under supervision of the board.

D. Contracts for the purchase of materials shall be awarded to the lowest responsible bidder. Any person or persons to whom a contract is awarded shall provide a performance bond as required under provisions of title 34, chapter 2, article 2. The work shall be performed under the direction and to the satisfaction of the engineer and shall be approved by the board of directors.

Sec. 352. Section 48-2709, Arizona Revised Statutes, is amended to read:

48-2709. Levy of assessments for completion of drainage works; election

A. If the money raised by the sale of bonds issued pursuant to this chapter is insufficient, or if the bonds are unavailable for completion of the plans for drainage and works adopted and additional bonds are not voted, the board of directors shall provide for the completion of the plans by the levy of assessments therefor, but such levy shall not be made except as provided by this section, and the question as to whether or not an assessment shall be made, levied and collected shall first be submitted to a vote of the electors of the district.

B. Before the question is submitted the order of submission shall be entered in the minutes of the board of directors, stating the amount to be levied and the purpose thereof, and if submitted at an election shall in addition fix the day of election as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

C. Notice of the election shall be given by posting notices thereof in three public places in each election precinct in the district for at least fifteen days, and by publication of the notice ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located for two successive weeks. The notice shall specify the time of holding the election and the amount of the assessment proposed to be levied.

D. The election shall be held and the result declared in all respects as nearly as practicable in conformity with the provisions of article 4 of this chapter. No informalities in conducting the election shall invalidate

it if the election has been otherwise fairly conducted. The ballots at the election shall contain the words, "assessment - -yes" and "assessment - -no."

E. If a majority of the votes cast is "assessment - -yes," the board shall proceed in the same manner as nearly as practicable as prescribed by this article for raising funds for annual expenditures of the district. If a majority of the votes cast is "assessment - -no," the result of the election shall be declared and entered of record on the minutes of the board of directors.

Sec. 353. Section 48-2716, Arizona Revised Statutes, is amended to read:

48-2716. Annual financial report by board of directors

The board of directors ~~shall~~, on the first Tuesday in March each year, SHALL make and publish a verified statement of the financial condition of the district, showing particularly the receipts and disbursements of the preceding year, together with the source of such receipts and the purpose of the disbursements. Publication shall be made ~~in at least one issue of a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located.

Sec. 354. Section 48-2751, Arizona Revised Statutes, is amended to read:

48-2751. Bond election; results

A. For the purpose of constructing the necessary conduits, drains, sluices, water-gates, pumps, pumping plants, embankments and any and all other works and appliances necessary for the drainage of the lands of the district, acquiring the necessary property and rights therefor and otherwise carrying out this chapter, the board of directors of the district ~~shall~~, as soon after the district has been organized as is practicable, and thereafter when the construction fund has been exhausted and it is necessary to raise additional money for such purposes, SHALL estimate and determine the amount of money necessary to be raised therefor.

B. The board shall immediately call an election at which shall be submitted to the electors of the district the question of whether or not the bonds of the district shall be issued in the amount so determined. The election shall be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

C. Notice of the election shall be given by posting notice thereof in three public places in each election precinct of the district, or if the district is not divided into divisions, in three public places in the district, for at least twenty days, and by publication of the notice ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located, once a week for at least two successive weeks. The notice shall specify the time of holding the election, the amount of bonds proposed to be issued, the denominations thereof and the maximum rate of interest ~~which~~ THAT the bonds shall bear.

D. The election shall be held and the results thereof determined and declared in all respects as nearly as practicable in conformity with article 4 of this chapter governing the election of directors. No informality in conducting the election shall invalidate it if the election has been otherwise fairly conducted.

E. At the election the ballots shall contain the words, "bonds - -yes" and "bonds - -no." If a majority of the votes cast at the election is "bonds - -yes," the board of directors shall cause the bonds to be issued. If a majority of the votes cast at the election is "bonds - -no," the result of the election shall be declared by the board of directors and entered on its record, and at any time thereafter when a petition signed by one fourth or more of the qualified electors of the district is presented to the board of directors, the board shall record such presentation in its minutes and shall thereupon again submit such question to the electors of the district in the same manner and with like effect as at the previous election.

Sec. 355. Section 48-2752, Arizona Revised Statutes, is amended to read:

48-2752. Action to determine validity of bonds; appeal

A. The board of directors ~~shall~~, within thirty days after entry of the order directing the issuance of any bonds, SHALL commence an action in the superior court of the county in which the office of the board is located, to determine the validity of the bonds.

B. The action shall be in the nature of a proceeding in rem, and jurisdiction of all parties interested may be acquired by publication of summons for at least once a week for three weeks ~~in a newspaper of general circulation designated by the court and~~ ON A PUBLIC MEDIUM published in the county where the action is pending. Service of summons shall be complete thirty days after the first publication thereof.

C. Any person interested may, at any time before expiration of such thirty days, appear and contest the validity of the bonds. The action shall be speedily tried and judgment rendered declaring the contested bonds valid or invalid.

D. Either party may appeal to the supreme court within thirty days after entry of judgment. The appeal shall be heard and determined within three months from the time of taking the appeal.

Sec. 356. Section 48-2753, Arizona Revised Statutes, is amended to read:

48-2753. Action to test validity of bonds on failure of board to commence action

A. If no action is commenced by the board of directors as provided by section 48-2752, then within not less than thirty nor more than ninety days after the issuance of any bonds under this chapter, any person whose lands within the district are subject to assessment by the district may bring an action in the superior court in the county in which the office of the board of directors is located, to determine the validity of the bonds.

B. The board of directors shall be made parties defendant, and service of summons shall be made on the members of the board personally if they can be found within the state, or if not, then by publication of the summons for three weeks ~~in a newspaper designated by the court of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the office of the board of directors is located. Before publication is commenced an affidavit shall be made in the manner provided for the service of summons by publication. In addition to serving the members of the board with summons either by personal service or by publication, summons in the action shall also be published in the same manner for the same time, for the same purposes and with like effect as prescribed under section 48-2752.

C. The board shall have the right to appear and contest the action. Any person whose lands within the district are subject to assessment by the district, or any other interested person, may appear and defend the action, and thereafter the same proceedings shall be had in the action as provided in section 48-2752, and the same matters determined and adjudicated by the court therein.

D. The action shall be speedily tried with either party having right of appeal in the manner provided by section 48-2752. The appeal shall be heard and determined within three months from the time of the entry of the judgment appealed from.

Sec. 357. Section 48-2757, Arizona Revised Statutes, is amended to read:

48-2757. Sale of bonds; notice

A. The board of directors may sell the bonds from time to time in such quantities as may be necessary and most advantageous to raise money for the purposes specified in section 48-2751, and otherwise to carry out the objects and purposes of this chapter. Before making any sale the board shall declare by resolution its intention to sell a specified amount of the bonds, and shall fix the day, hour and place of sale, and shall cause the resolution to be entered in the minutes of the board.

B. Notice of the sale shall be given by publication thereof for at least ten days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located~~, and in such other newspapers as the board directs~~. The notice shall state that sealed bids will be received by the board at its office for the purchase of the bonds until the day and hour named in the resolution.

C. At the time appointed the board shall meet and open the bids and award the purchase of the bonds to the highest responsible bidder. The board ~~may~~, by the resolution and notice, MAY require such deposit or certified check as an evidence of good faith to accompany each bid for the bonds. The board ~~may~~, in its discretion, MAY reject any and all bids. None of the bonds shall be sold for less than ninety-five per cent of their par value.

Sec. 358. Section 48-2773, Arizona Revised Statutes, is amended to read:

48-2773. Election to authorize issuance of refunding bonds

A. Immediately after entering the petition on its minutes, the board shall call an election at which shall be submitted to the qualified electors of the district the question of whether or not the bonds of the district, in the amount set forth in the petition, shall be issued. The election must be held on the first Tuesday after the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

B. Notice of the election shall be given by posting notice thereof in three public places in each election precinct in the district for at least twenty days, and by publication of the notice ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located, once a week for at least two consecutive weeks before the election. The amount of refunding bonds proposed to be issued and the amount of bonds, coupons or other evidences of indebtedness proposed to be refunded, together with a general description thereof, and the time of holding the election, shall be specified in the notice.

C. The election shall be held, and the results thereof determined and declared, in all respects as nearly as practicable in conformity with the provisions of article 4 of this chapter. No informalities in conducting the election shall invalidate it if the election has been otherwise fairly conducted. The ballots at the election shall contain the words, "Bonds—Yes" and "Bonds—No". If two thirds of the votes cast is "Bonds—Yes", the board of directors shall issue the refunding bonds. If more than one third of the votes cast at the election is "Bonds—No", the result of the election shall be so declared. The result in either event shall be entered of record in the minutes of the board of directors.

Sec. 359. Section 48-2838, Arizona Revised Statutes, is amended to read:

48-2838. Resolution ordering improvement; notice; proposals; alternative procurement methods

A. The board may order by resolution the construction or acquisition of the proposed flood protection facility described in the resolution of intention if:

1. No objections as to the extent of the proposed assessment district have been filed within the prescribed time.

2. ~~If~~ Any objections to the extent of the proposed assessment district have been heard and denied~~,~~ AND the board finds that no action requesting review of the board's decision is pending or all actions for review of the board's decision have been finally resolved in favor of the board's decision.

B. The resolution ordering the construction or acquisition of the proposed flood protection facility described in the resolution of intention need not fully describe the improvement or the extent of the assessment district but may refer to the resolution of intention for the description.

C. If the board determines that sealed proposals should be invited for the construction or acquisition of the proposed flood protection facility described in the resolution of intention, the board shall publish twice ~~in one or more daily newspapers or once in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM in the flood protection district a notice of the passage of the resolution ordering the improvement and inviting sealed proposals from persons interested in constructing the improvement. The board shall post a copy of the notice for five days on or near the door of the meeting place of the board. The notice shall state the time within which bid proposals may be filed with the clerk, which shall be at least ten days after the date of the first publication of the notice.

D. If the board determines that it is in the best interests of the district to procure construction services through any method described in section 34-602, section 48-2841 does not apply, and the board shall procure such construction services as prescribed in title 34, chapter 6, article 1. If the board determines that the contracting services should be procured as prescribed in title 34, chapter 6, article 1, it shall publish a notice of the passage of the resolution ordering the improvement and stating that the contracting services will be procured as prescribed in title 34, chapter 6, article 1.

Sec. 360. Section 48-2841, Arizona Revised Statutes, is amended to read:

48-2841. Proposals; bond; award of contract; entering into contract; liability on bond

A. If the board invites proposals for construction of the flood protection facility, written and signed proposals shall be submitted accompanied by a bond payable to the flood protection district in an amount of at least ten per cent of the aggregate proposal.

B. The board, in open session, shall examine and publicly declare the proposals. The board may reject any proposals if deemed for the public good and shall reject all proposals other than the lowest and best proposal of a responsible bidder. The board may award the contract for the improvement to the lowest and best responsible bidder at the price named in that bidder's proposal on a motion, noted in its minutes, approved by a majority vote of its members.

C. Notice of the award of the contract shall be published twice ~~in a daily newspaper or once in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

D. At any time within fifteen days after the date of the first publication, a person having an interest in a lot, acre or parcel liable for an assessment who claims that any of the previous acts or proceedings relating to the improvement are irregular, illegal or faulty may file with the board a written notice specifying in what respect the acts and proceedings are irregular, illegal or faulty. All objections to any act or proceeding that are taken before the first publication of the notice of the

award are deemed to be waived, except as to matters directly affecting the authority of the board. If the board finds any objection to be valid, it may abandon the proceedings, correct or modify any portion of the proceedings or proceed as in the first instance.

E. Within twenty days after the date of the first publication, if no objections have been filed, the successful bidder shall enter into a contract to make the improvement according to its bid. If objections are filed but are rejected by the board, the contract shall be entered into within five days after receiving notice from the board of that rejection. If the bidder fails to enter into the contract within that period, the board, without further proceedings, shall advertise for proposals in the same manner as for the initial proposals. A bidder who fails to enter into the contract is liable on the bidder's bond accompanying the proposal for all costs and damages incurred and sustained by reason of the failure to enter into the contract.

F. If the board determines that contracting services for construction of the flood protection facility should be procured pursuant to title 34, chapter 6, article 1, before executing the contract pursuant to section 34-609, the board shall formally approve the form of contract and award the contract to the selected person or firm on a motion, noted in its minutes and approved by a majority vote of its members.

G. Notice of the award of the contract shall be published twice ~~in a daily newspaper or once in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice of award shall specifically state the type of contract and that the contract was procured pursuant to title 34, chapter 6, article 1 without competitive bidding.

H. At any time within fifteen days after the date of the first publication, any person or entity that participated in the procurement process that selected the person or entity to whom such contract was awarded, or a person having an interest in a lot, acre or parcel liable for an assessment who claims that any of the previous acts or proceedings relating to the improvement or the procurement of contracting services are irregular, illegal or faulty, may file with the board a written notice specifying in what respect the acts and proceedings are irregular, illegal or faulty. All objections to any act or proceeding that are not made before the notice of the award are deemed to be waived, except as to matters directly affecting the authority of the board. If the board finds any objection to be valid, it may abandon the proceedings, correct or modify any portion of the proceedings or proceed as in the first instance.

I. Within twenty days after the date of the first publication, if no objections have been filed, the person or entity to whom contracting services have been awarded shall enter into a contract to construct the flood protection facility according to its proposal. If objections are filed but are rejected by the board, the contract shall be entered into within five

days after receiving notice from the board of the rejection. If the person or entity to whom contracting services have been awarded fails to enter into the contract within that period, the board without further proceedings shall either advertise for proposals, negotiate a contract with one of the other persons or entities that participated in the procurement process or reinitiate the process for procurement of contracting services pursuant to title 34, chapter 6, article 1. The person or entity that failed to enter into the contract is liable for all costs and damages incurred and sustained by reason of that failure.

Sec. 361. Section 48-2845, Arizona Revised Statutes, is amended to read:

48-2845. Delivery of warrant and assessment to contractor; demand for payment; release of assessments; review of assessment

A. After the warrant and assessment are recorded pursuant to section 48-2844, they shall be delivered to the person charged by the board with the duty of making demands for the payment, together with one of the diagrams. By virtue of the warrant, that person may demand and receive the amount of the several assessments.

B. The person charged by the board shall call on the person assessed, either in person or by mail if the person can conveniently be found, and demand payment, and if paid the person nominated by the board shall provide a receipt. The receipt, when presented to the district, constitutes an order to it to release the assessment. A copy of the receipt shall be kept on file at the district office.

C. The person nominated by the board shall promptly notify the district of all payments received, and the district shall release all assessments that have been fully paid. If the name of the owner of the lot, acre or parcel is stated on the assessment as "unknown", the person nominated by the board shall demand payment of a person in possession of the lot, acre or parcel. If someone is in possession, the demand may be made either by mail, if a mailing address for the person in possession can be determined, or in person. If the premises are unoccupied or the person in possession cannot be found, the demand is unnecessary.

D. The warrant shall be returned to the board within thirty days after its date endorsed with "return", signed by the person nominated by the board, verified on oath and stating the nature and character of the demand, whether any assessments remain wholly or partially unpaid and the amount of any unpaid assessments. In the absence of fraud or bad faith, the verified statement of the person making the return is conclusive proof that the demand for payment was made on each owner or each person in possession of each lot, acre or parcel of property as required by this section. The board shall record the return in the margin of the record of the warrant and assessment. After return of the assessment and warrant, all amounts remaining due shall draw interest at the maximum rate specified in the resolution of intention

until paid or, on the issuance of bonds, at the rate specified in the bonds payable for the semiannual periods specified in the bonds, notwithstanding that the installments of assessments may be due at dates earlier than the dates installments of principal or interest are payable on the bonds.

E. On recording the assessment and warrant, the board shall fix a time when it will hear and consider the assessment and the proceedings taken, which shall be at least twenty days after the date of the recording. The board shall publish notice of the hearing for five days ~~in a daily newspaper or two times in a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the flood protection district. The board shall send notices of the time and place of the hearing by first class mail at least twenty days before the hearing date to the contractor at the address shown in the contract, and to all persons owning real property affected by the assessments as their names and addresses appear on the last certified property tax roll. On request of the district, the county assessor shall provide the names and addresses as shown on the last certified tax roll. If no address appears for a person on the last certified tax roll, no notice need be mailed to that person. The chairperson of the board shall make an affidavit of the mailing and shall state that the persons to whom notices were mailed constitute all persons whose names and addresses appear on the tax roll as owning property in the area assessed or the assessment district, as applicable. The affidavit is conclusive proof that notice was mailed to each person to whom notice is required to be mailed. The failure to receive notice does not constitute any jurisdictional defect invalidating a district proceeding or assessment if notice has been given pursuant to this subsection.

F. Before the time fixed for the hearing, any owner, contractor or other person directly interested in the work or in the assessment who has any objection to the amount or legality of the assessment or to any of the previous proceedings, or who claims that the work has not been performed according to the contract, may file a written notice briefly specifying the grounds of the objection. At the time fixed for the hearing or at any time within ten days after the original hearing date, during which the hearing may be postponed, the board shall hear and consider all such objections. The decision of the board is final and conclusive on all persons entitled to object as to all errors, informalities and irregularities that the board may have remedied or avoided at any time during the proceedings.

G. After the hearing, if the board of directors finds that the assessment has not yet been fairly apportioned, it shall modify the amounts of the several assessments and may order that the assessment be recomputed if it finds that the benefits to any lots, acres or parcels do not equal the amount assessed against the lot, acre or parcel. When recomputing the assessment, the board shall levy the reassessments according to the benefits derived, notwithstanding that the reduction of any assessment may cause a corresponding increase in other assessments.

H. At any time within one year after the date the district files the certificate of substantial completion as provided in section 48-2851, subsection G, any member of the board of directors, any owner or any person claiming an interest in any assessed lot, acre or parcel may file a written notice with the clerk stating that the work has not been performed substantially according to the resolution of intention or the plans, specifications and contract for construction of the flood protection facility. The notice shall state in particular the contractor's failure to perform and may also state, if applicable, any requested reduction in the assessment of any one or more parcels due solely to the failure of such performance. The notice shall state the name and address of the person filing the notice and shall describe the person's interest in land subject to assessment, if applicable.

I. On receipt of a notice pursuant to subsection H of this section, the board of directors shall set a date for a hearing on the notice. The board of directors shall give notice of the hearing to the contractor, the contractor's surety, the person appointed to take charge of and direct the work and all persons whose names and addresses appear in the notice. The clerk shall publish a notice of the hearing twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

J. At the hearing, the board shall determine whether the work was completed according to the resolution of intention, the plans, specifications and contract for construction of the flood protection facility and any corrections or alterations of the plans deemed necessary. If the board determines that the work has not been so completed, it shall order the contractor to complete the work, set a reasonable time for completion and recess the hearing until the date set for completion. If, at the date set to reconvene the hearing, the evidence shows that the work is then completed, the board shall enter those findings on its minutes. If the board determines that the contractor is making a good faith attempt to complete the work, it may continue the completion date and recess the hearing to a later date. If, at the hearing or at any recessed hearing, the board of directors finds that the contractor refuses to complete or is incapable of completing the work, the board shall order and the district's attorney shall bring an action against the contractor and its surety to collect such amounts or cause such performance as is necessary to complete the work.

K. If the board determines that for any reason the work cannot be completed and no recovery can be made against the contractor or the contractor's surety, the board may recompute the assessment, taking into consideration the effect the contractor's failure to perform may have had on the actual benefits derived from the improvement, and reduce some or all assessments to reflect the reduced benefits. If the assessments are reduced, the district shall assume as a contingent liability any difference between the amounts thereafter received on the semiannual assessment payments and the amounts of principal and interest thereafter due on the bonds. The

assumption of that amount shall be a contingent general obligation of the district.

L. All decisions made concerning any notice filed pursuant to this section are final and conclusive as to the persons filing the notice, the contractor and the contractor's surety and as to the alleged defect, or defects, in the work. After a ruling on any alleged defect, or defects, in the work, the board shall not consider or hear a later notice concerning the same defect, whether or not filed by a person other than the person filing the original notice.

M. After the work is completed, the district shall file a recomputed assessment based on the actual quantities determined by the engineer to have been constructed or installed, or the actual cost of the acquisition, together with the known incidental expenses paid to that date and the itemized estimated incidental expenses remaining to be paid. The engineer need not recompute each individual assessment but shall determine the amount of the increase or decrease to be assessed and shall file a supplemental statement with the clerk stating the ratio of the difference between the contractor's bid and the recapitulated amount and ordering that each assessment be increased or decreased by that ratio. If the total assessment is decreased, the treasurer shall credit the amount of the decrease proportionately on the assessments remaining unpaid and return to the owner, if the owner can be located, that portion of each assessment previously paid in cash that represents an excess payment.

Sec. 362. Section 48-2856, Arizona Revised Statutes, is amended to read:

48-2856. Failure to hold or adjourn scheduled hearing; subsequent hearing

If the time and place for a hearing are fixed by the board under this article, and for any reason the hearing is not held or is regularly adjourned to a specified time and place, the authority of the board is not divested or lost. The board may thereafter fix a time and place for the hearing and give notice by publication ~~by at least one insertion in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district as designated by the board. The publication shall be at least five days before the date of the hearing.

Sec. 363. Section 48-2907, Arizona Revised Statutes, is amended to read:

48-2907. Time of hearing petition; notice of hearing

When the petition has been filed with the board of supervisors and the bond approved, the board shall fix a time for hearing the petition, which shall be not less than three nor more than seven weeks after the date of filing the petition. The board of supervisors shall cause the petition, together with a notice signed by the clerk of the board of supervisors giving the time and place of hearing the petition, to be published for at least two weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county~~, or if no~~

~~newspaper is published in the county, in a newspaper published in an adjoining county,~~ and by posting copies of the petition and notice in three or more conspicuous places in the proposed district at least two weeks before the date set for hearing.

Sec. 364. Section 48-2916, Arizona Revised Statutes, is amended to read:

48-2916. Notice of election

The board of supervisors shall cause a notice embodying the order in substance, signed by the chairman and clerk of the board, to be issued and published, giving public notice of the organizational election, the time and polling places, and specifying the matters to be submitted to the vote of the electors of the proposed district. The notice and order shall be published once a week for at least three weeks ~~prior to~~ BEFORE the election ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. ~~If any portion of the proposed district lies within any other county or counties, the notice and order shall be published in a newspaper of general circulation published in each of such counties.~~ A copy of the notice and order shall be posted in at least one conspicuous place in each of the divisions of the proposed district for at least two weeks ~~prior to~~ BEFORE the date of the election.

Sec. 365. Section 48-2941, Arizona Revised Statutes, is amended to read:

48-2941. Petition for inclusion of lands; notice of hearing; payment of expenses of publishing notice

A. The holder or holders of title or evidence of title representing a majority of the acreage of any body of land adjacent to the boundary of an irrigation district, may file with the board of directors of the district a petition in writing requesting that such lands be included in the district.

B. The petition shall describe the parcels of land proposed to be included. The filing of the petition shall be deemed consent of the petitioners to the inclusion in the district of the lands owned by them, and the petition shall be acknowledged by one or more of the signers thereof. If state lands are embraced in the petition the state land commissioner may sign on behalf of the state, and no state lands shall be included in a district nor be subject to irrigation district laws unless the petition is filed by the state land commissioner, and in no event shall state lands become encumbered for any debt, obligation or liability of any irrigation district.

C. The secretary of the board shall cause notice of filing of the petitions to be given by publishing the notice once each week for three successive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the district is located. The notice shall state that a petition for inclusion of lands adjacent to the boundaries of the irrigation district has been filed, and shall give the names of the petitioners, a description of the lands included in the petition and the request of the petitioners, and shall notify all persons interested to appear at the office

of the board at a time named in the notice and show cause why the petition should not be granted. The time specified in the notice for showing cause shall be the next regular meeting of the board after expiration of the period for publication of notice.

D. The petitioner or petitioners ~~shall~~, if required by the board of directors, SHALL advance to the secretary sufficient money to pay the estimated cost of the publication of such notice before the secretary shall be required to give such notice.

Sec. 366. Section 48-2946, Arizona Revised Statutes, is amended to read:

48-2946. Notice of hearing on petition for exclusion of lands; hearing

A. ~~Upon~~ ON the filing of the petition and payment of estimated expenses as provided by section 48-2945, the secretary of the board shall cause notice to be given and published once each week for three successive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the district is located, giving notice of the filing of the petition, the names of the petitioners, a description of the lands, the request of the petitioners and the time and place of hearing the petition, and requiring any person objecting to allowance of the petition to file such objections in writing in the district office on or before the time fixed for hearing in the notice and appear at such time in support of the objections.

B. At the time and place designated in the notice, or at such time or times to which the hearing is adjourned, the board of directors shall proceed to hear the petitions and all objections filed thereto in writing by interested persons. Failure of any person to file objections in writing shall be deemed a consent to granting the petition.

Sec. 367. Section 48-2949, Arizona Revised Statutes, is amended to read:

48-2949. Exclusion of unproductive lands from district by resolution; notice

A. When the board of directors of an irrigation district finds that lands within the district are alkaline, slick, unsusceptible of economic leveling, water-logged, caliche, hard pan or otherwise unproductive or incapable of carrying their proportionate district liabilities and obligations without recurring delinquencies, or are uncleared or unreclaimed for five years after inclusion within the district, for which irrigation water is available, and that the major portion of such lands has been unfarmed and delinquent in payment of district taxes for the last two years or more, it may exclude such lands as provided by this section and sections 48-2950 through 48-2952.

B. The board shall adopt a resolution stating its findings and declaring its intention to exclude such lands for one or more reasons set forth in subsection A of this section, and shall require the record owner or any persons actually resident upon such land to show cause why the lands

should not be excluded from the district. A copy of the resolution shall be served ~~upon~~ ON the record owners and actual residents, if any, ~~upon~~ ON the lands, personally if residents of the county in which the district office is located, or if not, by registered mail addressed to such persons at their last known post office address, and by publication of the resolution at least once a week for three successive weeks ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the district office is located.

Sec. 368. Section 48-2976, Arizona Revised Statutes, is amended to read:

48-2976. Publication of minutes; effective date of by-laws, rules, regulations and resolutions

A. The minutes of proceedings of the board of directors or an abstract thereof may be published when the board by resolution entered ~~upon~~ ON its minutes so direct.

B. All ~~by-laws~~ BYLAWS, rules, regulations or resolutions of a general nature governing drainage ditches, laterals, canals and the use and distribution of irrigation water or other commodities shall be posted at least five days in not less than two public places in each division of the district, or published twice ~~in a newspaper~~ ON A PUBLIC MEDIUM published within the county in which the office of the district is located, as the board may order. ~~By-laws~~ BYLAWS, rules, regulations and resolutions of the board shall become effective at the time designated by the board, or in the absence of such designation, ~~upon~~ ON adoption thereof.

Sec. 369. Section 48-2985, Arizona Revised Statutes, is amended to read:

48-2985. Plans and specifications for construction; advertisement for bids

A. When plans and specifications for any construction, repair, alteration, extension, improvement or other district purpose, have been adopted by the board of directors as provided by this chapter, the board of directors shall give notice of the proposed work by publication of an advertisement for bids for at least two weeks ~~in a weekly or daily newspaper~~ ON A PUBLIC MEDIUM published in each county in which portions of the district are located~~, and in such additional newspapers as the board deems advisable~~.

B. The advertisement for bids shall set forth:

1. A general description of the proposed work.

2. That the plans and specifications may be seen at the office of the district.

3. The date and hour up to which the board will receive sealed bids.

4. That the contract may be let to the lowest responsible bidder.

5. That the right will be reserved to reject any and all bids.

6. The time and place for opening bids.

7. That each bid shall be accompanied by a deposit or certified check equal to ten per cent of the total bid.

8. That the bids will be opened in public.

9. That as soon as convenient thereafter the board may let the contract for the work either in part or as a whole to the lowest responsible bidder.

Sec. 370. Section 48-2994, Arizona Revised Statutes, is amended to read:

48-2994. Conveyance or transfer to United States of irrigable lands within district included within federal reclamation project; election; terms of transfer

A. When irrigable lands within an irrigation district have been included within any federal reclamation project, or subdivision thereof, authorized for construction under the federal reclamation laws, and the appropriate authority of the United States government certifies that funds are available for commencing the construction of works in connection with the reclamation project, or subdivision thereof, the board of directors of the irrigation district may convey, transfer and assign to the United States, such lands, interests in lands and other property of the district, including electric power lines and other facilities, as the secretary of the interior deems appropriate for the protection, development or improvement of the reclamation project.

B. The power of conveyance accorded by this section shall not be exercised unless the conveyance has first been approved by a majority of the votes cast at a special election held in the district for the purpose of submitting the question of conveyance to the qualified electors of the district. The election shall be called by the board of directors of the district, and notice thereof shall be given by posting notices in three public places in each division of the district for at least twenty days ~~prior to~~ BEFORE the date of the election and by publication of notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located, once a week for at least two successive weeks ~~prior to~~ BEFORE the election. The notice shall specify the time and place of holding the election, and shall contain a general description of the character of the proposed property to be conveyed, transferred and assigned and a general statement of the reasons therefor. At the election the ballot shall contain the words "Shall the proposed conveyance, transfer and assignment of the district property to the United States be made?" "yes", "no", or other words equivalent thereto. The election shall be conducted and canvassed in all respects as nearly as practicable in conformity with the provisions of law covering the election of the governing body of the district. No informalities in conducting the election shall invalidate it if the election has been otherwise fairly conducted.

C. If at the election the proposed conveyance, transfer and assignment is approved by a majority of the electors voting, the board of directors may convey, transfer and assign all or any part of the property referred to in the notice of election upon such terms and conditions as the board of directors in their discretion deem for the best interests of the district.

Sec. 371. Section 48-3124, Arizona Revised Statutes, is amended to read:

48-3124. Remittance of collections to district treasurer; division of collections into funds; disbursements

A. The county treasurer of each county containing a portion of an irrigation district, except the county treasurer of the county in which the office of the district is located, on the fifteenth day of each month shall remit to the district treasurer all monies, warrants, coupons or bonds collected or received by him on account of the district.

B. The district treasurer, by computations based ~~upon~~ ON certified estimates as returned to the board of supervisors, shall divide the money received from taxation on the lands of the district, or from other sources, into district funds corresponding with the purposes therein specified or for which they were paid. The monies received shall be divided as follows:

1. Money received on account of interest on the bonded indebtedness of a district shall be kept in an interest fund.

2. Money received on account of principal of bonded indebtedness of a district shall be kept in a bond fund.

3. Money received on account of the release and discharge of lands in the district from the lien of the bonded indebtedness of the district shall be kept in a call or prepayment fund.

4. Money received on account of maintenance, operation and current expenses for the district shall be kept in a maintenance, operation and current expense fund.

5. Money received on account of the levy for outstanding or deficiency warrants shall be kept in a deficiency fund.

6. Money received from any levy made for payment on completion of the irrigation works of the district shall be kept in a completion fund.

7. If a levy is made or money is received from any other source or for any other purpose, the money shall be kept in a separate fund so designated as to identify the purpose for which the money was levied or received.

C. The district treasurer shall pay from the bond fund the principal of bonds of the district at the time and place specified therein and shall pay from the interest fund the interest on bonds of the district at the time and place specified therein. The district treasurer shall pay from all of the other funds, except the call and prepayment fund, ~~upon~~ ON warrants of the district signed by the president and countersigned by the secretary of the district.

D. When the call and prepayment fund contains one thousand dollars or more, the district treasurer shall call in the highest numbered outstanding bonds equal to the amount on hand, designating the numbers of the bonds called. The call shall be given by notice ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the district is located for two weeks, or ~~in a newspaper~~ ON A PUBLIC MEDIUM published in any other place where the bonds are payable for ten days. After completion of publication of the notice, the money to pay the bonds shall be held in the call and prepayment fund until the bonds are presented for payment, and the interest on bonds so called shall cease sixty days after the date of first publication of the call.

Sec. 372. Section 48-3153, Arizona Revised Statutes, is amended to read:

48-3153. Limitation on amount of assessment; special election on assessment in excess of limitation

A. No assessment equal to more than two dollars fifty cents per acre per year or in excess of an aggregate of five dollars per acre shall become effective until approved by a majority vote of the qualified electors of the district.

B. If the board deems it necessary or advisable to levy an assessment in excess of two dollars fifty cents per acre payable in any one year, or in excess of an aggregate of five dollars per acre, the question of the proposed levy shall be submitted to a vote of the qualified electors of the district at a regular or special election. Notice of the election shall be given by posting notices thereof in three public places in each division of the district for at least twenty days ~~prior to~~ BEFORE the date of the election, and by publication of notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located, once a week for at least two successive weeks ~~prior to~~ BEFORE the election. The notice shall specify the time of holding the election and shall briefly state the same matters as are required by section 48-3151 to be set forth in the resolution of the board of directors levying the assessment.

C. The election and the results thereof shall be determined and declared in all respects as nearly as practicable in conformity with the provisions governing the election of directors. No informalities in conducting the election shall invalidate it if the election was otherwise fairly conducted.

Sec. 373. Section 48-3155, Arizona Revised Statutes, is amended to read:

48-3155. Notice of sale of lands for failure to pay installment or assessment

A. The district secretary ~~shall~~, after the date of maturity of an assessment or installment thereof, on unanimous vote of the board of directors in districts having a board composed of three members, or on a

two-thirds vote of the directors in districts having a board of nine members, SHALL prepare a list of the lands ~~upon~~ ON which the assessment or installment thereof is unpaid and delinquent, describing the lands as they appear ~~upon~~ ON the district records and the names of the owners thereof respectively, and stating that so much of each parcel of land as deemed necessary by the secretary for the purpose ~~will~~, on the date specified, WILL be sold by him at public auction to the highest and best bidder for cash, at the office of the district, for the assessment or installment thereof then due and unpaid and penalties, interest and charges thereon.

B. The secretary shall mail the owner of each parcel of land, if the owner is known, at his last known address as it appears ~~upon~~ ON the district records, a copy of the notice of the proposed sale. The notice shall be mailed not less than thirty days ~~prior to~~ BEFORE the date therein fixed for the sale, and the secretary shall cause the list and notice to be published at least once a week for two consecutive weeks ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the district office is located, the first of which publications shall be not less than thirty days ~~prior to~~ BEFORE the date of the sales prescribed therein.

Sec. 374. Section 48-3161, Arizona Revised Statutes, is amended to read:

48-3161. Order of conversion; notice to landowners

A. The board of directors may order such conversion by a resolution prescribing the aggregate amount of the lien per acre and the terms, conditions and procedure for accomplishing the conversion, the times, manner and method of payment and satisfaction of the converted lien, including the rate of interest which the converted lien shall bear and the times of payment thereof, but such interest shall not exceed seven per cent per annum.

B. The district secretary shall mail to the owner of each parcel of land within the district, at his last known address as it appears on the records of the district, a copy of the resolution, accompanied by a notice demanding that the landowner, within twenty days after the date of mailing the notice, execute a good and sufficient note or notes evidencing the amount of the converted lien, and a mortgage upon the lands of the owner located within the district and subject to the lien as security for payment of the note.

C. A copy of the resolution and notice shall be published at least once a week for two consecutive weeks ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the district office is located, the first of which shall be not less than twenty days ~~prior to~~ BEFORE the date fixed by the notice for execution of the notes, mortgages or contracts therein mentioned. Publication of the resolution and notice shall be equivalent to service by mail ~~upon~~ ON any landowner whose address is unknown.

D. The form and contents of the notes and mortgages shall be prescribed by the board of directors.

Sec. 375. Section 48-3182, Arizona Revised Statutes, is amended to read:

48-3182. Filing of maps and lists by board of directors prior to bond issue, construction contract or assessment; notice; submission of maps and lists to state certification board

Before a bond issue is voted ~~upon~~ ON, a construction contract entered into, or an assessment levied or toll or charge imposed for such major purposes, and when any new general plan is adopted, the board of directors shall:

1. File with the board of supervisors and county recorder of the county in which the major part of the lands proposed to be irrigated from district works are located a map or maps certified by the engineer or engineers and by the secretary of the district. The maps shall accurately delineate the boundaries of the district, the proposed location of storage reservoirs, diversion dams, power plants, irrigation canals, principal laterals and the parcels of lands proposed to be irrigated thereby.

2. At the time of filing the map or plat, file with the board of supervisors an accurate list certified by its engineer and the secretary of the parcels of land proposed to be irrigated from and to be charged with the cost of the construction.

3. After filing the map and list, publish once each week for a period of four weeks ~~in at least one newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which any part of the land is located a notice of filing the map and list. The notice shall contain a description of all lands described in the list and shall direct all persons to appear at a time not later than sixty days from the date of first publication of the notice and show cause before such board of supervisors why the parcels of land so listed, delineated and described should not be finally included within the district subjected to the cost and burdens of the proposed works. The notice shall further direct any and all persons to appear at the same time and place, and show cause why lands within the district omitted from the list should not be excluded from the district. The cost of publication of the notice shall be paid by the district.

4. Submit to the state certification board a certified copy of the engineer's report, which shall embrace the map and list together with:

(a) All plats, profiles, general drawings, specifications and the engineer's calculations and cost estimates based thereon.

(b) A certified statement of the water analysis and data as compiled by the engineer with his calculations and deductions therefrom.

(c) A written estimate of the board of directors determining the amount of money necessary to be raised and the character and extent of the obligations to be undertaken to effect the adopted plans and purposes, including the payment of interest for not less than the first two years on the first bond issue.

Sec. 376. Section 48-3186, Arizona Revised Statutes, is amended to read:

48-3186. Sale of lands under resolution of exclusion; disposition of proceeds; execution of mortgage by entrymen or lessees of state lands

A. The lands conveyed to the district pursuant to section 48-3185 shall be sold by the district at public sale when irrigation water is available for the lands and after the district obtains title thereto. The proceeds of the sale shall be paid into the district treasury. When the lands so conveyed are improved, the board of directors shall appraise the value which the improvements add to the land, and ~~upon~~ ON sale of the land the district shall pay to the landowner the appraised value of the improvements.

B. All sales of land made by the district under the resolution of exclusion shall be held at the door of the courthouse of the county in which the major part of the lands within the district is located. The notice of sale shall be published twenty-four consecutive times ~~in a daily newspaper, or five consecutive times in a weekly newspaper, of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the sale is held, and by similar publication in the county in which the land to be sold is located if such lands are in a county other than the county where the sale is held.

C. As soon as practicable after any of the lands are sold the proceeds of the sale, less the necessary expenses of sale, and an amount equivalent to the district taxes per acre, plus six per cent per annum, which has been levied on other lands in the district between the date of the resolution of exclusion and the sale of the lands by the district, shall be divided among the owners of record at the date or dates of sale of the lands excluded from the district in proportion to the acreage of each as set forth in the resolution of exclusion adopted by the board of supervisors.

D. No owner of such excluded lands shall be paid such money until in consideration of the payment thereof he conveys to the district a good and marketable title, free of all taxes and encumbrances, to his excluded land, or if the land is held under a desert or homestead entry or under contract with the state, a mortgage is executed. Such mortgage shall be governed by the same provisions as mortgages executed by similar landowners on included land.

E. An owner of lands excluded from the district who is a successful bidder at the sale of any of the parcels of land sold by the district may be credited upon the purchase price the proportionate amount due him by reason of the conveyance to the district of his excluded land and the sale thereof.

Sec. 377. Section 48-3190, Arizona Revised Statutes, is amended to read:

48-3190. Election to authorize issuance of bonds

A. Notice of election shall be given by posting notices in three public places in the district for at least twenty days ~~prior to~~ BEFORE the

date of the election and by publication thereof ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors is located, once a week for at least three successive weeks ~~prior to~~ BEFORE the election. The notice shall specify the time of holding the election, the maximum principal amount of bonds proposed to be issued, the purpose for which the bonds are to be issued and the maximum rate of interest which the bonds are to bear and the location of the polling places.

B. Except as otherwise provided, the election shall be held and the result thereof determined and declared in all respects as nearly as practicable in conformity with article 4 of this chapter governing the election of directors. No informalities in conducting the election shall invalidate the election if it has been otherwise fairly conducted.

C. At the election the ballot shall contain the words: "Bonds--Yes~~,~~" and "Bonds--No~~,~~". To the right of and opposite each phrase shall be placed a square approximately the size of the squares placed opposite the names of candidates on ballots. The voter shall indicate his vote "Bonds--Yes" or "Bonds--No" by inserting the mark "X" in the square opposite such phrase. No other question, word or figure need be printed on the ballot. The ballot need not be of any particular size, and sample ballots are not required to be printed, posted or distributed. If the majority of the votes cast is "Bonds--Yes~~,~~" the bonds shall be sold at such times and in such amounts as the board of directors deems advisable.

D. When thereafter the board deems it for the best interest of the district that bonds be issued for district purposes and that the question of issuance thereof be submitted to the electors, the board shall adopt a resolution to that effect and record it in its minutes, and the board may thereupon submit the questions to the electors in the same manner and with like effect as at the previous election.

Sec. 378. Section 48-3198, Arizona Revised Statutes, is amended to read:

48-3198. Sale of bonds; notice; minimum price; use of unsold bonds

A. The board may sell bonds from time to time in such quantities as may be necessary and most advantageous to raise money for the purposes for which they were authorized. Before making any sale the board shall by resolution entered in the records of the board declare its intention to sell the whole or such portion of the bonds as the board deems advisable and fix the day, hour and place of sale.

B. Notice of the sale shall be given by publication thereof at least three weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the district is located ~~and in such other newspaper or newspapers as the board of directors directs~~. The notice shall state that sealed proposals will be received by the board at its office for the purchase of bonds until the day and hour named in the resolution and that the right to accept or reject any or all bids is reserved.

C. At the time appointed the board shall open the bids and may award the purchase of the bonds to the highest responsible bidder or may reject any or all bids, but no bid shall be accepted ~~which~~ THAT is not accompanied by a certified check for at least five per cent of the amount of bid to apply on the purchase price of the bonds. The check shall be forfeited if after the acceptance of the bid the bidder refuses to accept the bonds and complete the purchase thereof on the conditions stated in the bid. The board in no event shall sell any of the bonds for less than eighty-five per cent of the face value thereof.

D. If no award is made, the board thereafter may either readvertise the bonds or any part thereof for sale, or sell them or any part thereof at private sale for not less than eighty-five per cent of the face value thereof.

E. The board may use any bonds ~~which~~ THAT have been offered for sale at public sale ~~which~~ AND THAT are unsold in payment for the construction of works of the district without calling for bids for such construction, and may enter into contracts providing for the payment of the construction in bonds. Such contracts may provide for payment of a fixed contract price, or the cost of construction plus a fixed percentage thereof, or the cost of construction plus a fixed amount, in the discretion of the board, but eighty-five per cent of the par value is the minimum price at which such bonds may be used in payment for construction, and such use of bonds and any such contract shall be approved by the state certification board.

Sec. 379. Section 48-3219.01, Arizona Revised Statutes, is amended to read:

48-3219.01. Sale of bonds

A. Bonds shall be sold at public or private sale, as the board of directors may determine.

B. If the board of directors determines to sell such bonds at public sale, notice of the sale shall be given by publication for at least three days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the office of the board of directors is located~~, and in such other newspaper as the board directs~~. The notice shall state that sealed bids will be received by the board at its office for the purchase of the bonds until the day and hour named in the resolution.

C. At the time appointed, the board shall meet and open the bids and award the purchase of the bonds or reject any or all bids. The board, by the resolution and notice, may require a deposit or certified check as an evidence of good faith to accompany each bid for the bonds. The bonds may be sold at such price or prices as the board may determine.

D. The district secretary shall keep a record of the bonds sold, their number, the date of sale, the price received and the name of the purchaser or purchasers.

Sec. 380. Section 48-3226, Arizona Revised Statutes, is amended to read:

48-3226. Payment of matured refunding bonds or coupons; cancellation of redeemed bonds

A. When any refunding bonds mature the district treasurer shall give notice for four weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the district is located of the intention to redeem such bonds, stating the amount thereof. The redemption shall thereupon be made and all such bonds shall cease to draw interest at the expiration of four weeks after the date of notice. If the bonds called for redemption are not presented within three months from the date of notice, the treasurer shall apply the money to the redemption of bonds next in the order of the number of their issue.

B. The interest coupons when due and payable shall be delivered to the treasurer who shall pay the interest and write the word "cancelled" across the face thereof, which shall be the treasurer's receipt for their payment. When any bonds are redeemed the treasurer shall in like manner mark them "cancelled" on the face thereof, over his signature, and deliver them to the secretary of the district, taking his receipt therefor, and the secretary shall file them in his office and report that they have been filed to the directors.

Sec. 381. Section 48-3241, Arizona Revised Statutes, is amended to read:

48-3241. Petition for hearing where district in default on financial obligations; notice of hearing

A. An irrigation district in default or about to default in the discharge of its financial obligations in respect to any issued and outstanding bonds or the holder of a bond in respect to which an irrigation district may then be in default may petition the state certification board to call a meeting of the holders of all the outstanding bonds for the purposes and with the powers provided by this article.

B. The petition on behalf of the irrigation district shall be by resolution of its board of directors, signed by the president and attested by the secretary of the district, setting forth the difficulties and the problems of the district and the relief sought. The petition on behalf of the holder of the bond shall be subscribed and sworn to by the holder, shall describe the nature of the obligation of the district in respect to which default exists and shall be attached thereto the certificate of the county treasurer by or through whom the obligation is due to be paid that such obligation is the obligation of the district, is outstanding and unpaid and that such district is in default in respect thereto.

C. ~~Upon~~ ON the filing of the petition, the chairman of the state certification board shall fix a date for hearing the petition by the state certification board, and shall call a meeting thereof for such purpose and give written notice of the time, place and purpose thereof, which shall be

served ~~upon~~ ON the secretary of the district not less than ten or more than thirty days ~~prior to~~ BEFORE the date of such meeting, and published for at least ten days ~~prior to~~ BEFORE the date of the meeting ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the principal office of the district is located.

D. At the time and place designated or such continuations thereof as may be ordered, the state certification board shall hear evidence in support of and against the granting of the petition. If the state certification board is satisfied that a petition filed on behalf of a district is duly authorized and executed, or that a petition filed by the holder of a bond is in the form prescribed by subsection B OF THIS SECTION and that the district is in default in respect to the obligation described therein, the petition shall be granted forthwith, and the state certification board shall immediately by resolution call a meeting of the holders of all the issued and outstanding bonds of the district, to be held at the state capitol on a date fixed ~~which~~ THAT shall be not less than sixty nor more than ninety days from the date of adoption of the resolution. The state certification board shall cause notice of the time, place and purpose of the meeting to be given to all concerned by publishing such notice for at least two weeks immediately preceding the date of the meeting ~~in a daily newspaper~~ ON A PUBLIC MEDIUM published in the city of Phoenix ~~and of general circulation in the state~~ and in at least two issues immediately preceding the date of such meeting of at least one financial journal of national circulation published in the city of New York.

Sec. 382. Section 48-3245, Arizona Revised Statutes, is amended to read:

48-3245. Publication of bondholders' agreement; filing of dissents to agreement

A. ~~Upon~~ ON presentation of the petition to the judge of the superior court, either in open court or in chambers, the judge shall direct the district to publish, and the district shall cause to be published, as nearly concurrently as practicable, for at least four consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county in which the office of the district is located and in one financial journal of national circulation published in the city of New York, designated by the court, a notice describing in substance the terms of the bondholders' agreement under which the outstanding bonds of the district are to be surrendered, refunded, satisfied, compromised, exchanged or discharged. A certified copy of the notice and petition shall forthwith be served ~~upon~~ ON the state certification board and on the state treasurer.

B. The notice shall contain a general description of the bonds to be refunded or retired and the amount thereof, and a general description of the refunding bonds, if any, to be issued under the terms of the bondholders' agreement, and shall require all holders of outstanding bonds to be retired or refunded to file in such superior court their written dissent from or

objection to the proposed plan of settlement described in the notice. If the dissent in writing is not filed within ninety days after the first publication of notice in the financial journal, the owners and holders of outstanding bonds failing to file a dissent or objection shall be deemed to have consented to the terms and provisions of the bondholders' agreement and the provisions of this article.

Sec. 383. Section 48-3423, Arizona Revised Statutes, is amended to read:

48-3423. Notice of hearing; bond for expenses of organization

A. When the petition is filed with the board of supervisors, the board shall examine it and investigate the signatures thereon. If the board finds that the petition conforms to the provisions of this chapter, it shall fix the amount of probable expenses which will be incurred in the organization of the district. The committee named in the petition shall thereupon give a bond, subject to approval by the board, for not less than twice the amount so fixed, guaranteeing repayment to the county of such expenses. The expenses of organization shall be paid from county funds, but if the district is not organized, the county shall be reimbursed by the principals and sureties on the bond. If the district is organized, the expenses shall become a charge against the district and paid as soon as funds are available.

B. ~~Upon~~ ON approval of the bond the board shall set the petition for hearing at a time not less than twenty nor more than forty days thereafter, and shall publish the petition, together with notice of the date fixed for hearing thereof, not less than twice, the last publication to be not less than ten days before the hearing, ~~in a daily or weekly newspaper~~ ON A PUBLIC MEDIUM published in the county. The board shall post not less than five copies of the petition, together with notice of the date of the hearing, for every one hundred acres or fraction thereof within the proposed district, not less than fifteen days before the hearing at conspicuous places within the proposed district.

Sec. 384. Section 48-3604, Arizona Revised Statutes, is amended to read:

48-3604. Establishing zones in the district

A. The board may divide the area of jurisdiction into two or more zones, the boundaries of which shall be described in a resolution adopted at a hearing held pursuant to subsection C OF THIS SECTION.

B. The board may alter the boundary lines of any previously established zone or zones pursuant to subsection C OF THIS SECTION.

C. Before establishing zones or altering their boundary lines, the board shall fix a date for a hearing, which shall be not less than twenty-one days nor more than forty days from the date of the resolution. Any interested citizen may appear at the hearing and be heard on any matter relating to the reasonableness of establishing the zones. Notice of the hearing shall be published once a week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of

jurisdiction and zone and shall be posted in not less than thirty public places in the zone. The posting and the first date of the publications shall be not less than three weeks before the date of the hearing.

D. The board shall meet at the time and place fixed for the hearing and may adjourn the hearing from time to time. At the hearing any interested owner of real property in the proposed zone may appear and be heard on any matter relating to the establishment of the zone and may allege that his real property in the proposed zone will not be benefited by the proposed improvements. If after the hearing it appears to the board that the establishment of the zone is necessary and desirable to carry out the objects and purposes of the district in the proposed zone and that all property in the zone will benefit by the establishment of the zone, the board shall establish the zone. If the board determines that any property in the proposed zone is not benefited, it shall delete the property from the zone. Thereupon the board shall adopt a resolution establishing the zone and shall file with the county recorder, the county assessor and the department of revenue a certified copy of the resolution and a map showing the zone and its boundaries. The board shall publish a copy of the resolution once a week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of jurisdiction and zone and shall post a copy of the resolution in not less than thirty public places in the zone.

E. A party aggrieved by action of the board in establishing a zone may bring an action in the superior court in the county in which the area of jurisdiction is located to set aside the action of the board. The action shall be heard in a trial de novo. The action must be instituted not more than thirty-five days after the last publication or date of posting, whichever is later, of the copy of the resolution establishing the zone.

Sec. 385. Section 48-3609, Arizona Revised Statutes, is amended to read:

48-3609. Floodplain delineation; regulation of use; federal requirements and definitions

A. Except as provided in section 48-3610, the board within its area of jurisdiction shall delineate or may by rule require developers of land to delineate for areas where development is ongoing or imminent, and thereafter as development becomes imminent, floodplains consistent with the criteria developed by the director of water resources.

B. Except as provided in section 48-3610, the board shall adopt and enforce regulations governing floodplains and floodplain management in its area of jurisdiction, which shall include the following:

1. Regulations for all development of land, construction of residential, commercial or industrial structures or uses of any kind ~~which~~ THAT may divert, retard or obstruct floodwater and threaten public health or safety or the general welfare.

2. Regulations ~~which~~ THAT establish minimum flood protection elevations and flood damage prevention requirements for uses, structures and

facilities ~~which~~ THAT are vulnerable to flood damage. Regulations adopted under this section shall comply with state and local land use plans and ordinances, if any.

3. Regulations ~~which~~ THAT provide for coordination by the district with all other interested and affected political subdivisions and state agencies.

4. Regulations that require any residential structure built in a floodplain to be constructed so as to place the lowest floor elevation of the structure at or above the regulatory flood elevation, that require commercial or industrial structures to be flood proofed or elevated to or above the regulatory flood elevation and that prohibit any activity in a designated floodway, including fill, that would increase the water surface elevation during a base flood.

5. Regulations to allow a mobile home located in a floodplain on August 3, 1984 to be replaced by another mobile home if:

(a) The mobile home to be replaced was not damaged by a flood to more than fifty per cent of its value before the flood.

(b) The replacement mobile home is elevated so that the bottom of the structural frame or the lowest point of any attached appliances, whichever is lower, is at or above the regulatory flood elevation.

6. Regulations that require all new placement of mobile homes to be anchored to prevent flotation, collapse or movement.

7. Variance procedures to permit variances from the regulations that do not result in danger or damage to persons or property in floodplains in the area of jurisdiction. Variances may be granted only if special circumstances, such as size, shape, topography, location or surroundings of the property, would cause the strict application of the regulations to deprive the property of privileges enjoyed by similar property in the floodplain. A variance is subject to conditions to ensure that the variance does not constitute a grant of special privileges inconsistent with the limitations on similar property in the floodplain.

C. Waste disposal systems shall not be installed wholly or partially in a regulatory floodway.

D. Water supply, water treatment and sewage collection and disposal systems built in a regulatory floodplain shall be designed to prevent or minimize floodwater infiltrating the systems and to prevent or minimize floodwater contamination during the base flood.

E. Floodplain regulations enacted pursuant to this article may only be adopted after a public hearing at which parties in interest and other citizens have an opportunity to be heard. At least thirty days before the hearing, a notice of the time and place of the hearing shall be published ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county ~~or, if no newspaper of general circulation is regularly published, in a newspaper of general circulation nearest the area of jurisdiction~~. A notice of any hearing accompanied by a copy of each of the proposed

regulations shall be furnished to the director at least thirty days before the date of the hearing. A copy of any regulation adopted by a district pursuant to this article shall within five days thereafter be filed with the director and with each political subdivision and municipal corporation in the area of jurisdiction.

F. All development of land, construction of residential, commercial or industrial structures or future development within delineated floodplain areas is prohibited unless floodplain regulations have been adopted pursuant to this article for such floodplain area and are in full force and effect.

G. Before adopting regulations the board may issue a special permit authorizing construction or development if the board finds that construction or development is not a danger to persons or property.

H. Unless expressly provided, this article and any regulations adopted pursuant to this article do not affect:

1. Existing legal uses of property or the right to continuation of such legal use. However, if a nonconforming use of land or a building or structure is discontinued for twelve months or destroyed to the extent of fifty per cent of its value, as determined by a competent appraiser, any further use shall comply with this article and regulations of the district.

2. Reasonable repair or alteration of property for the purposes for which the property was legally used on August 3, 1984 or on the date any regulations affecting such property take effect, except that any alteration, addition or repair to a nonconforming building or structure which would result in increasing its flood damage potential by fifty per cent or more shall be either flood proofed or elevated to or above the regulatory flood elevation.

3. Reasonable repair of structures constructed with the written authorization required by section 48-3613.

4. Facilities constructed or installed pursuant to a certificate of environmental compatibility issued pursuant to title 40, chapter 2, article 6.2.

I. Within one hundred twenty days after completion of construction of any flood control protective works ~~which~~ THAT changes the rate of flow during the flood or the configuration of the floodplain upstream or downstream from or adjacent to the project, the person or agency responsible for installation of the project shall provide to the governing bodies of all jurisdictions affected by the project a new delineation of all floodplains affected by the project. The new delineation shall be done according to the criteria adopted by the director of water resources.

J. A flood control district or appropriate public agency ~~which~~ THAT has failed to adopt or enforce floodplain regulations required by this section shall not be eligible for disaster relief identified by section 35-192, subsection D, paragraphs 3 and 5. The director of water resources shall advise the director of the division of emergency management within the department of emergency and military affairs of such failure to comply.

K. A district and its agents may have reasonable access as provided by written authorization issued pursuant to section 48-3613 or if no authorization has been issued during business hours or in the case of an emergency, at any time, to enter and inspect any development on real property that is located in a floodplain in order to determine whether an owner is in violation of this chapter. This subsection does not authorize the inspection of any records or files on a site or the interior of any building. A district shall attempt to provide written notice to the owner at least forty-eight hours in advance that the real property is to be inspected and that the owner or the owner's agent may accompany the district inspector on the inspection. A district inspector shall comply with any safety requirements that may be applicable to a particular site. The district shall prepare a report of any inspections made pursuant to this subsection. The report shall be made available in the records of the district and a copy sent to the owner within thirty days after the inspection.

L. The floodplain regulations adopted by a district pursuant to this chapter are intended to carry out the requirements of the national flood insurance program and any term not otherwise defined in this chapter shall have the meaning set forth in 44 Code of Federal Regulations parts 59 through 78, as effective on January 1, 2005.

Sec. 386. Section 48-3616, Arizona Revised Statutes, is amended to read:

48-3616. Survey and report of flood control problems and facilities; comprehensive program; adoption by board; hearing

A. After a flood control district has been established in a county having a population of over three hundred thousand persons according to the latest federal decennial census, the board shall cause the chief engineer to make or have made by the flood control engineer or by qualified private engineers a survey of the flood control problems of the district and to prepare a report describing existing flood control facilities in the area, recommendations as to cooperation between the district and the owner or owners of existing facilities, recommendations and a preliminary plan for the construction or other acquisition of facilities to carry out the purpose of the district, a description of the property proposed to be acquired or damaged in performing the work, a program for carrying out the regulatory functions, a map showing the district boundaries and location of the work proposed to be done and property taken or damaged, an estimate of the cost of the proposed work and such other things as the board of directors may request. Before submission to the board of directors the report shall be submitted to the citizens' advisory board if one is established for its review and recommendations. The report shall be prepared at least every five years beginning in 1985 and shall indicate the past efforts of the district in eliminating or minimizing flood control problems and state the planned future work of the district to eliminate or minimize flood control problems.

B. The chief engineer and his staff shall then prepare a comprehensive program of flood hazard mitigation, taking into consideration the recommendations submitted in the report. When a comprehensive program satisfactory to the board is available, the board shall tentatively adopt and schedule a public hearing on the program and the performance of the proposed work. The comprehensive program shall be reviewed and modified as necessary to reflect the past and future planned flood control works of the district. Notice of the hearing shall be given by publication once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of jurisdiction, the first of which shall be at least ten days before the date fixed for the hearing.

C. The chief engineer and his staff shall prepare and submit to the board a five year capital improvement program in a form approved by the board. The program and annual extensions shall be submitted to the board at least three months before the final date for submission of the annual budget. The program shall separately identify capital improvements for engineering, rights-of-way and land acquisition and construction with such supporting explanations, cost estimates and completion schedules as the board may require. The program shall be annually reviewed for endorsement by the citizens' advisory board if one is established.

D. After a flood control district has been established in a county with a population of fewer than three hundred thousand persons, the chief engineer may conduct a survey of flood control problems, prepare a comprehensive program for flood control and a five year capital improvement program pursuant to this section. He shall at least make an assessment of flood control problems in the area of jurisdiction and make an annual report of his findings and recommendations for dealing with them to the board.

Sec. 387. Section 48-3618, Arizona Revised Statutes, is amended to read:

48-3618. Resolution calling for bond election; notice; manner of conducting election

A. After a county flood control district has been established pursuant to this article, the board may order that facilities be acquired, constructed, operated and maintained from available monies of the district. If sufficient monies are not available, the board may call an election of the electors of the district qualified to vote under article VII, section 13, Constitution of Arizona, to obtain approval for incurring bonded indebtedness of the district to obtain revenue to acquire by purchase, construction or otherwise all or any portion of such facilities.

B. After authority has been acquired for instituting a project within a zone or a joint project by two or more contiguous zones in a district established under this article, the board may order that the facilities approved in the project or joint project be acquired, constructed, operated and maintained from the monies held by the district treasurer for expenditure in the respective zone or zones. If sufficient monies are not available, the

board may call an election of the electors of the zone, or of the zones for which a joint project has been authorized, who are qualified to vote under article VII, section 13, Constitution of Arizona, to obtain approval for incurring bonded indebtedness to obtain revenue to acquire by purchase, construction or otherwise all or any portion of the facilities.

C. The board resolution shall set forth the purpose of the indebtedness, the amount of the indebtedness, the maximum number of years for which the indebtedness is to be incurred, the maximum rate of interest to be paid and the date of the election and shall list the voting places to be used at the election. The election must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d). The resolution constitutes a notice of the election and shall be published once each week for three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of jurisdiction, or if there is no ~~such newspaper~~ PUBLIC MEDIUM, then notice shall be posted in not less than three public places within the area of jurisdiction, the first of which publications shall be not less than twenty days before the date fixed for the election. ~~Publication on the same day of each week is sufficient whether or not a daily newspaper is used for the publication.~~

D. Except as otherwise expressly provided, the election shall be called and held and the results canvassed in the manner provided by the laws of this state for holding elections on the issuance of bonds by counties for general county purposes. For purposes of the election the board may treat the entire district as a single precinct or may divide the district into such precincts and fix such polling places as it may see fit.

E. If a majority of the votes cast on the proposition is in favor of incurring the bonded indebtedness proposed, the bonds so authorized may be sold and issued by the board of directors either at one time or in blocks.

Sec. 388. Section 48-3619, Arizona Revised Statutes, is amended to read:

48-3619. Form, issuance and sale of bonds; limitation on bonded indebtedness; payment of bonds and interest

A. The bonds authorized pursuant to section 48-3618 shall be issued for the general purpose or purposes provided in the voted proposition, which may be the acquisition by purchase, construction or otherwise of any facilities designed to further the objects or purposes of the district or for improving and extending any such facilities, or any combination of such purposes, and may include the payment of all legal, engineering and fiscal expenses reasonably incurred in connection with the authorized purposes of the bonds and with the authorization and issuance of the bonds as well as expenses incurred in connection with the original organization of the district. The bonds shall be fully negotiable for all purposes and shall never be issued in an amount ~~which~~ THAT:

1. Together with all other existing bonded indebtedness of the district then outstanding, exceeds in total principal amount five per cent of the assessed valuation of taxable property in the district as computed from the last assessment roll for county purposes completed before issuing the bonds.

2. Together with all other existing bonded indebtedness of a zone then outstanding for which the property of a zone is subject to tax under this article, exceeds in total principal amount five per cent of the assessed valuation of taxable real property in the zone as computed from the last assessment roll for county purposes completed before issuing the bonds.

B. The limitation on bonded indebtedness does not apply in those districts or zones ~~which~~ THAT embrace portions of two or more irrigation districts ~~which~~ THAT have water delivery contracts with the United States pursuant to federal reclamation laws.

C. The bonds are the general obligations of the district, zone or zones and the full faith, credit and resources of the district, zone or zones shall be pledged for their payment. The board shall certify to the board of supervisors to levy annually on all taxable real property in the district, zone or zones secondary property taxes fully sufficient without limitations as to rate or amount to pay principal of and interest on such bonds as principal and interest fall due.

D. The bonds shall mature at such time or times not more than forty years from their date, shall bear interest at such rate or rates set by the accepted bid, which shall not exceed the maximum rate of interest stated in the resolution calling the election, shall be payable at such place or places within or without this state and generally shall be issued in such manner and with such details as may be provided in the resolution. The bonds may be made callable on any interest payment date at a premium not to exceed three per cent of their face amount. If the district has any source of revenues other than from the proceeds of taxes, all or such part of the revenues as the board of directors may deem advisable may, in the discretion of the board, be pledged to the payment of the bonds.

E. The board may provide in the resolution authorizing bonds that the bonds shall recite that they are issued under authority of this article. Such recital conclusively imports full compliance with this article and all bonds issued containing the recital are incontestable for any cause whatsoever after their delivery for value.

F. The board may provide for the publication of any resolution or other proceeding adopted by the board ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of jurisdiction. For a period of thirty days after the date of publication any person in interest may contest the legality of the resolution or proceedings of any bonds ~~which~~ THAT may be authorized, or the provisions made for the security and payment of the bonds, and after such time no person has any cause of action to contest the

regularity, formality, legality or source of payment for any cause whatsoever.

G. Subject to this section, the board shall declare by resolution its intention to sell such bonds and shall fix the date, hour and place of sale and shall give notice of the sale of the bonds by publication for at least ten days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of jurisdiction ~~and in any other newspaper as the board directs~~. The notice shall state that sealed bids only will be received by the board for the purchase of the bonds, and the bonds will be awarded to the highest responsible bidder at a price of not less than par and accrued interest, and that a good faith check equal to two per cent of the principal amount of bonds to be sold must accompany all sealed bids. The board may reject any and all bids. The bonds may be in denominations or multiples of one thousand dollars and shall be signed by such officers of the board as are designated by resolution adopted by the board. Any bonds bearing the signature of officers in office at the date of signing are valid and binding for all purposes, notwithstanding that before their delivery any such person whose signature appears on the bonds may no longer be an officer.

H. Bonds may be issued by the district after the issuance of all of the first bonds but must be issued pursuant to the making of a supplemental engineer's program and a hearing as prescribed in this section.

I. Bonds issued under authority of this article do not enjoy a priority over other bonds issued under this article by reason of time of authorization or issuance. Bonds issued under this article are not taxable by this state or by any county, city, town or other political subdivision of this state.

J. All bonds issued under this article are legal investments for all trust funds, including those under jurisdiction of this state, and for the funds of all insurance companies, banks and trust companies, for the investment of state monies and for all sinking funds under the control of this state and political subdivisions of this state.

Sec. 389. Section 48-3620.02, Arizona Revised Statutes, is amended to read:

48-3620.02. Authority for zone projects

A. For the purpose of acquiring authority to proceed with any project of special benefit to a zone, as well as for the purpose of acquiring authority to proceed with any joint project by any two or more contiguous zones, as provided by section 48-3620.01, the board of directors shall adopt a resolution stating its intention to undertake the zone project or joint project, together with the engineering estimates of the project's cost to be borne by any participating zones~~,~~ AND fixing a time and place for a public hearing on the resolution. NOTICE SHALL BE GIVEN once a week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the affected zone or zones, the first of which publications shall be at least ten days before the date fixed for the hearing or, if there

is no ~~such newspaper~~ PUBLIC MEDIUM, by posting the notice for two consecutive weeks before the hearing in three public places in each of the affected zones. The notice shall designate a public place in each of the zones where a copy of the map or maps of any joint project may be seen by an interested person.

B. At the time and place fixed for the hearing or at any time to which the hearing may be continued, the board shall consider all written and oral objections to the proposed project or joint project. On the conclusion of the hearing, the board may abandon or proceed with the proposed project or joint project unless written protests against the proposed project or joint project, signed by a majority in number of the electors, as defined in article VII, section 13, Constitution of Arizona, of the project zone or any of the zones in a proposed joint project, are filed with the board of directors before the conclusion of the hearing, in which event the project or joint project shall be abandoned.

C. After a zone project or a joint project has been authorized and adopted, the board may, without the necessity of any further hearing, make such changes in the project as it may deem desirable to facilitate the program, consistent with the objects, purposes and powers of the district prescribed by section 48-3603.

Sec. 390. Section 48-3705, Arizona Revised Statutes, is amended to read:

48-3705. Notice; hearing on petitions; transcript

A. ~~Upon~~ ON receipt of petitions from three or more counties, the director shall set a date for hearing on the petitions not less than thirty days nor more than sixty days after the date of filing of such petitions. The director shall cause a signed notice giving the time and place of the hearing on the petitions to be:

1. Mailed by certified mail to the board of supervisors of each county in the state.

2. Published at least once each week for two consecutive weeks ~~in newspapers of general circulation~~ ON A PUBLIC MEDIUM published in each of the counties of the state~~, or, if no newspaper is published in a particular county, in a newspaper published in an adjoining county~~.

3. Posted in three or more conspicuous places in each county in the state at least two weeks before the date set for hearing.

B. Any county not included in the petitions for which notice of the hearing has been given may file with the director a petition to be included in such district. Such petition may be filed at any time up to ten days ~~prior to~~ BEFORE the date of the hearing on the original petitions and, if filed, shall be considered as though filed with such petitions. The petitioners so filing shall serve notice of such filing on the clerks of the boards of supervisors of the original petitioning counties, and shall publish a copy of such notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county which they represent not less than five days

~~prior to~~ BEFORE the date of the hearing. No further notice of the inclusion of additional counties shall be required.

C. At the hearing, any affected person may appear and be heard on any matter relating to the establishment of the proposed district.

D. The director shall cause a transcript to be made of all proceedings.

Sec. 391. Section 48-3732, Arizona Revised Statutes, is amended to read:

48-3732. Time for hearing; notice; summons; parties; pleadings

A. ~~Upon~~ ON filing of the petition in the superior court, the court shall fix a time for the hearing on the petition, which shall be not less than sixty days from the date of filing the petition, and shall order the clerk of the court to issue summons directed to all persons whose rights may be affected by any judgment rendered in the proceeding. The court shall also order the clerk to give notice of the filing of the petition and the date of the hearing thereon by publishing the summons at least once a week for four consecutive weeks ~~in a newspaper published or of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the office of the petitioner is located, and such other counties as the court may order, the last of the publications to be not less than fifteen days ~~prior to~~ BEFORE the date fixed for the hearing.

B. The summons shall state the time and place fixed for hearing the petition and that any person whose rights may be affected by any judgment rendered may not less than ten days before the date fixed for hearing the petition answer the petition and after such answer, may appear at the hearing and contest the granting of the petition and the entry of any order of confirmation or validation.

Sec. 392. Section 48-3780, Arizona Revised Statutes, is amended to read:

48-3780. Qualification as a member service area; termination

A. The service area of a municipal provider qualifies as a member service area only if all of the following apply:

1. The service area is located in an active management area in which a part of the central Arizona project aqueduct is located.

2. The municipal provider is not a member of a groundwater replenishment district established pursuant to chapter 27 of this title.

3. The service area of the municipal provider is not a water district member service area under chapter 28 of this title.

4. If the municipal provider or its predecessor previously terminated member service area status pursuant to subsection B of this section, the service area or any portion of the service area has not been a member service area for at least ten years. The district may waive this requirement if the district and the director of water resources determine that previously unforeseen circumstances necessitate requalification of the service area.

5. If the municipal provider or its predecessor previously terminated member service area status pursuant to subsection B of this section, the municipal provider agrees to pay to the district all charges that would have otherwise been imposed by the district had the member service area status remained in effect during the period since termination became effective.

6. If all or a portion of the service area has previously qualified as a member service area, the municipal provider agrees to pay an amount equal to the amount of the replenishment taxes assessed against its predecessor that were not paid, plus interest calculated in accordance with section 48-3782, subsection A.

7. The conditions stated in section 45-576.01, subsection B, paragraphs 2 and 3 are satisfied with respect to the district at the time of the qualification.

8. The municipal provider publishes a resolution once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties where the service area is located that:

(a) Has attached to it a current map of the municipal provider's service area.

(b) Declares the intent of the municipal provider that the service area qualify as a member service area under this chapter.

(c) Declares that, for the privilege of withdrawing and delivering excess groundwater within its service area and to ensure the continued exercise of that privilege, the municipal provider shall pay an annual replenishment tax to be determined by the district.

(d) Contains a covenant, binding against the municipal provider, to pay to the district an annual replenishment tax based on the service area replenishment obligation in an amount determined by the district as necessary to allow the district to perform the groundwater replenishment obligations.

(e) Authorizes the municipal provider to enter into a written commitment with the district in the form and substance satisfactory to the district regarding payment of the annual replenishment tax.

(f) Declares that the resolution applies to the service area of the municipal provider as it currently exists and to all additions to and extensions of the service area.

(g) Declares that the resolution is irrevocable for as long as the district is obligated to perform the groundwater replenishment obligations.

B. A service area previously accepted as a member service area pursuant to subsection A of this section terminates its member service area status only if all of the following apply:

1. The municipal provider for the member service area has submitted an application to the district requesting termination of member service area status.

2. The municipal provider for the member service area has submitted an application to the director of water resources requesting modification of the

municipal provider's assured water supply designation under section 45-576 that eliminates the municipal provider's reliance on member service area status.

3. The applications provide evidence satisfactory to the director of water resources that the municipal provider has obtained a substitute supply of water, other than groundwater, that is determined by the director of water resources to be consistent with assured water supply requirements pursuant to section 45-576 and that is sufficient to eliminate the municipal provider's reliance on member service area status.

4. The director of water resources has approved the municipal provider's application to modify its assured water supply designation based on the addition of the substitute water supply.

5. The municipal provider publishes a resolution once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties where the service area is located that:

(a) Has attached to it a current map of the municipal provider's service area.

(b) Declares the intent of the municipal provider to terminate the service area's member service area status.

(c) Declares that the district is no longer obligated to perform the groundwater replenishment obligations on behalf of the service area.

(d) Revokes the resolution for the member service area provided for in subsection A, paragraph 7 of this section.

6. All amounts owed by the water provider on behalf of the member service area to the district have been paid.

7. The municipal provider has paid or made arrangements suitable to the district for repayment of any capital costs incurred by the district specifically on behalf of the member service area.

Sec. 393. Section 48-3905, Arizona Revised Statutes, is amended to read:

48-3905. Dissolution of district

A. After a county free library district has been established, it may be dissolved in the same manner it was established.

B. At least once each week for three consecutive weeks ~~prior to~~ BEFORE taking such action, the board of directors shall publish ~~in a newspaper designated by them and~~ ON A PUBLIC MEDIUM published in the county notice of the contemplated action, stating the date and time of the meeting at which the contemplated action is proposed to be taken.

Sec. 394. Section 48-4001, Arizona Revised Statutes, is amended to read:

48-4001. Establishment of district

A. The board of supervisors of a county may adopt a resolution to establish a county jail district in the county for the purpose of acquiring, constructing, operating, maintaining and financing county jails and jail

systems and juvenile detention facilities, but only if the inclusion of juvenile detention facilities is jointly requested by the sheriff and the presiding judge of the juvenile court and the board of supervisors finds that the public interest, convenience and necessity will be served by including juvenile detention facilities, as provided by this chapter. The district shall be established on voter approval of a property tax or excise tax pursuant to section 48-4021.

B. The resolution shall set a date for a hearing on the resolution, not less than twenty-one nor more than forty days from the date of the resolution. The notice of the hearing shall be published once each week for at least three consecutive weeks before the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and shall be posted at least three weeks before the hearing in at least three public places in the county. The board shall meet at the time and place fixed for the hearing. At the hearing the board shall hear all persons who wish to appear in favor of or against establishment of the district.

C. If, after the hearing, it appears to the board that the public interest, convenience and necessity will be served by establishing the district, the board shall declare its findings and order the formation of the county jail district under a designated corporate name contingent on approval of a property tax or excise tax pursuant to section 48-4021. The board shall file a certified copy of the proceedings with the county recorder.

D. The board of supervisors may pay the necessary costs incurred in connection with the formation of the district from any monies available for that purpose.

E. The district includes the incorporated and unincorporated areas of the county.

Sec. 395. Section 48-4004, Arizona Revised Statutes, is amended to read:

48-4004. Juvenile detention facilities

A. If a county jail district was established before August 6, 1999 or if approved pursuant to section 48-4023.01, the board of supervisors may adopt a resolution authorizing the district to acquire, construct, operate, maintain and finance juvenile detention facilities.

B. The resolution shall set a date for a hearing on the resolution, no less than twenty-one or more than forty days from the date of the resolution. The notice of the hearing shall be published once each week for at least three consecutive weeks before the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and shall be posted at least three weeks before the hearing in at least three public places in the county. The board shall meet at the time and place fixed for the hearing. At the hearing, the board shall hear all persons who wish to appear in favor of or against the resolution.

C. If, after the hearing, it appears to the board that the public interest, convenience and necessity will be served by authorizing the

district to acquire, construct, operate, maintain and finance juvenile detention facilities, the board shall declare its findings and either call a district-wide special election or place the issue on the ballot of a regular general election held in the district. The board shall specify on the ballot:

1. A summary of the board's findings under this section.

2. A summary of the projected costs of the facility over the first five years of acquisition, construction and operation.

3. The amount of additional tax revenues that will be required to finance the facility.

D. If approved by the qualified electors voting at the election, the district may proceed to acquire, construct, operate, maintain and finance juvenile detention facilities as provided in this chapter.

E. If the board of supervisors determines that there are insufficient revenues to operate and maintain all facilities of the district, the board of supervisors shall ensure that the adult jail facilities have priority for district revenues. The county shall continue to have authority to fund juvenile detention facilities.

Sec. 396. Section 48-4431, Arizona Revised Statutes, is amended to read:

48-4431. Establishment; petitions; notice; hearing; determination by county board of supervisors; boundaries; preliminary expenses

A. A groundwater replenishment district may be established in an active management area with a management goal of safe-yield that, as of the date the petition is submitted, has at least three municipal water providers each having a service area population exceeding one hundred fifty thousand persons according to the most recent data compiled by the department of water resources. The district shall be established by the following procedures:

1. A municipality that desires to propose the establishment of the district shall prepare and submit a petition to the board of supervisors of the county in which the district is to be located. Any number of municipalities in an active management area satisfying the requirements of THIS subsection ~~A~~ may collectively submit a petition. If a proposed district will be located in more than one county, the petition shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The boards of supervisors of any other counties in which a portion of the district is located shall provide information and assistance to the responsible board of supervisors. The petition shall contain a statement including at least the following information:

(a) A general description of the boundaries of the proposed district and a map of the area to be included in the district. The district boundaries shall be coterminous with the boundaries of the service areas of

the municipalities petitioning for the formation of the district and within the boundaries of the active management area.

(b) An estimate of the assessed valuation in the proposed district.

(c) Certified copies of adopted resolutions approving the district's formation by the governing bodies of the municipalities petitioning for the formation of the district.

(d) The name of the proposed district.

(e) A request that the board of supervisors define and establish the boundaries of the proposed district and schedule a hearing.

2. On receiving the petition:

(a) The board of supervisors shall set a day, at least sixty but not more than ninety days after that date, for a hearing on the petition.

(b) The clerk of the board of supervisors shall publish a notice stating the purpose of the petition, the description of the area of the proposed district and the day, hour and place of the hearing twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed district at least twenty days before the hearing.

3. Before the date of the hearing, any person who wishes to object to the establishment of the district may file the objections in writing with the clerk of the board of supervisors.

4. At the hearing the board of supervisors shall:

(a) Hear those who appear for and against the proposed district and shall determine whether the petition conforms to the requirements of this section. If the board of supervisors determines that the petition conforms to the requirements of this section, and that the water supply available to the land in the district will be improved, it shall order the establishment of the district. The district boundaries shall be coterminous with the boundaries of the service areas of the municipalities petitioning for the formation of the district and within the boundaries of the active management area. The board of supervisors of each county in which the district is located shall define and establish the actual boundaries of the district based on the existing service area boundaries according to maps and surveys adopted by the department of water resources. The board of supervisors may conduct additional surveys and studies to ascertain and determine the boundaries of the district.

(b) Enter in the minutes of the meeting its order stating its determination.

5. Not later than ten days after the day of the hearing, a copy of the order of the board of supervisors under paragraph 4, subdivision (b) of this ~~section~~ SUBSECTION shall be filed in the county recorder's office. Not later than thirty days after recording the order, the board of supervisors of any other county in which a portion of the district is located shall enter a conforming order acknowledging the formation of the district. The order of the board of supervisors of the county in which the majority of the assessed valuation of the district is located is final, and the proposed district is

established thirty days after the board of supervisors votes to establish the district.

B. All preliminary expenses incurred in organizing the district, including necessary engineering and legal expenses, and all necessary and reasonable services rendered before the district is authorized to contract for such services, materials or valuable things are lawful obligations of the district. After the board of directors is organized and qualified, the district shall pay all such amounts as the board allows.

C. The district's boundaries shall expand as follows:

1. If a district member expands its service area, the district's boundaries shall automatically expand in order to remain coterminous with the boundaries of the service area of its members subject to the following:

(a) The district's boundaries shall not expand outside the active management area in which the district is located.

(b) If the expanded service area includes land in a county in which the district has not previously been located, the district's boundaries shall not expand to include that service area, unless the municipality petitions for expansion under paragraph 2 of this subsection.

2. Any municipality located in an active management area in which a district is located that did not petition to form the district may join the district after it is formed by submitting a petition for expansion of the district to the board of supervisors of the county in which the service area of the municipality is located. The petition shall contain a statement including at least the following information:

(a) A general description of the boundaries of the proposed expansion and a map of the service area to be included in the district. The expanded district boundaries shall be coterminous with the boundaries of the service areas of the district's current members and of the municipalities petitioning for the expansion of the district. The expanded district boundaries shall remain within the boundaries of the active management area.

(b) Certified copies of adopted resolutions approving the inclusion within the district of the municipalities filing the petition for expansion of the district adopted by the governing bodies of the municipalities petitioning for the expansion of the district.

(c) A request that the board of supervisors define and establish the expanded boundaries of the district and schedule a hearing.

3. On receiving the petition:

(a) The board of supervisors shall set a day, at least sixty but not more than ninety days after that date, for a hearing on the petition.

(b) The clerk of the board of supervisors shall publish a notice stating the purpose of the petition, the description of the area of the proposed expansion of the district and the day, hour and place of the hearing twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed expansion of the district at least twenty days before the hearing.

4. Before the date of the hearing, any person who wishes to object to the expansion of the district may file the objections in writing with the clerk of the board of supervisors.

5. At the hearing the board of supervisors shall:

(a) Hear those who appear for and against the proposed expansion of the district and shall determine whether the petition conforms to the requirements of this section. If the board of supervisors determines that the petition conforms to the requirements of this section and that the water supply available to the land in the district will be improved, it shall order the expansion of the district. The district boundaries shall be expanded to be coterminous with the boundaries of the service area of the municipality petitioning for the expansion of the district and within the boundaries of the active management area. The board of supervisors shall define and establish the expanded boundaries of the district based on the existing service area boundaries according to maps and surveys adopted by the department of water resources. The board of supervisors may conduct additional surveys and studies to ascertain and determine the boundaries of the district.

(b) Enter in the minutes of the meeting its order stating its determination.

6. Not later than ten days after the day of the hearing, a copy of the order of the board of supervisors under paragraph 5, subdivision (b) of this subsection shall be filed in the county recorder's office. The order of the board of supervisors is final, and the proposed expansion of the district is effective thirty days after the board of supervisors votes to expand the district.

Sec. 397. Section 48-4542, Arizona Revised Statutes, is amended to read:

48-4542. Issuance of bonds

A. The board, subject to this article, may:

1. Issue its negotiable bonds in such principal amount as, in the opinion of the board, is necessary to:

(a) Provide sufficient monies for any water replenishment purpose.

(b) Establish reserves to secure the bonds.

(c) Pay the necessary costs of issuing, selling and redeeming the bonds.

(d) Pay all other costs and bond related expenses incidental to and necessary and convenient to carry out such purposes.

2. Issue refunding bonds if the board deems refunding expedient. The board may provide for investing and holding the proceeds of the refunding bonds in trust for the benefit of the holders of the bonds being refunded.

3. Refund any bonds issued by the district if the bonds are secured from the same source of revenues as the bonds authorized in this article by issuing new bonds, whether the bonds to be refunded have or have not matured.

4. Issue bonds partly to refund outstanding bonds and partly for any water replenishment purpose consistent with this article.

B. The board shall authorize the bonds by resolution. The resolution shall prescribe:

1. The rate or rates of interest, which may be fixed or variable, and the denominations of the bonds.

2. The date or dates of the bonds and maturity.

3. The coupon or registered form of the bonds.

4. The manner of executing the bonds.

5. The medium and place of payment.

6. The terms of redemption that may provide for a premium for early redemption.

C. The board shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The last day of publication must be at least ten days before issuing the bonds. The notice shall state the amount of the bonds to be sold and the intended date of issuance.

D. The bonds shall be sold at public or private sale at the price and on the terms as the board determines. Bonds to fund or refund other bonds may be either sold or exchanged with the holders of bonds being funded or refunded on terms the board determines. All proceeds from issuing the bonds shall be deposited in the bond fund.

E. The board, out of any available monies, may purchase bonds, which may thereupon be canceled, at a price not exceeding the following:

1. If the bonds are then redeemable, the applicable redemption price plus accrued interest to the next interest payment date.

2. If the bonds are not then redeemable, the redemption price applicable on the first date after purchase on which the bonds become subject to redemption plus accrued interest to that date.

F. Neither the members of the board nor any person executing the bonds is personally liable for the payment of the bonds.

G. Title 35, chapter 3, article 7 applies to the district and to bonds issued under this article.

Sec. 398. Section 48-4543, Arizona Revised Statutes, is amended to read:

48-4543. General obligation bond election; results

A. On determining the amount of money that is necessary to be raised for any of the purposes set forth in section 48-4542 and that may be subject to repayment under section 48-4503, subsection B, paragraph 1, the board shall immediately call an election to submit to the electors of the district the question of whether the bonds of the district shall be issued in the amount so determined. The election must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).

B. Notice of the election shall be posted in three public places in each election precinct of the district for at least twenty days and by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of the board of directors of the district is located once a week for at least two consecutive weeks. The notice shall state the date of the election, the amount of bonds proposed to be issued, the maximum rate of interest to be borne on the bonds and the denominations.

C. The election shall be held and the results shall be determined and declared in a manner as nearly as practicable as provided by section 48-4433 governing the election of board members. Informalities in conducting the election do not invalidate the election if it has been otherwise fairly conducted.

D. At the election the ballots shall contain the words "bonds--yes" and "bonds--no". If a majority of the votes cast at the election is "bonds--yes", the board of directors shall cause the bonds to be issued. If a majority of the votes cast is "bonds--no", the result of the election shall be declared by the board of directors and entered on its record, and at any time thereafter when a petition signed by one-fourth or more of the qualified electors of the district is presented to the board of directors, the board shall record such presentation in its minutes and shall again submit the question to the electors of the district in the same manner and with similar effect as at the previous election.

Sec. 399. Section 48-4802, Arizona Revised Statutes, is amended to read:

48-4802. Formation

A. A water district may be organized in an active management area in which all of the following conditions exist on the date the district is organized:

1. The active management area:

(a) Has a management goal of safe-yield.

(b) Contains territory in at least three counties.

2. The population of the most populous city in the active management area does not exceed seven hundred fifty thousand persons according to the most recent United States decennial census.

B. The boundaries of the district shall be coterminous with the boundaries of the active management area.

C. The district shall be organized on the adoption of a resolution approving the district's formation approved by a majority vote of each of the governing bodies of:

1. A majority of the counties in which the active management area is located, one of which must be the most populous county in the active management area.

2. The largest city by population in the active management area.

3. An irrigation district of more than one thousand acres in the active management area that levies district assessments under chapter 19, article 9 of this title.

D. When each of the entities required under subsection C of this section has approved the formation of the district, the groundwater users advisory council in the active management area shall:

1. Notify the governing bodies of each county, city, town and irrigation district and each water company in the active management area that the district is being organized and that the initial board of directors will be appointed pursuant to section 48-4803.

2. Publish the notice once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the active management area.

Sec. 400. Section 48-4914, Arizona Revised Statutes, is amended to read:

48-4914. Hearing; findings

A. The chairman of the board, at the earliest practical date, shall fix a time and place for a hearing not less than twenty nor more than thirty days after adopting the resolution. Notice of the time and place fixed for the hearing shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the active management area.

B. All pertinent records and documents shall be filed not less than ten days before the date set for the hearing. Prehearings respecting any particular document, feature or incidental matter or any separable part or portion of any resolution may be held by the board on ten days' previous written notice if the board deems that holding a prehearing is conducive to expediting a final hearing, and a decision as to the issues presented may thereupon be rendered.

C. At the time and place fixed for the hearing, the board shall examine and determine the matters and questions involved. Hearings may be recessed, adjourned or continued as the board may order.

D. Any person who holds an original agreement or proposal made with the district relating to or concerning the handling, sale, control or disposition of a proposed issue of bonds or who has previously made an offer or bid in good faith to purchase the bonds pursuant to a published invitation for bids by the district, and any operating unit holding contracts with the district not less than ten days before the date fixed for the hearing, may qualify to be heard.

E. If the board finds that all precedent requirements and conditions have been fulfilled, it shall approve the bond issue in whole or in part, or shall otherwise disapprove the bond issue as a whole or as to such features or proposals as do not meet essential requirements. When the board has made and entered its findings, it shall enter a decision accordingly.

F. The decision of the board based on findings of fact which are supported by a preponderance of the evidence and which are not arbitrary or unreasonable is final and conclusive.

Sec. 401. Section 48-4981, Arizona Revised Statutes, is amended to read:

48-4981. Qualification as a water district member service area

The service area of a municipal provider shall qualify as a water district member service area only if all of the following apply:

1. The service area is located in ~~an active management area in which~~ the district ~~is located~~.

2. The municipal provider is not a member of a groundwater replenishment district established pursuant to chapter 27 of this title.

3. The service area of the municipal provider is not a member service area under chapter 22 of this title.

4. The conditions stated in section 45-576.01, subsection B, paragraphs 2 and 3 are satisfied with respect to the district at the time of the qualification.

5. The municipal provider publishes a resolution once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED for the county or counties where the service area is located that:

(a) Has attached to it a current map of the municipal provider's service area.

(b) Declares the intent of the municipal provider that the service area qualify as a water district member service area under this chapter.

(c) Declares that, for the privilege of withdrawing and delivering excess groundwater within its service area and to ensure the continued exercise of that privilege, the municipal provider shall pay an annual replenishment tax to be determined by the district.

(d) Contains a covenant, binding against the municipal provider, to pay to the district an annual replenishment tax based on the water district service area replenishment obligation in an amount determined by the district as necessary to allow the district to perform the water district groundwater replenishment obligations.

(e) Authorizes the municipal provider to enter into a written commitment with the district in form and substance satisfactory to the district regarding the payment of the annual replenishment tax.

(f) Declares that the resolution applies to the service area of the municipal provider as it currently exists and to all additions to and extensions of the service area.

(g) Declares that the resolution is irrevocable for as long as the district is obligated to perform the water district groundwater replenishment obligations.

Sec. 402. Section 48-5304, Arizona Revised Statutes, is amended to read:

48-5304. Board duties

The board shall:

1. Determine the exclusive public transportation systems to be acquired and constructed, the means to finance the systems and whether to operate the systems or to let contracts for their operation. In the operation of the public transportation system the board may use public transportation facilities used by a municipality, subject to section 48-5308, subsection F.

2. Approve a request for an election to the board of supervisors for submission of the following issues to the electorate:

(a) Approval of a transportation excise tax authorized by section 42-6106.

(b) Approval of elements of the regional transportation plan developed pursuant to section 48-5309.

(c) Approval of changes in the regional transportation plan pursuant to section 48-5309, subsection B.

3. Produce annually a five year transportation improvement program that is consistent with the regional transportation plan elements and that contains the following:

(a) Projects financed with monies from the regional transportation fund.

(b) A description of each project, including a schedule of expenditures and sources of funding for each project.

(c) The political subdivision with responsibility for project implementation.

4. Assure that projects proposed for federal, state or local funding appear in the authority's transportation improvement program and in the transportation improvement program of the regional council of governments.

5. Not later than January 1 of each year for publication ~~in at least two newspapers of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in January, assess and analyze the status and implications of the transportation improvement program with respect to the occurrence of substantial change as defined in section 48-5309 and with respect to the potential for or occurrence of the following conditions:

(a) An actual project expenditure that exceeds the project budget amount shown in the first year of the transportation improvement program by five per cent or more.

(b) A project cost amount that exceeds by ten per cent or more the project budget amount that appears in the first year of the transportation improvement program.

(c) First year and five year cumulative projected expenditures for all elements of the regional transportation plan in the five year transportation

improvement program that exceed revenue estimates for corresponding periods by twenty per cent or more.

6. Develop supplements to the regional transportation plan that encompass a period of time that is coterminous with the effective period of a transportation excise tax approved pursuant to section 42-6106. A supplement shall not be developed earlier than the fourth year and not later than the second year before the expiration of the regional transportation plan.

7. Adopt an annual budget, hire employees and fix the compensation of its employees.

8. Cause a postaudit of the financial transactions and records of the authority to be made at least annually by a certified public accountant.

9. Adopt rules that are proper or necessary to regulate the use, operation and maintenance of its property and facilities, including its public transportation systems and related transportation facilities and services operating in its area of jurisdiction, and to carry into effect the powers granted to the board.

10. Provide opportunities for involvement in all aspects of the planning and amendment process by all affected interested parties.

11. Appoint advisory committees as it deems necessary.

12. Have sole authority to implement the elements of the regional transportation plan, including authority to contract for, absorb or acquire existing public transportation services as it deems necessary.

13. Coordinate the implementation of the regional transportation plan among the local jurisdictions.

14. Contract for financial, administrative, underwriting and trust services necessary to issue bonds pursuant to sections 48-5341 through 48-5347 and administer the regional transportation fund pursuant to section 48-5307, subsection B.

15. Hire legal counsel to represent the authority in any legal proceeding, accountants and other professional personnel as it deems necessary.

16. Set the priorities of the plan and administer and facilitate the distribution of monies in the regional transportation fund.

17. Delegate to the executive director any of the administrative functions, powers or duties that the board believes the executive director can competently, efficiently and properly perform.

18. Contract and enter into stipulations of any nature necessary and convenient for the full exercise of the powers granted in this chapter.

19. Do all things necessary to carry out the purposes of this chapter.

Sec. 403. Section 48-5347, Arizona Revised Statutes, is amended to read:

48-5347. Notice; bond issuance

A. The board shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper~~ ON A

PUBLIC MEDIUM published in this state. The last day of publication shall be at least ten days before the issuance of the bonds.

B. The notice shall state the amount of the bonds to be sold and the intended date of issuance.

Sec. 404. Section 48-5544, Arizona Revised Statutes, is amended to read:

48-5544. Cancellation of lease for failure to pay rent; authority to lease again; auction

A. If a lessee of the hospital, freestanding urgent care center, medical clinic or nursing care institution and their equipment fails to make the payment of rental required by the lease, the board of directors, at its option, may cancel the lease for the failure.

B. If there is no lease or the lease is cancelled and the board of directors is unable to again lease the hospital, freestanding urgent care center, medical clinic or nursing care institution and their equipment to a lessee qualified under this article at a rent that is sufficient to provide a fair return to the district, the board of directors shall:

1. At least annually at public auction, offer to lease the hospital, freestanding urgent care center, medical clinic or nursing care institution and their equipment to the highest responsible and qualified bidder for such term as the board of directors prescribes.

2. Lease the hospital, freestanding urgent care center, medical clinic or nursing care institution and their equipment to the bidder who bids the highest rental for the prescribed period.

C. Notice of the auction shall be given ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district at least once each week for four weeks immediately preceding the auction.

Sec. 405. Section 48-5703, Arizona Revised Statutes, is amended to read:

48-5703. District establishment; procedures; notice; hearing; determinations; petitions

A. An agriculture preservation district shall be established by the following procedures:

1. Any person desiring to propose the establishment of a district and who resides or owns real property in the proposed district shall prepare and submit a district impact statement to the board of supervisors of the county in which the district is to be located. If the person desiring to establish a district pursuant to this section is unable to complete the district impact statement, the board of supervisors may assist in the completion of the impact statement if requested to do so, if the bond required in subsection C OF THIS SECTION is in an amount sufficient to cover any additional cost to the county. The district impact statement shall contain at least the following information:

(a) A description of the boundaries of the proposed district and a detailed, accurate map of the area to be included in the district. A

proposed district shall be located no more than ten miles from the outside boundary of an existing military airport or a former military airport decommissioned after January 1, 1991 that is being redeveloped and continues to operate as an airport, as measured from the outside boundary of the proposed district.

(b) An estimate of the assessed valuation within the proposed district.

(c) The names, addresses and occupations of the proposed members of the district's organizing board of directors.

(d) The projected cost of establishing the district.

2. On receipt of the district impact statement, the board of supervisors shall set a date, at least thirty days but not more than sixty days from that date, for a hearing on the impact statement. At any time before making a determination pursuant to paragraph 4 OF THIS SUBSECTION, the board of supervisors may require that the impact statement be amended to include any information that the board of supervisors deems relevant and necessary.

3. On receipt of the district impact statement, the clerk of the board of supervisors shall mail, by first class mail, written notice of the statement~~,~~ AND its purpose and notice of the date, hour and place of the hearing on the proposed district to each owner of taxable property and each qualified elector within the boundaries of the proposed district. The clerk of the board of supervisors shall post the notice in at least three conspicuous public places in the area of the proposed district and shall publish twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed district, at least ten days before the hearing, ~~or, if no daily newspaper of general circulation exists in the area of the proposed district, at least twice at any time before the date of the hearing,~~ a notice setting forth the purpose of the impact statement, the description of the area of the proposed district and the date, hour and place of the hearing.

4. At the hearing called pursuant to paragraph 2 OF THIS SUBSECTION, the board of supervisors shall hear those persons who appear for and against the proposed district and shall determine whether the establishment of the district will promote the public health, comfort, convenience, necessity or welfare. If the board of supervisors determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall approve the district impact statement and authorize the persons proposing the district to circulate petitions as provided in this subsection. The order of the board of supervisors is final, but if the request to circulate petitions is denied, a subsequent request for a similar district may be refiled with the board of supervisors after six months from the date of the denial.

5. After receiving the approval of the board of supervisors as provided in paragraph 4 OF THIS SUBSECTION, the person proposing the district

may circulate the petitions for signatures and present petitions to the board of supervisors of the county in which the district is located.

6. The petitions presented pursuant to paragraph 5 OF THIS SUBSECTION shall:

(a) At all times, contain a description of the boundaries of the proposed district, a detailed, accurate map of the proposed district and the names, addresses and occupations of the proposed members of the district's organizing board of directors. No alteration of the proposed district may be made after receiving the approval of the board of supervisors as provided in paragraph 4 OF THIS SUBSECTION.

(b) Be signed by at least the number of owners of taxable property who own a majority of the acres of taxable property in the proposed district.

7. On receipt of the petitions, the board of supervisors shall set a date, at least ten days but not more than thirty days from that date, for a hearing on the petition.

8. Before the hearing called pursuant to paragraph 7 OF THIS SUBSECTION, the board of supervisors shall determine the validity of the petitions presented.

9. At the hearing called pursuant to paragraph 7 OF THIS SUBSECTION, the board of supervisors, if the petitions are valid, shall order the establishment of the district. The board of supervisors shall enter its order setting forth its determination in the minutes of the meeting, not more than ten days after the hearing, and shall file a copy of the order in the county recorder's office. The order of the board of supervisors is final, and the proposed district shall be established thirty days after the board of supervisors votes to establish the district. A decision of the board of supervisors under this subsection is subject to judicial review.

B. For the purpose of determining the validity of the petitions presented pursuant to subsection A, paragraph 6 OF THIS SECTION, property held in joint tenancy or other joint ownership shall be treated as if it had only one property owner, so that the signature of only one of the owners of property is required on the formation petition.

C. The board of supervisors may require a reasonable bond covering any person who proposes the establishment of a district pursuant to subsection A, paragraph 1 OF THIS SECTION. The person shall file the bond with the board at the start of proceedings under this section. The bond shall be in an amount sufficient to cover costs incurred by the county if the district is not finally established. County costs covered by the bond include any expense incurred from completion of the district impact statement, mailing the notice of hearing to district owners of taxable property and qualified electors as ~~defined pursuant to~~ PRESCRIBED IN section 16-121~~,~~ AND publishing the notice of hearing and other expenses reasonably incurred as a result of any requirements of this section.

D. If a district is established pursuant to this section, the cost of publishing the notice of hearing~~,~~ AND the mailing of notices and all other

costs incurred by the county as a result of this section are a charge against the district.

E. The area of a district established pursuant to this section shall contain a minimum of six thousand four hundred acres of privately owned land and may include two or more areas of noncontiguous land and land from more than one county.

F. A district organized pursuant to this section shall have an organizing board of directors to administer the affairs of the district until a duly constituted board of directors is elected as provided in this title. The organizing board has all of the powers, duties and responsibilities of an elected board. The organizing board consists of the three individuals named in the district impact statement and the petitions presented pursuant to subsection A OF THIS SECTION. If a vacancy occurs on the organizing board, the remaining board members shall fill the vacancy by appointing an interim member. Members of the organizing board serve without compensation but may be reimbursed for actual expenses incurred in performing their duties. The organizing board shall elect from its members a chairman and a clerk.

Sec. 406. Section 48-5903, Arizona Revised Statutes, is amended to read:

48-5903. Resolution of intent; hearing

A. On receipt of the preliminary general plan for the district, the governing body of each municipal water provider shall consider a resolution of intent to form the district and shall hold a hearing to consider whether to call an election on the issue of formation of the district. If a municipal water provider is a private water company, the private water company and the governing body of each city, town or county in which any participating portion of the service area of the private water company is located shall each hold a hearing or a public meeting on whether to hold an election to form the district.

B. A municipal water provider shall provide notice of the hearing to consider whether to call an election by posting notice of the hearing in three public places within the boundaries of the participating portion of the municipal water provider's service area not less than twenty days before the hearing. Notice shall also be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county once a week for two consecutive weeks before the hearing. The notice shall state:

1. The place of the hearing.
2. The time of the hearing.
3. The boundaries of the proposed district.
4. That a preliminary general plan is on file with the municipal water provider.

C. The hearing on whether to hold an election on the formation of the district shall be held at least twenty days but not more than forty-five days after adoption of the resolution of intent to form the district. If an election is approved, the election shall be held not earlier than six months

after the formal approval of the election by the requisite governing bodies as prescribed by section 48-5904.

Sec. 407. Section 48-5905, Arizona Revised Statutes, is amended to read:

48-5905. Election procedure; costs; ballot questions; qualified electors

A. Any elections held pursuant to this chapter shall be administered by the county and shall be held on a date prescribed by section 16-204. The election date for all participating municipal water providers shall be on the same date. The governing bodies of any participating municipal water providers shall cooperate with the county board of supervisors, the county recorder and the county officer in charge of elections in order to facilitate the administration of any elections.

B. The costs of the elections shall be a county charge but if the district is formed, the district shall reimburse the county for the costs of the election. If the district is not formed, the participating municipal providers shall reimburse the county for the costs of the election.

C. The question of formation of the district and the election of a board of directors for the district shall be placed on the ballot at the same election.

D. Any election called pursuant to this chapter shall be a nonpartisan election called by posting notices in three public places within the boundaries of the district not less than twenty days before the election. Notice shall also be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county once a week for two consecutive weeks before the election. The notice shall state:

1. The place of holding the election.

2. The hours during the day in which the polls will be open.

3. If it is a formation election, the boundaries of the proposed district.

4. That a preliminary general plan is on file with the clerk.

E. Except as otherwise provided by this chapter, the election shall comply with the general election laws of this state, except that the words to appear on the ballots shall be for a formation election "district, yes" and "district, no". The returns of the election shall be made to the governing body of each participating municipal water provider or, if after formation, to the district board.

F. All persons who reside within the proposed boundaries of the district are eligible to vote on the question of district formation if they are registered to vote as prescribed by title 16. A person who resides in the district is qualified to register to vote in the district as prescribed by section 16-101 and is eligible to vote in all elections called by or for the district as prescribed by section 16-120.

Sec. 408. Section 48-5911, Arizona Revised Statutes, is amended to read:

48-5911. Project approval; resolution of project intent

A. Before constructing, acquiring or financing any water related facilities, the district board shall cause a report to be prepared on the feasibility and benefits of the project. The study shall be prepared by engineers and other qualified persons and shall include at least the following:

1. A description of the water related facilities to be constructed or acquired and all other information useful to understanding the project.

2. A map showing the general location of the project.

3. An estimate of the cost to construct, acquire, operate and maintain the project.

4. An estimated schedule for completion of the project.

5. A map or description of the area to be benefited by the project.

6. A plan for financing the project, including a preliminary analysis of how capital, operation and maintenance costs will affect landowners and water rate payers.

B. The board shall hold a public hearing on the report prescribed in subsection A OF THIS SECTION and shall provide notice of the hearing by publication at least ten days in advance ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and by mail to the governing board of the county.

C. If any of the municipal water providers participating in the district is a private water company, the district board shall provide the director of the utilities division of the corporation commission with the report prepared pursuant to subsection A OF THIS SECTION and written notice of the public hearing that the board shall hold pursuant to subsection B OF THIS SECTION, at least ten days before the hearing.

D. After the hearing, the district board may reject, amend or approve the report prescribed in subsection A OF THIS SECTION. If the report is substantially amended, a new hearing shall be held before final approval of the report by the board. A change in the scope of the project constitutes a substantial amendment to the report. If the report is approved, the district board shall adopt a resolution of project intent, which shall identify the water related facilities in the project, the areas benefited, the expected method of financing and an appropriate system for providing revenues to operate and maintain the project.

Sec. 409. Section 48-6411, Arizona Revised Statutes, is amended to read:

48-6411. Adequate water supply requirements; notice; objections

A. Except as provided in subsection C of this section and sections 48-6412 and 48-6413, a person who proposes to offer subdivided lands, as defined in section 32-2101, for sale or lease in the district shall apply for and obtain a determination of adequate water supply from the director

pursuant to sections 45-108 and 45-108.04 before presenting the plat for approval to the city, town or county in which the land is located, if it is required, and before filing with the state real estate commissioner a notice of intention to offer the lands for sale or lease pursuant to section 32-2181, unless the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply pursuant to sections 45-108 and 45-108.04.

B. Except as provided in subsection C of this section and sections 48-6412 and 48-6413, the county and a city or town in the district shall not approve a subdivision plat for a proposed subdivision in the district unless one of the following applies:

1. The director of water resources has determined that there is an adequate water supply for the subdivision pursuant to sections 45-108 and 45-108.04 and the subdivider has included the report with the plat.

2. The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to sections 45-108 and 45-108.04.

C. Subsections A and B of this section do not apply to:

1. A proposed subdivision that the director has determined will have an inadequate water supply pursuant to sections 45-108 and 45-108.04 if the director grants an exemption for the subdivision pursuant to section 48-6412 and the exemption has not expired or the director grants an exemption pursuant to section 48-6413.

2. A proposed subdivision that received final plat approval from a city, town or county before the district is established if the plat has not been materially changed since it received the final plat approval. If changes were made to the plat after the plat received the final plat approval, the director shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If a city, town or county approves a plat pursuant to this subsection and the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to sections 45-108 and 45-108.04, the city, town or county shall note this on the face of the plat.

D. If the county or a city or town in the district approves a subdivision plat pursuant to subsection B of this section, the platting entity shall note on the face of the plat that the director of water resources has reported that the subdivision has an adequate water supply or that the subdivider has obtained a commitment of water service for the proposed subdivision from a city, town or private water company designated as having an adequate water supply pursuant to sections 45-108 and 45-108.04.

E. If the county or a city or town in the district approves a subdivision plat pursuant to an exemption granted by the director of water

resources pursuant to section 48-6412 or 48-6413 the county, city or town shall both:

1. Give written notice of the approval to the director of water resources and the director of environmental quality.

2. Include on the face of the plat a statement that the director of water resources has determined that the water supply for the subdivision is inadequate and a statement describing the exemption under which the plat was approved, including a statement that the director has determined that the specific conditions of the exemption were met. If the director subsequently informs the county, city or town that the subdivision is being served by a water provider that has been designated by the director as having an adequate water supply pursuant to sections 45-108 and 45-108.04, the county, city or town shall record in the county recorder's office a statement disclosing that fact.

F. A person who is required to file a notice of intention to subdivide lands with the state real estate commissioner under section 32-2181 for subdivided lands in the district shall include with the notice a report issued by the director of water resources pursuant to section 45-108 stating that the subdivision has an adequate water supply, unless one of the following applies:

1. The subdivider submitted the report to a city, town or county before approval of the plat by the city, town or county and this has been noted on the face of the plat.

2. The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to sections 45-108 and 45-108.04.

3. The plat was approved by the county or a city or town in the district pursuant to an exemption granted by the director under section 48-6412 and the exemption has not expired or pursuant to an exemption granted by the director under section 48-6413. If the plat was approved pursuant to an authorized exemption, the state real estate commissioner shall require that all promotional material and contracts for the sale of lots in the subdivision adequately display the director's report or the developer's brief summary of the report as approved by the commissioner on the proposed water supply for the subdivision and a statement describing the exemption under which the subdivision was approved, including the specific conditions of the exemption that were met.

4. The subdivision received final plat approval from the city, town or county before the district is established, and there have been no material changes to the plat since the final plat approval. If changes were made to the plat after the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If this paragraph applies, the state real estate commissioner shall require that all promotional materials

and contracts for the sale of lots in the subdivision adequately display the director of water resources' report or the developer's brief summary of the report as approved by the commissioner on the proposed water supply for the subdivision.

G. The state real estate commissioner shall deny issuance of a public report pursuant to section 32-2183 or 32-2197.08, whichever applies, or the use of any exemption pursuant to section 32-2181.02, subsection B for subdivided lands or timeshare property in the district unless one of the following applies:

1. The director of water resources has reported pursuant to section 45-108 that the subdivision or timeshare property has an adequate water supply.

2. The subdivider or timeshare property has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to sections 45-108 and 45-108.04.

3. The plat was approved pursuant to an exemption granted by the director under section 48-6412 and the exemption has not expired or pursuant to an exemption granted by the director under section 48-6413.

4. The subdivision received final plat approval from the city, town or county before the district is established, and there have been no material changes to the plat since the final plat approval. If changes were made to the plat after the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108.

H. On receipt of an application for a water report for a subdivision in the district or an application by a city, town or private water company in the district to be designated as having an adequate water supply under sections 45-108 and 45-108.04, the director shall publish notice of the application once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first publication shall occur within fifteen days after the application is determined or deemed to be administratively complete. If the application is substantially modified after notice of the application is given pursuant to this subsection, the director shall give notice of the application as modified in the manner prescribed by this subsection. The first publication of any subsequent notice shall occur within fifteen days after the modified application is determined or deemed to be administratively complete.

I. Notice pursuant to subsection H of this section shall state that written objections to the application may be filed with the director by residents and landowners in the district within fifteen days after the last publication of notice. An objection shall state the name and mailing address of the objector and be signed by the objector, the objector's agent or the objector's attorney. The grounds for objection are limited to whether the application meets the criteria for determining an adequate water supply set

forth in sections 45-108 and 45-108.04. The objection shall clearly set forth reasons why the application does not meet the criteria.

J. In appropriate cases, including cases in which a proper written objection to the application has been filed, an administrative hearing may be held before the director's decision on the application if the director deems a hearing necessary. Thirty days before the date of the hearing, the director shall give notice of the hearing to the applicant and to any person who filed a proper written objection to the application. The hearing shall be scheduled for at least sixty days but not more than ninety days after the expiration of the time in which to file objections.

K. If the application is for a water report:

1. If the director determines that an adequate water supply exists for the proposed use, the director shall issue a water report stating that the water supply for the subdivision is adequate.

2. If the director determines that an adequate water supply does not exist, the director shall issue a water report stating that the water supply for the subdivision is inadequate.

L. If the application is for a designation of adequate water supply:

1. If the director determines that an adequate water supply exists for the proposed use, the director shall approve the application.

2. If the director determines that an adequate water supply does not exist, the director shall deny the application.

M. The applicant or a person who contested the application by filing a proper objection pursuant to subsection I of this section may seek judicial review of the final decision of the director as provided in section 45-114, subsection B in the superior court.

N. Section 45-114, subsections A and B govern administrative proceedings, rehearings or reviews and judicial reviews of final decisions of the director under this section. If an administrative hearing is held, it shall be conducted in the district.

O. The district may bring an enforcement action in superior court to enforce this section.

Sec. 410. Section 48-6432, Arizona Revised Statutes, is amended to read:

48-6432. Transaction privilege tax; administration; hearing; notice

A. If approved by the voters pursuant to section 48-6406, the board may levy a transaction privilege tax on the business of operating a municipal water delivery system in the district pursuant to this section. The tax shall not be levied at a rate of more than fifty cents per thousand gallons of water delivered to customers in the district, except that water delivered to a customer for resale is exempt from the tax. The district shall notify the department of revenue of the amount of the tax levied pursuant to this subsection.

B. The owner or operator of a municipal water delivery system shall pay the tax levied pursuant to this section to the department of revenue at the same time as paying the tax on potable water pursuant to section 42-5302. If the system for any reason does not pay the transaction privilege tax, the tax is due and payable to the department of revenue and is delinquent if not paid as provided in section 42-5014, subsection A.

C. A tax imposed pursuant to this section is in addition to the tax on potable water imposed by section 42-5302 and any county, city, town or other local transaction privilege tax.

D. Unless the context otherwise requires, section 42-5303 governs the administration, collection and enforcement of a tax imposed under this section.

E. Each month the state treasurer shall remit to the district the net revenues collected under this section during the preceding month. The district shall deposit the monies in the district's general fund.

F. The board shall hold a public hearing before levying or increasing a tax pursuant to this section. Any resident or municipal water delivery system in the district may appear and be heard in favor of or against any proposed tax levy or tax increase.

G. Except as provided in subsection H of this section, the board shall publish a notice of a public hearing held pursuant to subsection F of this section that meets the following requirements:

1. The notice shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.

~~2. The notice shall be published in a location other than the classified or legal advertising section of the newspaper in which it is published.~~

~~3.~~ 2. The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

~~4.~~ 3. The notice shall be in the following form, with the "public hearing notice of tax increase on municipal water delivery systems" headline in at least eighteen-point type:

Public hearing notice of tax increase
on municipal water delivery systems

In compliance with section 48-6432, Arizona Revised Statutes, the upper San Pedro water district ("District") is notifying residents and municipal water delivery systems in the district of its intention to (levy a) (increase the) transaction privilege tax imposed on the business of operating a municipal water delivery system in the district. The district is proposing to (levy a tax of _____ cents per thousand gallons of water delivered to customers in the district) (raise the tax by

____ cents per thousand gallons of water delivered to customers in the district or _____ %).

All interested persons are invited to attend the public hearing on the tax (levy) (increase) that is scheduled to be held _____ (date and time) at _____ (location).

H. Instead of publishing the notice prescribed by subsection G of this section, the board may mail the notice described in subsection G, paragraph ~~4~~ 3 of this section to all registered voters in the district at least ten but not more than twenty days before the date of the hearing pursuant to subsection F of this section.

I. In addition to publishing the public hearing on taxation notice under subsection G of this section or mailing the notice under subsection H of this section, the board shall issue a press release containing the public hearing on taxation notice.

J. The board shall consider a motion to levy or increase a transaction privilege tax by roll call vote.

Sec. 411. Section 48-6433, Arizona Revised Statutes, is amended to read:

48-6433. Revenue bonds; issuance; hearing; notice

A. The board may authorize, issue and sell negotiable revenue bonds for any lawful district purpose. The bonds may be in one or more series and may be secured by revenues received pursuant to this article. The bonds may have different dates, be payable in a medium and at different places, have reserve or sinking funds, carry registration privileges, bear a rate or rates of interest that may vary from time to time but shall not exceed twelve per cent per year, and contain terms, covenants and conditions, be in a form, be executed in a manner and be sold at prices as the board may prescribe. The issuer may assign its interest in any or all revenues, contracts and reserve or sinking funds securing any bonds to a bank or trust company doing business in this state that acts as indenture trustee. The resolution of the board or the trust indenture authorizing the issuance of the bonds may contain such covenants, conditions and provisions as the board deems necessary to secure the bonds. The board is also authorized to purchase credit or liquidity enhancement and to spend bond proceeds or contract revenues to aid such purchase. The board is authorized, in its discretion, to employ such consultants, experts or agents and to spend bond proceeds or contract revenues to pay any and all fees and expenses of bond issuance and administration.

B. Bonds issued under this section shall be legal investments for all banks, trust companies and insurance companies organized and operating under the laws of this state. The bonds and interest on the bonds shall be paid solely in accordance with their terms and shall not be obligations general, special or otherwise of this state or any political subdivision of this state other than the issuer. The issuer shall not be liable in any event for the payment of the principal of or interest on the bonds from any source of

revenues other than those pledged for the payment of the bonds. The holder of the bonds shall never have the right to compel any exercise of the taxing power of this state, any political subdivision of this state or the issuer to provide for payment of the bonds or to pay any claim arising of any nature with respect to the issuance or sale of the bonds. The bonds shall never be construed to constitute an indebtedness of the issuer within the meaning of any constitutional or statutory debt or spending limitations.

C. The board shall hold a public hearing before issuing bonds pursuant to this section. Any resident in the district may appear and be heard in favor of or against any proposed bonds.

D. Except as provided in subsection E of this section, the board shall publish a notice of a public hearing held pursuant to subsection C of this section that meets the following requirements:

1. The notice shall be published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.

~~2. The notice shall be published in a location other than the classified or legal advertising section of the newspaper in which it is published.~~

~~3.~~ 2. The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

~~4.~~ 3. The notice shall be in the following form, with the "public hearing notice of bond issuance" headline in at least eighteen-point type:

Public hearing notice of bond issuance

In compliance with section 48-6433, Arizona Revised Statutes, the upper San Pedro water district ("District") is notifying residents in the district of its intention to issue bonds. The district is proposing to issue up to $ _____ in bonds to be secured by revenue from _____ (source of revenue).

All interested persons are invited to attend the public hearing on the issuance of bonds that is scheduled to be held _____ (date and time) at _____ (location).

E. Instead of publishing the notice prescribed by subsection D of this section, the board may mail the notice described in subsection D, paragraph ~~4.~~ 3 of this section to all registered voters in the district at least ten but not more than twenty days before the date of the hearing pursuant to subsection C of this section.

F. In addition to publishing the public hearing notice under subsection D of this section or mailing the notice under subsection E of this section, the board shall issue a press release containing the public hearing on bond issuance notice.

Sec. 412. Section 48-6602, Arizona Revised Statutes, is amended to read:

48-6602. Formation of district

A. On the petition of owners of at least two hundred acres of real property in the proposed district, the governing body of a city with a population of more than ten thousand but less than twenty thousand persons that is located in a county with a population of more than three hundred thousand persons but less than four hundred thousand persons may establish a regional attraction district located in the city as provided by this chapter. For the purposes of this subsection, the population shall be determined according to the most recent population estimate data produced by the department of economic security at the time the district is established.

B. The proponents of the district must submit a petition to the governing body of the city. The petition must be accompanied by a refundable bond of fifty thousand dollars in cash. The petition shall include the geographical boundaries of the district, which shall:

1. Include the site of the regional attraction venue under section 48-6631.

2. Include at least two hundred acres but not exceed nine hundred fifty acres.

C. On receiving the petition, the governing body of the city shall schedule a public hearing on the proposed district to be held at least sixty but not more than ninety days after receiving the petition. The city clerk shall publish a notice of the hearing stating the purpose of the petition, the description of the area of the proposed district and the date, time and place of the hearing twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city. At least one of the notices must be published at least twenty days before the date of the hearing. At the hearing the governing body shall hear those who appear for and against the proposed district and shall determine whether the district would serve the public interest, and if so, adopt a resolution establishing the district. The minutes of the hearing must include the findings supporting the establishment of the district.

D. A city may not establish more than one district under this chapter.

E. The district is a corporate and political body and, except as otherwise limited, modified or provided by this chapter, has all of the rights, powers and immunities of municipal corporations.

F. The district is considered to be a tax levying public improvement district for the purposes of article XIII, section 7, Constitution of Arizona.

Sec. 413. Section 48-6803, Arizona Revised Statutes, is amended to read:

48-6803. Notice

A. The clerk shall execute a notice, which shall read substantially as follows:

To whom it may concern:

The governing body of the city of _____, on ___(Date)___, adopted the attached resolution declaring its intention to form a tax levying revitalization district. A hearing on formation will be held on ___(Date)___, at __(Time)__ at ___(Location)___. All persons owning or claiming an interest in property in the proposed district who object to the inclusion of their land in the district, to the formation of the district or to the contents of the general plan must file a written objection with the undersigned at the following address before the time set for the hearing.

(Date)_____

_____

Clerk

_____

Address

(Name of municipality or county)

B. A copy of the resolution declaring the governing body's intention to form the district shall be attached to the notice, and the clerk shall cause a copy to be mailed to the owners of real property in the district as shown on the most recent property tax assessment roll and to all other persons claiming an interest in such property who have filed a written request for a copy of the notice within the six months preceding or at any time following the adoption of the resolution of intent to form the district. The clerk shall also publish a copy of the notice and resolution at least once ~~in the official newspaper of the municipality, if there is one, or, if there is no official newspaper of the municipality, in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the municipality is located. The mailing and publication shall be completed at least twenty days before the date set for hearing. The clerk shall execute an affidavit of mailing stating the date of mailing and the names and addresses of the persons to whom the notices and copies of the resolutions were mailed. The clerk shall obtain an affidavit from the ~~newspaper~~ PUBLIC MEDIUM in which the publication was made. The clerk shall cause both affidavits to be placed in the official records of the municipality. The affidavits are conclusive evidence of the mailing and publishing of notice. Notice shall not be held invalid for failure of delivery to the addressee.

C. If the clerk is informed that the person listed on the assessment roll is no longer the owner and the name and address of the successor owner become known, the clerk shall cause a copy of the notice and resolution to be mailed to the successor owner as soon as practicable after learning of the change of ownership.

Sec. 414. Section 48-6818, Arizona Revised Statutes, is amended to read:

48-6818. Notice and conduct of elections; eligible voters

A. Any election under this article shall be a nonpartisan election called by posting notices in three public places within the boundaries of the district not less than twenty days before the election. Any election may be conducted as a mail ballot election in the manner prescribed in title 16, chapter 4, article 8.1 as nearly as practicable. If the election notice is not mailed to the property owners and, if applicable, to the qualified electors, the notice shall also be published ~~in a newspaper of general circulation in the municipality or if there is no newspaper so circulated in the municipality in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the municipality is located once a week for two consecutive weeks before the election. The notice shall state:

1. The place of holding the election.

2. The hours during the day, not less than six, in which the polls will be open.

3. If it is an assessment levy election, the maximum assessment rate to be imposed, the purposes for which the monies raised will be used and the existing maximum assessment rate, if any.

4. That a general plan is on file with the clerk.

B. The district board shall determine the date of the election and, if applicable, the polling places for the election and may consolidate precincts. The clerk of the district board shall prepare a list of eligible voters in the election. A prospective landowner voter shall execute an affidavit stating that the voter is the owner of land in the district and is qualified to vote pursuant to this section and stating the parcel number owned by the voter. Election board members may administer oaths or take all affirmations for these purposes. An election held pursuant to this article is not subject to title 16, chapter 2, article 3.

C. Only the owners of real property in the district are eligible to vote in an election regarding an assessment to be levied against the real property in the district, in an election for the board of directors of the district and in an election for dissolution. Corporations, partnerships and other business entities are eligible to vote as property owners, but only one vote may be cast for each one-seventh of an acre of real property in the district, except that any fraction of ownership of real property that is less than one-seventh of an acre entitles the owner to cast one vote. A majority of the acreage as represented by the votes cast at an election conducted solely under the acreage system shall determine the result. An acreage system election shall be conducted pursuant to the procedures prescribed in sections 48-3042 through 48-3051 as nearly as practicable.

D. Except as otherwise provided by this article, the election shall comply with the general election laws of this state, except that the words to appear on the ballots shall be for an assessment levy election, "assessment,

yes" and "assessment, no". The returns of election shall be made to the district board.

E. Within fourteen days after an election, the district board shall meet and canvass the returns. In the case of an ad valorem tax election, if a majority of the votes cast by qualified electors at the election is in favor and the majority of acreage as represented by the votes cast at the election is in favor of imposing the tax, the district board shall enter that fact on its minutes. In the case of a landowner election only, the result of the measure shall be determined by a majority of the acreage represented by the votes cast at an election, and the district board shall enter that fact on its minutes. The canvass may be continued from time to time. Failure of a majority to vote in favor of the matter submitted does not prejudice the submission of the same or similar matters at a later election.

F. If a person listed on the assessment roll is no longer the owner of land in the district and the name of the successor owner becomes known and is verified by recorded deed or other similar evidence of transfer of ownership, the successor owner is deemed to be the owner for the purposes of this article.

Sec. 415. Section 49-112, Arizona Revised Statutes, is amended to read:

49-112. County regulation; standards

A. When authorized by law, a county may adopt a rule, ordinance or other regulation that is more stringent than or in addition to a provision of this title or rule adopted by the director or any board or commission authorized to adopt rules pursuant to this title if all of the following conditions are met:

1. The rule, ordinance or other regulation is necessary to address a peculiar local condition.

2. There is credible evidence that the rule, ordinance or other regulation is either:

(a) Necessary to prevent a significant threat to public health or the environment that results from a peculiar local condition and is technically and economically feasible.

(b) Required under a federal statute or regulation, or authorized pursuant to an intergovernmental agreement with the federal government to enforce federal statutes or regulations if the county rule, ordinance or other regulation is equivalent to federal statutes or regulations.

3. Any fee or tax adopted under the rule, ordinance or other regulation will not exceed the reasonable costs of the county to issue and administer that permit or plan approval program.

B. When authorized by law, a county may adopt rules, ordinances or other regulations in lieu of a state program that are as stringent as a provision of this title or rule adopted by the director or any board or commission authorized to adopt rules pursuant to this title if the county demonstrates that the cost of obtaining permits or other approvals from the

county will approximately equal or be less than the fee or cost of obtaining similar permits or approvals under this title or any rule adopted pursuant to this title. If the state has not adopted a fee or tax for similar permits or approvals, the county may adopt a fee when authorized by law in the rule, ordinance or other regulation that does not exceed the reasonable costs of the county to issue and administer that permit or plan approval program.

C. If a county has adopted rules, ordinances or other regulations pursuant to subsection B of this section and at any time cannot comply with subsection B of this section, the county shall give notice of noncompliance to the director. The county shall file that notice with the secretary of state for publication in the next issue of the Arizona administrative register at no cost to the county. If the county does not comply with subsection B of this section within one year after publication of the notice in the Arizona administrative register, the director shall provide written notice to and assert regulatory jurisdiction over those persons and entities subject to the affected county rules, ordinances or other regulations.

D. Except as provided in chapter 3, article 3 of this title, before adopting or enforcing any rule, ordinance or other regulation pursuant to subsection A or B of this section, the county shall comply with all of the following:

1. File with the secretary of state a written statement including a summary of the proposed rule, ordinance or other regulation and a demonstration of the grounds and evidence of compliance with subsection A or B of this section. The summary shall provide the name of the person with the county to contact with questions or comments. The secretary of state shall publish the written statement in the next issue of the Arizona administrative register at no cost to the county. The county shall publish notice of the availability of the complete summary and the demonstration ~~in other newspapers~~ ON A PUBLIC MEDIUM as may be required by this title and shall make the text of any proposed environmental rule, ordinance or other regulation available to the public at the same time it files the written summary of the environmental rule, ordinance or other regulation with the secretary of state as provided in this paragraph.

2. Provide at least thirty days' opportunity for comment by the public after publication of the summary as prescribed by paragraph 1 of this subsection. The county shall accept written comments on the proposed rule, ordinance or regulation and the written demonstration.

3. Respond in writing and make available to the public for a reasonable cost the county's responses to the written comments submitted by the public pursuant to paragraph 2 of this subsection.

4. Provide for a public hearing at the request of the authorized county officer or if there is sufficient public interest. The county shall publish the notice of any public hearing at least twenty days ~~prior to~~ BEFORE the hearing. The county shall submit the notice of the public hearing to the secretary of state for publication in the next issue of the Arizona

administrative register at no cost to the county. The county shall publish notice of any public hearing required pursuant to this paragraph ~~in any newspaper~~ ON A PUBLIC MEDIUM as prescribed by this title or county ordinance. The county shall select a time and location for the public hearing that affords a reasonable opportunity for the public to participate.

E. A county is not required to comply with subsection D, paragraphs 2, 3 and 4 of this section before it adopts or enforces a rule, ordinance or other regulation if the rule, ordinance or other regulation only adopts by reference an existing state or federal rule or law that provides greater regulatory flexibility for regulated parties and otherwise satisfies the requirements prescribed in subsection B of this section.

F. Until June 30, 1995, a person may file with the clerk of the board of supervisors for that county a petition challenging a county rule, ordinance or other regulation adopted before July 15, 1994 for compliance with the criteria set forth in subsection A or B of this section. The petition shall contain the grounds for challenging the specific county rule, ordinance or other regulation. Within one year after the petition is filed, the board of supervisors shall review the challenged rule, ordinance or other regulation and make a written demonstration of compliance with the criteria set forth in subsection A or B of this section and challenged in the petition. Any rules, ordinances or other regulations that have been challenged and for which the board of supervisors has not made the written demonstration within one year of the filing of the petition required by this section become unenforceable as of that date. If a county has already made a written demonstration under section 49-479, subsection C, for a rule, ordinance or regulation, the person filing the petition shall state the specific grounds in the petition why that demonstration does not meet the requirements of this section.

G. A rule, ordinance or other regulation adopted pursuant to subsection A of this section may not be invalidated subsequent to its adoption on the grounds that the economic feasibility analysis is insufficient or inaccurate if a county makes a good faith effort to comply with the economic feasibility requirement of subsection A, paragraph 2, subdivision (a)~~,~~ of this section and has explained in the written statement, made public pursuant to subsection D of this section, the methodology used to satisfy the economic feasibility requirement.

H. This section shall not apply to any rule, ordinance or other regulation adopted by a county pursuant to:

1. Title 36 for which the state has similar statutory or rule making authority in this title.

2. Section 49-391.

3. Chapter 3, article 8 of this title.

4. Chapter 4, article 3 of this title and section 49-765.

5. Nonsubstantive rules relating to the application process which have a de minimis economic effect on regulated parties.

Sec. 416. Section 49-176, Arizona Revised Statutes, is amended to read:

49-176. Community involvement requirements

A. A work plan submitted pursuant to section 49-175 shall include a plan to provide to the public reasonable notice and information regarding the remediation. A report submitted pursuant to section 49-181 shall describe the activities previously undertaken to notify the public of the remediation. Plans and activities undertaken after ~~the effective date of this article~~ JULY 18, 2000 to notify the public shall be consistent with the following guidelines:

1. For remediation where the remediation levels and controls are established in accordance with the rules adopted pursuant to section 49-282.06, community involvement shall be consistent with the requirements of those rules.

2. For remediation where the remediation levels and controls are established in accordance with section 49-175, subsection B, paragraph 1, 2, 3, or 4, community involvement activities shall be conducted appropriate to the scope and schedule of the remediation, including, as applicable, all of the following:

(a) For field work conducted to remove contaminants of concern or that may result in noise, light, odor, dust and other adverse impacts off of the site, provide general public notice. The general public notice shall be in the form of visible signage and direct mailing, door hangings, or a similar form of notice that is distributed in a manner sufficient to reach those who may be impacted. The general public notice shall identify the name and telephone number of a person who may be contacted for information regarding the field work.

(b) For remediation that will take more than one hundred eighty days to complete, provide general notice regarding the nature and progress of the action and establish a document repository accessible to the public where information regarding the site and the remediation is available for review. The general notice may be in the form of fact sheets, newsletters, or news articles distributed by direct mailings, door hangings or any other method of distribution sufficient to reach or be accessible to local government agencies, persons within the community surrounding the site and other persons who have requested information regarding the site and direct mail to affected water providers. The general notice shall identify the name and telephone number of a person who may be contacted for information regarding the remediation. The document repository shall be accessible during normal business hours or by appointment and shall contain all documents and information required to be prepared or maintained by this program and any other documents and information deemed appropriate by the person conducting the work.

3. For remediation levels or controls selected pursuant to section 49-175, subsection B, paragraphs 3 and 4 or remediation that includes an

institutional or engineering control to satisfy the requirements of section 49-152 or ~~section~~ 49-158 and the rules adopted pursuant to those sections, notice of a work plan pursuant to section 49-175 or a report pursuant to section 49-181 and an opportunity for public comments to be submitted for a period of forty-five days after the notice shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM and shall be provided individually to affected water providers, affected well owners, local government agencies, adjacent residents, and the department of water resources.

B. If the applicant requests a no further action determination pursuant to section 49-181, the applicant shall provide general notice of the request, the report submitted to the department, and the opportunity for comment.

C. Community involvement activities undertaken pursuant to this article may be coordinated or combined with similar procedures required under other laws applicable to the work to avoid duplication.

D. The director shall consider written comments in response to a public notice providing an opportunity to comment or any public meeting held prior to approving a work plan pursuant to section 49-177 or issuing a no further action determination pursuant to section 49-181. The director may require the applicant to conduct a public meeting ~~prior to~~ BEFORE approving a work plan for which notice is required pursuant to subsection A, paragraph 3 of this section or issuing a no further action determination.

E. The director may require additional community involvement activities appropriate to the schedule and scope of the work after consideration of the following factors:

1. Actual or potential impact to water supply.
2. Extent and toxicity of the contamination.
3. Duration of the work.
4. Level of public interest.
5. Noise, light, odor and other adverse impacts.
6. Likelihood of contaminant exposure to human or ecological receptors.

Sec. 417. Section 49-251, Arizona Revised Statutes, is amended to read:

49-251. Temporary emergency waiver

A. A facility owner or operator may apply for, and the director may issue, a temporary emergency waiver of compliance with the requirement to obtain a permit or with any applicable permit requirement, surface or aquifer water quality standard or discharge limitation if the waiver will not endanger human health or welfare, and if the director finds any of the following:

1. That an emergency of such severity exists that water supplies for domestic uses will be inadequate to meet demand unless the facility is able to temporarily exceed one or more water quality standards or discharge limitations by its discharge into waters of the state.

2. That there has been a breakdown of equipment or upset of operations resulting in a discharge to waters of the state in excess of one or more water quality standards or discharge limitations, and both of the following apply:

(a) The breakdown or upset was beyond the control of the facility owner or operator and the facility was being operated in compliance with this chapter before the discharge.

(b) The breakdown or upset will be corrected in a reasonable period of time.

3. That the activity that is the subject of the waiver is necessary to protect human health or welfare or minimize potential adverse impacts to the environment.

B. A temporary emergency waiver of compliance issued by the director may be subject to such reasonable terms and conditions as the director deems necessary. The director may grant a waiver after the occurrence of the activity that is subject to the waiver if the applicant demonstrates that exigent circumstances made it impractical to secure the waiver in advance.

C. As a condition to the issuance of a temporary emergency waiver of compliance, the director may require the facility owner or operator to provide notice of the waiver to all downstream or downgradient users directly affected by both:

1. Publication on not less than three consecutive days, or on three consecutive weeks in the case of weekly publications, ~~in a newspaper or newspapers of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area in which the emergency or breakdown has occurred or is occurring.

2. Furnishing a copy of the publication to the radio and television stations serving the area in which the emergency or breakdown has occurred or is occurring.

D. The facility owner or operator shall furnish a copy of the publication to the director.

E. A temporary emergency waiver of compliance issued pursuant to this section shall remain in effect as long as necessary to accommodate the emergency but in no event longer than ninety days.

F. A person operating under a temporary emergency waiver is not subject to section 49-262 or 49-263 for discharges allowed under the temporary emergency waiver but is subject to article 5 of this chapter.

Sec. 418. Section 49-285.01, Arizona Revised Statutes, is amended to read:

49-285.01. Prospective purchaser agreements; assignment; notice; fees; rules

A. The department may provide, pursuant to section 49-292, to a prospective purchaser of a facility a written release and a covenant not to sue and may also agree to seek an order of the court granting approval of a settlement that includes immunity from contribution claims for any potential

liability for existing contamination under this article or CERCLA if all of the following conditions are met:

1. The facility is within a site identified on the registry maintained by the department pursuant to section 49-287.01 or the department has been provided sufficient information to reasonably identify the extent of the contamination at the facility.

2. The person is not currently liable for an existing or threatened release of a hazardous substance at the facility.

3. The proposed redevelopment or reuse of the facility will not contribute to or exacerbate existing known contamination or unreasonably interfere with remedial measures necessary at the facility or cause the contamination to present a substantial health risk to the public.

4. The agreement will provide a substantial public benefit that may include any of the following:

(a) An agreement by the prospective purchaser to provide substantial funding or other resources to perform or facilitate remedial measures at the facility pursuant to this chapter.

(b) An agreement by the prospective purchaser to perform substantial remedial measures at the facility pursuant to this chapter.

(c) Productive reuse of a vacant or abandoned industrial or commercial facility.

(d) Development of a facility by a governmental entity or nonprofit organization to address an important public purpose.

(e) Creation of conservation or recreation areas.

5. The department consults with local planning and zoning authorities with jurisdiction over the facility and considers reasonably anticipated future land uses at the facility and surrounding properties.

B. If the prospective purchaser of a facility is affiliated with any other person who is a party responsible for the release or threatened release of a hazardous substance under this chapter, through any familial relationship or any corporate or contractual relationship other than a contract to protect a security interest, the director may refuse to provide a written release or covenant not to sue or may refuse to seek an order of the court granting immunity from contribution claims under this section.

C. An agreement between the department and a prospective purchaser shall include provisions deemed necessary by the department and may include:

1. A representation by the prospective purchaser that the purchaser did not cause or contribute to the contamination or otherwise cause or contribute to a release or threatened release of a hazardous substance at the property before the purchaser acquired title.

2. If the prospective purchaser does not undertake remedial action, a representation that the purchaser will not exacerbate or contribute to the existing contamination.

3. An agreement that any activity that the prospective purchaser may conduct or direct on the contaminated property will not unreasonably

interfere with any ongoing remedial actions that are being performed by a responsible party or the department and that the purchaser will cooperate with those activities.

4. An agreement to undertake those measures that constitute a public benefit as prescribed by subsection A, paragraph 4 of this section.

5. If remedial measures are to be performed under the agreement, an agreement to perform those measures in compliance with the applicable statutes and rules, including sections 49-151 and 49-152, and if pursuant to a consent judgment, under the department's supervision.

6. Unless the contamination was caused by this state, a waiver by the person of any claim or cause of action against this state that arises from contamination at the facility that exists as of the date of acquisition of ownership or operation of the facility.

7. A grant of an easement to the department and its authorized representatives for purposes of ensuring compliance with the agreement or for remedial measures authorized pursuant to this article in connection with contamination at the facility as of the date of acquisition of ownership or operation of the facility.

8. A reservation of rights as to any person who is not a party to the agreement.

9. The legal description of the property.

10. In any case in which the state conducts remedial actions and there are unrecovered response costs at a property for which the prospective purchaser is not liable, the state as a condition of the agreement may impose a lien ~~upon~~ ON that property for the unrecovered costs. The priority of the lien is as of the date the lien is recorded in the county where the property is located. The lien becomes due on the sale, assignment or transfer of the property by the prospective purchaser unless the new purchaser, assignee or transferor accepts and assumes the lien as a personal obligation with the department's prior written agreement.

D. Subject to satisfactory performance of the obligations under the agreement, the prospective purchaser is not liable to this state under this article for any release of a hazardous substance at the facility that exists on the date of acquisition of ownership or operation of the facility. The person shall bear the burden of proving that any hazardous substance existed on the facility as a result of releases of the hazardous substance before the date of acquisition of ownership or operation of the facility. This release from liability may be voided by the director if the person fails to perform any of the provisions of the prospective purchaser agreement.

E. The purchaser shall provide written notice to the department of any sale, assignment or other transfer of the property at least fifteen business days before the date of the transfer.

F. An agreement pursuant to this section is assignable if the assignee qualifies pursuant to subsections A and B of this section for a prospective purchaser agreement under this section and notice is given to the department

as prescribed by subsection E of this section. On assignment, the assignee assumes the obligations and the benefits of the agreement. Unless the assignor has breached the agreement, the assignor retains the benefits of the agreement.

G. The department shall provide notice of a prospective purchaser agreement by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the property is located at least fifteen business days before the execution of a prospective purchaser agreement. The notice shall include a general description of the contents of the agreement. Any interested person may comment on the proposed agreement in writing to the director.

H. The department may charge a reasonable fee for the preparation and execution of a prospective purchaser agreement. The director may adopt rules to implement this section.

Sec. 419. Section 49-287.01, Arizona Revised Statutes, is amended to read:

49-287.01. Investigation scoring and site registry; no further action

A. When information of a possible release or threatened release of a hazardous substance is received, the director may conduct a preliminary investigation to obtain additional information necessary to determine the potential risk to the public health or welfare or the environment in order to score the site or portion of the site and include it on the site registry. By written agreement, the director may allow any person to conduct any portion of the preliminary investigation.

B. After completing the preliminary investigation or at any time during the preliminary investigation, the director may suspend or terminate an investigation or determine that no further investigation or action is necessary. The director may reopen the preliminary investigation on a determination that the release or threatened release continues to present an imminent and substantial threat to the public health or welfare or the environment. If a preliminary investigation is completed, the director shall prepare a draft of the site registry report required under subsection D of this section. If the director drafts a site registry report pursuant to this section, the report shall contain a description of the site or portion of the site, including its geographical boundaries, and a score in accordance with the site scoring method established in rules adopted by the director.

C. Before finalizing the report and the score, the director shall furnish a copy to the current owners and operators of the site or portion of the site, if known, and shall provide fifteen days for review and comment. The director shall then place a copy in the public file and shall publish the score ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the site is located. The director shall provide thirty days for comment and shall consider any comments before issuing the final report and score.

D. The director shall maintain a registry of scored sites or portions of sites that includes a brief description of the site or portion of the site, its score and a brief description of the status of investigative and remedial actions. The scoring of a site or portion of the site, its relative score or its placement on the registry does not necessarily represent a determination that the release of a hazardous substance from the site poses a threat to human health or welfare or the environment. ~~Prior to~~ BEFORE approving any remedy that may result in water quality exceeding water quality standards after completion of the remedy, the director shall place a notice in the registry established pursuant to this subsection that the remedy may result in water quality exceeding water quality standards.

E. New scores shall be added to the registry as soon as practicable. The registry shall be published annually by the secretary of state in the Arizona administrative register. The department shall also publish notice of the availability of the registry ~~in a newspaper of general statewide circulation~~ ON A PUBLIC MEDIUM.

F. Any person may request that the director make a determination that a site or portion of a site requires no further action or should be rescored. The request shall include information, including the specific hazardous substances released at or from the site or portion of the site, and a geographical description of the site or portion of the site sufficient for a determination by the director regarding the requested action. The director may request additional information from the requesting party within ninety days after receiving the party's request, and the director shall provide the reasons for requesting the additional information. The person making the request shall submit the additional information within sixty days after receiving the director's request for additional information. Within thirty days of receipt of the additional information, the director shall notify the requesting party if the additional information is complete. The submission of incomplete information may result in a denial of the no further action request. The parties may agree in writing to additional time for responses. In addition to requesting information, the director or the director's authorized representative may conduct an investigation of the site or portion of the site and shall be given access to the portion of the site under the control of the requestor. The director or the director's authorized representative shall be allowed access to the site as a requirement for making a no further action request. The director shall deny a request for a no further action determination if access to the site is not provided. A request pursuant to this subsection may only be made once per calendar year. After determining that the information submitted is sufficient for action on the request, the director shall publish notice of the request for rescoring or determination of no further action on a site or portion of the site and shall provide thirty days for public comment. Based on the information and comments received, and within sixty days after the close of the public comment period, unless extended by the director for good cause, the director

shall determine whether the score should be changed or a determination of no further action should be made and shall give notice of that decision to the person who made the request and any persons who provided comment. The director shall make a final decision on a no further action or rescoring request within three hundred days after receiving the request unless the time is extended in writing by the parties. The director's decision shall contain the factual, technical and legal grounds for the decision. Any changes to a score or determinations of no further action shall be published in the registry.

G. A determination of no further action shall be made if the director finds that the site or portion of the site does not present a significant risk to the public health or welfare or the environment. The director's determination on a no further action request shall be based on the rules adopted by the department pursuant to section 49-282.06. A determination of no further action shall state whether it is for soils or the groundwater, or both. A determination of no further action regarding a site or a portion of the site means that the department shall not proceed with or require further remedial action under this article for the specific hazardous substances within the geographical area covered by the determination, provided that the determination of no further action does not preclude the director from obtaining access to the area covered by the determination under this article or any other law. The department may reopen an investigation and take or require remedial action for any of the following reasons:

1. On discovery of new information that, based on the rules adopted by the department pursuant to section 49-282.06, would result in the potential denial of a no further action request.

2. That information submitted to the director pursuant to subsection F of this section was inaccurate, misleading or incomplete.

3. The reopening of an investigation or the taking of a remedial action is necessary to respond to a release or the threat of a release of a hazardous substance that may present an imminent and substantial danger to the public health or welfare or the environment.

H. The director's decision under subsection F of this section may be appealed pursuant to section 49-298, subsection B by the person who made the request or any party who will be adversely affected by the action and who submitted comments. A person who has previously filed an administrative appeal under this subsection or any provision of law in effect on or after April 29, 1997 concerning previous investigations by the director that resulted in the director's decision being upheld bears the burden of proving by clear and convincing evidence that the director's action that is being appealed was unsupported by the evidence in any further administrative appeals involving the same site or portion of the site and shall pay the director's cost of reviewing the request and the director's attorney fees and costs incurred in the appeal if the director's decision is upheld.

I. If the director determines that remediation of a site or a portion of a site will be addressed pursuant to a provision of this title other than this article, the director may suspend any further investigation or action under this article. If the site or portion of a site is listed on the registry, the suspension shall be reflected on the registry.

J. If a site has been placed on the registry and the director determines that remediation of a site or a portion of a site will be addressed pursuant to a provision of this title other than this article, the director may remove the site from the registry.

K. If the director determines that a site on the registry does not require further remedial action under this article, the director may remove the site from the registry.

L. The director shall maintain a list of sites removed from the registry. This list shall be available to the public.

M. A site that has been removed from the registry may be reopened and remedial action taken or required for any of the following reasons:

1. On discovery of new information that, based on the rules adopted by the department pursuant to section 49-282.06, would result in the potential denial of a no further action request.

2. Information submitted to the director pursuant to this section is inaccurate, misleading or incomplete.

3. The reopening of an investigation or the taking of a remedial action is necessary to respond to a release or the threatened release of a hazardous substance that may present an imminent and substantial danger to the public health or welfare or the environment.

Sec. 420. Section 49-287.03, Arizona Revised Statutes, is amended to read:

49-287.03. Remedial investigation and feasibility study

A. The department may conduct a remedial investigation and feasibility study of a scored site or portion of the site to assess conditions on the site or portion of the site and to evaluate alternative potential remedies to the extent necessary to select a final remedy in a manner consistent with the rules and procedures adopted pursuant to section 49-282.06.

B. Unless the director determines that the necessary remedial action can be completed within one hundred eighty days, before the department begins a remedial investigation and feasibility study for a site or a portion of a site, the department shall prepare a scope of work, a fact sheet and an outline of a community involvement plan. The scope of work shall generally describe the proposed scope of the remedial investigation and feasibility study. The outline of the community involvement plan shall address all of the elements of the community involvement plan requirements of section 49-289.03.

C. The department shall provide written notice to each person who, according to information available to the department, may be liable under this article that the scope of work is available for inspection and that any

person by agreement with the department may develop and implement a work plan for the remedial investigation and the feasibility study. The department shall publish ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the site is located a notice of the availability of the scope of work, fact sheet and outline of a community involvement plan for public comment. The notice shall provide an opportunity for a public meeting.

D. The department shall prepare a responsiveness summary before implementing the scope of work. Before the director implements a remedial investigation, unless the director determines that the necessary remedial action can be completed within one hundred eighty days, the department shall prepare and implement the community involvement plan based ~~upon~~ ON the outline and after considering the public comments, consistent with the requirements of section 49-289.03. The department shall update the community involvement plan at least every two years.

E. The remedial investigation shall collect the data necessary to adequately characterize the site or the portion of the site for the purpose of developing and evaluating effective remediation alternatives pursuant to the feasibility study requirements prescribed by subsection F of this section.

F. The feasibility study shall be fully integrated with the results of the remedial investigation and shall include an alternative screening step to select a reasonable number of alternatives in a manner consistent with the rules and procedures adopted pursuant to section 49-282.06.

Sec. 421. Section 49-292.02, Arizona Revised Statutes, is amended to read:

49-292.02. Financial hardship settlement

A. The director shall consider any offer by a person who may be potentially liable for remedial action costs under this article or section 107(a) of CERCLA without regard to the extent of that person's liability. In order to obtain a settlement under this section, a person must demonstrate a financial hardship with respect to payment of a potential liability under this article or under CERCLA. A person whose liability under this article arose or could arise from criminal acts is not eligible to request a settlement under this section. In considering a person's ability to pay, the director shall consider all of the following:

1. The financial resources of the person, including available insurance.

2. The person's ability to continue in business after payment of a settlement amount.

3. Whether liability for the settlement amount would require the person to seek protection under federal bankruptcy law.

B. An applicant seeking settlement under this section shall submit a letter to the director requesting a financial hardship settlement on a form provided by the director. The request letter shall include the applicant's

tax returns and all schedules, financial statements, balance statements and other information concerning the person's gross income and net worth for the five years preceding the date of the application on a form provided by the director. Within ninety days of the application, the director may require additional information to verify the applicant's eligibility for settlement under this section. The applicant may provide any additional information the applicant believes to be relevant. Financial information submitted by the applicant pursuant to this section and marked "confidential" shall be kept confidential by the director. If the director or the attorney general disputes a claim of confidentiality, written notice shall be provided to the person claiming the confidentiality that the claim is disputed. If the person claiming the confidentiality does not file an action for declaratory relief in superior court within thirty days after receiving this notice, the information shall be made available to the public. An applicant who submits false or intentionally misleading information is not eligible for a settlement pursuant to this section.

C. If the director verifies that the applicant has demonstrated a financial hardship with respect to payment of a potential liability under this article or CERCLA, the director shall enter into a settlement within ninety days after receipt of the request letter and other information required under this section. The settlement shall meet the requirements of section 49-292, but without regard to the extent of the person's liability, and shall be made pursuant to subsection A of this section. The director shall allow the settlement amount to be paid over time, up to a maximum of ten years, subject to payment of interest at the rate of six per cent per year. If the settlement amount is paid in full within the first five years, the payments shall not be subject to the payment of interest. An applicant may file a petition with the director to modify the payment schedule.

D. The applicant shall cooperate with the director in providing reasonable access and information necessary for the director to carry out the requirements of this article.

E. Notice of the settlement shall be published as provided in section 49-292. The notice shall provide a general description of the contents of the agreement. Any interested person may comment on whether the applicant qualifies for a settlement pursuant to this section in writing to the director. The director may withdraw from a settlement after considering the comments.

F. If the director determines that the applicant does not qualify for a settlement pursuant to this section, the director shall notify the applicant in writing within ninety days of the receipt of all information required under subsection B of this section stating the reasons. If the director does not notify the applicant within ninety days, the application is deemed denied. A denial of settlement under this section may be appealed to the office of administrative hearings pursuant to section 49-298. In any appeal made pursuant to section 49-298, the documents submitted by the

applicant under subsection B of this section are not confidential. The appeal shall determine only the amount the applicant is able to pay.

G. In reviewing a proposed settlement, the federal district court or superior court shall give deference to the director's determination that the settlement is in the public interest and meets applicable legal standards for court approval. Any person challenging a proposed settlement shall bear the burden of proving that the proposed settlement does not meet the applicable legal standards for court approval. If a settlement is reached with an applicant, the confidential information supplied to the director under this section may be submitted under seal to the court for in camera review.

H. In determining the applicant's financial resources, the financial resources of all concerns in which the applicant maintains ownership, control or management may be considered by the director. A settlement under this section applies only to the applicant and does not release, affect or increase the liability of any other person. The director may adopt rules to implement this section.

I. If a settlement is made pursuant to this section, the director shall not file a lien pursuant to section 49-295 for an amount greater than the settlement.

J. Within thirty days after the director has proposed an allocation share under section 49-287.05 or a share has been allocated under section 49-287.06 to a person who has previously settled with the department pursuant to this section, the director may request that the previous settlement be reopened to determine whether the person who has settled can pay an amount that is greater than the previous settlement amount but not more than the allocated share. A decision by the director to initiate a review of the previous settlement shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED twice within a one week period. The notice shall provide a general description of the director's reasons for initiating a review of the previous settlement. Any interested person may comment in writing to the director on whether the settlement should be reopened and whether the person who previously settled with the department pursuant to this section should be required to pay a different amount from the previous settlement amount. Public comments must be received by the director within thirty days of the last date of publication. The person who settled shall submit updated versions of the documents prescribed by subsection B of this section to provide financial information since the previous settlement. Within ninety days after receipt of the information prescribed by this subsection, the director shall notify the person whether the original settlement amount will be revised. If the director determines that the original settlement amount will be revised, the director shall provide the person with the revised settlement amount and the basis for that revision. Any monies paid pursuant to the original settlement shall be credited toward any revised settlement amount. If the director does not notify the person who settled within ninety days, the original settlement amount is not subject

to revision. Within thirty days after the director's decision to revise the original settlement amount, the director must petition the court having jurisdiction over the settlement. The court shall determine whether the settlement amount shall be reopened and what the settlement amount shall be, but it shall not be more than the allocated share.

Sec. 422. Section 49-426, Arizona Revised Statutes, is amended to read:

49-426. Permits; duties of director; exceptions; applications; objections; fees

A. A permit shall:

1. Be issued by the director in compliance with the terms of this section.

2. Be required for any person seeking a compliance extension pursuant to section 49-426.03, subsection B, paragraph 3 and section 112(a)(5) of the clean air act and for any person beginning actual construction of or operating any source, except as prescribed in subsection B of this section or section 49-426.01.

B. The provisions of this section shall not apply to motor vehicles, to agricultural vehicles or agricultural equipment used in normal farm operations, or to fuel burning equipment ~~which~~ THAT, at a location or property other than a one or two family residence, is rated at less than one million British thermal units per hour. The director may establish by rule additional sources or classifications of sources for which a permit is not required and pollutant-emitting activities and emissions units at permitted sources that are not required to be included in the permit. The director shall not adopt such rules unless the director makes a written finding with supporting facts that the exempted source, class of sources, pollutant-emitting activities or emissions units will have an insignificant adverse impact on air quality. In adopting these rules, the director may consider any rule that is adopted by the administrator pursuant to section 502 of the clean air act and that exempts one or more source categories from the requirement to obtain a permit under title V of the clean air act.

C. Every application for a permit shall be filed in the manner and form prescribed by the director, and shall contain all the information necessary to enable the director to make the determination to grant or deny such application. The director shall establish by rule requirements for permit applications, including the standard application form for title V sources. The director shall establish by rule requirements for applications for general permits. An application for a permit issued pursuant to title V of the clean air act shall include a compliance plan that describes how the applicant will comply with all of the applicable requirements of this chapter and the clean air act, including a schedule of compliance and a schedule under which progress reports will be submitted to the director at least every six months. The director may require that such application include all sources that are used or to be used by the applicant in a certain process or

a single facility or location. Before acting on an application for a permit, the director may require the applicant to furnish further information or further plans or specifications. The director shall act, within a reasonable time, on such application and shall notify the applicant in writing of the proposed approval or denial of such application, except that the director may have a reasonable period of time in which to gather information, inspect premises, and issue such permits. The director shall adopt rules that establish procedures for determining when applications are complete, for processing applications and for reviewing permit actions. The director shall also establish by rule criteria for determining reasonable times for processing permit applications. Rules adopted pursuant to this subsection for permits issued pursuant to title V of the clean air act shall conform to the requirements of section 505(a) of the clean air act.

D. The director shall give notice of a proposed permit for a source required to obtain a permit pursuant to title V of the clean air act once each week for two consecutive weeks ~~in two newspapers of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the source is or will be located. The notice shall describe the proposed permit and air contaminants to be emitted and shall state that any person may submit comments on the proposed permit and may request a public hearing. The director shall require the applicant at the time of the first notice to post the site where the source is or may be located. If permitted by federal, state and local law, the posting shall be prominently placed at a site that is under the applicant's legal control and that is adjacent to the nearest public roadway. The posting shall be visible to the public using the public roadway and shall contain the information in the notice that is published by the director. If a public hearing is requested, the director shall require the applicant to place an additional posting that provides notice of the public hearing. A posting shall be maintained until the public comment period on the proposed permit is closed. The director shall make available to the public notices of proposed permits. Each public notice that is issued under this chapter shall be mailed to the permit applicant, to the affected federal, state and local agencies and to those persons who have requested in writing copies of proposed permit action notices. During the public comment period, any person may submit a request to the department to conduct a public hearing for the purpose of receiving oral or written comments on the proposed permit. A written comment shall state the name and mailing address of the person, shall be signed by the person, his agent or his attorney and shall clearly set forth reasons why the permit should or should not be issued. Grounds for comment are limited to whether the proposed permit meets the criteria for issuance prescribed in this section or in section 49-427. The department shall consider and prepare written responses to all comments received during the public comment period including comments made at a public hearing conducted by the department. At the time a final permit decision is made,

copies of the department's responses shall be made available to the applicant and any person who commented on the proposed permit.

E. Permits or revisions issued pursuant to this section or section 49-426.01 may be issued subject to such terms and conditions as are consistent with the requirements of this article, article 1 of this chapter and the clean air act and are found by the director to be necessary, following public notice and an opportunity for a public hearing as provided in subsection D or H of this section or in section 49-426.01, and subject to payment of a reasonable fee to be determined as follows:

1. For a source that is required to obtain a permit pursuant to title V of the clean air act, the director shall establish by rule a system of fees that is consistent with and equivalent to that prescribed by section 502 of the clean air act. These rules shall prescribe procedures for increasing the fee each year by the percentage if any by which the consumer price index for the immediately preceding calendar year exceeds the consumer price index for calendar year 1989.

2. For a facility that is required to obtain a permit pursuant to this chapter but that is not required to obtain a permit pursuant to title V of the clean air act, the director shall determine a fee based on the total actual cost of processing the permit application, but not exceeding twenty-five thousand dollars.

The director shall establish an annual inspection fee, not to exceed the average cost of inspection. The director shall adopt, by rule, criteria for determining fees and for public hearings.

F. Permits issued pursuant to this section shall be issued for a period of five years.

G. Except as provided in subsection H of this section, any person burning used oil, used oil fuel, hazardous waste or hazardous waste fuel in any machine, incinerator or device shall first obtain a permit from the director. Any permit issued by the director under this subsection shall contain, at a minimum, conditions governing:

1. Limitations on the types, amounts and feed rates of used oil, used oil fuel, hazardous waste or hazardous waste fuel which may be burned.

2. The frequency and types of fuel testing to be conducted by the person.

3. The frequency and type of emissions testing or monitoring to be conducted by the person.

4. Requirements for record keeping and reporting.

5. Numeric emission limitations expressed in pounds per hour and tons per year for air contaminants to be emitted from the facility burning off-specification used oil fuel, hazardous waste or hazardous waste fuel.

H. The director may issue a general permit for a defined class of facilities if the class contains a large number of facilities that are substantially similar in nature and that have substantially similar emissions and if the following conditions are met:

1. A general permit shall comply with all of the requirements for permits prescribed by this section except for the requirements of subsection D of this section and shall be consistent with the clean air act.

2. The director shall give notice of the proposed general permit once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county. The notice shall describe the proposed general permit, the general class of sources that would be subject to the proposed permit and the air contaminants to be emitted. The notice shall also state that any person may submit comments on the proposed general permit and may request a public hearing. A written comment shall state the name of the person and the person's agent or attorney and shall clearly set forth reasons why the general permit should or should not be issued. Grounds for comment are limited to whether the proposed general permit meets the criteria for issuance prescribed in this section or section 49-427.

3. On issuance of a general permit any person seeking to permit a source under this subsection shall submit an application pursuant to subsection C of this section.

4. If the director approves an application to be permitted under a general permit, the director shall provide notice of the approval ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the source is or will be located.

5. If a person violates a general permit, the director may require the source to obtain a permit pursuant to subsection A of this section.

6. A general permit may be revoked or revised at any time by the director if necessary to comply with this chapter. If the director revokes or revises a general permit, the director shall notify all persons whose sources are affected by the revocation or revision and shall include notice of procedures to obtain a permit pursuant to subsection A of this section or notice of procedures for compliance with the revisions.

7. The director by rule shall adopt procedures for the issuance of general permits.

8. The director may adopt conditions in a general permit applicable to sources located in a specified geographic area either independently of or upon petition by a county air pollution control officer.

I. Permits issued pursuant to this section for a source required to obtain a permit under title V of the clean air act shall contain all of the following:

1. Conditions reflecting all applicable requirements of this article and rules adopted pursuant to this article.

2. Enforceable emission limitations and standards.

3. A schedule for compliance, if applicable.

4. The requirement to submit at least every six months the results of any required monitoring.

5. Any other conditions that are necessary to assure compliance with this article and the clean air act, including the applicable implementation plan.

J. The director may refuse to issue any permit to any source subject to the requirements of title V of the clean air act if the administrator objects to its issuance in a timely manner as prescribed under title V of the act.

K. If an applicant has submitted a timely and complete application for a permit required under this section, but final action has not been taken on that application, failure to obtain a permit shall not be a violation of this chapter unless the delay in final action is due to the failure of the applicant to submit information required or requested to process the application. This subsection does not apply to any person required to obtain a permit before commencing construction of a source as required under this section or any person seeking a permit revision as provided under section 49-426.01.

L. The director may issue a single permit authorizing emissions from similar operations at multiple temporary locations, if the permit includes conditions that will assure compliance with all applicable requirements of this chapter and the clean air act at all locations. Any permit issued pursuant to this subsection shall require the applicant to notify the director in advance of each change in location. In issuing a single permit, the director may require a separate permit fee for operations at each location.

M. In the case of a permit with a term of three or more years issued pursuant to the requirements of title V of the clean air act to a major source, the director shall require revisions to the permit to incorporate applicable standards and regulations adopted by the administrator pursuant to the clean air act after the issuance of the permit. The director shall require any revisions as expeditiously as practicable, but not later than eighteen months after the promulgation of such standards and regulations. No permit revision shall be required if the effective date of standards and regulations is after the expiration of the permit. Any permit revision required pursuant to this subsection shall be treated as a permit renewal.

N. Any permit issued pursuant to the requirements of this article and title V of the clean air act to a unit subject to the provisions of title IV of the clean air act shall include conditions prohibiting all of the following:

1. Annual emissions of sulfur dioxide in excess of the number of allowances to emit sulfur dioxide held by the owners or operators of the unit or by the designated representative of the owners or operators.

2. Amounts in excess of applicable emission rates.

3. The use of any allowance prior to the year for which it was allocated.

4. Contravention of any other provision of the permit.

O. The director shall adopt a rule specifying the notice, public participation requirements and other permit issuance procedures for permits that are not issued pursuant to title V of the clean air act.

P. In determining whether a permitting threshold established pursuant to this section applies to an existing source, the director shall exclude particulate matter that is not subject to a national ambient air quality standard under the clean air act.

Sec. 423. Section 49-444, Arizona Revised Statutes, is amended to read:

49-444. Notice of hearing; publication; service

A. Any notice of hearing required by this chapter shall be given by publication of a notice of hearing for at least two times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county concerned ~~or if there is no such newspaper published in the county, in a newspaper of general circulation published in an adjoining county~~.

B. If the hearing involves any violation of rules adopted pursuant to this chapter, or a conditional order therefrom then, in addition to the requirements of subsection A OF THIS SECTION, the person allegedly committing or having committed the violation or requesting the conditional order shall be served pursuant to title 41, chapter 6, article 10.

Sec. 424. Section 49-498, Arizona Revised Statutes, is amended to read:

49-498. Notice of hearing; publication; service

A. Any notice of hearing required by this article shall be given by publication of a notice of hearing for at least two times ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county concerned ~~or if there is no such newspaper published in the county, in a newspaper of general circulation published in an adjoining county,~~ and by posting copies of the petition and notice in at least three conspicuous places in the county.

B. If the hearing involves any violation of rules or regulations adopted pursuant to this article or a conditional order therefrom then, in addition to the requirements of subsection A OF THIS SECTION, the person allegedly committing or having committed the violation or requesting the conditional order, shall be served personally or by registered or certified mail at least fifteen days ~~prior to~~ BEFORE the hearing with a written notice of hearing.

Sec. 425. Section 49-762.04, Arizona Revised Statutes, is amended to read:

49-762.04. Solid waste facility plan review procedures

A. The department shall review and approve or disapprove a solid waste facility plan as follows:

1. Within thirty days after receipt of a solid waste facility plan, the department shall issue a written determination of whether the plan is an administratively complete plan unless the department requests additional

information in writing within the thirty day period. If the department requests additional information in writing within the thirty day period, the department shall issue a written administrative completeness determination within fifteen days after the receipt of the additional information. Failure of the department to make an administrative completeness determination within the time periods set forth in this paragraph is deemed to be a determination that the plan is administratively complete.

2. Within thirty days after an administrative completeness determination for a new solid waste facility, the department shall issue public notice of the proposed solid waste facility plan once each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area in which the new solid waste facility will be located. The notice shall describe the type of solid waste facility and request comments on the proposed plan. The comment period shall not exceed thirty days. Comments shall be limited to whether the proposed plan meets the criteria for approval prescribed in paragraph 5 of this subsection. Comments on the proposed plan shall include the name of the person making the comments and, if in writing, the signature of that person.

3. Within sixty days after an administrative completeness determination for a new solid waste facility or within one hundred twenty days for an existing solid waste facility, the department shall provide the applicant with a comprehensive list of any technical deficiencies in the plan, including a detailed rationale for each deficiency and a recommendation for correcting the deficiency. If the department provides the applicant with a comprehensive list of all technical deficiencies as prescribed in this paragraph, the time limits prescribed by paragraph 4 of this subsection shall be suspended from the date of the applicant's receipt of the list of technical deficiencies until the date when the department receives the applicant's response to the list of technical deficiencies.

4. For a new solid waste facility, the department shall issue a written decision to approve or disapprove the solid waste facility plan within ninety days of an administrative completeness determination. For an existing solid waste facility, the department shall issue a written decision to approve or disapprove the solid waste facility plan within one hundred eighty days of an administrative completeness determination. The department's decision to approve or disapprove a plan for an existing solid waste facility is effective immediately. A person who has submitted a solid waste facility plan for department approval may extend the time limits in this subsection for an additional period of up to sixty days.

5. The department shall use the following criteria in reviewing a solid waste facility plan:

(a) The solid waste facility shall not pose a substantial endangerment to public health or safety or the environment.

(b) The solid waste facility shall not cause an environmental nuisance.

(c) The solid waste facility shall comply with this chapter and rules that are adopted pursuant to section 49-761 and that are applicable to that type of facility.

6. If there is sufficient public interest as evidenced by written comments submitted pursuant to paragraph 2 of this subsection in opposition to the proposed solid waste facility plan for a new solid waste facility, the department shall hold a public hearing on its decision to approve the solid waste facility plan within forty-five days after the date of approval. Notice of the public hearing shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area where the new solid waste facility will be located during two consecutive weeks after the department's decision to approve the plan.

7. Testimony on the department's decision to approve a solid waste facility plan shall include the name of the person presenting the testimony and, if in writing, the signature of that person.

8. The department shall issue a responsiveness summary by first class mail to those persons who submitted written comments or presented testimony in response to the notices issued pursuant to this section or those persons who requested a copy of the summary. The summary shall be made public within thirty days after the department's decision to approve or disapprove a plan, or, if a public hearing is required, within thirty days after the public hearing. If as a result of testimony at a public hearing, the department becomes aware of a technical deficiency in the facility plan, the department, before the time the responsiveness summary is originally due, shall notify the applicant of that technical deficiency and shall provide a detailed rationale for each deficiency and a recommendation for correcting the deficiency. The department shall provide this notice to the applicant before the date that the responsiveness summary originally was due. The time limits prescribed by this paragraph shall be suspended from the date of the applicant's receipt of the deficiency notice until the date the department receives the applicant's response to the deficiency notice. On receipt of the applicant's response, the department has either fifteen days or the remaining time in the original period, whichever is longer, within which to issue the responsiveness summary. The responsiveness summary shall include all of the following:

(a) The public notices for the solid waste facility.

(b) A summary of the significant public comments on whether the plan meets the criteria for approval prescribed by paragraph 5 of this subsection.

(c) Specific responses of the department to the significant public comments on whether the plan meets the criteria for approval prescribed by paragraph 5 of this subsection.

(d) The department's final decision on whether the plan is approved or disapproved. This decision is effective on the issuance of the responsiveness summary.

B. If the department disapproves a solid waste facility plan, it shall send to the owner or operator a complete written, detailed rationale for disapproval.

Sec. 426. Section 49-762.05, Arizona Revised Statutes, is amended to read:

49-762.05. Self-certification procedures; rules

A. The owner or operator of a solid waste facility identified in section 49-762.01 shall comply with the self-certification requirements prescribed by this section and rules adopted by the director.

B. The owner or operator of a new solid waste facility may be required by rule to submit some or all of the following information to the department before the start of construction:

1. Design and operational plans or other documents necessary to describe the design of the facility and the practices and methods that are or will be used to comply with the design and operation rules adopted by the director for that type of facility.

2. A demonstration of financial assurance in accordance with section 49-770.

3. A demonstration of compliance with either local zoning laws or section 49-767.

4. A demonstration of the issuance of other environmental permits that are required by statute.

5. A copy of the public notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area in which a new solid waste facility will be located. The public notice shall state the intent to construct and operate a new solid waste facility pursuant to this subsection.

C. The owner or operator of an existing solid waste facility may be required by rule to submit some or all of the information described in subsection B, paragraphs 1 through 4 of this section within one hundred eighty days after the adoption of design and operation rules for that type of facility.

D. The owner or operator shall maintain all documents required by statute or rule at the solid waste facility or any other location as determined by rule, and those documents shall be made available for inspection pursuant to section 49-763.

E. An owner or operator making a substantial change to a solid waste facility shall submit documentation to the department before the start of construction stating that the facility will remain in compliance with the design and operation rules for that type of facility. The owner or operator of a solid waste facility that makes any changes in its compliance with subsection B, paragraph 2 or 3 of this section shall submit copies of those changes to the department.

F. A person making a submittal under this section shall certify in writing that the information submitted is true, accurate and complete to the best of the person's knowledge and belief.

G. Self-certified facilities identified in section 49-762.01 are not subject to the location restrictions of section 49-772.

H. The department shall collect from the applicant registration fees. After ~~the effective date of this amendment to this section~~ JULY 20, 2011, the department shall establish by rule registration fees, including maximum fees. As part of the rule making process, there must be public notice and comment and a review of the rule by the joint legislative budget committee. After September 30, 2013, the department shall not increase those fees by rule without specific statutory authority for the increase. Fees collected pursuant to this section shall be deposited, pursuant to sections 35-146 and 35-147, in the solid waste fee fund established by section 49-881.

I. An owner or operator of more than one solid waste facility identified in section 49-762.01 that conducts similar activities with similar waste streams may submit one self-certification filing for all such facilities if the owner or operator has received prior approval from the director and has complied with rules for self-certification that are adopted by the director.

Sec. 427. Section 49-767, Arizona Revised Statutes, is amended to read:

49-767. Government owned solid waste facilities; permission; notice of site to property owners; hearing; exemption

A. Any agency or political subdivision of this state ~~which~~ THAT is required to select or is selecting a possible permanent site for a solid waste facility required to obtain approval pursuant to section 49-762 shall not select a site without obtaining approval of the city or town if the proposed permanent site is located within such city or town or the approval of the county in which the proposed permanent site is located if the proposed permanent site is located in the unincorporated area of the county.

B. An agency or political subdivision of this state ~~which~~ THAT is required to select or ~~which~~ THAT is selecting a possible permanent site for any solid waste facility required to obtain approval pursuant to section 49-762 shall post a notice in accordance with requirements specified by the department at the affected property so that the notices are visible from the public rights-of-way and shall send written notice of the selection of the possible permanent site by first class mail to property owners in the following areas:

1. If the proposed permanent site is in an unincorporated area, within a three mile radius of the outer boundaries of the proposed permanent site unless the three mile radius intersects a municipal corporate boundary. In such a case, property owners inside the municipal corporate boundary within one thousand feet of the outer boundary of the proposed permanent site shall be notified as well as those property owners outside the municipal corporate

boundary within the three mile radius of the outer boundary of the proposed permanent site.

2. If the proposed permanent site is in an incorporated area, within a one thousand foot radius of the outer boundaries of the proposed permanent site.

C. The notice required by subsection B of this section shall be mailed to each owner of real property as shown on the list of property owners furnished by the county assessor and the department of revenue. Within fifteen days after a request for such a list, the county assessor and the department of revenue shall furnish to the agency or political subdivision a written list stating the name and address of each owner in the areas specified in subsection B of this section.

D. Before a political subdivision makes a final decision on a possible permanent site for a facility specified in subsection A of this section, the political subdivision shall hold a public hearing in the general vicinity of the proposed permanent site, at which interested persons may appear and present their views. The political subdivision shall give notice of the hearing, to include all of the following:

1. Publication of notice ~~in a daily or weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed permanent site published once each week, beginning at least two weeks before the hearing.

2. Mailed notice as provided in subsection B of this section sent at least two weeks before the hearing.

3. Posted notice as provided in subsection B of this section that shall include information on the time and location of the public hearing and a list of those permits that are required in order to operate that proposed solid waste facility.

4. Mailed notice at least two weeks before the hearing to the governing body of any city, town or unincorporated portion of a county that is located within a one-mile radius of the outer boundaries of the proposed solid waste landfill.

E. Any agency or political subdivision that is holding a hearing that may result in the approval of or a permit for the siting of a solid waste landfill shall mail notice at least two weeks before the hearing to the governing body of any city, town or unincorporated portion of a county that is located within a one-mile radius of the outer boundaries of the proposed solid waste landfill.

F. A site for a solid waste facility that has obtained zoning approval pursuant to title 9, chapter 4, article 6.1 or title 11, chapter 6, article 2~~,~~ is exempt from this section. This subsection shall not apply to agencies and political subdivisions of the state.

Sec. 428. Section 49-942, Arizona Revised Statutes, is amended to read:

49-942. Site selection by political subdivision; hearing; notice

Before a political subdivision makes a final decision on a possible permanent site for a facility specified in section 49-941, the political subdivision shall hold a public hearing in the nearest APPROPRIATE public facility in the general vicinity of the proposed permanent ~~sites~~ SITE, at which interested persons may appear and present their views. The political subdivision shall give notice of the hearing, to include both of the following:

1. Publication of notice ~~in a daily or weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed permanent site published once each week, beginning at least two weeks before the hearing.

2. Mailed notice as provided in section 49-941, sent at least two weeks before the hearing.

Sec. 429. Section 49-1261, Arizona Revised Statutes, is amended to read:

49-1261. Water quality bonds

A. The authority, through the board of directors, may issue negotiable water quality bonds in a principal amount that in its opinion is necessary to provide sufficient monies for financial assistance under this article, maintaining sufficient reserves to secure the bonds, to pay the necessary costs of issuing, selling and redeeming the bonds and to pay other expenditures of the authority incidental to and necessary and convenient to carry out the purposes of this article.

B. The board must authorize the bonds by resolution. The resolution shall prescribe:

1. The rate or rates of interest and the denominations of the bonds.
2. The date or dates of the bonds and maturity.
3. The coupon or registered form of the bonds.
4. The manner of executing the bonds.
5. The medium and place of payment.
6. The terms of redemption.

C. The bonds shall be sold at public or private sale at the price and on the terms determined by the board. All proceeds from the issuance of bonds shall be deposited in the appropriate accounts of the funds administered by the board.

D. The board shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in this state. The last day of publication must be at least ten days before issuing the bonds. The notice shall state the amount of the bonds to be sold and the intended date of issuance. A copy of the notice shall be hand delivered or sent, by certified mail, return receipt

requested, to the director of the department of administration on or before the last day of publication.

E. To secure any bonds authorized by this section, the board by resolution may:

1. Provide that bonds issued under this section may be secured by a first lien on all or part of the monies paid into the appropriate account or subaccount of the funds administered by the authority.

2. Pledge or assign to or in trust for the benefit of the holder or holders of the bonds any part or appropriate account or subaccount of the monies in the funds as is necessary to pay the principal and interest of the bonds 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 bonds may be used to fully or partly fund any reserves or sinking funds set up by the bond resolution.

5. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to and the manner in which consent may be given.

6. Provide for payment from the proceeds of the sale of the bonds of all legal and financial expenses incurred by the board in issuing, selling, delivering and paying the bonds.

7. Do any other matters that in any way may affect the security and protection of the bonds.

F. The members of the board or any person executing the bonds are not personally liable for the payment of the bonds. The bonds are valid and binding obligations notwithstanding that before the delivery of the bonds any of the persons whose signatures appear on the bonds cease to be members of the board. From and after the sale and delivery of the bonds, they are incontestable by the board.

G. The board, out of any available monies, may purchase bonds, which may be canceled, at a price not exceeding either of the following:

1. If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date.

2. If the bonds are not then redeemable, the redemption price applicable on the first date after purchase on which the bonds become subject to redemption plus accrued interest to that date.

Sec. 430. Section 49-1277, Arizona Revised Statutes, is amended to read:

49-1277. Water supply development bonds

A. The authority may issue negotiable water supply development bonds in a principal amount necessary to provide sufficient monies for those projects approved under this article and including such items as maintaining sufficient reserves to secure the bonds, to pay the necessary costs of issuing, selling and redeeming the bonds and to pay other expenditures of the authority incidental to and necessary and convenient to carry out the

purposes of this article. The board shall issue the bonds pursuant to subsections C and D OF THIS SECTION.

B. The board shall authorize the bonds by resolution. The resolution shall prescribe:

1. The rate or rates of interest and the denominations of the bonds.

2. The date or dates of the bonds and maturity.

3. The coupon or registered form of the bonds.

4. The manner of executing the bonds.

5. The medium and place of payment.

6. The terms of redemption.

C. The bonds shall be sold at public or private sale at the price and on the terms determined by the board. All proceeds from the issuance of bonds shall be deposited in the appropriate accounts of the funds administered by the authority.

D. The board shall publish a notice of its intention to issue bonds under this article for at least five consecutive days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in this state. The last day of publication must be at least ten days before issuing the bonds. The notice shall state the amount of the bonds to be sold and the intended date of issuance. A copy of the notice shall be hand delivered or sent, by certified mail, return receipt requested, to the director of the department of administration on or before the last day of publication.

E. To secure any bonds authorized by this section, the board by resolution may:

1. Provide that bonds issued under this section may be secured by a first lien on all or part of the monies paid into the appropriate account or subaccount of the funds administered by the authority.

2. Pledge or assign to or in trust for the benefit of the holder or holders of the bonds any part or appropriate account or subaccount of the monies in the funds as is necessary to pay the principal and interest of the bonds 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 bonds may be used to fully or partly fund any reserves or sinking funds set up by the bond resolution.

5. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to and the manner in which consent may be given.

6. Provide for payment from the proceeds of the sale of the bonds of all legal and financial expenses incurred by the board in issuing, selling, delivering and paying the bonds.

7. Do any other matters that in any way may affect the security and protection of the bonds.

F. Any member of the board, any member of the committee or any person executing the bonds is not personally liable for the payment of the bonds.

The bonds are valid and binding obligations notwithstanding that before the delivery of the bonds any of the persons whose signatures appear on the bonds cease to be members of the board. From and after the sale and delivery of the bonds, they are incontestable by the board and the committee.

G. The board, out of any available monies, may purchase bonds, which may be canceled, at a price not exceeding either of the following:

1. If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date.

2. If the bonds are not then redeemable, the redemption price applicable on the first date after purchase on which the bonds become subject to redemption plus accrued interest to that date.

Sec. 431. Conditional enactment

Sections 9-282 and 37-237, Arizona Revised Statutes, as amended by this act, do not become effective unless the Constitution of Arizona is amended by vote of the people at the next regular general election to permit public notice required by the provisions of article 10, section 3 and article 13, section 2, Constitution of Arizona, in a public medium.