Committee on Banking and Financial Services

House of Representatives Amendments to H.B. 2323

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

   "Section 1. Section 15-1636, Arizona Revised Statutes, is amended to
   read:

   15-1636. Lease of real property and improvements in research
   park; prohibited and permitted uses
   A. The board shall not lease real property located in an area
   designated DEFINED as a research park pursuant to section 35-701, paragraph
   10 unless the lease contains a covenant that prohibits unlimited
   manufacturing on the site and allows the board to enforce the covenant by
   appropriate means, which may include termination of the lease.
   B. The board may take title to and lease improvements constructed on
   land located in an area defined as a research park pursuant to section
   35-701, paragraph 10, if the lease contains a covenant that restricts the use
   of the subject property to the uses permitted under this section. The lease
   shall allow the board to enforce the covenant by appropriate means, including
   termination of the lease. The board may lease unimproved lots or parcels
   located in an area designated DEFINED as a research park pursuant to section
   35-701, paragraph 10, for any use by a lessee.
   C. The requirements of subsection B of this section do not apply to
   improvements constructed before the effective date of subsection B of this
   section JULY 20, 1996 or to a lease entered into between the board and a
   lessee, subsidiary, successor, sublessee or assignee of a lessee, who
   originally entered into any lease with the board before July 31, 1996.
   D. The subject property may be used only for the following purposes:
      1. Laboratories, offices and other facilities for testing, consulting
         and information processing, related to research and development.
      2. Production, assembly or sale of products pursuant to research and
         development activities.
      3. Pilot plants in which processes planned for use in production
         elsewhere can be tested and assembled.
      4. Regional or national headquarters of the lessee or its subsidiaries
         that are engaged in research and development or education activities."
5. Education and training facilities.
6. Operations required to maintain or support any permitted use, including maintenance shops, power plants, wastewater treatment facilities, the keeping of animals, machine shops, common area improvements and facilities and professional and commercial services supporting permitted uses, such as child development centers, food services and post office and mailing centers.

Sec. 2. Section 35-701, Arizona Revised Statutes, is amended to read:

35-701. Definitions

In this chapter, unless the context otherwise requires:

1. "Corporation" means any corporation organized as an authority as provided in this chapter.

2. "Designated area" means any area of this state which is either designated pursuant to section 36-1479 as a slum or blighted area as defined in section 36-1471, designated by regulation as a pocket of poverty or a neighborhood strategy area by the United States department of housing and urban development pursuant to title I of the housing and community development act of 1977 (P.L. 95-128; 42 United States Code sections 5301 through 5320), as amended, and the department of housing and urban development act (P.L. 89-174; 42 United States Code section 3535(d)) or designated by the United States department of housing and urban development as an empowerment or enterprise zone pursuant to the federal omnibus budget reconciliation act of 1993 (P.L. 103-66; 26 United States Code section 1391(g)).

3. "Governing body" means:

   (a) The board or body in which the general legislative powers of the municipality or the county are vested.

   (b) The Arizona board of regents with respect to a corporation formed with the permission of the Arizona board of regents.

4. "Income" means gross earnings from wages, salary, commissions, bonuses or tips from all jobs, net earnings from such person's or family's own nonfarm business, professional practice or partnership, and net earnings from such person's or family's own farm. Income includes income, other than earnings, that consists of amounts received from social security or railroad retirement, interest, dividends, veterans payments, pensions and other regular payments, public assistance or welfare payments, including aid for dependent children, old age assistance and aid to the blind or persons with
total disability, but excluding separate payments for hospital or other medical care.

4. "Manufactured house" means a structure that is manufactured in a factory after June 15, 1976, that is delivered to a homesite in more than one section and that is placed on a permanent foundation. The dimensions of the completed house shall not be less than twenty feet by forty feet, the roof must be sloping, the siding and roofing must be the same as those found in site-built houses and the house must be eligible for thirty year real estate mortgage financing.

5. "Municipality" or "county" means the Arizona board of regents or any incorporated city or town, including charter cities, or any county in this state in which a corporation may be organized and in which it is contemplated the corporation will function.

6. "Persons of low and moderate income" means, for the purposes of financing owner-occupied single family dwelling units in areas which the municipality has found, pursuant to section 36-1479, to be slum or blighted areas, as defined in section 36-1471, persons and families whose income does not exceed two and one-half times the median family income of this state. In all other areas it means persons and families whose income does not exceed one and one-half times the median family income of this state.

7. "Project" means any land, any building or any other improvement and all real and personal properties, including machinery and equipment whether or not now in existence or under construction and whether located within or without this state or the municipality or county approving the formation of the corporation, that are suitable for any of the following:

   (a) With respect to a corporation formed with the permission of a municipality or county other than the Arizona board of regents:

      (i) Any enterprise for the manufacturing, processing or assembling of any agricultural or manufactured products.

      (ii) Any commercial enterprise for the storing, warehousing, distributing or selling of products of agriculture, mining or industry, or of processes related thereto, including research and development.

      (iii) Any office building or buildings for use as corporate or company headquarters or regional offices or the adaptive use for offices of any building within this state that is on the national register of historic places or rehabilitation of residential buildings located in registered historic neighborhoods.
(iii) A health care institution as defined in section 36-401.

(iv) Residential real property for dwelling units located within
the municipality or county approving the formation of the corporation and, in
the case of a county, whether or not also within a municipality that is
within the county.

(v) Repairing or rehabilitating single family dwelling units or
constructing or repairing residential fences and walls.

(vi) Convention or trade show facilities.

(vii) Airports, docks, wharves, mass commuting facilities,
parking facilities or storage or training facilities directly related to any
of the facilities as provided in this item.

(viii) Sewage or solid waste disposal facilities or facilities
for the furnishing of electric energy, gas or water.

(ix) Industrial park facilities.

(x) Air or water pollution control facilities.

(xi) Any educational institution that is operated by a
nonprofit educational organization that is exempt from taxation under section
501(c)(3) of the United States internal revenue code and that is not
otherwise funded by state monies, any educational institution or organization
that is established under title 15, chapter 1, article 8 and that is owned
by a nonprofit organization, any private nonsectarian school or any private
nonsectarian organization established for the purpose of funding a joint
technical education school district.

(xii) Research and development facilities.

(xiii) ANY commercial enterprises, including facilities for
MANUFACTURING, office, recreational, hotel, motel and service uses if the
facilities authorized by this item are to be located in a designated area.

(xiv) A child welfare agency, as defined in section 8-501, owned
and operated by a nonprofit organization.

(xv) A transportation facility constructed or operated pursuant
to title 28, chapter 22.

(xvi) A museum operated by a nonprofit organization.

(xvii) Facilities owned or operated by a nonprofit
organization described in section 501(c) of the United States internal
revenue code of 1986.

(xviii) New or existing correctional facilities within this
state.
(b) With respect to a corporation formed with the permission of the Arizona board of regents, any facility consisting of classrooms, lecture halls or conference centers or any facility for research and development or for manufacturing, processing, assembling, marketing, storing and transferring items developed through or connected with research and development or in which the results of such research and development are utilized, but only if the facility is located in an area designated as a research park by the Arizona board of regents.

9. "Property" means any land, improvements thereon, buildings and any improvements thereto, machinery and equipment of any and all kinds necessary to a project and any other personal properties deemed necessary in connection with a project.

10. "Research park" means an area of land that has been designated by the Arizona board of regents as a research park for a university and that, at the date of designation, is owned by this state or by the Arizona board of regents.

11. "Single family dwelling unit" includes any new, used or manufactured house that meets the insuring requirements of the federal housing administration, the United States department of veterans affairs or any other insuring entity of the United States government or any private mortgage insurance or surety company that is approved by the federal home loan mortgage corporation or the federal national mortgage association.

Sec. 3. Section 35-706, Arizona Revised Statutes, is amended to read:

35-706. Corporate powers

A. In addition to the powers granted to an industrial development authority by law, the authority has the following powers, together with all powers incidental or necessary for the performance of those powers:

1. To acquire, whether by purchase, exchange, gift, lease or otherwise establish, construct, improve, maintain, equip and furnish one or more projects.

2. To lease to others any or all of its projects, to charge and collect rent and to terminate any lease upon the failure of the lessee to comply with any of the obligations of the lease.

3. To sell, exchange, donate and convey to others any or all of its projects or properties upon terms and conditions as its board of directors may deem advisable, including the power to receive for any sale the note or notes of the purchaser of the project or property, whenever its board of
directors finds the action to further advance the interest of the
corporation.

4. To issue its bonds for the purpose of carrying out any of its
powers.

5. To mortgage and pledge any or all of its projects and properties,
whether owned or acquired, and to pledge the revenues, proceeds and receipts
or any portion of the revenues, proceeds and receipts from a project as
security for the payment of the principal of and interest on any bonds so
issued and any agreements made in connection therewith.

6. To contract with and employ others to provide and to pay
compensation for professional services and other services as the board of
directors deems necessary for the financing of projects and for the business
of the corporation.

7. To refund outstanding obligations incurred by an enterprise to
finance the cost of a project when the board of directors finds that the
refinancing is in the public interest.

8. To invest and reinvest funds under the control of the corporation
and bond proceeds pending application thereof to the purposes for which the
bonds were issued, subject only to the provisions of any bond resolution,
lease or other agreement entered into by the board of directors.

9. To make secured or unsecured loans for the purpose of financing or
refinancing the acquisition, construction, improvement, equipping or
operating of a project and to charge and collect interest on the loans and
pledge the proceeds of loan agreements as security for the payment of the
principal and interest of any bonds, or designated issues of bonds, issued by
the corporation, and any agreements made in connection with the loan,
whenever the board of directors finds the loans to further advance the
interest of the corporation or the public.

10. To acquire and hold obligations of any kind to carry out any of its
purposes.

11. Subject to this section, to make loans to any bank, savings and
loan institution, credit union or other mortgage lender, whether organized or
existing under the laws of this state, another state or the United States,
which THAT is qualified to do business in this state, for the purpose of
enabling the institutions to make loans to finance the acquisition,
construction, improvement or equipping of projects which THAT are
owner-occupied single family dwelling units to be occupied by persons of low
and moderate income, as determined by the corporation. The loans shall be fully secured in the same manner as deposits of public funds or by loans secured by mortgages, deeds of trust or other security instruments guaranteed or insured by the United States, or any instrumentality thereof, or by any private mortgage insurance or surety company which is approved by the federal home loan mortgage corporation or the federal national mortgage association and which is licensed to do business in this state, if the private mortgage insurance shall be in a dollar amount sufficient to satisfy the mortgage insurance requirements for loans eligible to be purchased by the federal home loan mortgage corporation or the federal national mortgage association or any other agency or department of the United States. The security shall not be necessary if the bonds issued to make the loans are guaranteed or insured by an agency, department or instrumentality of the United States. Any bonds issued to make loans shall be ratable as "A" or better by a nationally recognized bond rating agency.

12. Subject to this section, to purchase or enter into advance commitments to purchase loans or any loan interests secured by mortgages, deeds of trust or other security instruments relating to projects which are owner-occupied single family dwelling units from or with any bank, savings and loan institution, credit union or other mortgage lender, whether organized or existing under the laws of this state, another state or the United States, which is qualified to do business in this state, on terms and conditions as may be determined by the corporation. The purpose of the purchases shall be to finance directly or indirectly the acquisition, construction, improvement or equipping of projects which are owner-occupied single family dwelling units to be occupied by persons of low and moderate income. If the bonds issued to make purchases are not guaranteed or insured by an agency, department or instrumentality of the United States or secured by a letter of credit, insurance policy, surety bond or other credit facility from a financial institution or a combination of such instruments, the purchased loans shall be guaranteed or insured by the United States or any agency, department, or instrumentality thereof, or by any private mortgage insurance or surety company which is approved by the federal home loan mortgage corporation or the federal national mortgage association or secured by a letter of credit, insurance policy, surety bond or other credit facility from a financial institution or a combination of such instruments. In the case of private mortgage insurance, the insurance
shall be in a dollar amount sufficient to satisfy the mortgage insurance requirements for loans eligible to be purchased by the federal home loan mortgage corporation or the federal national mortgage association or any other agency or department of the United States. Any bonds issued to purchase loans shall be ratable as “A” or better by a nationally recognized bond rating agency. If the purchased loans have not been originated on behalf of the corporation to directly finance projects, the corporation shall require that the institution receiving proceeds from the sale of the loans use the proceeds to make loans to finance or refinance the acquisition, construction, improvement or equipping of projects which are owner-occupied single family dwelling units to be occupied by persons of low and moderate income, as determined by the corporation.

13. To elect not to issue an amount of qualified mortgage revenue bonds which it may otherwise issue during any calendar year and to issue instead mortgage credit certificates pursuant to a qualified mortgage credit certificate program as defined in section 35-901.

14. To make loans to any person or entity owning residential property or to make loans to any bank, savings and loan association, credit union or other mortgage lender, or to purchase or enter into advance commitments to purchase funding for the repair or improvement of property related to residential or neighborhood improvement projects. An authority may issue its bonds or incur other obligations to fund loans or purchases. An authority shall establish the provisions relating to bonds or other obligations, including the security for the loans, and shall establish the guidelines for the approval, funding, purchasing and security of the loans.

15. To enter into contracts and execute any agreements or instrument and do any other act necessary or appropriate to carry out its purposes.

16. To exercise the powers granted by this chapter, including through the issuance of bonds, to provide financing or refinancing for projects other than a project as defined in section 35-701, paragraph 8-7, subdivision (a), item (v) (ii), located in whole or in part outside this state, provided that the board of directors of the corporation has determined that the exercise of such powers will provide a benefit within this state.

B. The corporation shall not have the power to operate any project as a business other than as lessor or seller nor shall any corporation make any loans pursuant to subsection A, paragraph 9 of this section for projects which are owner-occupied single family dwelling units except by
utilizing as its contract agent a mortgage lender, whether organized or
existing under the laws of this state, another state or the United States,
which THAT is qualified to do business in this state. Any project
established pursuant to subsection A, paragraph 14 of this section is not
required to use a mortgage lender as its contract agent. The corporation
shall not permit any funds derived from the sale of its bonds to be used,
loaned or provided for the acquisition of any facilities of a public utility
or public service corporation, except as provided in section 35-701. The
corporation shall comply with title 38, chapter 3, article 3.1.

C. A person's or family's eligibility for an owner-occupied single
family dwelling unit financed pursuant to subsection A, paragraph 11, 12 or
13 of this section shall be determined by considering the person's or
family's income. Owner-occupied single family dwelling units shall only be
financed as provided in subsection A, paragraphs 11, 12 and 13 of this
section unless the owner-occupied single family dwelling units are located in
an area designated pursuant to section 36-1479 as a slum or blighted area as
defined in section 36-1471 by a municipality having a population of more than
two hundred fifty thousand persons according to the most recent United States
decennial census or a special census conducted in accordance with section
42-5033.

D. In the exercise of its powers authorized in this section with
respect to projects which THAT are owner-occupied single family dwelling
units to be occupied by persons of low and moderate income and financed
pursuant to subsection A, paragraphs 11 and 12 of this section, the
corporation shall establish, subject to approval by the governing body of the
authorizing county or municipality, standards and requirements applicable to
the purchase of loans or the making of loans to mortgage lenders, including:

1. The eligibility of mortgage lenders, including the requirement that
all mortgage lenders be approved as mortgagees by the federal housing
administration and the United States department of veterans affairs and be
approved as sellers and servicers of mortgage loans by the federal national
mortgage association or federal home loan mortgage corporation.

2. The time within which mortgage lenders must make commitments and
disbursements for mortgage loans.

3. The character of residences to be financed by mortgage loans.

4. The eligibility of persons of low and moderate income, including
the requirement that no person of low and moderate income may receive, more
than once in a three year period, a mortgage loan financed directly or indirectly from the proceeds of bonds issued by the corporation.

5. The terms and conditions of mortgage loans to be acquired.

6. The amounts and types of insurance coverage required on residences, mortgages and bonds.

7. The representations and warranties of mortgage lenders confirming compliance with the standards and requirements.

8. Restrictions as to interest rate and other terms of mortgage loans and the return realized on mortgage loans by mortgage lenders.

9. The type and amount of collateral security to be provided to assure repayment of any loans from the corporation and to assure repayment of bonds.

10. Assignment of the mortgage loans to a trustee acting on behalf of the corporation which shall be either a bank or trust company doing business in this state, having an officially reported combined capital surplus, undivided profits and reserves of not less than fifteen million dollars. Trustees must be approved to sell mortgages to and service mortgages for the federal national mortgage association and the federal home loan mortgage corporation.

11. Any other matters related to the purchase of mortgage loans or the making of loans to mortgage lenders deemed relevant by the corporation. In establishing standards and requirements, the corporation shall be guided by the following standards:

(a) The amount of mortgage monies proposed to be made available in the area is to be reasonably related to the demand for mortgage monies.

(b) For projects of owner-occupied single family dwelling units to be occupied by persons of low and moderate income and financed pursuant to subsection A, paragraphs 11 and 12 of this section, at least ten \textit{percent} of all mortgage monies proposed to be made available by the corporations other than mortgage monies reserved for any period to finance mortgage loans on residences located within an area designated as a slum or blighted area as defined in section 36-1471 shall be reserved for at least a three month period for the financing of mortgage loans on manufactured housing unless the Arizona commerce authority determines that any bonds issued to make loans will not be ratable as "A" or better by a nationally recognized bond rating agency, in which case no such reservation is required. If all the mortgage monies reserved for manufactured housing are not committed or used to make mortgage loans during this three month period,
the mortgage lender may allocate the remaining monies to finance mortgage
loans on any single family dwelling unit.

(c) Any departure from the level of commitment fees, origination fees
or servicing fees normally charged by a mortgage lender is to be justified in
the context of the transaction.

(d) The costs, fees and expenditures associated with the issuance of
bonds are to be reasonably related to the services provided.

E. Only corporations, the formations of which have been approved by
the governing body of a county having a population of more than seven percent PERCENT of the total state population computed according to the most recent United States decennial census or by the governing body of a municipality having a population of more than seven percent PERCENT of the total state population computed according to the most recent United States decennial census, shall have the powers granted in subsection A, paragraphs 11, 12 and 13 of this section. Except as provided in section 35-913, subsections E and F, a corporation shall not exercise the powers granted in subsection A, paragraphs 11, 12 and 13 of this section outside of its jurisdiction. For the purposes of a refunding of any mortgage revenue bond issued before January 1, 2000, the proceeds from the refunding may be used outside the jurisdiction of the corporation issuing the refunding bonds except the corporation issuing the refunding bonds shall obtain the consent from another corporation with powers granted in subsection A, paragraphs 11, 12 and 13 of this section if the proceeds of the refunding are to be used within the jurisdiction of that corporation. For the purposes of exercising the powers granted in subsection A, paragraphs 11, 12 and 13 of this section, the jurisdiction of a corporation formed on behalf of a county includes all incorporated and unincorporated territory in the county.

F. A corporation may not permit proceeds of bonds or a qualified
mortgage credit certificate program to be used to finance projects which THAT are owner-occupied single family dwelling units within the corporate limits of an incorporated city or town unless the governing body of the city or town has approved the general location and character of the residences to be financed. The corporation, prior to the issuance of bonds or mortgage credit certificates for that purpose, shall give written notice to the governing body of each city or town in which it intends to permit proceeds of an issue of bonds or mortgage credit certificates to be used to finance projects which THAT are owner-occupied single family dwelling units and of the general
location and character of the residences which THAT may be financed. The
governing body of the city or town shall be deemed to have given its approval
unless it has denied approval by formal action of the governing body within
twenty-one days after receiving the written notice from the corporation.
Approvals given or deemed to have been given with respect to use of proceeds
of an issue of bonds or mortgage credit certificates under this subsection
may not be withdrawn. Denials may be withdrawn by the governing body of a
city or town and approval may be given thereafter if the corporation issuing
the bonds or mortgage credit certificates approves the withdrawal of the
denial.

G. Two or more corporations with the powers granted by subsection E of
this section may provide:

1. That a corporation, the formation of which was approved by the
governing body of a county or city, may exercise the powers granted in
subsection A, paragraphs 11, 12 and 13 of this section, with respect to
owner-occupied single family dwelling units located in all counties and
cities which THAT are parties to a cooperative agreement.

2. For the joint exercise by two or more corporations, each formed
with the approval of a governing body executing the cooperative agreement, of
the powers granted in subsection A, paragraphs 11, 12 and 13 of this section,
with respect to owner-occupied single family dwelling units located in all
counties and cities which THAT are parties to the cooperative agreement. The
agreement shall specify the calendar year or years for which it is effective,
the means by which the agreement may be terminated prior to the expiration of
the calendar year or years and the aggregate principal amount of bonds which
THAT may be issued by the designated corporation or corporations to exercise
the powers pursuant to the agreement. The corporation or corporations
designated in the agreement to exercise the powers in the counties and cities
which THAT are parties to the agreement are the only corporation or

corporations authorized and having jurisdiction to exercise the powers and to
issue bonds to carry out the powers in the counties and cities while the
agreement is in effect. The combined jurisdictions of all the counties and
cities which THAT are parties to the cooperative agreement are the
jurisdictions of the corporation or corporations designated to exercise the
powers granted in subsection A, paragraphs 11, 12 and 13 of this section
within the meaning of the mortgage subsidy bond tax act of 1980 (P.L. 96-499;
26 United States Code section 103A).
H. It shall not be a conflict of interest under title 38, chapter 3, article 8, and this chapter, for any trustee or any mortgage lender to enter into loan agreements with, or to sell mortgage loans to, the corporation as contemplated in subsection A, paragraphs 11, 12 and 13 of this section, act for or under contract with the corporation as a mortgage originator, servicer, paying agent or depository, act as holder or dealer of bonds of the corporation or have as a director, officer or employee any member of the board of directors of the corporation or any combination.

I. The department of economic security shall once in each calendar year on or before March 1 determine the median family income of this state for the purposes of this chapter.

J. All areas in this state which are either designated pursuant to section 36-1479 as slum or blighted areas as defined in section 36-1471 or designated as pockets of poverty by the United States department of housing and urban development are designated as areas of chronic economic distress within the meaning of the mortgage subsidy bond tax act of 1980 (P.L. 96-499; 26 United States Code section 103A).

K. Any corporation that is described in subsection E of this section and that desires to exercise the powers granted in subsection A, paragraphs 11, 12 and 13 of this section, with respect to owner-occupied single family dwelling units located in two or more counties, may do so if the corporation, before issuing bonds or mortgage credit certificates for that purpose, gives written notice to the governing bodies of the other counties and their respective corporations, if any, of its intent to permit the proceeds of an issue of bonds or mortgage credit certificates to finance projects within its jurisdiction which are owner-occupied single family dwelling units. The governing body of a county and its respective corporation, if any, which have been given notice are deemed to have approved the use of the proceeds or mortgage credit certificates for owner-occupied single family dwelling units within their jurisdiction and approved the use of any state ceiling, as defined in section 35-901, unless approval is denied by formal action of the governing body or the board of directors of the corporation, if any, within twenty-one days after receiving written notice from the corporation. Absent a denial of approval as stated in this subsection, a cooperative agreement providing for the exercise of the powers granted in subsection A, paragraphs 11, 12 and 13 of this section is deemed to exist among the applicable counties or corporations. Approvals given or deemed to have been given with
respect to the matters stated in this subsection may not be withdrawn. Denials by the governing body of a county apply only to the unincorporated areas of the county. Denials may be withdrawn by the governing body of a county and approval may be given thereafter if the corporation issuing the bonds or mortgage credit certificates approves the withdrawal of the denial. Mortgage credit certificates and bond proceeds issued pursuant to this subsection shall be available on an equitable basis within each of the participating counties.

L. THE CORPORATION WITHIN THIRTY DAYS SHALL UPON ACTUAL NOTICE NOTIFY THE GOVERNING BODY OF:
1. ANY LAWSUIT FILED AGAINST THE CORPORATION RELATED TO THE ISSUANCE OF BONDS.
2. ANY FORMAL INVESTIGATION OF THE CORPORATION INITIATED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

Sec. 4. Section 35-708, Arizona Revised Statutes, is amended to read:

35-708. Financing certain owner-occupied single family dwellings; exception

A. For purposes of section 35-701, paragraph 7, in areas other than a slum or blighted area, the authority undertaking the bond issue shall set aside for sixty days thirty percent PERCENT of the mortgages for owner-occupied single family dwelling units for persons and families whose income is below the median family income of this state.

B. This section does not apply to projects described in section 35-701, paragraph 8, subdivision (a), item (vi) (iii) or programs established pursuant to section 35-706, subsection A, paragraph 14.

Sec. 5. Section 35-901, Arizona Revised Statutes, is amended to read:

35-901. Definitions

In this chapter, unless the context otherwise requires:
1. "Authority" means the Arizona commerce authority.
2. "Bond" means any obligation which THAT is subject to the provisions of section 146 of the code, excluding obligations that received a carry-forward allocation in a prior year.
3. "Business day" means between the hours of 8:00 a.m. and 5:00 p.m., mountain standard time, any day of the week other than a Saturday, a Sunday or a legal holiday or a day on which the authority is authorized or obligated by law or executive order to close.
4. "Carry-forward project" means any project receiving a carry-forward allocation pursuant to section 35-907.

5. "Certificate of closing" means the certificate of closing adopted for use by and to be filed with the authority declaring that bonds were issued or that a qualified mortgage credit certificate program has been established.

6. "Chief executive officer" means the chief executive officer of the authority.


8. "Confirmation" means the allocation confirmation which THAT confirms an allocation to a project in the form adopted for use by the authority.

9. "Issued" means, with respect to a bond or bonds, either of the following:
   
   (a) The bond or bonds have been delivered and paid for in full.
   
   (b) For bonds issued pursuant to a draw-down loan for which a bond purchaser has agreed to receive and pay for the bonds of the issue in increments from time to time, all of the bonds are treated as issued on the first date on which the aggregate principal amount of such bonds delivered and paid for exceeds the lesser of fifty thousand dollars or five percent of the aggregate issue price of the issue.

10. "Issuer" means an entity or person issuing bonds.

11. "Manufacturing project" means a project as described in section 35-701, paragraph 8-7, subdivision (a), item (i), (ii), (x) (vii) or (xiii) (x).

12. "Mortgage credit certificate" means a certificate as described in section 25(c)(1) of the code.

13. "Nonurban area" means all areas of this state not within the boundaries of the urban cities.

14. "Notice of intent" means the notice of intent to be filed with the authority in the form adopted for use by the authority.

15. "Project" means a qualified mortgage credit certificate program or any construction, acquisition, planned expenditure or other activity, including all phases of a multiphased project which THAT requests allocations in the same year and including costs of issuance, capitalized interest and discounts, financed with bonds and located in this state or directly
benefiting residents of this state. All qualified mortgage credit
certificate programs and qualified mortgage revenue bonds, or combinations of
such programs and bonds, of a single issuer or group of issuers acting
together, constitute a single project for the purposes of this paragraph.
16. “Qualified mortgage credit certificate program” means a qualified
mortgage credit certificate program as described in section 25(c)(2) of the
code.
17. “Qualified mortgage revenue bonds” means an issue of bonds as
described in section 143(a) of the code.
18. “Qualified student loan project” means an issue of bonds as
described in section 144(b) of the code.
19. “Request” means the request for allocation to be filed with the
authority in the form adopted for use by the authority.
20. “Security deposit” means cash, a bank cashier’s check, a surety
bond, a letter of credit or any other form of security approved by the chief
executive officer in favor of the authority that is received by the authority
from an issuer or user to secure or extend an allocation.
21. “State ceiling” means the dollar limit of the aggregate amount of
private activity bonds which may be issued in this state pursuant to
section 146 of the code for each calendar year, beginning in 1988.
23. “Urban city” means a city having a population of not less than one
hundred thousand persons according to the most recent United States decennial
or special census. The area of each urban city is the boundary of the city
as of January 1 of the current calendar year.
24. “Year” means the calendar year.
Sec. 6. Section 36-1474, Arizona Revised Statutes, is amended to read:
36-1474. Powers of municipalities
A. Every municipality shall have all the powers necessary or
convenient to carry out and effectuate the purposes and provisions of this
article, including the following powers in addition to others granted by this
article:
1. To prepare or cause to be prepared redevelopment plans and to
undertake and carry out redevelopment projects within its area of operation.
2. To arrange or contract for the furnishing or repair, by any person
or agency, public or private, of services, privileges, works, streets, roads,
public utilities or other facilities for or in connection with a redevelopment project, and anything to the contrary contained in this article or any other provision of law notwithstanding, to agree to any conditions that it deems reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a redevelopment project, and to include in any contract let in connection with a redevelopment project, provisions to fulfill the conditions as it deems reasonable and appropriate.

3. Within its area of operation:
   (a) To purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest in the property, together with any improvements on the property, necessary or incidental to a redevelopment project.
   (b) To hold, improve, clear or prepare for redevelopment any such property.
   (c) To sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest in the property in a redevelopment project.
   (d) To enter into contracts with redevelopers of property containing covenants, restrictions and conditions regarding the use of the property for residential, commercial, industrial, recreational or other purposes or for public purposes in accordance with a redevelopment plan and the other covenants, restrictions and conditions as the municipality deems necessary to prevent a recurrence of conditions that qualify an area as a slum or blighted area or to effectuate the purposes of this article. A municipality may not exercise the power of eminent domain unless the municipality makes a separate determination by a two-thirds vote of the local governing body that the property is critical to the project and the existing use of the property is not compatible with the proposed use and cannot be incorporated into or excluded from the proposed redevelopment project.
   (e) To make any of the covenants, restrictions or conditions of the foregoing contracts covenants running with the land and to provide appropriate remedies for any breach of these covenants or conditions, including the right in the municipality to terminate these contracts and any interest in the property created pursuant thereto.
To borrow money and issue bonds and provide security for loans or bonds.

To insure or provide for the insurance of any real or personal property or operations of the municipality in a redevelopment project of the municipality against any risks or hazards, including the power to pay premiums on the insurance.

To enter into any contracts necessary to effectuate the purposes of this article.

No statutory provision with respect to the acquisition, clearance or disposition of property by public bodies shall restrict a municipality in these functions with respect to a redevelopment project, unless the legislature specifically so states.

4. To invest any redevelopment project funds held in reserves or sinking funds or any redevelopment project funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control and to redeem the bonds which have been issued pursuant to section 36-1481 at the redemption price established therein or to purchase the bonds at less than redemption price, all bonds so redeemed or purchased to be cancelled.

5. To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county or other public body or from any sources, public or private, for the purposes of this article, to give such security as may be required and to enter into and carry out contracts in connection therewith. Notwithstanding any other law, a municipality may include in any contract for financial assistance with the federal government for a redevelopment project conditions imposed pursuant to federal law which are not inconsistent with the purposes of this article.

6. Within its area of operation, to make or have made all surveys, appraisals, studies and plans, including the preparation of a general plan for the development of the municipality, necessary to carry out the purposes of this article and to contract or cooperate with any and all persons or agencies, public or private, to make and to carry out the surveys, appraisals, studies and plans.

7. To prepare plans and provide reasonable assistance for the relocation of families displaced from a redevelopment project area to the -18-
extent essential for acquiring possession of and clearing the area or parts of the area to permit the carrying out of the redevelopment project.

8. To appropriate funds and make expenditures necessary to carry out the purposes of this article and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures.

9. To exercise all or any part or combination of powers granted by this section.

B. A municipality must notify each owner of real property located within the boundaries of a proposed redevelopment project area of the time, date and location of a public meeting concerning the proposed adoption of the redevelopment plan if the municipality intends to acquire that owner's property or any interest in that property. The municipality must provide this notice by first class mail to the address stated on the most recent records of the county assessor.

C. The designation of an area as a slum or blighted area terminates ten years after this designation unless substantial action has been taken to remove the slum or blighted conditions. The termination does not affect existing projects as described in section 35-701, paragraph 8-7, subdivision (a), item (xiv) (xi) that are within that designated area."

Amend title to conform

and, as so amended, it do pass

KATE BROPHY McGEE
Chairman

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2/17/15
H:laa

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02/13/2015
1:49 PM
C: meb