

Conference Engrossed

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

HOUSE BILL 2402

AN ACT

AMENDING SECTIONS 9-526, 11-374, 15-491, 35-454, 48-685, 48-707, 48-806, 48-1037, 48-1409 AND 48-4543, ARIZONA REVISED STATUTES; RELATING TO BOND ELECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-526, Arizona Revised Statutes, is amended to
3 read:

4 9-526. Form of ballot

5 A. EXCEPT AS PROVIDED BY SUBSECTION B OF THIS SECTION, at the election
6 the ballot shall contain the phrases "for the bonds" and "against the
7 bonds—" AND to the right of and opposite each phrase shall be placed a
8 square approximately the size of squares placed opposite the names of
9 candidates on ballots. The voter shall indicate ~~his~~ THE VOTER'S vote "for
10 the bonds" or "against the bonds" by inserting the mark "X" in the square
11 opposite such phrase.

12 B. IF THE BONDS ARE TO BE TAX SECURED BONDS, THE ELECTION BALLOT SHALL
13 APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454,
14 SUBSECTION C.

15 C. No other question, word or figure need be printed on the ballot.
16 The ballot need not be any particular size, nor need sample ballots be
17 printed, posted or distributed. A number of ballots, exceeding by not less
18 than ten ~~per-cent~~ PERCENT the number of registered voters whose names appear
19 on the precinct register of the precinct, town or city for which printed,
20 shall be printed and furnished TO each polling place.

21 Sec. 2. Section 11-374, Arizona Revised Statutes, is amended to read:

22 11-374. Ballots

23 A. EXCEPT AS PROVIDED BY SUBSECTION B OF THIS SECTION, at the election
24 the ballot shall contain the words "for the bonds" and "against the bonds"
25 and to the right of and opposite each ~~thereof~~ PHRASE shall be placed a square
26 approximately the size of the squares placed opposite the names of candidates
27 on ballots. The voter shall indicate ~~his~~ THE VOTER'S vote "for the bonds" or
28 "against the bonds" by inserting the mark "X" in the square opposite such
29 words.

30 B. IF THE BONDS ARE TO HAVE ADDITIONAL SECURITY PURSUANT TO SECTION
31 11-377, SUBSECTION I FROM THE COUNTY'S PLEDGE OF ITS FULL FAITH AND CREDIT
32 OBLIGATION TO PAY THE BONDS, WITH INTEREST, TO THE SAME EXTENT AS OTHER
33 GENERAL OBLIGATION BONDS OF THE COUNTY, THE ELECTION BALLOT SHALL APPEAR IN
34 THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454,
35 SUBSECTION C.

36 C. No other question, word or figure need be printed on any
37 ballot. The ballot shall not be of any particular size, and sample ballots
38 may or may not be printed, posted or distributed. A number of ballots
39 exceeding by not less than ten ~~per-cent~~ PERCENT the number of registered
40 voters whose names appear on the precinct register prepared for the precinct
41 shall be printed for and furnished to each polling place.

42 Sec. 3. Section 15-491, Arizona Revised Statutes, is amended to read:

43 15-491. Elections on school property; exceptions

44 A. The governing board of a school district may, and on petition of
45 fifteen ~~per-cent~~ PERCENT of the school electors as shown by the poll list at

1 the last preceding annual school election shall, call an election for the
2 following purposes:

3 1. To locate or change the location of school buildings.

4 2. To purchase or sell school sites or buildings or sell school sites
5 pursuant to section 15-342 or to build school buildings, but the
6 authorization by vote of the school district shall not necessarily specify
7 the site to be purchased.

8 3. To decide whether the bonds of the school district shall be issued
9 and sold for the purpose of raising money for purchasing or leasing school
10 lots, for building or renovating school buildings, for supplying school
11 buildings with furniture, equipment and technology, for improving school
12 grounds, for purchasing pupil transportation vehicles or for liquidating any
13 indebtedness already incurred for such purposes. Bonds issued for furniture,
14 equipment and technology, other than fixtures, shall mature no later than the
15 July 1 that follows the fifth year after the bonds were issued. A school
16 district shall not issue class B bonds until the school district has
17 obligated in contract the entire proceeds of any class A bonds issued by the
18 school district. The total amount of class A and class B bonds issued by a
19 school district shall not exceed the debt limitations prescribed in article
20 IX, sections 8 and 8.1, Constitution of Arizona.

21 4. To lease for ten or more years, as lessor or as lessee, school
22 buildings or grounds. Approval by a majority of the school district electors
23 voting authorizes the governing board to negotiate for and enter into a
24 lease. The ballot shall list the school buildings or grounds for which a
25 lease is sought. If the governing board does not enter into a lease of ten
26 or more years of the school buildings or grounds listed on the ballot within
27 ten years of the date of the election and the board continues to seek such a
28 lease, the governing board shall call a special election to reauthorize the
29 board to negotiate for and to enter into a lease of ten or more years.

30 5. To change the list of capital projects or the purposes authorized
31 by prior voter approval to issue bonds.

32 6. To extend from six to ten years the time period to issue class B
33 bonds authorized in 2009 or earlier. Elections pursuant to this paragraph
34 may not be held later than the sixth November after the election approving
35 the issuance of the bonds.

36 B. No petition shall be required for the holding of the first election
37 to be held in a joint common school district for any of the purposes
38 specified in subsection A of this section. The notice of election required
39 by section 15-492 shall be published in each of the counties that comprise
40 the joint common school district. The certification of election results
41 required by section 15-493 shall be made to the board of supervisors of the
42 jurisdictional county.

43 C. When the election is called to determine whether or not bonds of
44 the school district shall be issued and sold for the purposes enumerated in
45 the call for the election, the question shall be submitted to the vote of the

1 qualified electors of the school district as defined in section 15-401 and
2 subject to section 15-402.

3 D. The governing board shall order the election to be held in the
4 manner prescribed in title 35, chapter 3, article 3. If a petition for an
5 election has been filed with the governing board as provided in subsection A
6 of this section, the board shall act on the petition within sixty days by
7 ordering the election to be held as provided in this subsection. If a school
8 district bond election is scheduled for the same date a school district will
9 hold an override election, the governing body shall deliver a copy of the
10 notice of election and ballot to the county school superintendent who shall
11 include the notice of election and ballot with the information report and
12 ballot prepared for the override election. Mailing of the information
13 required for both the override and bond elections shall constitute compliance
14 with the notice provisions of this section.

15 E. The elections to be held pursuant to this section shall only be
16 held on dates prescribed by section 16-204, except that elections held
17 pursuant to this section to decide whether class B bonds shall be issued, or
18 any other obligation incurred that will require the assessment of secondary
19 property taxes, shall only be held on the first Tuesday after the first
20 Monday of November.

21 F. Subsection A, paragraph 2 of this section does not apply to the
22 sale of school property if the market value of the school property is less
23 than fifty thousand dollars.

24 G. Bond counsel fees, financial advisory fees, printing costs and
25 paying agent and registrar fees for bonds issued pursuant to an election
26 under this section shall be paid from either the amount authorized by the
27 qualified electors of the school district or current operating funds. Bond
28 election expenses shall be paid from current operating funds only.

29 H. For any election conducted to decide whether class B bonds will be
30 issued pursuant to this section:

31 1. Except as provided in paragraph 2 of this subsection, the ballot
32 shall include the following statement:

33 The capital improvements that are proposed to be funded
34 through this bond issuance are to exceed the state standards and
35 are in addition to monies provided by the state.

36 _____ school district is proposing to issue class B
37 general obligation bonds totaling \$_____ to fund capital
38 improvements over and above those funded by the state. Under the
39 students first capital funding system, _____ school district
40 is entitled to state monies for new construction and renovation
41 of school buildings in accordance with state law.

42 THE ISSUANCE OF THESE BONDS WILL RESULT IN A PROPERTY TAX
43 INCREASE TO PAY DEBT SERVICE ON THE BONDS. FOR A HOME VALUED AT
44 \$ (MEDIAN FULL CASH VALUE OF RESIDENTIAL PROPERTY IN THE

1 DISTRICT), THESE BONDS WILL COST \$_____ ANNUALLY AND
2 \$_____ OVER THE TERM OF THE BONDS.

3 2. For a school district that is a joint technical education district,
4 the ballot shall include the following statement:

5 _____, a joint technical education district, is
6 proposing to issue class B general obligation bonds totaling
7 \$_____ to fund capital improvements at a campus owned or
8 operated and maintained by the joint technical education
9 district.

10 THE ISSUANCE OF THESE BONDS WILL RESULT IN A PROPERTY TAX
11 INCREASE TO PAY DEBT SERVICE ON THE BONDS. FOR A HOME VALUED AT
12 \$ (MEDIAN FULL CASH VALUE OF RESIDENTIAL PROPERTY IN THE
13 DISTRICT), THESE BONDS WILL COST \$_____ ANNUALLY AND
14 \$_____ OVER THE TERM OF THE BONDS.

15 3. The ballot shall contain the words "bond approval, yes" and "bond
16 approval, no", and the voter shall signify the voter's desired choice.

17 4. The ballot shall also contain the phrase "the issuance of these
18 bonds will result in an annual levy of property taxes sufficient to pay the
19 debt on the bonds".

20 5. At least eighty-five days before the election, the school district
21 shall submit proposed ballot language to the director of the Arizona
22 legislative council. The director of the Arizona legislative council shall
23 review the proposed ballot language to determine whether the proposed ballot
24 language complies with this section. If the director of the Arizona
25 legislative council determines that the proposed ballot language does not
26 comply with this section, the director, within ten calendar days of the
27 receipt of the proposed ballot language, shall notify the school district of
28 the director's objections and the school district shall resubmit revised
29 ballot language to the director for approval.

30 6. No later than thirty-five days before a class B bond election
31 conducted pursuant to this section, the school district shall mail a
32 publicity pamphlet to each household that contains a qualified elector in the
33 school district. The publicity pamphlet shall contain, at a minimum, the
34 following information:

35 (a) An executive summary of the school district's most recent capital
36 plan submitted to the school facilities board.

37 (b) A complete list of each proposed capital improvement that will be
38 funded with the proceeds of the bonds and a description of the proposed cost
39 of each improvement, including a separate aggregation of capital improvements
40 for administrative purposes as defined by the school facilities board.

41 (c) The tax rate associated with each of the proposed capital
42 improvements and the estimated cost of each capital improvement for the owner
43 of a single family home that is valued at one hundred thousand dollars.

44 I. For any election conducted to decide whether impact aid revenue
45 bonds shall be issued pursuant to this section:

- 1 1. The ballot shall include the following statement:
2 The capital improvements that are proposed to be funded
3 through this bond issuance are to exceed the state standards and
4 are in addition to monies provided by the state.
5 _____ school district is proposing to issue impact
6 aid revenue bonds totaling \$_____ to fund capital
7 improvements over and above those funded by the state. Under
8 the students first capital funding system, _____ school
9 district is entitled to state monies for new construction and
10 renovation of school buildings in accordance with state law.
11 2. The ballot shall contain the words "bond approval, yes" and "bond
12 approval, no", and the voter shall signify the voter's desired choice.
13 3. At least eighty-five days before the election, the school district
14 shall submit proposed ballot language to the director of the legislative
15 council. The director of the legislative council shall review the proposed
16 ballot language to determine whether the proposed ballot language complies
17 with this section. If the director of the legislative council determines
18 that the proposed ballot language does not comply with this section, the
19 director, within ten calendar days of the receipt of the proposed ballot
20 language, shall notify the school district of the director's objections and
21 the school district shall resubmit revised ballot language to the director
22 for approval.
23 4. No later than thirty-five days before an impact aid revenue bond
24 election conducted pursuant to this section, the school district shall mail a
25 publicity pamphlet to each household that contains a qualified elector in the
26 school district. The publicity pamphlet shall contain, at a minimum, the
27 following information:
28 (a) The date of the election.
29 (b) The voter's polling place and the times it is open.
30 (c) An executive summary of the school district's most recent capital
31 plan submitted to the school facilities board.
32 (d) A complete list of each proposed capital improvement that will be
33 funded with the proceeds of the bonds and a description of the proposed cost
34 of each improvement, including a separate aggregation of capital improvements
35 for administrative purposes as defined by the school facilities board.
36 (e) A statement that impact aid revenue bonds will be fully funded by
37 aid that the school district receives from the federal government and do not
38 require a levy of taxes in the district.
39 (f) A statement that if the bonds are approved, the first priority for
40 the impact aid will be to pay the debt service for the bonds and that other
41 uses of the monies are prohibited until the debt service obligation is met.
42 (g) A statement that if the impact aid revenue bonds are approved, the
43 school district shall not issue or sell class B bonds while the district has
44 existing indebtedness from impact aid revenue bonds, except for bonds issued
45 to refund any bonds issued by the board.

1 J. If the voters approve the issuance of school district class B bonds
2 or impact aid revenue bonds, the school district shall not use the bond
3 proceeds for any purposes other than the proposed capital improvements listed
4 in the publicity pamphlet, except that up to ten ~~per-cent~~ PERCENT of the bond
5 proceeds may be used for general capital expenses, including cost overruns of
6 proposed capital improvements. The proposed capital improvements may be
7 changed by a subsequent election as provided by this section.

8 K. Each school district that issues bonds under this section is
9 required to hold a public meeting each year between September 1 and October
10 31, until the bond proceeds are spent, at which an update of the progress of
11 capital improvements financed through bonding is discussed and at which the
12 public is permitted an opportunity to comment. At a minimum, the update
13 shall include a comparison of the current status and the original projections
14 on the construction of capital improvements, the costs of capital
15 improvements and the costs of capital improvements in progress or completed
16 since the prior meeting and the future capital bonding plans of the school
17 district. The school district shall include in the public meeting a
18 discussion of the school district's use of state capital aid and
19 voter-approved capital overrides in funding capital improvements, if any.

20 L. If an election is held to change the purpose or list of capital
21 projects authorized by prior voter approval to issue bonds pursuant to
22 subsection A, paragraph 5 of this section, the following requirements apply:

23 1. The election may be held only on the first Tuesday after the first
24 Monday in November.

25 2. No later than thirty-five days before the election, the school
26 district shall mail a publicity pamphlet to each household in the school
27 district that contains a qualified elector. The publicity pamphlet shall
28 contain, at a minimum, the following information:

29 (a) The date of the election.

30 (b) The voter's polling place and the times it is open.

31 (c) A statement as to why the election was called.

32 (d) A complete list of each proposed capital improvement that is in
33 addition to the initial capital improvements presented in the publicity
34 pamphlet when the bonds were approved and the proposed cost of each
35 improvement, including a separate aggregation of capital improvements for
36 administrative purposes as defined by the school facilities board.

37 (e) A complete list of each capital improvement that was presented in
38 the publicity pamphlet when the bonds were initially approved and that is
39 proposed to be eliminated or to have its cost reduced, and the proposed cost
40 of each improvement, including a separate aggregation of capital improvements
41 for administrative purposes as defined by the school facilities board.

42 (f) Arguments for and against the proposed change, if submitted, as
43 provided by section 15-481, subsection B, paragraph 9.

1 3. The ballot shall contain the words "change capital improvements,
2 yes" and "change capital improvements, no", and the voter shall signify the
3 voter's desired choice.

4 4. If the election is to add a purpose that was not on the initial
5 ballot, the ballot shall list the purpose that is proposed to be added.

6 M. If an election is held to extend the time to issue bonds pursuant
7 to subsection A, paragraph 6 of this section, the following requirements
8 apply:

9 1. The election may be held only on the first Tuesday after the first
10 Monday in November.

11 2. No later than thirty-five days before the election, the school
12 district shall mail a publicity pamphlet to each household in the school
13 district that contains a qualified elector. The publicity pamphlet shall
14 contain, at a minimum, the following information:

15 (a) The date of the election.

16 (b) The voter's polling place and the times it is open.

17 (c) A statement as to why the election was called.

18 (d) Arguments for and against the proposed change, if submitted, as
19 provided in section 15-481, subsection B, paragraph 9.

20 3. The ballot shall contain the words "extend time to issue bonds,
21 yes" and "extend time to issue bonds, no", and the voter shall signify the
22 voter's desired choice.

23 Sec. 4. Section 35-454, Arizona Revised Statutes, is amended to read:

24 35-454. Informational pamphlet for bond election; review;
25 ballot; election; return; canvass of votes;
26 certificate of election

27 A. The governing body or board of the political subdivision shall:

28 1. Not less than thirty-five days before the bond election, mail a
29 copy of an informational pamphlet to every household within the political
30 subdivision that contains a registered voter. The pamphlet shall contain
31 information on ~~the~~:

32 (a) ~~THE~~ amount of the bond authorization.

33 (b) ~~THE~~ maximum interest rate of the bonds.

34 (c) ~~THE~~ estimated debt retirement schedule for the current amount of
35 bonds outstanding, showing both principal and interest payments, the current
36 net assessed valuation as reported by the department of revenue and the
37 current adopted and estimated tax rates. For the purposes of this paragraph,
38 "net assessed valuation" may include the values used to determine voluntary
39 contributions collected pursuant to title 9, chapter 4, article 3 and title
40 48, chapter 1, article 8.

41 (d) ~~THE~~ estimated debt retirement schedule for the proposed bond
42 authorization, showing both the estimated principal and interest payments and
43 the estimated average annual tax rate for the proposed bond authorization.
44 In preparing this information and the information prescribed by subdivision

1 (c) of this paragraph, the projected total annual increase in net assessed
2 valuation for any future year shall not exceed:

3 (i) For the first five years of the estimated debt retirement
4 schedule, the average of the annual percentage growth for the previous ten
5 years in the net assessed valuation of the political subdivision.

6 (ii) For the remaining years of the estimated debt retirement
7 schedule, twenty percent of the average of the annual percentage growth for
8 the previous ten years in the net assessed valuation of the political
9 subdivision.

10 (e) THE source of repayment.

11 (f) THE estimated issuance costs.

12 (g) THE estimated tax impact of debt service for the bonds, BOTH AT
13 THE ESTIMATED INTEREST RATE BASED ON CURRENT MARKET CONDITIONS AND AT THE
14 MAXIMUM INTEREST RATE TO BE AUTHORIZED BY THE VOTERS, on an owner-occupied
15 residence classified as class three pursuant to section 42-12003, on
16 commercial property classified as class one pursuant to section 42-12001,
17 paragraph 12 and on agricultural or other vacant property classified as class
18 two pursuant to section 42-12002, assuming the net assessed valuation of the
19 property increases annually at the lesser of five percent or fifty percent of
20 the projected total annual increase in net assessed valuation as determined
21 pursuant to subdivision (d) of this paragraph over the term of the bonds
22 using the same average annual tax rate as under subdivision (d) of this
23 paragraph, ONLY as follows:

24 The tax impact over the term of the bonds on an
25 owner-occupied residence valued by the county assessor at
26 \$250,000 is estimated to be \$___ per year for __ years, ~~or \$___~~
27 FOR A total cost OF \$___.

28 The tax impact over the term of the bonds on commercial
29 property valued by the county assessor at \$1,000,000 is
30 estimated to be \$___ per year for __ years, ~~or \$___~~ FOR A
31 total cost OF \$___.

32 The tax impact over the term of the bonds on agricultural
33 or other vacant property valued by the county assessor at
34 \$100,000 is estimated to be \$___ per year for __ years, ~~or~~
35 \$___ FOR A total cost OF \$___.

36 (h) In bold-faced type, THE estimated total cost of the proposed bond
37 authorization, including principal and interest, BOTH AT THE ESTIMATED
38 INTEREST RATE BASED ON CURRENT MARKET CONDITIONS AND AT THE MAXIMUM INTEREST
39 RATE TO BE AUTHORIZED BY THE VOTERS.

40 (i) THE current outstanding general obligation debt and constitutional
41 debt limitation.

42 (j) THE GENERAL PURPOSES AND ANY PROPOSED projects and expenditures
43 for which the bonds are to be issued. The ~~purpose~~ statement shall only
44 present factual information in a neutral manner. Advocacy for the

1 expenditures is strictly limited to the arguments submitted pursuant to
2 subdivision (n) of this paragraph.

3 (k) ~~Purpose for which the bonds are to be issued and,~~ A DISCLOSURE IN
4 BOLD-FACED TYPE THAT:

5 (i) THE EXPENDITURE OF THE AMOUNT AUTHORIZED BY THE BOND IS GOVERNED
6 BY THE GENERAL PURPOSES, AND NOT THE PROPOSED PROJECTS AND EXPENDITURES,
7 DESCRIBED IN SUBDIVISION (j) OF THIS PARAGRAPH.

8 (ii) If applicable, ~~in bold-faced type, that~~ the amount of the
9 proposed bond authorization combined with the current outstanding debt
10 exceeds the political subdivision's constitutional debt limit.

11 (l) THE polling location for the addressee.

12 (m) THE hours during the day when the polls will be open.

13 (n) THE arguments for and against the authorization of one or more of
14 the bond propositions.

15 2. Set a deadline to submit arguments for and against the
16 authorization of one or more of the bond propositions at a public meeting and
17 publish the deadline in a newspaper of general circulation in the
18 jurisdiction of the political subdivision.

19 3. Submit a copy of the informational pamphlet to the department of
20 revenue within thirty days after the bond election. The department of
21 revenue shall maintain copies of the pamphlets.

22 B. The failure of any one or more electors to receive the
23 informational pamphlet shall not be grounds to invalidate the election. The
24 election shall conform with the general election laws of ~~the~~ THIS state. The
25 return of the election held in a county shall be made to the board of
26 supervisors and, in any other case, to the governing body or board of the
27 municipal corporation or district within twelve days after the election.

28 C. For any proposed general obligation bond authorization ~~where~~ FOR
29 WHICH the principal and interest will be paid by a levy of property taxes:
30 ~~, the ballot shall contain the phrase "the issuance of these bonds will~~
31 ~~result in a property tax increase sufficient to pay the annual debt service~~
32 ~~on bonds".~~

33 1. Any written information provided by the political subdivision
34 pertaining to the bond election shall include financial information showing
35 the estimated average tax rate for the proposed bond authorization. ~~If the~~
36 ~~bonds are to be repaid with secondary property taxes,~~

37 2. The ballot shall contain the words "bond approval, yes" and "bond
38 approval, no", and the voter shall signify the voter's desired choice.

39 3. The ballot shall ~~also~~ contain the following statement:

40 A "yes" vote ~~shall~~ WILL authorize the (NAME OF COUNTY,
41 CITY, TOWN OR DISTRICT) governing body to issue and sell
42 \$_____ of (NAME OF COUNTY, CITY, TOWN OR DISTRICT) bonds ~~of~~
43 ~~the district~~ to be repaid with secondary property taxes. THE
44 ISSUANCE OF THESE BONDS WILL RESULT IN A PROPERTY TAX INCREASE
45 TO PAY DEBT SERVICE ON THE BONDS. OTHER REVENUE SOURCES MAY BE

1 USED TO PAY FOR THE OPERATION AND MAINTENANCE OF PROJECTS FUNDED
2 BY THE BONDS. FOR A HOME VALUED AT \$ (MEDIAN FULL CASH VALUE
3 OF RESIDENTIAL PROPERTY IN THE COUNTY, CITY, TOWN OR
4 DISTRICT), THESE BONDS WILL COST \$ _____ ANNUALLY AND
5 \$ _____ OVER THE TERM OF THE BONDS.

6 A "no" vote ~~shall not authorize the _____ governing body~~
7 WILL DENY THE (NAME OF COUNTY, CITY, TOWN OR DISTRICT)
8 GOVERNING BODY THE AUTHORITY to issue and sell such bonds ~~of the~~
9 ~~district~~.

10 D. If the governing body intends to use revenues other than property
11 taxes to pay the debt on proposed general obligation bonds, the ballot shall
12 contain the phrase "the issuance of these bonds will result in a property tax
13 increase sufficient to pay the annual debt service on bonds, unless the
14 governing body provides for payment from other sources".

15 E. The board of supervisors, governing body or governing board shall
16 hold a special meeting within twenty days after the election to canvass the
17 votes cast and certify the result. The certificate of the result shall be
18 prima facie evidence of full performance of all conditions and requirements
19 precedent to holding the election.

20 F. The governing board or body shall file and record in the office of
21 the county recorder a certificate disclosing the purpose of the election, the
22 total number of votes cast and the total number of votes for and against
23 creating the indebtedness, and stating whether or not the indebtedness is
24 ordered. Upon filing and recording the certificate, the governing board or
25 body shall carry out the purpose of the election.

26 G. Variations between the estimates required by subsection A of this
27 section and the actual debt retirement schedules, issuance costs, annual and
28 total costs and tax rates shall not invalidate either the election or the
29 bonds.

30 H. THE REQUIREMENTS OF THIS SECTION DO NOT APPLY TO ANY SPECIAL TAXING
31 DISTRICT THAT MEASURES ITS TAX LEVY OR ASSESSMENT BY ACREAGE OR BY ANY OTHER
32 MEASUREMENT THAT DOES NOT USE THE ASSESSED VALUATION OF PROPERTY.

33 Sec. 5. Section 48-685, Arizona Revised Statutes, is amended to read:
34 48-685. Ballots

35 A. EXCEPT AS PROVIDED BY SUBSECTION B OF THIS SECTION, at the election
36 the ballot shall contain the words "for the bonds" and "against the bonds"
37 and to the right of and opposite each ~~thereof~~ PHRASE shall be placed a square
38 approximately the size of the squares placed opposite the names of candidates
39 on ballots. The voter shall indicate ~~his~~ THE VOTER'S vote "for the bonds" or
40 "against the bonds" by inserting a mark as defined in section 16-400 in the
41 square opposite such words.

42 B. IF THE BONDS ARE TO HAVE ADDITIONAL SECURITY PURSUANT TO SECTION
43 48-688, SUBSECTION H FROM THE CITY'S OR TOWN'S PLEDGE OF ITS FULL FAITH AND
44 CREDIT OBLIGATION TO PAY THE BONDS, WITH INTEREST, TO THE SAME EXTENT AS
45 OTHER GENERAL OBLIGATION BONDS OF THE CITY OR TOWN, THE ELECTION BALLOT SHALL

1 APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454,
2 SUBSECTION C.

3 C. No other question, word or figure need be printed on any ballot.
4 The ballot shall not be of any particular size, and sample ballots may or may
5 not be printed, posted or distributed. A number of ballots exceeding by not
6 less than two ~~per-cent~~ PERCENT the number of registered voters whose names
7 appear on the precinct register prepared for the precinct, town or city shall
8 be printed for and furnished to each polling place.

9 Sec. 6. Section 48-707, Arizona Revised Statutes, is amended to read:

10 48-707. Notice and conduct of elections; waiver

11 A. Any election under this article shall be a nonpartisan election
12 called by posting notices in three public places within the boundaries of the
13 district not less than twenty days before the election. Notice shall also be
14 published in a newspaper of general circulation in the municipality or county
15 or if there is no newspaper so circulated in the municipality in a newspaper
16 of general circulation in the county in which the municipality is located
17 once a week for two consecutive weeks before the election. The notice shall
18 state:

19 1. The place of holding the election.

20 2. The hours during the day, not less than six, in which the polls
21 will be open.

22 3. If it is a formation election, the boundaries of the proposed
23 district.

24 4. If it is a bond election, the amount of bonds to be authorized for
25 the district, the maximum rate of interest to be borne on the bonds, the
26 maximum term of the bonds, not exceeding twenty-five years, and the purposes
27 for which the monies raised will be used.

28 5. If it is an ad valorem tax levy election pursuant to section
29 48-723, the maximum tax rate per one hundred dollars of assessed valuation to
30 be imposed, the purposes for which the monies raised will be used and the
31 existing maximum tax rate, if any.

32 6. That a general plan is on file with the clerk.

33 B. The district board or the governing body, as applicable, shall
34 determine the date of the election and the polling places for the election
35 and may consolidate county precincts. For other than a formation election
36 pursuant to section 48-705, subsection B, and an election held pursuant to
37 subsection G of this section, precinct registers shall be used. The county
38 recorder shall submit precinct registers on the request of the clerk, and if
39 the district includes land lying partly in and partly out of any county
40 election precinct, the precinct registers may contain the names of all
41 registered voters in the precinct and the election boards at those precincts
42 shall require that a prospective elector execute an affidavit stating that
43 the elector is also a qualified elector of the district. For formation
44 elections and elections held pursuant to subsection G of this section, a
45 prospective elector shall execute an affidavit stating that the elector is

1 the owner of land in the proposed district and is a qualified elector of this
2 state or otherwise qualified to vote pursuant to section 48-3043 and stating
3 the area of land in acres owned by the elector. Election board members may
4 administer oaths or take all affirmations for these purposes. A community
5 facilities district election held pursuant to this article is not subject to
6 title 16, chapter 2, article 3.

7 C. Except as otherwise provided by this article, the election shall
8 comply with the general election laws of this state, except that the words to
9 appear on the ballots shall be for a formation election "district, yes" and
10 "district, no", ~~for a bond election "bonds, yes" and "bonds, no", for a tax~~
11 ~~election if no tax is in place "tax, yes" and "tax, no"~~ and for a tax
12 election to change an existing maximum or eliminate an existing tax "tax
13 change, yes" and "tax change, no". **FOR AN ELECTION TO APPROVE THE ISSUANCE**
14 **OF GENERAL OBLIGATION BONDS OF THE DISTRICT PURSUANT TO SECTION 48-719, THE**
15 **BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY**
16 **SECTION 35-454, SUBSECTION C.** The returns of election shall be made to the
17 governing body or, if after formation, to the district board.

18 D. Within fourteen days after an election, the governing body, or if
19 after formation, the district board, shall meet and canvass the returns, and
20 if a majority of the votes cast at the election is in favor of formation,
21 issuing the bonds, imposing the tax or changing the tax, the governing body
22 or the district board, as appropriate, shall enter that fact on its minutes.
23 The canvass may be continued from time to time. Failure of a majority to
24 vote in favor of the matter submitted does not prejudice the submission of
25 the same or similar matters at a later election.

26 E. If a person listed on the assessment roll is no longer the owner of
27 land in the district and the name of the successor owner becomes known and is
28 verified by recorded deed or other similar evidence of transfer of ownership,
29 the successor owner is deemed to be the owner for the purposes of this
30 article.

31 F. Notwithstanding any other provision of this article, if a petition
32 for formation is signed by owners of all of the land in the district
33 described in the petition and is approved by the municipality or county, the
34 municipality or county may waive any or all requirements of posting,
35 publication, mailing, notice, hearing and landowner election. On receipt of
36 such a petition, and after approval by an election of resident electors, if
37 any, the municipality or county shall declare the district formed without
38 being required to comply with the provisions of this article for posting,
39 publication, mailing, notice, hearing or landowner election.

40 G. Notwithstanding any other provision of this article, if no person
41 has registered to vote within the district within fifty days immediately
42 preceding any scheduled election date, any election required to be held
43 pursuant to this article shall be held with the vote by the owners of land
44 within the district who are qualified electors of this state and other
45 landowners according to section 48-3043. Each owner has the number of votes

1 or portion of votes equal to the number of acres or portion of acres rounded
2 upward to the nearest one-fifth of an acre owned in the district by that
3 person.

4 H. For a district that is proposed to be formed by a county, a
5 district may be formed only if a petition for formation is signed by the
6 owners of all of the land in the district that is described in the petition
7 and if it is approved by the county. If the district is proposed to be
8 formed in a county island, as defined in section 11-251.12, in existence on
9 ~~the effective date of this amendment to this section~~ SEPTEMBER 21, 2006, the
10 petition must be signed by the owners of all of the land in the district that
11 is described in the petition and the district must be approved by the county
12 and by the municipality or all municipalities that form the county island.
13 If the petition is signed by the owners of all of the land in the district,
14 the county may waive any or all requirements of posting, publication,
15 mailing, notice, hearing and landowner election. On receipt of such a
16 petition, and after approval by an election of one hundred ~~per cent~~ PERCENT
17 of the resident electors, if any, the county shall declare the district
18 formed without being required to comply with the provisions of this article
19 for posting.

20 Sec. 7. Section 48-806, Arizona Revised Statutes, is amended to read:

21 48-806. Bond election; issuance and sale of bonds

22 A. Except for a district formed pursuant to section 48-851, the
23 district board or the elected chief and secretary-treasurer may order an
24 election by the qualified electors of the district to be held pursuant to
25 title 16, chapter 2, article 1 to determine whether bonds shall be issued on
26 behalf of the district. The order shall specify the maximum principal amount
27 of bonds to be issued, the maximum number of years bonds of any issue or
28 series may run from their date not exceeding thirty years, the purpose for
29 which the bonds are to be issued, the maximum rate of interest ~~which~~ THAT the
30 bonds are to bear, the date and hours of the election and the location of the
31 polling places. Copies of the order shall be posted in three public places
32 within the district not less than twenty days prior to the date of the
33 election, and if a newspaper is published within the county having a general
34 circulation within the district, the order shall be published in the
35 newspaper not less than once a week during each of the three calendar weeks
36 preceding the calendar week of the election.

37 B. A district board formed pursuant to section 48-851 shall not order
38 an election for or issue bonds under this section.

39 C. Instead of publishing the notice described in subsection A of this
40 section, the board of directors may mail a notice of election to each
41 household containing a qualified elector of the district. The notice shall
42 contain the same information described in subsection A of this section except
43 that the notice shall not contain the location of all the polling places for
44 that election. The notice shall contain the location of the polling place

1 for that household's qualified electors. The notice shall be mailed at least
2 thirty-five days before the election.

3 D. At the election the ballot shall ~~contain the phrases "for the~~
4 ~~bonds" and "against the bonds". There shall be placed a square or other~~
5 ~~designated marking space in the same manner as used for candidates on~~
6 ~~ballots. The voter shall indicate a vote "for the bonds" or "against the~~
7 ~~bonds"~~ APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION
8 35-454, SUBSECTION C. No other question, word or figure need be printed on
9 the ballot. The ballot need not be any particular size, nor need sample
10 ballots be printed, posted or distributed but ballots shall comply with
11 standards otherwise provided by law, including requirements for electronic
12 voting, if applicable.

13 E. If a majority of the qualified electors of the district voting at
14 the election approves the issuance of bonds, the district board or the
15 elected chief and secretary-treasurer, as appropriate, may issue bonds in an
16 aggregate principal amount not exceeding the lesser of six ~~per cent~~ PERCENT
17 of the value of the taxable property in the district as shown on the last
18 property tax assessment roll before issuing the bonds or the maximum amount
19 specified in the election order.

20 F. Bonds may be in such denominations, may be in registered or bearer
21 form either as to principal or interest, or both, may mature at such times
22 not exceeding the maximum maturity specified in the election order and may be
23 subject to redemption prior to maturity, all as specified by the district
24 board or elected chief and secretary-treasurer, as appropriate, as provided
25 in subsection E of this section. The district may engage the services of a
26 depository to administer a book entry system for the bonds. The costs and
27 expenses of such depository and any registrar or paying agent for the bonds
28 shall be deemed to be interest expenses that may also be paid from the tax
29 levy made pursuant to subsection I of this section.

30 G. Bonds shall be executed by the manual or facsimile signatures of
31 the chairman and clerk of the district board or elected chief and
32 secretary-treasurer of the district. Coupons attached to the bonds shall
33 bear the facsimile signature of the chairman of the district board or the
34 elected chief of the district, as appropriate.

35 H. The district board may sell the bonds at public or private sale or
36 through an ~~on-line~~ ONLINE bidding process. In addition, the district board
37 may negotiate loan agreements or loan repayment agreements with the greater
38 Arizona development authority in lieu of selling bonds where authority to
39 sell bonds has been granted by the district's voters. The proceeds of sale
40 on the bonds shall be deposited in an account of the fire district fund to be
41 known as the capital fund to be applied for the purpose for which the bonds
42 were issued.

43 I. After the bonds are issued, the district board or elected chief and
44 secretary-treasurer, as appropriate, shall enter on the district's minutes a
45 record of the bonds sold and shall annually determine the amount of the tax

1 levy to pay the bonds and certify such amount to the board of supervisors of
2 the county. The board of supervisors shall annually cause to be levied and
3 collected a tax, at the same time and in the same manner as other taxes are
4 levied and collected ~~upon~~ ON all taxable property in the district, sufficient
5 to pay principal of and interest on the bonds as they become due and payable.
6 Monies derived from the levy of the tax when collected shall be deposited in
7 the debt service fund and shall be applied only to payment of the principal
8 of and interest on the bonds. On payment of the outstanding bonded
9 indebtedness of the district, any monies remaining in the debt service fund
10 shall be used to reduce the district's property tax levy in the next fiscal
11 year.

12 Sec. 8. Section 48-1037, Arizona Revised Statutes, is amended to read:
13 48-1037. Notice and conduct of elections; waiver

14 A. Any election under this article shall be called by posting notices
15 in three public places within the boundaries of the district not less than
16 twenty days before the election. Notice shall also be published in a
17 newspaper of general circulation in the county once a week for two
18 consecutive weeks before the election. The notice shall state:

19 1. The place of holding the election.

20 2. The hours during the day, not less than six, when the polls will be
21 open.

22 3. If it is a formation election, the boundaries of the proposed
23 district.

24 4. If it is a bond election, the amount of bonds to be authorized for
25 the district, the maximum rate of interest to be borne on the bonds, the
26 maximum term of the bonds, not exceeding thirty years, and the purposes for
27 which the monies raised will be used.

28 B. A bond election under this section must be held on the first
29 Tuesday following the first Monday in November as prescribed by section
30 16-204, subsection ~~B, paragraph 1, subdivision (d)~~ F.

31 C. The district board or the board of supervisors, as applicable,
32 shall determine the polling places for the election and may consolidate
33 county precincts. For other than a formation election, precinct registers
34 shall be used. The county recorder shall submit precinct registers on the
35 request of the clerk, and if the district includes land lying partly in and
36 partly out of any county election precinct, the precinct registers may
37 contain the names of all registered voters in the precinct and the election
38 boards at such precincts shall require that a prospective elector execute an
39 affidavit stating that he is also a qualified elector of the district. For
40 formation elections a prospective elector shall execute an affidavit stating
41 that he is the owner of land in the district, is a qualified elector of this
42 state and stating the area of land in acres owned by the elector. Election
43 board members may give oaths or take all affirmations for these purposes.

44 D. Except as otherwise provided by this article, the election shall
45 comply with the general election laws of this state, except that the words to

1 appear on the ballots shall be for a formation election "district, yes" and
2 "district, no" ~~or for a bond election "bonds, yes" and "bonds, no"~~. FOR AN
3 ELECTION TO APPROVE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE DISTRICT
4 PURSUANT TO SECTION 48-1045, THE BALLOT SHALL APPEAR IN THE FORM AND CONTAIN
5 THE STATEMENT PRESCRIBED BY SECTION 35-454, SUBSECTION C. The returns of
6 election shall be made to the district board.

7 E. On the seventh day after the election or within seven days of the
8 election, the board of supervisors, or if after formation, the district
9 board, shall meet and canvass the returns, and if a majority of the votes
10 cast at the election is in favor of formation or issuing the bonds, the board
11 shall enter that fact on its minutes. The board may continue the canvass
12 from time to time.

13 F. Notwithstanding any other provision of this article, a petition for
14 formation signed by owners of all of the land in the district described and
15 approved by the board of supervisors waives any requirements of posting,
16 publication, mailing, notice, hearing and election. On receipt of such a
17 petition, the board of supervisors shall declare the district formed without
18 being required to comply with this article for posting, publication, mailing,
19 notice, hearing or election.

20 Sec. 9. Section 48-1409, Arizona Revised Statutes, is amended to read:

21 48-1409. Conduct of election

22 A. The election shall be held, except as otherwise provided by this
23 article, in conformity with the general election laws of the state, except
24 that:

25 1. The election shall be held on the first Tuesday following the first
26 Monday in November as prescribed by section 16-204, subsection ~~B, paragraph~~
27 ~~1, subdivision (d)~~ F.

28 ~~2. The words to appear on the ballots shall be "bonds, yes. (),~~
29 ~~"bonds, no. ()"~~.

30 2. THE BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT
31 PRESCRIBED BY SECTION 35-454, SUBSECTION C.

32 3. The returns of election shall be made to the board of trustees of
33 the district.

34 B. On the seventh day after the election at 1:00 p.m., the board of
35 trustees shall meet and canvass the returns, and if a majority of the votes
36 cast at the election is in favor of issuing the bonds, ~~then~~ the board of
37 trustees shall make an entry of that fact ~~upon their~~ ON THE BOARD'S minutes,
38 and certify to the board of supervisors all proceedings had in the premises.

39 Sec. 10. Section 48-4543, Arizona Revised Statutes, is amended to
40 read:

41 48-4543. General obligation bond election; results

42 A. On determining the amount of money that is necessary to be raised
43 for any of the purposes set forth in section 48-4542 and that may be subject
44 to repayment under section 48-4503, subsection B, paragraph 1, the board
45 shall immediately call an election to submit to the electors of the district

1 the question of whether the bonds of the district shall be issued in the
2 amount so determined. The election must be held on the first Tuesday
3 following the first Monday in November as prescribed by section 16-204,
4 subsection ~~B, paragraph 1, subdivision (d)~~ F.

5 B. Notice of the election shall be posted in three public places in
6 each election precinct of the district for at least twenty days and by
7 publication in a newspaper published in the county in which the office of the
8 board of directors of the district is located once a week for at least two
9 consecutive weeks. The notice shall state the date of the election, the
10 amount of bonds proposed to be issued, the maximum rate of interest to be
11 borne on the bonds and the denominations.

12 C. The election shall be held and the results shall be determined and
13 declared in a manner as nearly as practicable as provided by section 48-4433
14 governing the election of board members. Informalities in conducting the
15 election do not invalidate the election if it has been otherwise fairly
16 conducted.

17 D. At the election the ballots shall ~~contain the words "bonds --- yes"~~
18 ~~and "bonds --- no"~~ APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY
19 SECTION 35-454, SUBSECTION C. If a majority of the votes cast at the
20 election ~~is "bonds --- yes"~~ APPROVE THE BONDS, the board of directors shall
21 cause the bonds to be issued. If a majority of the votes cast ~~is~~
22 ~~"bonds --- no"~~ REJECT THE BONDS, the result of the election shall be declared
23 by the board of directors and entered on its record, and at any time
24 thereafter when a petition signed by one-fourth or more of the qualified
25 electors of the district is presented to the board of directors, the board
26 shall record such presentation in its minutes and shall again submit the
27 question to the electors of the district in the same manner and with similar
28 effect as at the previous election.