PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1462
(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:
2 “Section 1. Section 15-1682, Arizona Revised Statutes, is amended to
3 read:
4 15-1682. Powers
5 The board shall have power for each institution, as defined in this
6 article, to:
7 1. Acquire, if authorized by the legislature, any project or projects,
8 or any combination thereof, and to secure indirect or third-party financing
9 for or own, operate and maintain the same and establish, own, operate and
10 maintain a system of building facilities.
11 2. Acquire by purchase, contract, lease-purchase, lease or gift, and
12 hold or dispose of, real or personal property or rights or interest therein.
13 3. Accept grants, subsidies or loans of monies from a federal agency,
14 or others, upon such terms and conditions as may be imposed, and to pledge
15 the proceeds of grants, subsidies or loans of monies received or to be
16 received from the United States of America or any agency or instrumentality
17 thereof, or others, pursuant to agreements entered into between such board
18 and the United States of America, or any agency or instrumentality thereof,
19 or others.
20 4. Borrow monies and issue bonds to acquire any one project, or more
21 than one, or any combination thereof, if authorized by the legislature, and
22 to refund bonds heretofore or hereafter issued to acquire any project or
23 projects, or to refund any such refunding bonds, or for any one, or more than
24 one, or all of such purposes, or any combination thereof, and to provide for
25 the security and payment of such bonds and for the rights of the holders
26 thereof.
27 5. Make contracts and leases and execute all instruments and perform
28 all acts and do all things necessary or convenient to carry out the powers
29 granted in this article.
30 6. Retain in its treasury:
(a) All monies received from the sale of all bonds issued under this article.
(b) All fees, tuitions, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, any project.
(c) All fees for student activities and student services and all other fees, tuitions and charges collected from students matriculated, registered or otherwise enrolled at and attending each institution pledged under the terms of any resolution authorizing bonds pursuant to this article.
(d) All rentals from any facility or building leased to the United States of America.

7. OBTAIN LINES OF CREDIT FOR CASH MANAGEMENT OR LIQUIDITY PURPOSES AND TO ISSUE COMMERCIAL PAPER AS PROVIDED IN SECTION 15-1696.

Sec. 2. Title 15, chapter 13, article 5, Arizona Revised Statutes, is amended by adding section 15-1696, to read:

15-1696. Commercial paper; requirements; annual report

A. THE BOARD HAS THE POWER AND IS HEREBY AUTHORIZED TO ISSUE COMMERCIAL PAPER FROM TIME TO TIME TO PROVIDE SHORT-TERM FINANCING FOR UP TO TWO HUNDRED SEVENTY DAYS FOR ANY CAPITAL PROJECT, TO PAY ANY EXPENSES OF ONE OR MORE INSTITUTIONS OR TO PROVIDE FOR PAYMENT OF COMMERCIAL PAPER OR OTHER OBLIGATIONS PREVIOUSLY ISSUED. THE COMMERCIAL PAPER MAY BE ISSUED AS NOTES OR OTHER OBLIGATIONS, TO BE ISSUED AS A SINGLE INSTRUMENT OR AS A SUCCESSION OF INSTRUMENTS TO PROVIDE FOR PAYMENT OF INSTRUMENTS PREVIOUSLY ISSUED.

B. THE FOLLOWING APPLY TO COMMERCIAL PAPER ISSUED UNDER THIS SECTION:

1. COMMERCIAL PAPER MAY BE ISSUED PURSUANT TO RESOLUTION OF THE BOARD OR PURSUANT TO BOARD-AUTHORIZED AGREEMENTS.

2. THE BOARD'S REPAYMENT OBLIGATIONS ON COMMERCIAL PAPER MAY BE PAYABLE FROM AND SECURED BY A PLEDGE OF THE SAME SOURCES AND COVENANTS PERMITTED BY SECTION 15-1685, OR OTHER SOURCES THAT MAY BE PLEDGED, OR MAY BE PAYABLE FROM AMOUNTS BUDGETED AND ALLOCATED BY THE BOARD FOR THAT PURPOSE FOR THE CURRENT FISCAL PERIOD.

3. ANY COMMERCIAL PAPER PAYABLE FROM AMOUNTS BUDGETED AND ALLOCATED BY THE BOARD FOR THAT PURPOSE FOR THE CURRENT FISCAL PERIOD SHALL PROVIDE THAT BOTH:
(a) THE OBLIGATION OF THE BOARD TO MAKE ANY PAYMENTS FOR OR RELATED TO THE COMMERCIAL PAPER IS A CURRENT EXPENSE OF THE BOARD AND IS NOT A GENERAL OBLIGATION INDEBTEDNESS OF THE BOARD OR THIS STATE.

(b) IF THE BOARD FAILS TO BUDGET AND ALLOCATE MONEYS FOR ANY PERIODIC PAYMENT OR RENEWAL TERM FOR ANY FUTURE FISCAL PERIOD, THE BOARD'S OBLIGATION TO MAKE PAYMENTS FOR OR RELATED TO THE COMMERCIAL PAPER CEASES AT THE END OF THE CURRENT FISCAL PERIOD, AND THE BOARD AND THIS STATE ARE RELIEVED OF ANY SUBSEQUENT PAYMENT OBLIGATIONS.

4. THE BOARD SHALL ESTABLISH BY RESOLUTION OR IN THE AUTHORIZING AGREEMENT A FINAL MATURITY DATE OR FINAL RENEWAL PERIOD FOR COMMERCIAL PAPER AND A MAXIMUM RATE OF INTEREST FOR COMMERCIAL PAPER ISSUED PURSUANT TO THIS SECTION. THE INDIVIDUAL INSTRUMENTS REPRESENTING THE COMMERCIAL PAPER MAY BEAR INTEREST AT RATES NOT EXCEEDING THE MAXIMUM RATE ESTABLISHED BY THE BOARD, MAY MATURE AND BE RETIRED, INCLUDING WITH THE PROCEEDS OF SUBSEQUENT INSTRUMENTS, OVER PERIODS ENDING NOT LATER THAN THE FINAL MATURITY DATE OR RENEWAL PERIOD ESTABLISHED BY THE BOARD AND MAY BE RETIRED WITH THE PROCEEDS OF BONDS OR OTHER OBLIGATIONS OF THE BOARD.

5. COMMERCIAL PAPER MAY BE SOLD THROUGH AN AGENT OR DEALER THAT IS RECOGNIZED IN MUNICIPAL FINANCE IN THE FORM OF INSTRUMENTS THAT MATURE AT INTERVALS AND BEAR INTEREST AT RATES THAT THE AGENT OR DEALER DETERMINES TO BE THE MOST ADVANTAGEOUS TO THE BOARD. COMMERCIAL PAPER SHALL BE IN THE FORM, BE EXECUTED AND HAVE SUCH OTHER TERMS AND CONDITIONS AS PROVIDED BY THE BOARD.

6. IN CONNECTION WITH THE COMMERCIAL PAPER REQUIREMENTS OF THIS SECTION, THE BOARD MAY:

(a) CONTRACT WITH A BANK OR OTHER FINANCIAL INSTITUTION, INSURANCE COMPANY OR INDEMNITY COMPANY TO PROVIDE ADDITIONAL SECURITY FOR THE COMMERCIAL PAPER IN THE FORM OF A LETTER OF CREDIT, A LINE OF CREDIT, AN INSURANCE POLICY OR OTHER SECURITY.

(b) PAY THE COSTS OF THE ADDITIONAL SECURITY FROM AMOUNTS PROVIDED BY THE COMMERCIAL PAPER OR FROM OTHER LAWFULLY AVAILABLE SOURCES AND MAY ENTER INTO REIMBURSEMENT OBLIGATIONS IN CONNECTION WITH THE COST OF THAT ADDITIONAL SECURITY.

7. ANY REIMBURSEMENT OBLIGATION ENTERED INTO WITH A BANK OR OTHER FINANCIAL INSTITUTION, INSURANCE COMPANY OR INDEMNITY COMPANY MAY NOT PROVIDE FOR THE PAYMENT OF INTEREST IN EXCESS OF THE MAXIMUM INTEREST RATE
ESTABLISHED BY THE BOARD FOR THE COMMERCIAL PAPER OR A DIFFERENT MAXIMUM
INTEREST RATE ESTABLISHED BY THE BOARD FOR THE REIMBURSEMENT OBLIGATION. THE
REIMBURSEMENT OBLIGATION MAY BE PAYABLE FROM THE SAME SOURCE AS THE
COMMERCIAL PAPER OR FROM OTHER LAWFULLY AVAILABLE MONIES OF THE BOARD BUT MAY
NOT CONSTITUTE A GENERAL OBLIGATION OF THE BOARD OR THIS STATE.

8. NOTWITHSTANDING ANY OTHER LAW, THE JOINT COMMITTEE ON CAPITAL
REVIEW IS NOT REQUIRED TO REVIEW OR APPROVE THE ISSUANCE OF COMMERCIAL PAPER.
COMMERCIAL PAPER ISSUED PURSUANT TO THIS SECTION IS EXEMPT FROM AND EXCLUDED
FROM THE COMPUTATIONS REQUIRED BY SECTION 15-1683, SUBSECTION A, PARAGRAPH 1,
SUBDIVISION (a).

9. ANY COMMERCIAL PAPER ISSUED BY THE BOARD PURSUANT TO THIS SECTION
IS REQUIRED TO BE REPAID WITHIN TWO HUNDRED SEVENTY DAYS.

C. ON OR BEFORE NOVEMBER 15 OF EACH YEAR, THE BOARD SHALL PROVIDE TO
THE GOVERNOR A REPORT ON ANY COMMERCIAL PAPER ISSUED PURSUANT TO THIS SECTION
DURING THE PREVIOUS FISCAL YEAR, INCLUDING THE AMOUNT OF COMMERCIAL PAPER
ISSUED, THE PURPOSES FOR WHICH THE COMMERCIAL PAPER WAS USED AND ANY
COMMERCIAL PAPER THAT WAS REDEEMED."

Amend title to conform

REGINA COBB

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