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2013

HB 2483

Introduced by
Representative Stevens

AN ACT

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

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(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 3-204. Summary abatement of imminently dangerous nuisance;
5 procedure; expense; lien; public sale; reimbursement
6 costs and penalties to state for certain abatements

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

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

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

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

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

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

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

6 G. If the director is required to abate the nuisance of cotton or
7 cotton stubble ~~which~~ THAT is not destroyed before a date established by the
8 director or is required to abate the nuisance of cotton planted before a date
9 established by the director, unless the director waives such dates due to
10 variations in weather conditions, following the refusal by the owner or
11 person in charge or control of the nuisance to do so, the owner or person in
12 charge or control of the nuisance shall reimburse the department for the
13 actual costs of the state's abatement of the nuisance. An injunction shall
14 not be granted to stay this state from abating the nuisance. To collect the
15 costs of reimbursement, the director may either request reimbursement from
16 the cotton research and protection council under programs of the council to
17 abate cotton fields or from the owner or person in charge. If the actual
18 costs of abatement are not paid within ten days after the owner or person in
19 charge receives notice of the amount of the costs, the director may impose a
20 penalty of fifty per cent of the costs of abatement and may prepare and file
21 or record in the office of the county recorder of the county where the land
22 is situated a notice of lien, setting forth the amount of the unpaid costs,
23 the amount of the penalty and the name of the owner or person in charge.
24 ~~Upon such~~ ON THAT recording, the amount required to be reimbursed becomes a
25 lien on the land subordinate only to any lien for state and local taxes. The
26 director may issue a notice of abatement penalty to be applied to any rebate
27 authorized pursuant to section 3-1083, subsection B, paragraph 4 and section
28 3-1087, subsection B. All penalties collected under this section shall be
29 deposited in the cotton research and protection council fund established by
30 section 3-1085.

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

32 3-206. Destruction of noninfected crops on abatement of
33 nuisance; procedure; hearing; evidence; compensation

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

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

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

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

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

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

26 Sec. 3. Section 3-207, Arizona Revised Statutes, is amended to read:
27 3-207. Crop pest or disease menacing state; notice of hearing;
28 publication

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

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

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

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

11 Sec. 4. Section 3-609, Arizona Revised Statutes, is amended to read:
12 3-609. Financial condition of milk handlers; security; recovery
13 on default; applicability

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

32 1. Shall comply with generally accepted accounting principles.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 Sec. 5. Section 3-1008, Arizona Revised Statutes, is amended to read:
26 3-1008. Issuance of revenue bonds; provisions of bonds; sale

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

38 B. The bonds shall provide that:

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

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

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

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

12 Sec. 6. Section 3-1261, Arizona Revised Statutes, is amended to read:
13 3-1261. Adoption and recording of brand and earmark; brand as
14 property right; sale or transfer

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

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

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

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

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

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

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

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

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

6 Sec. 7. Section 3-1422, Arizona Revised Statutes, is amended to read:
7 3-1422. Publication of order forming no-fence district

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

14 Sec. 8. Section 4-221, Arizona Revised Statutes, is amended to read:
15 4-221. Registration of stills; forfeiture; sale; proceeds

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

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

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

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

40 5-399.01. Abandoned watercraft; notice of intent to transfer
41 ownership

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

- 1 1. Searching the department records.
2 2. Asking the watercraft registration agency of another state if the
3 watercraft is registered in that state.
4 B. On receipt of information from reports pursuant to section 5-399
5 and after determining the names and addresses of the owner and lienholder, if
6 known, or any other person identified on the department's record who may have
7 an interest in the watercraft, the director shall notify all interested
8 persons by mail within five business days for a watercraft with a record in
9 this state or within thirty days for all other watercraft. The notice shall
10 include:
11 1. A complete description of the watercraft.
12 2. A notice of intent to transfer ownership of the watercraft to the
13 towing company in possession of the watercraft if within thirty days from the
14 date indicated in the notification by the department the owner or lienholder,
15 if known, or a person who has an interest in the watercraft does not notify
16 the department of the owner's, lienholder's, if known, or person's interest
17 in the watercraft and claim the watercraft.
18 3. The watercraft's hull identification number.
19 4. The state issued registration number assigned to the watercraft.
20 5. The place from which and date the watercraft was towed.
21 6. The storage location of the watercraft.
22 C. If the records of the department or out-of-state jurisdiction do
23 not disclose the names and addresses of the owner and lienholder, if any, or
24 any other person identified on the department's record who may have an
25 interest in the watercraft, or if the notice is returned marked unclaimed or
26 address unknown, the department shall publish a notice of the intent of the
27 director to transfer ownership of the towed watercraft pursuant to this
28 article ~~once in a newspaper or other publication of general circulation~~ ON A
29 PUBLIC MEDIUM PUBLISHED in the county in which the watercraft was towed. The
30 published notice shall include a statement of the intent of the director to
31 transfer ownership of the watercraft after ten days of the published notice,
32 and the department shall make available to the public a complete description
33 of abandoned watercraft subject to transfer of ownership.
34 D. The towing company that filed the report shall notify the director
35 within twenty-four hours and in the manner prescribed by the director if the
36 watercraft is released or returned to or redeemed or repossessed by the
37 lawful owner or lienholder, if any, or any other known person who is
38 identified on the department's record who may have an interest in the
39 watercraft.

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

42 6-395.09. Notice to claimants on liquidation

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

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

12 Sec. 11. Section 6-401, Arizona Revised Statutes, is amended to read:
13 6-401. Definitions

14 In this chapter, unless the context otherwise requires:

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

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

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

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

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

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

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

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

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

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

- 1 11. "Investment" means to put funds to use in order to secure profits.
2 12. "Mail" or "mailed" means, with respect to a writing or notice,
3 deposit in a United States post-office mailing facility in this state with
4 postage prepaid and correctly addressed to the proper person at ~~his~~ **THE**
5 address stated on the association's records or otherwise agreed ~~upon~~ **ON** or if
6 no address has been so established then to the last known address.
7 13. "Merger" includes consolidation.
8 14. "Merging association" means an association ~~which~~ **THAT** plans or
9 effects a merger with one or more other associations in accordance with the
10 provisions of this chapter concerning merger.
11 15. "Other improved real estate" means real estate other than a home or
12 combination home and business property ~~which~~ **THAT**, because of its state of
13 improvement, or improvement from the proceeds of the loan, will produce
14 sufficient income to maintain the property and retire the loan in accordance
15 with the terms of the loan.
16 16. "Participating interests" means the purchase or acquisition of an
17 interest in an existing permanent mortgage loan.
18 17. "Prior act" means any statute of this state ~~which, prior to the~~
19 ~~effective date of this chapter,~~ **THAT, BEFORE JUNE 25, 1960,** has governed the
20 formation or operation of associations of the type described in the section
21 of this chapter concerning scope of the chapter.
22 18. "Profits" means, as determined by the application of proper
23 accounting principles, gross income less the aggregate of operating and other
24 expenses, losses actually sustained and not charged to reserves under ~~the~~
25 ~~provisions of~~ this chapter and interest paid or accrued on borrowings and
26 ~~non-recurring~~ **NONRECURRING** charges.
27 19. "Publication", "publish" or "published" means printed in the
28 English language ~~in a newspaper of general circulation published~~ **ON A PUBLIC**
29 **MEDIUM PUBLISHED** in the community in which the association's business office
30 is located ~~or if no such newspaper exists in said community then in the~~
31 ~~county in which such business office is located.~~ Unless otherwise specified
32 in this chapter publication shall be made once each week for two successive
33 weeks.
34 20. "Total assets" means the total value of all loan contracts without
35 deduction for the withdrawal value of any accounts of the association held as
36 collateral for loans and the total value of all other assets of the
37 association as determined by the application of proper accounting principles.
38 21. "Withdrawal value" of an account means the sum of all payments made
39 by the holder on the account and all dividends and bonuses credited or
40 allocated to such account less all withdrawals, retirements and other proper
41 deductions from the account and all unpaid charges on the account.
42 Sec. 12. Section 6-487, Arizona Revised Statutes, is amended to read:
43 6-487. Proposal of plan; petition; notice of hearing
44 A. A plan may be proposed by the superintendent or by an association
45 subject to the approval of the superintendent. If proposed by an

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

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

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

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

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

39 Sec. 13. Section 6-872, Arizona Revised Statutes, is amended to read:
40 6-872. Court accountings

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

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

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

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

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

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

18 6-991.12. Notice of claim to judgment debtor; response

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

24 NOTICE

25 Based on a judgment against you in favor of (enter name of
26 claimant), application is being made to the Arizona department
27 of financial institutions for payment from the mortgage recovery
28 fund.

29 If you wish to contest payment from the mortgage recovery
30 fund, you must file a written response to the application. The
31 superintendent of financial institutions must receive your
32 response at (address) within thirty-five calendar days after the
33 date this notice is (mailed, delivered, first published). You
34 must also send a copy of the response to the claimant. If you
35 fail to respond as required, you waive your right to present
36 your objections to payment.

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

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

6 Sec. 15. Section 9-121, Arizona Revised Statutes, is amended to read:
7 9-121. Consolidation of towns

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 9-122. Unification of a city and a town

33 A. If the common council of a city and the common council of a town
34 whose boundaries are within five miles of each other at one or more points
35 pass a resolution requesting an election for the purpose of unifying the city
36 and the town into one incorporated city, and a petition is received from the
37 unincorporated areas that separate the city or town boundaries or are
38 contiguous to the boundaries and is signed by at least ten per cent of the
39 qualified electors in such unincorporated area, within sixty days, the board
40 of supervisors of the county shall adopt a resolution calling an election on
41 the question of the unification and the question of the name of the new
42 proposed city. The election shall be held on a date prescribed by section
43 16-204 but not more than one hundred eighty days after the county resolution
44 is filed. The resolution shall set forth the following:

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

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

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

5 4. The name of the proposed unified city.

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

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

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

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

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

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

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

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

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

40 Sec. 17. Section 9-212, Arizona Revised Statutes, is amended to read:
 41 9-212. Disincorporation; petition; notice; publication

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

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

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

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

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

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

19 9-219. General powers of trustees; publication of ordinance;
20 sale of property

21 A. The board of trustees may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 Sec. 19. Section 9-246, Arizona Revised Statutes, is amended to read:
35 9-246. Publication of financial statement

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

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

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

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

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

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

25 9-441.03. Issuance of bonds

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

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

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

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

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

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

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

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

4 Sec. 24. Section 9-451, Arizona Revised Statutes, is amended to read:
5 9-451. Procedure for vacating cemeteries

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

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

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

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

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

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

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

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

3 9-461.06. Adoption and amendment of general plan: expiration
4 and readoption

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

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

12 C. The governing body shall:

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

17 (a) The broad dissemination of proposals and alternatives.

18 (b) The opportunity for written comments.

19 (c) Public hearings after effective notice.

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

22 (e) Consideration of public comments.

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

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

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

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

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

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

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

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

6 7. If the general plan or an element or major amendment of the general
7 plan is applicable to property in the high noise or accident potential zone
8 of a military airport or ancillary military facility as defined in section
9 28-8461, the attorney general. For the purposes of this paragraph, "major
10 amendment" means a substantial alteration of the municipality's land use
11 mixture or balance as established in the municipality's existing general plan
12 land use element.

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

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

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

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

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

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

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

1 for adoption by the governing body of a municipality shall be presented at a
2 single public hearing during the calendar year the proposal is made. The
3 general plan, or any amendment to the plan, shall be endorsed in the manner
4 provided by the governing body to show that it has been adopted by the
5 governing body. If the municipality includes property in the high noise or
6 accident potential zone of a military airport or ancillary military facility
7 as defined in section 28-8461, the governing body of the municipality shall
8 send notice of the approval, adoption or readoption of the general plan or
9 major amendment to the general plan to the attorney general by certified
10 mail, return receipt requested, within three business days after the
11 approval, adoption or readoption. If the attorney general determines the
12 approval, adoption or readoption of the general plan or major amendment to
13 the general plan is not in compliance with section 28-8481, subsection J, the
14 attorney general shall notify the municipality by certified mail, return
15 receipt requested, of the determination of noncompliance. The municipality
16 shall receive the notice from the attorney general within twenty-five days
17 after the notice from the municipality to the attorney general is mailed
18 pursuant to this subsection. The effective date of any approval, adoption or
19 readoption of, or major amendment to, the general plan shall be thirty days
20 after the governing body's receipt of the attorney general's determination of
21 noncompliance. Within thirty days after the receipt of a determination of
22 noncompliance by the attorney general as prescribed by this section, the
23 governing body of the municipality shall reconsider any approval, adoption or
24 readoption of, or major amendment to, the general plan that impacts property
25 in the high noise or accident potential zone of a military airport or
26 ancillary military facility as defined in section 28-8461. If the governing
27 body reaffirms a prior action subject to an attorney general's determination
28 of noncompliance pursuant to this section, the attorney general may institute
29 a civil action pursuant to section 28-8481, subsection L. If the governing
30 body timely sends notice pursuant to this subsection and the attorney general
31 fails to timely notify the governing body of a determination of
32 noncompliance, the general plan or major amendment to the general plan shall
33 be deemed to comply with section 28-8481, subsection J. If the motion to
34 adopt or readopt a general plan or an amendment to the general plan fails to
35 pass, the governing body may reconsider the motion in any manner allowed by
36 the governing body's rules of procedure, but any subsequent motion for the
37 adoption or readoption of the general plan or a major amendment to the
38 general plan must be approved by an affirmative vote of at least two-thirds
39 of the members of the governing body. For the purposes of this subsection,
40 "major amendment" means a substantial alteration of the municipality's land
41 use mixture or balance as established in the municipality's existing general
42 plan land use element. The municipality's general plan shall define the
43 criteria to determine if a proposed amendment to the general plan effects a
44 substantial alteration of the municipality's land use mixture or balance as
45 established in the municipality's existing general plan land use element.

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

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

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

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

25 M. The governing body of a city or town having a population of more
26 than two thousand five hundred persons but less than ten thousand persons and
27 whose population growth rate exceeded an average of two per cent per year for
28 the ten year period before the most recent United States decennial census,
29 and any city or town having a population of ten thousand or more persons,
30 shall submit each new general plan adopted pursuant to subsection K of this
31 section to the voters for ratification at the next regularly scheduled
32 municipal election or at a special election scheduled at least one hundred
33 twenty days after the governing body adopted the plan pursuant to section
34 16-204. The governing body shall include a general description of the plan
35 and its elements in the municipal election pamphlet and shall provide public
36 copies of the plan in at least two locations that are easily accessible to
37 the public and may include posting on the municipality's official internet
38 website. If a majority of the qualified electors voting on the proposition
39 approves the new plan, it shall become effective as provided by law. If a
40 majority of the qualified electors voting on the proposition fails to approve
41 the new plan, the current plan remains in effect until a new plan is approved
42 by the voters pursuant to this subsection. The governing body shall either
43 resubmit the proposed new plan, or revise the new plan as provided by this
44 section, for subsequent submission to the voters at the next regularly
45 scheduled municipal election or at a special election scheduled at least one

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

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

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

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

31 9-461.09. Procedure for adoption of specific plans and
32 regulations

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

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

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

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

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

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

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

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

18 9-462.04. Public hearing required

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

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

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

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

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

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

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

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

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

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

16 (e) An increase or reduction in permitted uses.

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

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

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

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

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

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

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

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

6 D. If the planning commission or hearing officer has held a public
7 hearing, the governing body may adopt the recommendations of the planning
8 commission or hearing officer without holding a second public hearing if
9 there is no objection, request for public hearing or other protest. The
10 governing body shall hold a public hearing if requested by the party
11 aggrieved or any member of the public or of the governing body, or, in any
12 case, if no public hearing has been held by the planning commission or
13 hearing officer. In municipalities with territory in the vicinity of a
14 military airport or ancillary military facility as defined in section
15 28-8461, the governing body shall hold a public hearing if, after notice is
16 transmitted to the military airport pursuant to subsection A of this section
17 and before the public hearing, the military airport provides comments or AN
18 analysis concerning the compatibility of the proposed rezoning with the high
19 noise or accident potential generated by military airport or ancillary
20 military facility operations that may have an adverse impact on public health
21 and safety, and the governing body shall consider and analyze the comments or
22 analysis before making a final determination. Notice of the time and place
23 of the hearing shall be given in the time and manner provided for the giving
24 of notice of the hearing by the planning commission as specified in
25 subsection A of this section. In addition a municipality may give notice of
26 the hearing in such other manner as it may deem necessary or desirable.

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

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

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

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

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

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

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

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

16 9-462.06. Board of adjustment

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

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

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

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

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

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

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

9 G. A board of adjustment shall:

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

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

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

25 H. A board of adjustment may not:

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

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

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

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

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

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

13 9-463.06. Standards for enactment of moratorium; land
14 development; limitations; definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 2. For rural land:

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

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

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

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

38 D. Any moratorium adopted pursuant to this section does not affect any
39 express provision in a development agreement entered into pursuant to section
40 9-500.05 or ~~as defined in section~~ 11-1101 governing the rate, timing and
41 sequencing of development, nor does it affect rights acquired pursuant to a
42 protected development right granted according to chapter 11 of this title or
43 title 11, chapter 9. Any moratorium adopted pursuant to this section shall
44 provide a procedure pursuant to which an individual landowner may apply for a
45 waiver of the moratorium's applicability to its property by claiming rights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 3. After filing the blank petition pursuant to paragraph 1 of this
35 subsection, the governing body of the city or town shall hold a public
36 hearing within the last ten days of the thirty-day waiting period to discuss
37 the annexation proposal. The public hearing shall be held in accordance with
38 title 38, chapter 3, article 3.1, except that, notwithstanding section
39 38-431.02, subsections C and D, the following notices of the public hearing
40 to discuss the annexation proposal shall be given at least six days before
41 the hearing:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 H. Territory is not contiguous for the purposes of subsection A,
2 paragraph 1 of this section unless:
3 1. It adjoins the exterior boundary of the annexing city or town for
4 at least three hundred feet.
5 2. It is, at all points, at least two hundred feet in width, excluding
6 rights-of-way and roadways.
7 3. The distance from the existing boundary of the annexing city or
8 town where it adjoins the annexed territory to the furthest point of the
9 annexed territory from ~~such~~ THAT boundary is no more than twice the maximum
10 width of the annexed territory.
11 I. A city or town shall not annex territory if as a result of ~~such~~
12 THAT annexation unincorporated territory is completely surrounded by the
13 annexing city or town.
14 J. Notwithstanding any provisions of this article to the contrary, any
15 town incorporated ~~prior to~~ BEFORE 1950 ~~which~~ THAT had a population of less
16 than two thousand persons by the 1970 census and ~~which~~ THAT is bordered on at
17 least three sides by Indian lands may annex by ordinance territory owned by
18 the state within the same county for a new townsite ~~which~~ THAT is not
19 contiguous to the existing boundaries of the town.
20 K. Subsections H and I of this section do not apply to territory ~~which~~
21 THAT is surrounded by the same city or town or ~~which~~ THAT is bordered by the
22 same city or town on at least three sides.
23 L. A city or town annexing an area shall adopt zoning classifications
24 that permit densities and uses no greater than those permitted by the county
25 immediately before annexation. Subsequent changes in zoning of the annexed
26 territory shall be made according to existing procedures established by the
27 city or town for the rezoning of land.
28 M. The annexation of territory within six miles of territory included
29 in a pending incorporation petition filed with the county recorder pursuant
30 to section 9-101.01, subsection D shall not cause an urbanized area to exist
31 pursuant to section 9-101.01 that did not exist ~~prior to~~ BEFORE the
32 annexation.
33 N. As an alternative to the procedures established in this section, a
34 county right-of-way or roadway may be annexed to an adjacent city or town by
35 mutual consent of the governing bodies of the county and city or town if the
36 property annexed is adjacent to the annexing city or town for the entire
37 length of the annexation and if the city or town and county each approve the
38 proposed annexation as a published agenda item at a regular public meeting of
39 their governing bodies.
40 O. On or before the date the governing body adopts the ordinance
41 annexing territory, the governing body shall have approved a plan, policy or
42 procedure to provide the annexed territory with appropriate levels of
43 infrastructure and services to serve anticipated new development within ten
44 years after the date when the annexation becomes final pursuant to subsection
45 D of this section.

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

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

- 16 1. Has the same meaning prescribed in section 37-901.
- 17 2. Does not include lands owned by a flood control district.

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

19 9-502. Petition for franchise; publication; election; term;
20 expenditures

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

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

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

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

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

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

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

1 Sec. 32. Section 9-507, Arizona Revised Statutes, is amended to read:
2 9-507. Application for license; hearing; terms; conditions

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

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

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

24 9-511.01. Water and wastewater business; rates; procedures;
25 responsibility for payments

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

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

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

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

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

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

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

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

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

24 Sec. 34. Section 9-524, Arizona Revised Statutes, is amended to read:
25 9-524. Election order and call; publication; posting

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

- 29 1. The maximum amount of bonds to be issued.
- 30 2. The purpose for which the bonds are to be issued.
- 31 3. The maximum rate of interest ~~which~~ THAT the bonds are to bear.
- 32 4. A brief concise statement, which need not include any detail other
33 than the mere statement of the fact, showing that the bonds will be payable
34 solely from revenues unless the bonds are to be tax secured bonds in which
35 case the order and call shall state in substance that the bonds shall be
36 payable from revenues and shall additionally be payable from taxes levied
37 upon all taxable property in the municipality.
- 38 5. The date on which the election is to be held as prescribed by
39 section 16-204, subsection B, paragraph 1, subdivision (d).

40 6. The places where votes may be cast.

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

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

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

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

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

10 9-529. Form of bonds; payment and call; interest; sale; bids;
11 interim receipts; rates and procedures; definition

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

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

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

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

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

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

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

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

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

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

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

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

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

10 6. The governing body may:

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

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

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

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

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

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

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

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

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

6 Sec. 36. Section 9-553, Arizona Revised Statutes, is amended to read:
7 9-553. Application for license; hearing; terms; conditions

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

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

27 Sec. 37. Section 9-812, Arizona Revised Statutes, is amended to read:
28 9-812. Publication of notices and ordinances

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

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

36 Sec. 38. Section 9-1104, Arizona Revised Statutes, is amended to read:
37 9-1104. Notice of entry of land as townsite; statement and
38 filing of claims to land

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

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

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

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

17 **9-1131. Disposal of unclaimed lots acquired prior to statehood**

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

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

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

40 **9-1304. Adoption of citywide residential rental property**
41 **licensing, registration or inspection program;**
42 **requirements**

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

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

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

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

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

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

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

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

24 Sec. 41. Section 10-140, Arizona Revised Statutes, is amended to read:
25 10-140. Definitions

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

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

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

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

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

41 3. "Act of the shareholders" means either:

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

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

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

5 4. "Address" means a mailing address.

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

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

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

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

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

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

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

28 12. "Commission" means the Arizona corporation commission.

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

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

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

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

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

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

42 (a) Effectiveness of articles of dissolution pursuant to section
43 10-1403, subsection B or section 10-1421, subsection B.

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

- 1 19. "Distribution" means a direct or indirect transfer of money or
2 other property, except its own shares, or incurrence of indebtedness by a
3 corporation to or for the benefit of its shareholders in respect of any of
4 its shares. A distribution may be in the form of any of the following:
- 5 (a) A declaration or payment of a dividend.
 - 6 (b) Any purchase, redemption or other acquisition of shares.
 - 7 (c) A distribution of indebtedness.
 - 8 (d) Otherwise.
- 9 20. "Effective date of notice" is as prescribed in section 10-141.
- 10 21. "Employee" includes an officer but not a director. A director may
11 accept duties that make the director also an employee.
- 12 22. "Entity" includes a corporation, foreign corporation, not for
13 profit corporation, profit and not for profit unincorporated association,
14 nonprofit corporation, close corporation, corporation sole or limited
15 liability company, a professional corporation, association or limited
16 liability company, a business trust, estate, partnership, registered limited
17 liability partnership, trust or joint venture, two or more persons having a
18 joint or common economic interest, any person other than an individual and a
19 state, the United States and a foreign government.
- 20 23. "Executed by the corporation" means executed by manual or facsimile
21 signature on behalf of the corporation by a duly authorized officer or, if
22 the corporation is in the hands of a receiver or trustee, by the receiver or
23 trustee.
- 24 24. "Filing" means the commission completing the following procedure
25 with respect to any document delivered for that purpose:
- 26 (a) Determining that the filing fee requirements of section 10-122
27 have been satisfied.
 - 28 (b) Determining that the document appears in all respects to conform
29 to the requirements of chapters 1 through 17 of this title.
 - 30 (c) On making the determinations, endorsement of the word "filed" with
31 the applicable date on or attached to the document and the return of copies
32 to the person who delivered the document or the person's representative.
- 33 25. "Foreign corporation" means a corporation for profit that is
34 incorporated under a law other than the law of this state.
- 35 26. "Governmental subdivision" includes an authority, county, district,
36 municipality and political subdivision.
- 37 27. "Includes" and "including" denotes a partial definition.
- 38 28. "Individual" includes the estate of an incompetent or deceased
39 individual.
- 40 29. "Insolvent" means inability of a corporation to pay its debts as
41 they become due in the usual course of its business.
- 42 30. "Known place of business" means the known place of business
43 required to be maintained pursuant to section 10-501.

1 31. "Liquidate its assets and business" includes the distribution of
2 assets, the payment of obligations and debts, the discontinuance of business
3 or any one or more of the distribution, payment or discontinuance.
4 32. "Mail", "to mail" or "have mailed" means to deposit or have
5 deposited a communication in the United States mail with first class or
6 airmail postage prepaid.
7 33. "Means" denotes an exhaustive definition.
8 ~~34. "Newspaper" has the meaning set forth in section 39-201.~~
9 ~~35.~~ 34. "Notice" and "notify" are as prescribed in section 10-141.
10 ~~36.~~ 35. "Person" includes an individual and entity.
11 ~~37.~~ 36. "President" means that officer designated as the president in
12 the articles of incorporation or bylaws or, if not so designated, that
13 officer authorized in the articles of incorporation, bylaws or otherwise to
14 perform the functions of the chief executive officer, irrespective of the
15 name by which designated.
16 ~~38.~~ 37. "Principal office" means the office, in or out of this state,
17 so designated in the annual report where the principal executive offices of a
18 domestic or foreign corporation are located or in any other document executed
19 by the corporation by an officer and delivered to the commission for filing.
20 If an office has not been so designated, principal office means the known
21 place of business of the corporation.
22 ~~39.~~ 38. "Proceeding" includes a civil suit and a criminal,
23 administrative and investigatory action.
24 39. "PUBLIC MEDIUM" HAS THE SAME MEANING PRESCRIBED IN SECTION 39-201.
25 40. "Publish" means to publish ~~in a newspaper of general circulation ON~~
26 ~~A PUBLIC MEDIUM PUBLISHED~~ in the county of the known place of business for
27 three consecutive publications.
28 41. "Record date" means the date established under chapter 6 or 7 of
29 this title on which a corporation determines the identity of its shareholders
30 and their shareholdings for purposes of chapters 1 through 17 of this title.
31 The determinations shall be made as of the close of business on the record
32 date unless another time for doing so is specified when the record date is
33 fixed.
34 42. "Secretary" means that officer designated as the secretary in the
35 articles of incorporation or bylaws or that officer authorized in the
36 articles of incorporation, the bylaws or otherwise to perform the functions
37 of secretary, irrespective of the name by which designated.
38 43. "Shareholder" means the person in whose name shares are registered
39 in the records of a corporation or the beneficial owner of shares to the
40 extent of the rights granted by a nominee certificate on file with a
41 corporation.
42 44. "Shares" means the units into which the proprietary interests in a
43 corporation are divided.
44 45. "State", if referring to a part of the United States, includes a
45 state and commonwealth and their agencies and governmental subdivisions and a

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

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

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

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

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

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

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

23 Sec. 42. Section 10-141, Arizona Revised Statutes, is amended to read:
24 10-141. Notice

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

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

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

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

1 E. Except as provided in subsection C **OF THIS SECTION**, written notice,
2 if in a comprehensible form, is effective at the earliest of the following:
3 1. When received.
4 2. Five days after its deposit in the United States mail as evidenced
5 by the postmark, if mailed postpaid and correctly addressed.
6 3. On the date shown on the return receipt, if sent by registered or
7 certified mail, return receipt requested, and if the receipt is signed by or
8 on behalf of the addressee.
9 F. Oral notice is effective when communicated if communicated in a
10 comprehensible manner.
11 G. If chapters 1 through 17 of this title prescribe notice
12 requirements for particular circumstances, those requirements govern. If
13 articles of incorporation or bylaws prescribe notice requirements, **THAT ARE**
14 not inconsistent with this section or other provisions of chapters 1 through
15 17 of this title, those requirements govern.
16 Sec. 43. Section 10-1407, Arizona Revised Statutes, is amended to
17 read:
18 **10-1407. Unknown claims against dissolved corporation**
19 A. A dissolved corporation may also publish notice of its dissolution
20 and request that persons with claims against the corporation present them in
21 accordance with the notice.
22 B. The notice shall:
23 1. Be published one time ~~in a newspaper of general circulation~~ **ON A**
24 **PUBLIC MEDIUM PUBLISHED** in the county where the dissolved corporation's known
25 place of business is or was last located.
26 2. Describe the information that must be included in a claim and
27 provide a mailing address where the claim may be sent.
28 3. State that a claim against the corporation will be barred unless a
29 proceeding to enforce the claim is commenced within five years after the
30 publication of the notice.
31 C. If the dissolved corporation publishes a **newspaper** notice in
32 accordance with subsection B of this section, the claim of each of the
33 following claimants is barred unless the claimant commences a proceeding to
34 enforce the claim against the dissolved corporation within five years after
35 the publication date of the **newspaper** notice:
36 1. A claimant who did not receive written notice under section
37 10-1406.
38 2. A claimant whose claim was timely sent to the dissolved corporation
39 but not acted on.
40 3. A claimant whose claim is contingent or based on an event occurring
41 after the effective date of the dissolution.
42 D. A claim, including a contingent claim or a claim based on an event
43 occurring after the effective date of dissolution, may be enforced under this
44 section either:

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

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

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

11 10-1623. Statement of bankruptcy or receivership;
12 interrogatories before subsequent incorporation;
13 violation; classification; definitions

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

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

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

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

- 27 (a) Name and address.
- 28 (b) States in which it:
 - 29 (i) Was incorporated.
 - 30 (ii) Transacted business.
- 31 (c) Dates of operation.

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

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

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

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

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

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

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

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

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

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

31 10-2014. General and special meetings of association; notice

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

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

43 10-2070. Use of roads and streets; notice; protest

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

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

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

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

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

28 10-2077. Dissolution

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

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

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

- 1 1. The proposition to dissolve shall be submitted to the members of
2 the cooperative at any annual or special meeting, the notice of which shall
3 set forth the proposition.
- 4 2. The members at the meeting shall approve, by the affirmative vote
5 of not less than a majority of all members of the cooperative, the
6 proposition that the cooperative be dissolved.
- 7 3. ~~Upon~~ ON approval, a certificate of election to dissolve, designated
8 in this subsection as the "certificate", shall be executed by the
9 cooperative.
- 10 4. The certificate shall state:
 - 11 (a) The name of the cooperative.
 - 12 (b) The address of its principal office.
 - 13 (c) That the members of the cooperative have duly voted that the
14 cooperative be dissolved.
- 15 5. The certificate shall be submitted to the corporation commission
16 for filing.
- 17 6. ~~Upon~~ ON filing the certificate with the corporation commission, the
18 cooperative shall cease to carry on its business except to the extent
19 necessary for winding up, but its corporate existence shall continue until
20 articles of dissolution have been filed with the corporation commission.
- 21 7. The board of directors shall immediately cause notice of the
22 dissolution proceedings to be mailed to each known creditor of and claimant
23 against the cooperative, and such notice shall be published once a week for
24 two successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
25 PUBLISHED in the county in which the principal office of the cooperative is
26 located.
- 27 8. The board of directors shall wind up and settle the affairs of the
28 cooperative, collect monies owing to it, liquidate its property and assets,
29 pay and discharge its debts, obligations and liabilities, other than those to
30 patrons arising by reason of their patronage, and do all other things
31 required to wind up its business. After paying or discharging or adequately
32 providing for the payment or discharge of all its debts, obligations and
33 liabilities, other than those to patrons arising by reason of their
34 patronage, the board of directors shall distribute any remaining sums, first
35 to patrons for the pro rata return of all amounts standing to their credit by
36 reason of their patronage, and second to members for the pro rata repayment
37 of membership fees. Any sums then remaining shall be distributed among its
38 members and former members in proportion to their patronage.
- 39 9. The board of directors shall thereupon authorize the execution of
40 articles of dissolution, which shall be executed by the cooperative.
- 41 10. The articles of dissolution shall recite that they are executed
42 pursuant to this article and shall state:
 - 43 (a) The name of the cooperative.
 - 44 (b) The address of its principal office.

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

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

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

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

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

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

17 10-2136. Use of roads and streets; notice; protest

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

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

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

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

3 10-2143. Dissolution

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

- 9 1. The name of the generation and transmission cooperative.
- 10 2. The address of its principal office.
- 11 3. The date of its incorporation.
- 12 4. That the generation and transmission cooperative has not commenced
13 business.
- 14 5. That the amount, if any, actually paid in on account of membership
15 fees, less any part disbursed for necessary expenses, has been returned to
16 those entitled and that all easements have been released to the grantors.
- 17 6. That no debt of the generation and transmission cooperative remains
18 unpaid.
- 19 7. That a majority of the incorporators elect that the generation and
20 transmission cooperative be dissolved. The articles of dissolution shall be
21 submitted to the corporation commission for filing as provided in this
22 article.

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

- 26 1. The proposition that the generation and transmission cooperative be
27 dissolved must be submitted to the members of the generation and transmission
28 cooperative at any meeting. The meeting notice shall state the proposition.
29 The proposed voluntary dissolution is deemed to be approved on the
30 affirmative vote of not less than two-thirds of those members acting through
31 their voting delegates voting at the meeting.
- 32 2. On approval, a certificate of election to dissolve, designated the
33 "certificate", shall be executed by the generation and transmission
34 cooperative. The certificate shall be submitted to the corporation
35 commission for filing as provided in this article and shall state:
 - 36 (a) The name of the generation and transmission cooperative.
 - 37 (b) The address of its principal office.
 - 38 (c) The names and addresses of its directors.
 - 39 (d) The total number of voting delegates of the generation and
40 transmission cooperative and the number of voting delegates who voted for and
41 against the voluntary dissolution of the generation and transmission
42 cooperative.
- 43 3. On the filing of the certificate with the corporation commission,
44 the generation and transmission cooperative shall cease to carry on its
45 business except as is necessary for the winding up of business, but its

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

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

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

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

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

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

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

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

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

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

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

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

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

5 10-3140. Definitions

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

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

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

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

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

21 3. "Act of the members" means either:

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

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

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

31 4. "Address" means a mailing address.

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

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

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

- 1 8. "Business day" means a day that is not a Saturday, a Sunday or any
2 other legal holiday in this state.
- 3 9. "Bylaws" means the code of rules adopted for the regulation or
4 management of the affairs of the corporation irrespective of the name by
5 which those rules are designated.
- 6 10. "Certificate of disclosure" means the certificate of disclosure
7 described in section 10-3202.
- 8 11. "Class" refers to a group of memberships that have the same rights
9 with respect to voting, dissolution, redemption and transfer. Rights are the
10 same if they are determined by a formula applied uniformly.
- 11 12. "Commission" means the Arizona corporation commission.
- 12 13. "Conspicuous" means so written that a reasonable person against
13 whom the writing is to operate should have noticed it. For example, printing
14 in italics, boldface or contrasting color or typing in capitals or underlined
15 is conspicuous.
- 16 14. "Corporation" or "domestic corporation" means a nonprofit
17 corporation that is not a foreign corporation and that is incorporated under
18 or subject to chapters 24 through 40 of this title.
- 19 15. "Corporation sole" means a corporation formed pursuant and subject
20 to chapter 42, article 1 of this title.
- 21 16. "Court" means the superior court of this state.
- 22 17. "Delegates" means those persons elected or appointed to vote in a
23 representative assembly for the election of a director or directors or on
24 other matters.
- 25 18. "Deliver" includes **SENDING BY** mail, private courier, fax or
26 electronic mail.
- 27 19. "Delivery" means actual receipt by the person or entity to which
28 directed.
- 29 20. "Directors" or "trustees" means individuals, designated in the
30 articles of incorporation or bylaws or elected by the incorporators, and
31 their successors and individuals elected or appointed by any other name or
32 title to act as members of the board.
- 33 21. "Dissolved" means the status of a corporation on either:
34 (a) Effectiveness of articles of dissolution pursuant to section
35 10-11403, subsection B or section 10-11421, subsection B.
36 (b) A decree pursuant to section 10-11433, subsection B becoming
37 final.
- 38 22. "Distribution" means a direct or indirect transfer of money or
39 other property or incurrance of indebtedness by a corporation to or for the
40 benefit of its members in respect of any of its membership interests. A
41 distribution may be in the form of any of the following:
42 (a) A declaration of payment of a dividend.
43 (b) Any purchase, redemption or other acquisition of membership
44 interests.
45 (c) A distribution of indebtedness.

- 1 (d) Otherwise.
- 2 23. "Effective date of notice" is AS prescribed in section 10-3141.
- 3 24. "Electronic mail" means an electronic record as defined in section
4 44-7002 and that is sent pursuant to section 44-7015, subsection A.
- 5 25. "Employee" means an officer, director or other person who is
6 employed by the corporation.
- 7 26. "Entity" includes a corporation, foreign corporation, not for
8 profit corporation, business corporation, foreign business corporation,
9 profit and not for profit unincorporated association, close corporation,
10 corporation sole, limited liability company or registered limited liability
11 partnership, a professional corporation, association or limited liability
12 company or registered limited liability partnership, a business trust,
13 estate, partnership, trust or joint venture, two or more persons having a
14 joint or common economic interest, any person other than an individual and a
15 state, the United States and a foreign government.
- 16 27. "Executed by the corporation" means executed by manual or facsimile
17 signature on behalf of the corporation by a duly authorized officer or, if
18 the corporation is in the hands of a receiver or trustee, by the receiver or
19 trustee.
- 20 28. "Filing" means the commission completing the following procedure
21 with respect to any document delivered for that purpose:
- 22 (a) Determining that the filing fee requirements of this title have
23 been satisfied.
- 24 (b) Determining that the document appears in all respects to conform
25 to the requirements of chapters 24 through 40 of this title.
- 26 (c) On making the determinations, endorsement of the word "filed" with
27 the applicable date on or attached to the document and the return of copies
28 to the person who delivered the document or the person's representative.
- 29 29. "Foreign corporation" means a corporation that is organized under a
30 law other than the law of this state and that would be a nonprofit
31 corporation if formed under the laws of this state.
- 32 30. "Governmental subdivision" includes an authority, county, district,
33 municipality and political subdivision.
- 34 31. "Includes" and "including" denotes a partial definition.
- 35 32. "Individual" includes the estate of an incompetent individual.
- 36 33. "Insolvent" means inability of a corporation to pay its debts as
37 they become due in the usual course of its business.
- 38 34. "Known place of business" means the known place of business
39 required to be maintained pursuant to section 10-3501.
- 40 35. "Mail", "to mail" or "have mailed" means to deposit or have
41 deposited a communication in the United States mail with first class postage
42 prepaid.
- 43 36. "Means" denotes an exhaustive definition.
- 44 37. "Member" means, without regard to what a person is called in the
45 articles of incorporation or bylaws, any person or persons who, pursuant to a

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

- 4 (a) Any rights that person has as a delegate.
- 5 (b) Any rights that person has to designate a director or directors.
- 6 (c) Any rights that person has as a director.
- 7 (d) Being referred to as a member in the articles of incorporation,
8 THE bylaws or any other document, if the person does not have the right to
9 vote for the election of a director or directors.

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

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

14 ~~40.~~ 39. "Notice" and "notify" are AS prescribed in section 10-3141.

15 ~~41.~~ 40. "Person" includes AN individual and entity.

16 ~~42.~~ 41. "President" means that officer designated as the president in
17 the articles of incorporation or bylaws or, if not so designated, that
18 officer authorized in the articles of incorporation, bylaws or otherwise to
19 perform the functions of the chief executive officer, irrespective of the
20 name by which designated.

21 ~~43.~~ 42. "Principal office" means the office, in or out of this state,
22 so designated in the annual report where the principal executive offices of a
23 domestic or foreign corporation are located or in any other document executed
24 by the corporation by an officer and delivered to the commission for filing.
25 If an office has not been so designated, principal office means the known
26 place of business of the corporation.

27 ~~44.~~ 43. "Proceeding" includes a civil suit and a criminal,
28 administrative and investigatory action.

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

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

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

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

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

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

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

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

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

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

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

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

24 10-3141. Notice

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

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

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

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

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

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

13 F. Except as provided in subsection C [OF THIS SECTION](#), written notice,
14 if in a comprehensible form, is effective at the earliest of the following:

15 1. When received.

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

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

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

23 H. If chapters 24 through 40 of this title prescribe notice
24 requirements for particular circumstances, those requirements govern. If
25 articles of incorporation or bylaws prescribe notice requirements that are
26 not inconsistent with this section or other provisions of chapters 24 through
27 40 of this title those requirements govern.

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

30 [10-11202. Sale of assets other than in regular course of](#)
31 [activities](#)

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

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

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

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

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

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

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

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

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

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

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

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

39 1. The person is a tax exempt organization described in section
40 43-1201, **SUBSECTION A**, paragraph 4 or section 501(c)(3) of the internal
41 revenue code of 1986 but intends to use in an unrelated trade or business,
42 determined by applying section 43-1201, **SUBSECTION A**, paragraph 4 or section
43 513(a) of the internal revenue code of 1986 to such organization, any
44 substantial portion of the assets to be acquired ~~which~~ **THAT** were not being
45 used in an unrelated trade or business of the corporation or foreign

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 10-11253. Public hearing; notice; requirements; summary report

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

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

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

40 3. A general summary of the intended transaction.

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

- 1 5. A general summary of all collateral transactions that relate to the
2 intended transaction, including the names, addresses and telephone numbers of
3 the parties involved in the collateral transactions.
- 4 6. The anticipated date of completion of the intended transaction.
- 5 B. The notice and information required pursuant to subsection A of
6 this section and information submitted pursuant to subsection H of this
7 section are public records.
- 8 C. Within thirty days after the nonprofit health care entity sends the
9 written notice prescribed in subsection A of this section, the parties to the
10 intended transaction shall:
- 11 1. Select a hearing officer to conduct the public hearing required by
12 this section and determine a time and place within this state for the public
13 hearing with the agreement of both the chairman of the corporation commission
14 and the director of the department of health services.
- 15 2. Publish a notice of the time and place for the public hearing at
16 least three consecutive times ~~in at least one newspaper of general~~
17 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the nonprofit
18 health care entity has its principal place of business.
- 19 D. The hearing officer shall hold the public hearing within ten days
20 after the last publication of the public notice.
- 21 E. The purpose of the public hearing is to provide the information
22 described in subsection F of this section and to receive comments from the
23 public and other interested parties.
- 24 F. The parties shall present written summary information at the public
25 hearing that sets forth all of the following:
- 26 1. The extent to which the intended transaction impacts community
27 benefit activities and is consistent with community benefit purposes,
28 including a description of the resources that will be committed to community
29 benefit purposes following the intended transaction.
- 30 2. Whether the intended transaction creates or has the likelihood of
31 creating an adverse effect on the access to or availability or cost of health
32 care services.
- 33 3. Whether any director, officer, agent or employee of the entity will
34 receive any community benefit asset or will benefit directly or indirectly
35 from the intended transaction, except for the receipt of compensation for
36 professional services relating to the intended transaction for normal
37 compensation for services rendered.
- 38 4. The extent to which the nonprofit health care entity used due
39 diligence in the selection of the entity that will receive any community
40 benefit asset and in the negotiation of the price and other terms and
41 conditions of the transaction.
- 42 5. The extent to which the parties will continue to use the nonprofit
43 health care entity's community benefit assets for community benefit purposes
44 following the intended transaction, or, if applicable, the proceeds of the

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

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

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

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

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

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

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

21 10-11407. Unknown claims against dissolved corporation

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

25 B. The notice shall:

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

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

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

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

39 1. A claimant who did not receive written notice under section
40 10-11406.

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

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

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

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

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

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

15 10-11623. Statement of bankruptcy or receivership;
16 interrogatories before subsequent incorporation;
17 violation; classification; definition

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

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

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

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

28 (a) Name and address.

29 (b) States in which it:

30 (i) Was incorporated.

31 (ii) Conducted affairs.

32 (c) Dates of operation.

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

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

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

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

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

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

24 Sec. 56. Section 11-134, Arizona Revised Statutes, is amended to read:
25 11-134. Notice of intention to circulate petitions

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

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

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

40 Sec. 57. Section 11-137, Arizona Revised Statutes, is amended to read:
41 11-137. Election on formation of new counties

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

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

4 B. The notice of the election shall:

5 1. State that the proposal is to establish:

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

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

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

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

16 4. Designate the date of the election.

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

20 6. Name the election officers of the several precincts.

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

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

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

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

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

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

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

17 I. The secretary of state shall immediately make an order declaring
18 the result and transmit copies of the order to the clerk of the board of
19 supervisors of each affected county, the governor, the attorney general, the
20 president of the senate, the speaker of the house of representatives and each
21 legislator whose district is in an affected county.

22 Sec. 58. Section 11-172, Arizona Revised Statutes, is amended to read:

23 11-172. Hearing on petition; notice

24 When the petition is filed, the board shall fix a time for a public
25 hearing ~~upon~~ ON the petition and the clerk shall give notice thereof by
26 publication ~~in such newspapers~~ ON A PUBLIC MEDIUM published in the county as
27 designated by the board, not exceeding three, at least once in each week for
28 two weeks, the first publication to be at least two weeks before the date of
29 hearing, and by posting a copy of the notice in the post office in each
30 incorporated city or town in the county, and at some public place in each
31 election precinct of the county.

32 Sec. 59. Section 11-251, Arizona Revised Statutes, is amended to read:

33 11-251. Powers of board

34 The board of supervisors, under such limitations and restrictions as
35 are prescribed by law, may:

36 1. Supervise the official conduct of all county officers and officers
37 of all districts and other subdivisions of the county charged with assessing,
38 collecting, safekeeping, managing or disbursing the public revenues, see that
39 such officers faithfully perform their duties and direct prosecutions for
40 delinquencies, and, when necessary, require the officers to renew their
41 official bonds, make reports and present their books and accounts for
42 inspection.

43 2. Divide the counties into such districts or precincts as required by
44 law, change them and create others as convenience requires.

- 1 3. Establish, abolish and change election precincts, appoint
2 inspectors and judges of elections, canvass election returns, declare the
3 result and issue certificates thereof.
- 4 4. Lay out, maintain, control and manage public roads, ferries and
5 bridges within the county and levy such tax for that purpose as may be
6 authorized by law.
- 7 5. Provide for the care and maintenance of the sick of the county,
8 erect and maintain hospitals for that purpose and, in its discretion, provide
9 a farm in connection with the county hospital and adopt ordinances for
10 working the farm.
- 11 6. Provide suitable rooms for county purposes.
- 12 7. Purchase, receive by donation or lease real or personal property
13 necessary for the use of the county prison and take care of, manage and
14 control the property, but ~~no~~ purchase of real property shall NOT be made
15 unless the value has been previously estimated by three disinterested
16 citizens of the county, appointed by the board for that purpose, and no more
17 than the appraised value shall be paid for the property.
- 18 8. Cause to be erected and furnished a courthouse, jail and hospital
19 and such other buildings as necessary, and construct and establish a branch
20 jail, when necessary, at a point distant from the county seat.
- 21 9. Sell at public auction, after thirty days' previous notice given by
22 publication ~~in a newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county,
23 stating the time and place of the auction, and convey to the highest bidder,
24 for cash or contract of purchase extending not more than ten years from the
25 date of sale and on such terms and for such consideration as the board shall
26 prescribe, any property belonging to the county that the board deems
27 advantageous for the county to sell, or that the board deems unnecessary for
28 use by the county, and shall pay the proceeds thereof into the county
29 treasury for use of the county, except that personal property need not be
30 sold but may be used as a trade-in on the purchase of personal property when
31 the board deems this disposition of the personal property to be in the best
32 interests of the county. When the property for sale is real property, the
33 board shall have such property appraised by a qualified independent fee
34 appraiser who has an office located in this state. The appraiser shall
35 establish a minimum price, which shall not be less than ninety per cent of
36 the appraised value. The notice regarding the sale of real property shall be
37 published in the county where the property is situated and may be published
38 in one or more other counties, and shall contain, among other things, the
39 appraised value, the minimum acceptable sale price, and the common and legal
40 description of the real property. Notwithstanding the requirement for a sale
41 at public auction prescribed in this paragraph, a county, with unanimous
42 consent of the board and without a public auction, may sell or lease any
43 county property to any other duly constituted governmental entity, including
44 the state, cities, towns and other counties. A county, with unanimous
45 consent of the board and without public auction, may grant an easement on

1 county property for public purposes to a utility as defined in section
2 40-491. A county, with unanimous consent of the board and without public
3 auction, may sell or lease any county property for a specific use to any
4 solely charitable, social or benevolent nonprofit organization incorporated
5 or operating in this state. A county may dispose of surplus equipment and
6 materials that have little or no value or that are unauctionable in any
7 manner authorized by the board.

8 10. Examine and exhibit the accounts and performance of all officers
9 having the care, management, collection or disbursement of monies belonging
10 to the county or appropriated by law or otherwise for the use and benefit of
11 the county. The working papers and other audit files in an examination and
12 audit of the accounts and performance of a county officer are not public
13 records and are exempt from title 39, chapter 1. The information contained
14 in the working papers and audit files prepared pursuant to a specific
15 examination or audit is not subject to disclosure, except to the county
16 attorney and the attorney general in connection with an investigation or
17 action taken in the course of their official duties.

18 11. Examine, settle and allow all accounts legally chargeable against
19 the county, order warrants to be drawn on the county treasurer for that
20 purpose and provide for issuing the warrants.

21 12. Levy such tax annually on the taxable property of the county as may
22 be necessary to defray the general current expenses thereof, including
23 salaries otherwise unprovided for, and levy such other taxes as are required
24 to be levied by law.

25 13. Equalize assessments.

26 14. Direct and control the prosecution and defense of all actions to
27 which the county is a party, and compromise them.

28 15. Insure the county buildings in the name of and for the benefit of
29 the county.

30 16. Fill by appointment all vacancies occurring in county or precinct
31 offices.

32 17. Adopt provisions necessary to preserve the health of the county,
33 and provide for the expenses thereof.

34 18. With the approval of the department of health services, contract
35 with any qualified person to provide all or part of the health services,
36 funded through the department of health services with federal or state
37 monies, that the board in its discretion extends to residents of the county.

38 19. Contract for county printing and advertising, and provide books and
39 stationery for county officers.

40 20. Provide for rebinding county records, or, if necessary, the
41 transcribing of county records.

42 21. Make and enforce necessary rules and regulations for the government
43 of its body, the preservation of order and the transaction of business.

1 22. Adopt a seal for the board, a description and impression of which
2 shall be filed by the clerk in the office of the county recorder and the
3 secretary of state.

4 23. Establish, maintain and conduct or aid in establishing, maintaining
5 and conducting public aviation fields, purchase, receive by donation or lease
6 any property necessary for that purpose, lease, at a nominal rental if
7 desired, sell such aviation fields or property to the United States or any
8 department, or sell or lease such aviation fields to a city, exchange lands
9 acquired pursuant to this section for other lands, or act in conjunction with
10 the United States in maintaining, managing and conducting all such property.
11 If any such property or part of that property is not needed for these
12 purposes, it shall be sold by the board and the proceeds shall be paid into
13 the general fund of the county.

14 24. Acquire and hold property for the use of county fairs, and conduct,
15 take care of and manage them.

16 25. Authorize the sheriff to offer a reward, not exceeding ten thousand
17 dollars in one case, for information leading to the arrest and conviction of
18 persons charged with crime.

19 26. Contract for the transportation of insane persons to the state
20 hospital or direct the sheriff to transport such persons. The county is
21 responsible for such expense to the extent the expense is not covered by any
22 third-party payor.

23 27. Provide for the reasonable expenses of burial for deceased
24 indigents as provided in section 36-831 and maintain a permanent register of
25 deceased indigents, including name, age and date of death, and when burial
26 occurs, the board shall mark the grave with a permanent marker giving the
27 name, age, and date of birth, if known.

28 28. Sell or grant to the United States the title or interest of the
29 county in any toll road or toll train in or partly within a national park, on
30 such terms as may be agreed on by the board and the secretary of the interior
31 of the United States.

32 29. Enter into agreements for acquiring rights-of-way, construction,
33 reconstruction or maintenance of highways in their respective counties,
34 including highways that pass through Indian reservations, with the government
35 of the United States, acting through its duly authorized officers or agents
36 pursuant to any act of Congress, except that the governing body of any Indian
37 tribe whose lands are affected must consent to the use of its land, and any
38 such agreements entered into before June 26, 1952 are validated and
39 confirmed.

40 30. Do and perform all other acts and things necessary to the full
41 discharge of its duties as the legislative authority of the county
42 government, including receiving and accepting payment of monies by credit
43 card or debit card, or both. Any fees or costs incurred by the use of the
44 credit or debit card shall be paid by the person tendering payment unless the

1 charging entity determines that the financial benefits of accepting credit
2 cards or debit cards exceeds the additional processing fees.

3 31. Make and enforce all local, police, sanitary and other regulations
4 not in conflict with general law.

5 32. Budget for funds for foster home care during the school week for
6 children with intellectual disabilities and otherwise handicapped children
7 who reside within the county and attend a school for the handicapped in a
8 city or town within such county.

9 33. Do and perform all acts necessary to enable the county to
10 participate in the economic opportunity act of 1964 (P.L. 88-452; 78 Stat.
11 508), as amended.

12 34. Provide a plan or plans for its employees that provide tax deferred
13 annuity and deferred compensation plans as authorized pursuant to title 26,
14 United States Code. Such plans shall allow voluntary participation by all
15 employees of the county. Participating employees shall authorize the board
16 to make reductions in their remuneration as provided in an executed deferred
17 compensation agreement.

18 35. Adopt and enforce standards for shielding and filtration of
19 commercial or public outdoor portable or permanent light fixtures in
20 proximity to astronomical or meteorological laboratories.

21 36. Subject to the prohibitions, restrictions and limitations as set
22 forth in section 11-812, adopt and enforce standards for excavation, landfill
23 and grading to prevent unnecessary loss from erosion, flooding and
24 landslides.

25 37. Make and enforce necessary ordinances for the operation and
26 licensing of any establishment not in the limits of an incorporated city or
27 town in which is carried on the business of providing baths, showers or other
28 forms of hydrotherapy or any service of manual massage of the human body.

29 38. Provide pecuniary compensation as salary or wages for overtime work
30 performed by county employees, including those employees covered by title 23,
31 chapter 2, article 9. In so providing, the board may establish salary and
32 wage plans incorporating classifications and conditions prescribed by the
33 federal fair labor standards act.

34 39. Establish, maintain and operate facilities that provide for
35 physical evaluation, diagnosis and treatment of patients and that do not keep
36 patients overnight as bed patients or treat patients under general
37 anesthesia.

38 40. Enact ordinances under its police authority prescribing reasonable
39 curfews in the entire unincorporated area or any area less than the entire
40 unincorporated area of the county for minors and fines not to exceed the fine
41 for a petty offense for violation of such ordinances. ~~Nothing in~~ This
42 paragraph shall NOT be construed to require a request from an association or
43 a majority of the residents of an area before the board may enact an
44 ordinance applicable to the entire or any portion of the unincorporated
45 area. An ordinance enacted pursuant to this paragraph shall provide that a

1 minor is not violating a curfew if the minor is accompanied by a parent, a
2 guardian or an adult having supervisory custody, is on an emergency errand
3 or has been specifically directed to the location on reasonable, legitimate
4 business or some other activity by the parent, guardian or adult having
5 supervisory custody. If no curfew ordinance is applicable to a particular
6 unincorporated area of the county, the board may adopt a curfew ordinance on
7 the request or petition of either:

8 (a) A homeowners' association that represents a majority of the
9 homeowners in the area covered by the association and to which the curfew
10 would apply.

11 (b) A majority of the residents of the area to which the curfew would
12 apply.

13 41. Lease or sublease personal property owned by the county to other
14 political subdivisions of this state to be used for a public purpose.

15 42. In addition to the agreements authorized by section 11-651, enter
16 into long-term agreements for the purchase of personal property, provided
17 that the board may cancel any such agreement at the end of a fiscal year, at
18 which time the seller may repossess the property and the agreement shall be
19 deemed terminated.

20 43. Make and enforce necessary ordinances not in conflict with the laws
21 of this state to regulate off-road recreational motor vehicles that are
22 operated within the county on public lands without lawful authority or on
23 private lands without the consent of the lawful owner or that generate air
24 pollution. For the purposes of this paragraph, "off-road recreational motor
25 vehicle" means three and four wheel vehicles manufactured for recreational
26 nonhighway all terrain travel.

27 44. Acquire land for roads, drainage ways and other public purposes by
28 exchange without public auction, except that notice shall be published thirty
29 days before the exchange, listing the property ownership and descriptions.

30 45. Purchase real property for public purposes, provided that final
31 payment shall be made not later than five years after the date of purchase.

32 46. Lease-purchase real property and improvements for real property for
33 public purposes, provided that final payment shall be made not later than
34 twenty-five years after the date of purchase. Any increase in the final
35 payment date from fifteen years up to the maximum of twenty-five years shall
36 be made only on unanimous approval by the board of supervisors.

37 47. Make and enforce ordinances for the protection and disposition of
38 domestic animals subject to inhumane, unhealthful or dangerous conditions or
39 circumstances, provided that nothing in this paragraph limits or restricts
40 the authority granted to incorporated cities and towns or counties pursuant
41 to section 13-2910. An ordinance enacted pursuant to this paragraph shall
42 not restrict or limit the authority of the game and fish commission to
43 regulate the taking of wildlife. For the purposes of this paragraph,
44 "domestic animal" means an animal kept as a pet and not primarily for
45 economic purposes.

1 48. If a part of a parcel of land is to be taken for roads, drainage,
2 flood control or other public purposes and the board and the affected
3 property owner determine that the remainder will be left in such a condition
4 as to give rise to a claim or litigation concerning severance or other
5 damage, acquire the whole parcel by purchase, donation, dedication, exchange,
6 condemnation or other lawful means, and the remainder may be sold or
7 exchanged for other properties needed for any public purpose.

8 49. Make and enforce necessary rules providing for the reimbursement of
9 travel and subsistence expenses of members of county boards, commissions and
10 advisory committees when acting in the performance of their duties, if the
11 board, commission or advisory committee is authorized or required by federal
12 or state law or county ordinance, and the members serve without compensation.

13 50. Provide a plan or plans for county employee benefits that allow for
14 participation in a cafeteria plan that meets the requirements of the United
15 States internal revenue code of 1986.

16 51. Provide for fringe benefits for county employees, including sick
17 leave, personal leave, vacation and holiday pay and jury duty pay.

18 52. Make and enforce ordinances that are more restrictive than state
19 requirements to reduce or encourage the reduction of carbon monoxide and
20 ozone levels, provided an ordinance does not establish a standard for
21 vehicular emissions, including ordinances to reduce or encourage the
22 reduction of the commuter use of motor vehicles by employees of the county
23 and employees whose place of employment is in unincorporated areas of the
24 county.

25 53. Make and enforce ordinances to provide for the reimbursement of up
26 to one hundred per cent of the cost to county employees of public bus or van
27 pool transportation to and from their place of employment.

28 54. Lease for public purposes any real property, improvements for real
29 property and personal property under the same terms and conditions, to the
30 extent applicable, as are specified in sections 11-651 and 11-653 for
31 lease-purchases.

32 55. Enact ordinances prescribing regulation of alarm systems and
33 providing for civil penalties to reduce the incidence of false alarms at
34 business and residential structures relating to burglary, robbery, fire and
35 other emergencies not within the limits of an incorporated city or town.

36 56. In addition to paragraph 9 of this section, and notwithstanding
37 section 23-504, sell or dispose of, at no less than fair market value, county
38 personal property that the board deems no longer useful or necessary through
39 a retail outlet or to another government entity if the personal property has
40 a fair market value of no more than one thousand dollars, or by retail sale
41 or private bid, if the personal property has a fair market value of no more
42 than fifteen thousand dollars. Notice of sales in excess of one thousand
43 dollars shall include a description and sale price of each item and shall be
44 published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
45 in the county, and for thirty days after notice other bids may be submitted

1 that exceed the sale price by at least five per cent. The county shall
2 select the highest bid received at the end of the thirty-day period.

3 57. Sell services, souvenirs, sundry items or informational
4 publications that are uniquely prepared for use by the public and by
5 employees and license and sell information systems and intellectual property
6 developed from county resources that the county is not obligated to provide
7 as a public record.

8 58. On unanimous consent of the board of supervisors, license, lease or
9 sell any county property pursuant to paragraphs 56 and 57 of this section at
10 less than fair market value to any other governmental entity, including this
11 state, cities, towns, public improvement districts or other counties within
12 or outside of this state, or for a specific purpose to any charitable, social
13 or benevolent nonprofit organization incorporated or operating in this state.

14 59. On unanimous consent of the board of supervisors, provide technical
15 assistance and related services to a fire district pursuant to an
16 intergovernmental agreement.

17 60. Adopt contracting procedures for the operation of a county health
18 system pursuant to section 11-291. Before the adoption of contracting
19 procedures the board shall hold a public hearing. The board shall publish
20 one notification ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
21 PUBLISHED in the county seat at least fifteen days before the hearing.

22 61. Enter into an intergovernmental agreement pursuant to chapter 7,
23 article 3 of this title for a city or town to provide emergency fire or
24 emergency medical services pursuant to section 9-500.23 to a county island as
25 defined in section 11-251.12. The board may charge the owners of record in
26 the county island a fee to cover the cost of an intergovernmental agreement
27 that provides fire and emergency medical services.

28 62. In counties that employ or have designated an animal control county
29 enforcement agent pursuant to section 11-1005, enter into agreements with
30 foundations or charitable organizations to solicit donations, property or
31 services, excluding enforcement or inspection services, for use by the county
32 enforcement agent solely to perform nonmandated services and to fund capital
33 improvements for county animal control, subject to annual financial and
34 performance audits by an independent party as designated by the county board
35 of supervisors. For the purposes of this paragraph, nonmandated services are
36 limited to low cost spay and neuter services, public education and outreach
37 efforts, pet adoption efforts, care for pets that are victims of cruelty or
38 neglect and support for volunteer programs.

39 63. Adopt and provide for the enforcement of ordinances prohibiting
40 open fires and campfires on designated lands in the unincorporated areas of
41 the county when a determination of emergency is issued by the county
42 emergency management officer and the board deems it necessary to protect
43 public health and safety on those lands.

1 64. Fix the amount of license fees to be paid by any person, firm,
2 corporation or association for carrying on any game or amusement business in
3 unincorporated areas of the county and prescribe the method of collection or
4 payment of those fees, for a stated period in advance, and fix penalties for
5 failure to comply by fine. ~~Nothing in~~ This article shall NOT be construed as
6 authorizing any county to require an occupational license or fee for any
7 activity if state law precludes requiring such a license or fee.

8 65. Adopt and enforce ordinances for the prevention, abatement and
9 removal of graffiti, providing that any restrictions on the retail display of
10 potential graffiti tools be limited to any of the following, as determined by
11 the retail business:

12 (a) In a place that is in the line of sight of a cashier or in the
13 line of sight from a work station normally continuously occupied during
14 business hours.

15 (b) In a manner that makes the product accessible to a patron of the
16 business establishment only with the assistance of an employee of the
17 establishment.

18 (c) In an area electronically protected, or viewed by surveillance
19 equipment that is monitored, during business hours.

20 66. Adopt ordinances and fees related to the implementation of a local
21 stormwater quality program pursuant to title 49, chapter 2, article 11.

22 Sec. 60. Section 11-251.05, Arizona Revised Statutes, is amended to
23 read:

24 11-251.05. Ordinances

25 A. The board of supervisors may:

26 1. In the conduct of county business, adopt, amend and repeal all
27 ordinances necessary or proper to carry out the duties, responsibilities and
28 functions of the county ~~which~~ THAT are not otherwise specifically limited by
29 section 11-251 or any other law or in conflict with any rule or law of this
30 state.

31 2. Prescribe punishment by fine or imprisonment, or both, for the
32 violation of an ordinance adopted pursuant to paragraph 1 of this
33 subsection. A fine or imprisonment shall not exceed the maximum limitations
34 for a class 1 misdemeanor.

35 B. Ordinance authority under subsection A of this section shall be in
36 addition to and preemptive of ordinance, rule making or regulatory authority
37 of any other county board or county commission. A county may not impose
38 taxes except as otherwise provided by law and as specified in section 11-251.

39 C. ~~Prior to~~ BEFORE THE adoption, amendment or repeal of an ordinance
40 under this section, the board of supervisors shall hold a public hearing
41 ~~thereon~~ AND SHALL GIVE at least fifteen days' notice of ~~which shall be given~~
42 THE HEARING by one publication ~~in a newspaper of general circulation~~ ON A
43 PUBLIC MEDIUM PUBLISHED in the county seat. After adopted or amended, the
44 ordinance shall be published at least once ~~in a newspaper of general~~
45 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat.

1 D. An ordinance adopted under this section may apply to the
2 unincorporated and incorporated areas in the county if the ordinance is not
3 in conflict with an existing city or town ordinance or state law or otherwise
4 regulated by the state. If the ordinance is intended to apply to any
5 incorporated area of the county, ~~prior to~~ BEFORE the ordinance becoming
6 effective within the boundaries of a city or town, the city or town council
7 shall consider the ordinance and, if the council finds that the subject
8 matter of the ordinance is not either a matter of local concern or governed
9 by an existing city or town ordinance, the council shall approve by
10 resolution the application or enforcement of such ordinance within the
11 boundaries of the city or town. ~~Upon~~ ON thirty days' notice to the county, a
12 city or town council may rescind such approval by resolution if the subject
13 matter of the ordinance is governed or to be governed by a city or town
14 ordinance. An ordinance may apply to the unincorporated areas of the county,
15 to part or parts of such areas or to a combination of incorporated and
16 unincorporated areas of the county, as the board deems appropriate and
17 subject to the approval of a city or town as specified in this subsection.

18 E. ~~Nothing contained in~~ This section shall NOT be construed to
19 prohibit a county from exercising such powers and authority as are granted
20 under other provisions of state law.

21 Sec. 61. Section 11-254.01, Arizona Revised Statutes, is amended to
22 read:

23 11-254.01. County purchasing procedures; purchases to be based
24 on competitive bids; content and issuance of
25 invitations and specifications; basis of awards
26 and rejection of bids; professional services;
27 buildings

28 A. All purchases of supplies, materials, equipment and contractual
29 services, except professional services, ~~THAT ARE~~ made by the county ~~having~~
30 ~~AND THAT HAVE~~ an estimated cost in excess of ten thousand dollars per
31 transaction, or the aggregate dollar amount provided for in section 41-2535,
32 if pursuant to section 41-2501, subsection C the board of supervisors adopts
33 the aggregate dollar amount, shall be based on sealed, competitive bids. The
34 county purchasing agent shall make the awards on board of supervisors
35 approval. The invitation for bids and specifications must be issued in
36 sufficient time before the purchase is made and in sufficient detail to
37 permit free competition. Notice of the invitation for bids shall be
38 published ~~in a newspaper~~ ON A PUBLIC MEDIUM in accordance with title 39,
39 chapter 2 unless the board of supervisors, by at least a two-thirds vote of
40 its membership, determines that an emergency exists requiring immediate
41 action to protect the public health or safety. Copies of the invitation and
42 specifications shall be supplied to and bids shall be solicited from
43 qualified sources consistent with the item to be purchased as determined by
44 the county purchasing agent, including all qualified suppliers who before the

1 issuance of the invitation notify the purchasing department in writing that
2 they desire to bid on materials, supplies, equipment or contractual services.

3 B. Bids shall be opened publicly at the time and place stated in the
4 invitation. On board approval, the county purchasing agent shall make awards
5 with reasonable promptness by giving written notice to the responsible bidder
6 whose bid conforms to the invitation and whose bid is the most advantageous
7 to the county concerning price, conformity to the specifications and other
8 factors. The board may reject all bids if rejection is in the public
9 interest.

10 C. For purchases of ten thousand dollars or less, or for purchases of
11 less than the aggregate dollar amount if the county board of supervisors
12 adopts the amount provided for in section 41-2535, each county shall develop
13 purchasing procedures to comply with the uniform accounting system prescribed
14 by the auditor general under section 41-1279.21.

15 D. Professional services shall be procured pursuant to written
16 policies developed by the county purchasing agent and adopted by the board of
17 supervisors.

18 E. All erections of and repairs and alterations to any county building
19 are not subject to this section but are subject to title 34, chapter 2.

20 Sec. 62. Section 11-255, Arizona Revised Statutes, is amended to read:
21 11-255. Annual contract for advertising and printing

22 A. The board shall contract annually for all advertising, publications
23 and printing required to be done or made by all departments of county
24 government.

25 B. Written notice of letting the contract shall be deposited in the
26 post office by the clerk of the board, postage prepaid, addressed to the
27 office of each qualified ~~newspaper~~ PUBLIC MEDIUM within the county, at least
28 ten days ~~prior to~~ BEFORE the opening of bids, calling for written bids for
29 the advertising, publications and printing required by all county departments
30 during the ensuing year, and stating on what day the bids received will be
31 opened.

32 C. A contract shall be made with the lowest and best bidder, in the
33 discretion of the board, and to a ~~newspaper which for at least one year has~~
34 ~~been admitted to the United States mail as second class matter, if the bid is~~
35 ~~within the legal rate~~ PUBLIC MEDIUM. During the existence of the contract,
36 all advertising, publications and printing ordered by any department of
37 county government shall be provided to the ~~newspaper~~ PUBLIC MEDIUM THAT IS
38 awarded the contract for printing under the terms and conditions of the
39 contract.

40 D. The ~~newspaper which~~ PUBLIC MEDIUM THAT is awarded the contract
41 pursuant to subsection C OF THIS SECTION may be referred to as the official
42 ~~newspaper~~ PUBLIC MEDIUM of the county.

43 E. Notwithstanding subsection C OF THIS SECTION, the board of
44 supervisors ~~may~~, for itself and all departments of county government, MAY

1 advertise, publish and print in a publication other than the official
2 ~~newspaper~~ PUBLIC MEDIUM, if any of the following ~~apply~~ APPLIES:

3 1. The advertising, publishing or printing is in addition to that
4 required to be done in the official ~~newspaper~~ PUBLIC MEDIUM of the county.

5 2. The advertising, publishing or printing is authorized but not
6 required by law.

7 3. The advertising, publishing or printing is required by statute to
8 be done in a location other than that of the official ~~newspaper~~ PUBLIC MEDIUM
9 of the county.

10 Sec. 63. Section 11-256, Arizona Revised Statutes, is amended to read:

11 11-256. Lease or sublease of county lands and buildings;
12 exceptions

13 A. The board may lease or sublease, for a term not to exceed
14 twenty-five years plus an option to renew for an additional period not
15 exceeding twenty-five years, any land or building owned by or under the
16 control of the county.

17 B. An experienced appraiser shall be appointed to determine the rental
18 valuation of such land or building, except that the appointment of an
19 appraiser is not required for the lease of any land or building that is
20 valued at five thousand dollars or less if the value of the land or building
21 has been estimated and justified by a market analysis that is based on
22 comparable sales.

23 C. Such land or building shall be leased or subleased at a public
24 auction to the highest responsible bidder, provided that the amount of bid is
25 at least ninety per cent of the rental valuation as determined by the
26 appraiser or the market analysis, and subject to such other terms and
27 conditions as the board may prescribe.

28 D. Notice of a proposed lease or sublease shall be given by
29 publication, once each week for four consecutive weeks, ~~in a newspaper of~~
30 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice
31 shall state the period and all material conditions of the proposed lease, and
32 the day on which the auction will be held, which shall be not less than
33 thirty days after last publication of the notice.

34 E. Subsections C and D OF THIS SECTION do not apply to leases granting
35 a leasehold interest to a person or entity that owned, leased or otherwise
36 possessed the property to be leased immediately before purchase or
37 acquisition by the county or to other persons or entities leasing property
38 for a term that would expire within four years after the purchase or
39 acquisition by the county. A lease entered into pursuant to this subsection
40 shall be for at least ninety per cent of, but not more than, the appraised
41 rental valuation or market analysis determined pursuant to subsection B OF
42 THIS SECTION.

43 F. This section is supplementary to and not in conflict with other
44 statutes governing or regulating powers of boards of supervisors.

1 Sec. 64. Section 11-256.01, Arizona Revised Statutes, is amended to
2 read:

3 11-256.01. Lease or sublease of county lands and buildings to
4 governmental entity, county fair association or
5 nonprofit corporation; exception

6 A. Notwithstanding section 11-256, the board may lease or sublease any
7 land or building owned by or under the control of the county to this state, a
8 county fair association ~~which~~ THAT qualifies to conduct a racing meeting
9 under section 5-111, subsection E or to receive county monies as provided in
10 section 11-258, a nonprofit corporation, other than a municipal or public
11 finance corporation, organized pursuant to title 10, chapters 24 through 40,
12 an incorporated city or town, a school district or any other political
13 subdivision of this state without holding a public auction and for less than
14 the fair rental value. The board may specify the uses to which the land or
15 building must be devoted and any terms and conditions for the use ~~which~~ THAT
16 the board determines are in the best interests of the county.

17 B. Notice of the proposed lease or sublease shall be given by
18 publication once each week for four consecutive weeks ~~in a newspaper of~~
19 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice
20 shall state all material conditions of the proposed lease, including, if
21 appropriate, the uses to which the land or building must be devoted and any
22 terms and conditions for the use ~~which~~ the board establishes.

23 C. If a bid is offered by a person other than the state, a county fair
24 association, a nonprofit corporation, other than a municipal or public
25 finance corporation, or a political subdivision during the notice period, and
26 the bid equals or exceeds the fair rental value of the land or building, the
27 board shall not enter the proposed lease with the state, the county fair
28 association, the nonprofit corporation or the political subdivision and shall
29 offer the land or building for lease in accordance with ~~the provisions of~~
30 section 11-256.

31 Sec. 65. Section 11-264.01, Arizona Revised Statutes, is amended to
32 read:

33 11-264.01. Additional bonding authority; security for payment;
34 definition

35 A. In addition to other bonding authority of the board of supervisors,
36 the board of any county authorized to operate a sewerage system pursuant to
37 ~~provisions of~~ section 11-264 may issue bonds for the construction,
38 acquisition or improvement of such system. All principal and interest of
39 bonds issued by a county are payable solely out of the revenues, proceeds and
40 receipts derived from the operation of the county sewerage system or out of
41 the proceeds of bonds issued under this section or of any revenues, proceeds
42 and receipts of such bonds as are specified in the proceedings of the board
43 of supervisors in which the bonds are authorized to be issued.

- 1 B. ~~No~~ Bonds shall NOT be issued without the assent of a majority of
2 the qualified electors voting at an election held within the county in the
3 manner prescribed for the authorization of municipal bonds for financing
4 utilities pursuant to sections 9-523 through 9-528 inclusive.
- 5 C. The bonds prescribed by subsection A of this section may:
- 6 1. Be executed and delivered by the county at any time.
7 2. Be in such form and denominations and of such tenor and maturities.
8 3. Be in registered or bearer form either as to principal or interest
9 or both.
10 4. Be payable in such installments and at such time or times not
11 exceeding forty years from the date of issuance.
12 5. Be payable at such place or places within or without this state.
13 6. Bear interest at such rate or rates, but not exceeding the maximum
14 rate set forth in the ballot, payable at such time or times and at such place
15 or places and evidenced in such manner.
16 7. Be executed by the chairman of the board of supervisors and in such
17 manner, and contain provisions not inconsistent with this section, as
18 provided in the proceedings of the board of supervisors in which the bonds
19 are authorized to be issued.
- 20 D. If deemed advisable by the board of supervisors, there may be
21 retained in the proceedings in which any bonds of the county are authorized
22 to be issued an option to redeem all or any part of the bonds as may be
23 specified in the proceedings, at such price or prices and after such notice
24 or notices and on such terms and conditions as are provided in the
25 proceedings and as may be briefly recited on the face of the bonds, but
26 ~~nothing in~~ this article shall NOT be construed to confer on the county any
27 right or option to redeem any bonds except as may be provided in the
28 proceedings under which they are issued.
- 29 E. Any bonds of the county may be sold by calling for bids at public
30 sale, through an ~~on-line~~ ONLINE bidding process or through an accelerated
31 bidding process as follows:
- 32 1. If sold under an accelerated bidding process, the bonds shall be
33 sold at the lowest cost the board of supervisors considers to be available
34 after receiving at least three pricing quotations from recognized purchasers
35 of bonds of the type being sold.
36 2. If sold at public sale or through an ~~on-line~~ ONLINE bidding
37 process, the bonds shall be sold to the person offering the best bid.
38 3. If bonds are sold at public sale, the board of supervisors shall
39 call for bids by giving notice at least once a week for two successive weeks
40 by publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
41 PUBLISHED within the county. The notice shall be in such form as the board
42 of supervisors prescribes.
43 4. If bonds are sold through an ~~on-line~~ ONLINE bidding process, bids
44 for the bonds that are entered into the system may be concealed until a
45 specified time or disclosed in the ~~on-line~~ ONLINE bidding process, may be

1 subject to improvement in favor of the county before a specified time and may
2 be for an entire issue or specified maturities according to the manner, terms
3 and notice provisions ordered by the board of supervisors.

4 5. The bonds may be sold below, at or above par. If the bonds are
5 sold below par, the aggregate amount of the discount plus interest to be paid
6 on the bonds may not exceed the amount of interest that would be payable on
7 the bonds over the maturity schedule prescribed by the board of supervisors
8 at the maximum rate stated in the resolution calling the election at which
9 the bonds were approved.

10 6. The bids shall be for the entire bond issue unless the board of
11 supervisors allows bidding in parcels for less than the entire issue.

12 7. The county may pay all expenses, premiums and commissions ~~which~~ its
13 board of supervisors deems necessary or advantageous in connection with such
14 issuance.

15 8. Issuance by the county of one or more series of bonds does not
16 preclude it from issuing other bonds in connection with the same project or
17 any other project, but proceedings in which any subsequent bonds may be
18 issued shall recognize and protect any prior pledge made for any prior issue
19 of bonds.

20 F. Bonds may be sold to natural persons residing in this state by
21 negotiated sale on terms the board of supervisors considers to be the best
22 available. The bonds may bear interest payable at times determined by the
23 board of supervisors. The bonds may be sold below, at or above par. If the
24 bonds are sold below par, the aggregate amount of discount plus interest to
25 be paid on the bonds may not exceed the amount of interest that would be
26 payable on the bonds over the maturity schedule prescribed by the board of
27 supervisors at the maximum rate set out in the resolution calling the
28 election at which the bonds were approved.

29 G. Pending preparation of the actual bonds, the board of supervisors
30 may issue interim receipts or certificates to the purchasers of the bonds in
31 the form and with the provisions the board determines.

32 H. Any outstanding bonds of the county may at any time be refunded by
33 the county by the issuance of its refunding bonds in such amount as the board
34 of supervisors may deem necessary but not exceeding an amount sufficient to
35 refund the principal of the bonds to be refunded, together with any unpaid
36 interest on the bonds and any necessary premiums and commissions. Any such
37 refunding may be effected whether the bonds to be refunded have matured or
38 shall thereafter mature, either by sale of the refunding bonds and the
39 application of the proceeds for the payment of the bonds to be refunded or by
40 the exchange of the refunding bonds for the bonds to be refunded with the
41 consent of the holders of the bonds to be refunded, and regardless of whether
42 the bonds to be refunded were issued in connection with the same projects or
43 separate projects and regardless of whether the bonds proposed to be refunded
44 are payable at the same date or different dates or are due serially or
45 otherwise.

1 I. All such bonds and interest coupons applicable to the bonds are
2 negotiable instruments.

3 J. Bonds issued under this section may bear interest at any rate or
4 rates not in excess of the maximum rate of interest stated in the resolution
5 calling the election. Interest is payable at the times determined by the
6 board of supervisors, except that each such bond may be evidenced by one
7 instrument or, if commercial paper, by a succession of instruments each
8 bearing interest payable only at maturity. Bonds or commercial paper issued
9 under this section are subject to the following:

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

13 2. A variable rate shall be based on any objective measure of the
14 current value of money borrowed such as the announced prime rate of a bank,
15 the rates borne by obligations of the United States or an index or other
16 formula provided for by the board of supervisors. The board of supervisors
17 shall employ a recognized agent in municipal bonds to market and remarket the
18 bonds or commercial paper issued and to establish an interest rate pursuant
19 to the approved index or formula.

20 3. The board of supervisors may grant to the owner of any bond a right
21 to tender or may require the tender of the bond for payment or purchase at
22 one or more times before maturity and may enter into appropriate agreements
23 with any financial institution, insurance company or indemnity company for
24 the purchase of bonds so tendered. The agreement may provide that while the
25 bonds are held by the financial institution, insurance company or indemnity
26 company the bonds may bear interest at a rate higher than when the bonds are
27 held by other owners, but not exceeding the maximum rate of interest stated
28 in the resolution calling the election.

29 4. If bonds are tendered before maturity under an agreement to pay for
30 or purchase bonds when tendered, the county may provide for the purchase and
31 resale of the bonds pursuant to the tenders without extinguishing the
32 obligation they represent or incurring a new obligation on the resale,
33 whether or not those bonds are represented by the same instruments when
34 purchased as when resold.

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

38 6. The board of supervisors may:

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

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

1 7. Any reimbursement obligation entered into with the financial
2 institution, insurance company or indemnity company shall not provide for the
3 payment of interest in excess of the maximum rate of interest stated in the
4 resolution calling the election. The reimbursement obligation does not
5 constitute a general obligation of the county and is payable from the same
6 source as the bonds, or from other available revenues, as determined by the
7 board of supervisors. The use of such other available revenues does not
8 create indebtedness of the county under article IX, section 8, Constitution
9 of Arizona.

10 8. Variable rate bonds and commercial paper may be sold at competitive
11 public sale, through an ~~on-line~~ ONLINE bidding process or at negotiated sale.
12 A competitive public sale may be accomplished pursuant to a notice of sale
13 published at the times and in the manner provided in this section. The
14 notice shall include the terms and conditions determined by the board of
15 supervisors.

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

23 10. Bonds issued in the form of commercial paper may be sold through an
24 agent in the form of instruments that mature at intervals the agent
25 determines to be most advantageous to the issuer after giving public notice
26 to potential investors as determined by the board of supervisors.

27 11. Bonds may be issued as compound interest bonds bearing interest
28 payable only at maturity but compounded periodically until that date at a
29 fixed rate no higher than the rate set forth in the resolution calling the
30 election.

31 K. A county may submit to the attorney general all proceedings for the
32 issuance of bonds to be issued under this article after all proceedings for
33 their issuance have been taken, and thereupon it shall be the duty of the
34 attorney general to pass ~~upon~~ ON the validity of the bonds and the regularity
35 of the proceedings authorizing their issuance. If such proceedings conform
36 to ~~the provisions of~~ this article, and the bonds when delivered and paid for
37 will constitute binding and legal obligations of the county according to the
38 terms thereof, the attorney general shall certify in substance that the bonds
39 are issued in accordance with the constitution and laws of this state.

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

1 Sec. 66. Section 11-273, Arizona Revised Statutes, is amended to read:
2 11-273. Sale of bonds; disposition of proceeds

3 A. When the bonds are executed, numbered consecutively and sealed,
4 they shall be delivered to the county treasurer, and his receipt taken
5 therefor, and he shall stand charged with all bonds delivered to him and the
6 proceeds thereof.

7 B. The treasurer shall sell the bonds under the direction and with the
8 approval of the board for not less than par and accrued interest, and the
9 proceeds of the sale shall be used exclusively for the purpose for which
10 issued and as stated in the resolution.

11 C. The bonds shall be sold to the highest bidder for any part of them
12 after advertising for bids therefor for not less than three weeks ~~in some~~
13 ~~newspaper of general circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the county
14 ~~and in such other newspapers as the board may direct~~, the right being
15 reserved to reject any or all of the bids.

16 Sec. 67. Section 11-282, Arizona Revised Statutes, is amended to read:
17 11-282. Construction of industrial plant; bidding; bond

18 A. When the proceeds of the bonds are deposited in the treasury, the
19 board of supervisors shall prepare plans and specifications for the plant and
20 equipment, and thereupon shall advertise for bids for the construction and
21 installation of the plant and equipment, in accordance with the plans and
22 specifications, by publishing a notice calling for bids thereon for ten days
23 ~~in a daily or two weeks in a weekly newspaper~~ **ON A PUBLIC MEDIUM**.

24 B. The contract shall be let to the lowest responsible bidder, who
25 shall give such bond or bonds as are required under ~~the provisions of~~ title
26 34, chapter 2, article 2, but the board may contract for any part of the work
27 the cost of which does not exceed one thousand dollars without calling for
28 bids. The board may reject any and all bids received and may advertise
29 again.

30 Sec. 68. Section 11-373, Arizona Revised Statutes, is amended to read:
31 11-373. Election resolution; contents; publication

32 A. The board of supervisors shall adopt a resolution calling an
33 election ~~upon~~ **ON** the question of the issuance of bonds. The resolution shall
34 state in substance:

- 35 1. The maximum amount of bonds to be issued.
- 36 2. The purpose for which the bonds are to be issued.
- 37 3. The maximum rate of interest ~~which~~ **THAT** the bonds are to bear.
- 38 4. A brief and concise statement containing an irrevocable
39 appropriation providing for the payment of the principal and interest of the
40 bonds from monies to be derived from taxes, fees, charges and other monies
41 collected by the state and returned to such county for street and highway
42 purposes pursuant to law ~~which~~ **THAT** have not been theretofore specially
43 allocated and pledged for the payment of indebtedness.
- 44 5. The date on which the election will be held.
- 45 6. The places where votes may be cast.

1 7. The hours between which polling places will be open.
2 B. The election resolution shall be published in full at least once,
3 not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of
4 the election, ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county ~~and~~
5 ~~of general circulation in the county.~~

6 Sec. 69. Section 11-377, Arizona Revised Statutes, is amended to read:
7 11-377. Form of bonds; interest rates; redemption; payment of
8 principal and interest; additional security;
9 definition

10 A. Bonds issued under this article shall be fully negotiable within
11 the meaning and for all purposes provided by title 47. They may be in one or
12 more series, may bear such dates, may be payable in such medium of payment
13 and at such places, may carry such registration privileges, may have that
14 priority or lien position between bondholders, shall be executed in such
15 manner, may contain such other terms, covenants and conditions, and may be in
16 such form as the board of supervisors by resolution prescribes. The final
17 payment shall be due not more than thirty years from the date of issuance, as
18 the board of supervisors may prescribe. Any or all of such bonds shall be
19 callable at such times, on such terms and in such manner as the board of
20 supervisors by resolution prescribes.

21 B. Any or all of the bonds may be sold by calling for bids at public
22 sale or through an ~~on-line~~ ONLINE bidding process or an accelerated bidding
23 process. If sold under an accelerated bidding process, the bonds shall be
24 sold at the lowest cost the board of supervisors deems then available after
25 having received at least three pricing quotations from recognized purchasers
26 of bonds of the type being sold. If sold at public sale or through an
27 ~~on-line~~ ONLINE bidding process, the bonds shall be sold to the bidder making
28 the best bid. If bonds are sold through an ~~on-line~~ ONLINE bidding process,
29 bids for the bonds that are entered into the system may be concealed until a
30 specified time or disclosed in the ~~on-line~~ ONLINE bidding process, may be
31 subject to improvement in favor of the county before a specified time and may
32 be for an entire issue or specified maturities according to the manner, terms
33 and notice provisions ordered by the board of supervisors.

34 C. The bonds may be sold below, at or above par. If an issue of bonds
35 is sold below par, the aggregate amount of discount plus interest to be paid
36 on the bonds must not exceed the amount of interest that would be payable on
37 the bonds over the maturity schedule prescribed by the board of supervisors
38 at the maximum rate set out in the resolution calling the election at which
39 the bonds were voted.

40 D. If sold at public sale, the board of supervisors shall call for
41 bids for the bonds by giving notice thereof at least once a week for two
42 successive weeks within a county having a population of five hundred thousand
43 persons or more according to the most recent United States decennial census,
44 and once a week for four successive weeks ~~in a newspaper of general~~
45 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED within a county having a population

1 of less than five hundred thousand persons according to the most recent
2 United States decennial census. The notice shall be in the form prescribed
3 by the board of supervisors. The bids shall be for the entire bond issue
4 unless the board of supervisors by resolution allows bidding therefor in
5 parcels of less than the entire issue.

6 E. Notwithstanding any other provision of this section, bonds may be
7 sold to natural persons residing in this state by negotiated sale on terms
8 the board of supervisors deems to be the best then available and may bear
9 interest payable at times determined by the board of supervisors. The bonds
10 may be sold below, at or above par, provided that if the bonds are sold below
11 par, the aggregate amount of discount plus interest to be paid on the bonds
12 must not exceed the amount of interest that would be payable on the bonds
13 over the maturity schedule prescribed by the board of supervisors at the
14 maximum rate set out in the resolution calling the election at which the
15 bonds were voted.

16 F. Bonds issued by a county may bear interest at any rate or rates not
17 in excess of the maximum rate of interest set forth in the resolution calling
18 the election, payable at the times determined by the board of supervisors,
19 provided that each such bond may be evidenced by one instrument, or if
20 commercial paper, by a succession of instruments each bearing interest
21 payable only at maturity. Bonds or commercial paper issued under this
22 article are subject to the following:

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

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

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

42 4. If bonds are tendered before maturity under an agreement to pay for
43 or purchase bonds when so tendered, the county may provide for the purchase
44 and resale of those bonds pursuant to the tenders without extinguishing the
45 obligation represented by them or incurring a new obligation on the resale,

1 whether or not those bonds are represented by the same instruments when
2 purchased as when resold.

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

6 6. The board of supervisors may:

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

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

14 7. Any reimbursement obligation entered into with the bank, financial
15 institution, insurance company or indemnity company shall not provide for the
16 payment of interest in excess of the maximum rate of interest set forth in
17 the resolution calling the election. The reimbursement obligation does not
18 constitute a general obligation of the county and is payable from the same
19 source as the bonds, or from other available revenues, as determined by the
20 board of supervisors.

21 8. Variable rate bonds and commercial paper may be sold at competitive
22 public sale, through an ~~on-line~~ ONLINE bidding process or at negotiated
23 sale. A competitive public sale may be accomplished pursuant to a notice of
24 sale published at the times and in the manner provided in subsection D OF
25 THIS SECTION. This notice shall provide the terms and conditions determined
26 by the board of supervisors.

27 9. If bonds are to be issued in the form of commercial paper, the
28 board of supervisors shall first provide for the establishment of the
29 schedule for the maturities of the bonds within the maximum period permitted
30 by the voted proposition. The individual instruments representing the bonds
31 may mature over shorter periods and may be retired with proceeds of
32 subsequent instruments or with the proceeds of definitive bonds, but they
33 shall be finally paid according to the schedule of bond maturities or
34 earlier.

35 10. Bonds issued in the form of commercial paper may be sold through an
36 agent in the form of instruments that mature at intervals the agent
37 determines to be most advantageous to the issuer after giving public notice
38 to potential investors as determined by the board of supervisors.

39 11. Bonds may be issued as compound interest bonds bearing interest
40 payable only at maturity but compounded periodically until that date at a
41 fixed rate no higher than the rate set forth in the resolution calling the
42 election.

43 G. Pending preparation of the definitive bonds, interim receipts or
44 certificates may be issued to the purchaser of the bonds in such form and
45 with such provisions as the board of supervisors prescribes.

1 H. The principal of and interest ~~upon~~ ON the bonds shall be payable
2 primarily from the proceeds of revenues derived from taxes, fees, charges and
3 other monies collected by the state and returned to such counties for street
4 and highway purposes pursuant to the law.

5 I. As additional security for the payment of such bonds, a county, by
6 resolution submitted to the qualified electors at a special election called
7 for such purpose, and ~~upon~~ ON the approval of such resolution by a majority
8 of the voters voting at such election, may pledge its full faith and credit
9 for the payment of the bonds, and if such pledge is made, and the revenues
10 pledged to the payment of such bonds are at any time insufficient therefor,
11 the county shall be obligated to pay such bonds with interest to the same
12 extent as other general obligation bonds of the county, and shall be
13 reimbursed from subsequent revenues received by the county from taxes, fees,
14 charges and other monies collected by the state and returned to such county
15 for street and highway purposes pursuant to law.

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

19 Sec. 70. Section 11-391, Arizona Revised Statutes, is amended to read:

20 11-391. Incurring long-term obligations; public hearing

21 A. In addition to any other requirements prescribed by law, in a
22 county with a population of less than five hundred thousand persons if the
23 board of supervisors approves incurring any long-term obligation that is not
24 secured by the full faith and credit of the county, the board of supervisors
25 must:

26 1. Publish a notice of a hearing on the proposal to incur the
27 long-term obligation ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
28 PUBLISHED in the county, issue a press release to print and electronic media
29 and post the notice on the county's official ~~web site~~ WEBSITE. The notice
30 must:

31 (a) Be published and posted at least fifteen days before the date of
32 the hearing.

33 (b) Include the date, time and place of the hearing, the dollar amount
34 of the proposed long-term obligations and the estimated total financing
35 costs, the purpose of the proposed long-term obligations, including the
36 project or projects that are proposed to be financed by long-term
37 obligations, and that the board will receive:

38 (i) Oral comments at the hearing.

39 (ii) Written comments at any time before adopting the resolution of
40 intention to incur long-term obligations, including the board's mailing
41 address. The notice posted on the county's ~~web site~~ WEBSITE shall include an
42 electronic link for commenting electronically.

43 2. Hold the public hearing, as announced in the notice, at least
44 fifteen days before adopting the resolution for incurring the long-term
45 obligations. At the hearing, the board shall present an analysis of the need

1 for the project, the need to use long-term financing and any other available
2 options to accomplish the project. Any member of the public must be allowed
3 to speak on the issue of incurring the long-term obligations to finance the
4 proposed project.

5 B. At least fifteen days after the hearing the governing body must
6 hold a public meeting to adopt findings and, following the public comments
7 received at and after the hearing, by roll call vote, either:

8 1. Adopt and enter a resolution of intention to incur long-term
9 obligations to finance the project, stating the public need for the project,
10 the estimated cost and the amount of the long-term obligations to be
11 incurred.

12 2. Reject long-term financing of the project and abandon further
13 proceedings.

14 Sec. 71. Section 11-636, Arizona Revised Statutes, is amended to read:
15 11-636. Effect on interest of notice of readiness to pay unpaid
16 warrants

17 A. When there is sufficient money in the treasury to pay the warrants
18 drawing interest, the treasurer shall give notice thereof by publication ~~in~~
19 ~~some newspaper~~ ON A PUBLIC MEDIUM published in the county, or by written
20 notice posted at the ~~court house~~ COURTHOUSE door, stating that he is ready to
21 pay the warrants. From the first publication or posting of the notice the
22 warrants shall cease to draw interest.

23 B. In the notice published ~~in a newspaper~~ ON A PUBLIC MEDIUM, the
24 treasurer shall not publish the warrants in detail, but shall give notice
25 only that county warrants presented for payment ~~prior to~~ BEFORE such a date,
26 as stated in the notice, are payable. When only part of the warrants
27 presented on the same day are payable, the treasurer shall designate the
28 payable warrants in the notice.

29 Sec. 72. Section 11-701, Arizona Revised Statutes, is amended to read:
30 11-701. Formation of authority

31 A. The board of supervisors of a county may establish a county sports
32 authority to include the incorporated and unincorporated areas of the
33 county. To establish the authority the board of supervisors shall adopt a
34 resolution stating:

35 1. The name of the proposed authority.

36 2. The boundaries of the proposed authority, which shall be
37 coterminous with the boundaries of the county.

38 3. The necessity for the authority, including a statement that the
39 public interest, convenience and necessity will be promoted by establishing
40 the authority.

41 4. A general statement of the sports facilities and the services to be
42 provided by the authority.

43 5. Such other matters as the board deems necessary.

44 B. The resolution shall set a date for a hearing on the resolution,
45 not less than twenty-one nor more than forty days from the date of the

1 resolution. The notice of the hearing shall contain substantially all the
2 information contained in the resolution and shall be published once each week
3 for at least three consecutive weeks before the hearing ~~in a newspaper of~~
4 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The board
5 shall meet at the time and place fixed for the hearing. At the hearing the
6 board shall hear all persons who wish to appear in favor of or against
7 establishing the authority.

8 C. If, after the hearing, it appears to the board that the public
9 interest, convenience and necessity will be served by establishing the
10 authority, the board shall declare its findings and order the formation of
11 the authority under the designated corporate name. The board shall file a
12 certified copy of the proceedings with the county recorder.

13 D. A party aggrieved by the action of the board under this section may
14 bring an action in the superior court in the county in which the authority is
15 located to set aside the action of the board. The action must be instituted
16 not more than thirty-five days after entry of the order forming the
17 authority.

18 E. The board of supervisors may pay the necessary costs incurred in
19 connection with the formation of the authority from any monies available for
20 that purpose.

21 F. If established, the authority is a body corporate with the powers
22 and immunities of a municipal corporation for the purposes of implementing
23 this chapter, including exemption of its property and bonds from taxation.

24 Sec. 73. Section 11-721, Arizona Revised Statutes, is amended to read:
25 11-721. County sports authority bonds

26 A. The authority, through the board of directors, may issue negotiable
27 county sports authority bonds in a principal amount as in its opinion is
28 necessary to provide sufficient monies for its activities under section
29 11-702, maintaining sufficient reserves in the county sports authority fund
30 to secure the bonds, to pay the necessary costs of issuing, selling and
31 redeeming the bonds and to pay the other expenditures of the authority
32 incidental to and necessary and convenient to carry out the purposes of this
33 chapter.

34 B. The board must authorize the bonds by resolution. The resolution
35 shall prescribe:

- 36 1. The rate or rates of interest and the denominations of the bonds.
- 37 2. The date or dates of the bonds and maturity, not exceeding twenty
38 years from their respective dates.
- 39 3. The coupon or registered form of the bonds.
- 40 4. The manner of executing the bonds.
- 41 5. The medium and place of payment.
- 42 6. The terms of redemption.

43 C. The bonds shall be sold at public or private sale at the price and
44 on the terms determined by the board.

1 D. The board shall publish a notice of its intention to issue bonds
2 under this article for at least five consecutive days ~~in a newspaper of~~
3 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The last day
4 of publication must be at least ten days before issuing the bonds. The
5 notice shall state the amount of the bonds to be sold and the intended date
6 of issuance. A copy of the notice shall be hand delivered or sent, by
7 certified mail, return receipt requested, to the clerk of the board of
8 supervisors on or before the last day of publication.

9 E. In order to secure the principal and interest on the bonds, the
10 board ~~may~~ by resolution MAY:

11 1. Provide that bonds issued under this section shall be secured by a
12 first lien on all or part of the monies paid into the county sports authority
13 fund.

14 2. Pledge or assign to or in trust for the benefit of the holder or
15 holders of the bonds any part of the county sports authority fund monies as
16 is necessary to pay the principal and interest of the bonds as they come due.

17 3. Set aside, regulate and dispose of reserves and sinking funds.

18 4. Provide that sufficient amounts of the proceeds from the sale of
19 the bonds may be used to fully or partly fund any reserves or sinking funds
20 set up by the bond resolution.

21 5. Prescribe the procedure, if any, by which the terms of any contract
22 with bondholders may be amended or abrogated, the amount of bonds the holders
23 of which must consent to and the manner in which consent may be given.

24 6. Provide for payment from the proceeds of the sale of the bonds of
25 all legal and financial expenses incurred by the board in the issuance, sale,
26 delivery and payment of the bonds.

27 7. Do any other matters ~~which~~ THAT in any way may affect the security
28 and protection of the bonds.

29 F. Any pledge made under this article is valid and binding from the
30 time when the pledge is made. The monies so pledged and received by the
31 treasurer of the authority to be placed in the county sports authority fund
32 are immediately subject to the lien of the pledge without any future physical
33 delivery or further act, and any such lien of any pledge is valid or binding
34 against all parties having claims of any kind in tort, contract or otherwise
35 against the board irrespective of whether the parties have notice of the
36 lien. The official resolution or trust indenture or any instrument by which
37 this pledge is created, when placed in the board's records, is notice to all
38 concerned of the creation of the pledge, and those instruments need not be
39 recorded in any other place.

40 G. Neither the members of the board of directors nor any person
41 executing the bonds is personally liable for the payment of the bonds. The
42 bonds are valid and binding obligations notwithstanding that before the
43 delivery of the bonds any of the persons whose signatures appear on the bonds
44 cease to be members of the board. From and after the sale and delivery of
45 the bonds, they are incontestable by the board.

1 H. The board, out of any available monies, may purchase bonds, which
2 may thereupon be canceled, at a price not exceeding either of the following:

3 1. If the bonds are then redeemable, the redemption price then
4 applicable plus accrued interest to the next interest payment date.

5 2. If the bonds are not then redeemable, the redemption price
6 applicable on the first date after purchase on which the bonds become subject
7 to redemption plus accrued interest to such date.

8 Sec. 74. Section 11-801, Arizona Revised Statutes, is amended to read:

9 11-801. Definitions

10 In this chapter, unless the context otherwise requires:

11 1. "Aggregate" means cinder, crushed rock or stone, decomposed
12 granite, gravel, pumice, pumicite and sand.

13 2. "Area of jurisdiction" means that part of the county outside the
14 corporate limits of any municipality.

15 3. "Board" means the board of supervisors.

16 4. "Commission" means the county planning and zoning commission.

17 5. "Indian reservation" means all lands that are held in trust by the
18 United States for the exclusive use and occupancy of Indian tribes by treaty,
19 law or executive order and that are currently recognized as Indian
20 reservations by the United States department of the interior.

21 6. "Inspector" means the county zoning inspector.

22 ~~7. "Newspaper of general circulation in the county seat" means a daily
23 or weekly newspaper if any is published in the county seat.~~

24 ~~8.~~ 7. "Rezoning" means a change in the zoning ordinance changing the
25 zoning district boundaries within an area previously zoned.

26 ~~9.~~ 8. "Zoning district" means any portion of a county in which the
27 same set of zoning regulations applies.

28 ~~10.~~ 9. "Zoning ordinance" means an ordinance that is adopted by the
29 board of supervisors and that contains zoning regulations together with a map
30 setting forth the precise boundaries of zoning districts within which the
31 various zoning regulations are effective.

32 ~~11.~~ 10. "Zoning regulations" means provisions that govern the use of
33 land or buildings, or both, the height and location of buildings, the size of
34 yards, courts and open spaces, the establishment of setback lines and such
35 other matters as may otherwise be authorized under this chapter and that the
36 board deems suitable and proper.

37 ~~12.~~ 11. "Zoning regulations amendment" means a change in the zoning
38 ordinance that modifies, adds to, transfers or repeals one or more zoning
39 regulations or that adds one or more zoning regulations.

40 Sec. 75. Section 11-805, Arizona Revised Statutes, is amended to read:

41 11-805. Comprehensive plan adoption; notice; hearing;
42 amendment; expiration; readoption

43 A. The board shall adopt a comprehensive plan and subsequently amend
44 or extend the adopted plan as provided by this article. On adoption or
45 readoption, the plan, or any part of the plan, shall be the official guide

1 for the development of the area of jurisdiction. Any change, amendment,
2 extension or addition of the comprehensive plan may be made only pursuant to
3 this chapter.

4 B. The board of supervisors shall:

5 1. Adopt written procedures to provide effective, early and continuous
6 public participation in the development and major amendment of the
7 comprehensive plan from all geographic, ethnic and economic areas of the
8 county. The procedures shall provide for:

9 (a) The broad dissemination of proposals and alternatives.

10 (b) The opportunity for written comments.

11 (c) Public hearings after effective notice.

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

14 (e) Consideration of public comments.

15 2. Consult with, advise and provide an opportunity for official
16 comment by public officials and agencies, municipalities, school districts,
17 associations of governments, public land management agencies, the military
18 airport if the county's area of jurisdiction includes territory in the
19 vicinity of a military airport or ancillary military facility as defined in
20 section 28-8461, other appropriate government jurisdictions, public utility
21 companies, civic, educational, professional and other organizations, property
22 owners and citizens generally to secure the maximum coordination of plans and
23 to indicate properly located sites for all public purposes on the plan.

24 C. The commission shall confer with the state land department and the
25 governing bodies and planning commissions of cities and towns in the county
26 for the purpose of guiding and accomplishing a coordinated, adjusted and
27 harmonious development of the county, of zoning districts, of urban growth
28 and of public improvements and utilities that do not begin and terminate
29 within the boundaries of any single city or town and that will, pursuant to
30 the present and future needs of the county, best promote with efficiency and
31 economy the health, safety, morals, order, convenience or general welfare of
32 the public.

33 D. The commission shall coordinate the production of the comprehensive
34 plan with the creation of the conceptual state land use plans under title 37,
35 chapter 2, article 5.1. The commission shall cooperate with the state land
36 department regarding integrating the conceptual state land use plans into the
37 comprehensive plan.

38 E. The commission may formulate and draft the comprehensive plan as a
39 whole, or as separate parts of the plan corresponding with functional
40 divisions of the subject matter, and, subject to the limitations of this
41 chapter, may amend, extend or add to the comprehensive plan.

42 F. At least sixty days before the comprehensive plan or an element or
43 major amendment of a comprehensive plan is noticed pursuant to subsection G
44 of this section, the commission shall transmit the proposal to the board of
45 supervisors and submit a copy for review and further comment to:

- 1 1. Each municipality in the county.
- 2 2. Each other county that is contiguous to the county.
- 3 3. The regional planning agency in the county.
- 4 4. The Arizona commerce authority or any other state agency that is
- 5 subsequently designated as the general planning agency for this state.
- 6 5. The department of water resources for review and comment on the
- 7 water resources element, if a water resources element is required.
- 8 6. If the comprehensive plan or an element or amendment of the
- 9 comprehensive plan is applicable to territory in the vicinity of a military
- 10 airport or ancillary military facility as defined in section 28-8461, the
- 11 military airport.
- 12 7. If the comprehensive plan or an element or major amendment of the
- 13 comprehensive plan is applicable to property in the high noise or accident
- 14 potential zone of a military airport or ancillary military facility as
- 15 defined in section 28-8461, the attorney general. For the purposes of this
- 16 paragraph, "major amendment" means a substantial alteration of the county's
- 17 land use mixture or balance as established in the county's existing
- 18 comprehensive plan land use element for that area of the county.
- 19 8. Any person or entity that requests in writing to receive a review
- 20 copy of the proposal.
- 21 G. After considering any recommendations from the review required
- 22 under subsection F of this section, the commission shall hold at least one
- 23 public hearing. Notice of the time and place of a hearing and availability
- 24 of studies and summaries related to the hearing shall be given at least
- 25 fifteen and not more than thirty calendar days before the hearing by:
- 26 1. Publication at least once ~~in a newspaper of general circulation~~ ON
- 27 A PUBLIC MEDIUM PUBLISHED in the county seat.
- 28 2. Publication at least once ~~in a newspaper of general circulation~~ ON
- 29 A PUBLIC MEDIUM PUBLISHED in the area to be affected, or adjacent to the area
- 30 to be affected, if the area affected is other than the county seat.
- 31 3. Such other manner in addition to publication as the county may deem
- 32 necessary or desirable.
- 33 H. After the commission recommends the comprehensive plan or any
- 34 section of the plan, the plan shall be submitted to the board of supervisors
- 35 for its consideration and official action.
- 36 I. Before the adoption, amendment or extension of the plan, the board
- 37 shall hold at least one public hearing on the plan. After the board
- 38 considers the commission's recommendation and any recommendations from the
- 39 review required under subsection F of this section, the board shall hold at
- 40 least one public hearing at which residents of the county shall be heard
- 41 concerning the matters contained in the plan. At least fifteen days' notice
- 42 of the hearing shall be given by one publication ~~in a newspaper of general~~
- 43 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat. The board shall
- 44 consider protests and objections to the plan and may change or alter any
- 45 portion of the comprehensive plan. However, before any change is made, that

1 portion of the plan proposed to be changed shall be re-referred to the
2 commission for its recommendation, which may be accepted or rejected by the
3 board.

4 J. The board of supervisors may adopt the county comprehensive plan as
5 a whole or by successive actions adopt separate parts of the plan. The
6 adoption or readoption of the comprehensive plan or any amendment to the plan
7 shall be by resolution of the board. The adoption or readoption of, or a
8 major amendment to, the county comprehensive plan shall be approved by the
9 affirmative vote of at least two-thirds of the members of the board. All
10 major amendments proposed for adoption to the comprehensive plan by the board
11 shall be presented at a single public hearing during the calendar year the
12 proposal is made. The adoption or readoption of the comprehensive plan, and
13 any major amendment to the comprehensive plan, shall not be enacted as an
14 emergency measure and is subject to referendum as provided by article IV,
15 part 1, section 1, subsection (8), Constitution of Arizona, and title 19,
16 chapter 1, article 4. For the purposes of this section, "major amendment"
17 means a substantial alteration of the county's land use mixture or balance as
18 established in the county's existing comprehensive plan land use element for
19 that area of the county. The county's comprehensive plan shall define the
20 criteria to determine if a proposed amendment to the comprehensive plan
21 effects a substantial alteration of the county's land use mixture or balance
22 as established in the county's existing comprehensive plan land use element
23 for that area of the county.

24 K. If the county's area of jurisdiction includes property in the high
25 noise or accident potential zone of a military airport or ancillary military
26 facility as defined in section 28-8461, the board shall send notice of the
27 approval, adoption or readoption of the comprehensive plan or major amendment
28 to the comprehensive plan to the attorney general by certified mail, return
29 receipt requested, within three business days after the approval, adoption or
30 readoption. If the attorney general determines the approval, adoption or
31 readoption of the comprehensive plan or major amendment to the comprehensive
32 plan is not in compliance with section 28-8481, subsection J, the attorney
33 general shall notify the county by certified mail, return receipt requested,
34 of the determination of noncompliance. The board shall receive the notice
35 from the attorney general within twenty-five days after the notice from the
36 board to the attorney general is mailed pursuant to this subsection. The
37 effective date of any approval, adoption or readoption of, or major amendment
38 to, the comprehensive plan shall be thirty days after the board's receipt of
39 the attorney general's determination of noncompliance. Within thirty days
40 after the receipt of a determination of noncompliance by the attorney general
41 as prescribed by this section, the board shall reconsider any approval,
42 adoption or readoption of, or major amendment to, the comprehensive plan that
43 impacts property in the high noise or accident potential zone of a military
44 airport or ancillary military facility as defined in section 28-8461. If the
45 board reaffirms a prior action subject to an attorney general's determination

1 of noncompliance pursuant to this section, the attorney general may institute
2 a civil action pursuant to section 28-8481, subsection L. If the board
3 timely sends notice pursuant to this subsection and the attorney general
4 fails to timely notify the board of a determination of noncompliance, the
5 comprehensive plan or major amendment to the comprehensive plan is deemed to
6 comply with section 28-8481, subsection J. For the purposes of this
7 subsection, "major amendment" has the same meaning prescribed in subsection J
8 of this section.

9 L. If the motion to adopt or readopt the plan or an amendment to the
10 plan fails to pass, the board may reconsider the motion in any manner allowed
11 by the board's rules of procedure, but any subsequent motion for the adoption
12 or readoption of the plan or a major amendment to the plan must be approved
13 by an affirmative vote of at least two-thirds of the members of the board.
14 If the board fails to adopt or readopt the plan, the current plan remains in
15 effect until a new plan is adopted. The board shall either reconsider the
16 proposed plan or consider a revised plan within one year and shall continue
17 to do so until one is adopted. All subsequent considerations of a new or
18 revised plan must comply with the procedures prescribed by this article.

19 M. A county comprehensive plan, with any amendments, is effective for
20 up to ten years from the date the plan was initially adopted or until the
21 plan is readopted or a new plan is adopted pursuant to this subsection and
22 becomes effective. On or before the tenth anniversary of the plan's most
23 recent adoption, the board shall either readopt the existing plan for an
24 additional term of up to ten years or shall adopt a new comprehensive plan as
25 provided by this article.

26 N. A person, after having participated in the public hearing pursuant
27 to subsection I of this section, may file a petition for special action in
28 superior court to review the board of supervisor's decision that does not
29 comply with the mandatory requirement prescribed in section 11-804,
30 subsection B, paragraph 1, subdivision (e) within thirty days after the board
31 has rendered its decision. The court may affirm, reverse or remand to the
32 board of supervisors, in whole or in part, the decision reviewed for further
33 action that is necessary to comply with the mandatory requirements prescribed
34 in section 11-804, subsection B, paragraph 1, subdivision (e).

35 Sec. 76. Section 11-808, Arizona Revised Statutes, is amended to read:

36 11-808. Infrastructure service area boundaries; notice;
37 hearing; adoption

38 A. The county planning and zoning commission may prepare a plan and
39 provide regulations determining the location of infrastructure service area
40 boundaries consistent with the growth area element of the comprehensive plan
41 beyond which the county may limit or prescribe conditions on publicly
42 financed extensions of water, sewer and street improvements. The plan and
43 regulations shall consider all elements of the comprehensive plan, including
44 the circulation and public facilities elements. For the purposes of this
45 subsection, publicly financed does not include special taxing district

1 financing other than municipal or county improvement district revenues or
2 bonds. The regulations shall also include components that:

3 1. Assign or delegate administrative functions, powers and duties to
4 county officers and employees.

5 2. Identify the procedure for determining the initial infrastructure
6 service area boundaries.

7 3. Identify the methodology and procedures for adjusting the
8 infrastructure service area boundaries.

9 B. Before recommending the plan and regulations, or any part,
10 amendment, extension or addition, to the board of supervisors, the commission
11 shall hold at least one public hearing on the service area boundaries, after
12 giving at least fifteen days' notice by publication ~~in a newspaper of general~~
13 ~~circulation in the county seat and in a newspaper of general circulation in~~
14 ~~the area to be affected, if that area is other than the county seat~~ ON A
15 PUBLIC MEDIUM.

16 C. The board of supervisors shall adopt any such plan and regulations
17 and amendments by resolution.

18 Sec. 77. Section 11-813, Arizona Revised Statutes, is amended to read:
19 11-813. Zoning ordinance; adoption; amendments; notice; hearing

20 A. The commission shall formulate and draft the zoning ordinance.
21 Before recommending the zoning ordinance to the board of supervisors for
22 adoption, the commission shall hold at least one public hearing, after giving
23 at least fifteen days' notice of the hearing by one publication ~~in a~~
24 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county
25 seat.

26 B. After the commission recommends the zoning ordinance, the zoning
27 ordinance shall be submitted to the board of supervisors for its
28 consideration and official action. After the board considers the
29 commission's recommendation, the board shall hold at least one public hearing
30 at which residents of the county shall be heard concerning the zoning
31 ordinance. At least fifteen days' notice of the hearing shall be given by
32 one publication ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
33 PUBLISHED in the county seat. The board shall consider protests and
34 objections to the zoning ordinance and may change or alter any portion of the
35 zoning ordinance.

36 C. A property owner or authorized agent of a property owner desiring a
37 zoning regulations amendment shall file an application for the amendment.

38 D. The commission, on its own motion, may propose a zoning regulations
39 amendment and, after holding a public hearing as required by this chapter,
40 may transmit the proposal to the board, which shall proceed as prescribed in
41 this chapter for any other amendment.

42 E. On receipt of the application the board shall submit the
43 application to the commission for a report. Before reporting to the board,
44 the commission shall hold at least one public hearing after giving at least
45 fifteen days' notice of the hearing by one publication ~~in a newspaper of~~

1 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat. The
2 following specific notice provisions also apply:

3 1. In proceedings involving one or more of the following proposed
4 changes or related series of changes in the standards governing land uses,
5 notice shall be provided in the manner prescribed by paragraph 2 of this
6 subsection:

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

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

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

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

15 (e) An increase or reduction in permitted uses.

16 2. In proceedings governed by paragraph 1 of this subsection, the
17 county shall provide notice to real property owners pursuant to at least one
18 of the following notification procedures:

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

22 (b) If the county issues utility bills or other mass mailings that
23 periodically include notices or other informational or advertising materials,
24 the county shall include notice of the changes with the utility bills or
25 other mailings.

26 (c) The county shall publish the changes before the first hearing on
27 the changes ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
28 PUBLISHED in the county. The changes shall be published in a display
29 advertisement covering not less than one-eighth of a full page.

30 3. If notice is provided pursuant to paragraph 2, subdivision (b) or
31 (c) of this subsection, the county shall also send notice by first class mail
32 to persons who register their names and addresses with the county as being
33 interested in receiving the notice. The county may charge a fee not to
34 exceed five dollars per year for providing this service and may adopt
35 procedures to implement this paragraph.

36 4. Notwithstanding the notice requirements prescribed in paragraph 2
37 of this subsection, the failure of any person or entity to receive notice
38 does not constitute grounds for any court to invalidate the actions of a
39 county for which the notice was given.

40 F. After the commission has held a public hearing, the board shall
41 hold a public hearing on the proposed amendment AND SHALL GIVE at least
42 fifteen days' notice of ~~which shall be given~~ THE HEARING by one publication
43 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the
44 county seat. After holding the hearing, the board may adopt the amendment.

1 G. Notwithstanding title 19, chapter 1, article 4, a decision by the
2 governing body that changes the zoning standards of land that is not owned by
3 the county as prescribed in subsection E, paragraph 1 of this section may not
4 be enacted as an emergency measure and such a change shall not be effective
5 for at least thirty days after final approval of the change in classification
6 by the board. Unless a resident files a written objection with the board of
7 supervisors, the change may be enacted as an emergency measure that becomes
8 effective immediately by a four-fifths majority vote of the board for those
9 counties with five or more supervisors or a two-thirds majority vote of the
10 board for those counties with fewer than five supervisors.

11 Sec. 78. Section 11-814, Arizona Revised Statutes, is amended to read:
12 11-814. Rezoning; conditional zoning change; notice; hearing;
13 citizen review; definition

14 A. All rezonings adopted under this article shall be consistent with
15 and conform to the adopted comprehensive plan. In the case of uncertainty in
16 constructing or applying the conformity of any part of a proposed rezoning to
17 the adopted comprehensive plan, the rezoning shall be construed in a manner
18 that will further the implementation of, and not be contrary to, the goals,
19 policies and applicable elements of the comprehensive plan. A rezoning
20 conforms with the comprehensive plan if it proposes land uses, densities or
21 intensities within the range of identified uses, densities and intensities of
22 the comprehensive plan.

23 B. A property owner or authorized agent of a property owner desiring a
24 rezoning shall file an application for the rezoning.

25 C. The commission, on its own motion, may propose a rezoning and,
26 after holding a public hearing as required by this chapter, may transmit the
27 proposal to the board, which shall proceed as prescribed in this chapter for
28 any other rezoning.

29 D. On receipt of the application the board shall submit the
30 application to the commission for a report. Before reporting to the board,
31 the commission shall hold at least one public hearing after giving at least
32 fifteen days' notice of the hearing by one publication ~~in a newspaper of~~
33 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat and by
34 posting of the area included in the proposed rezoning. If the matter to be
35 considered applies to territory in a high noise or accident potential zone as
36 defined in section 28-8461, the notice shall include a general statement that
37 the matter applies to property located in the high noise or accident
38 potential zone. The posting shall be in no less than two places with at
39 least one notice for each quarter mile of frontage along perimeter public
40 rights-of-way so that the notices are visible from the nearest public right-
41 of-way. The commission shall also send notice by first class mail to each
42 real property owner as shown on the last assessment of the property within
43 three hundred feet of the proposed rezoning and each county and municipality
44 that is contiguous to the area of the proposed rezoning. In proceedings
45 involving rezoning of land that is located within territory in the vicinity

1 of a military airport or ancillary military facility as defined in section
 2 28-8461, the commission shall send copies of the notice of public hearing by
 3 first class mail to the military airport. The notice sent by mail shall
 4 include, at a minimum, the date, time and place of the hearing on the
 5 proposed rezoning including a general explanation of the matter to be
 6 considered and a general description of the area of the proposed rezoning.
 7 For those counties with five or more supervisors, the notice must include a
 8 general description of how the real property owners within the zoning area
 9 may file approvals or protests of the proposed rezoning, and notification
 10 that if twenty per cent of the property owners by area and number within the
 11 zoning area file protests, an affirmative vote of three-fourths of all
 12 members of the board will be required to approve the rezoning. In
 13 proceedings that are initiated by the commission involving rezoning, notice
 14 by first class mail shall be sent to each real property owner, as shown on
 15 the last assessment of the property, of the area to be rezoned and all
 16 property owners, as shown on the last assessment of the property, within
 17 three hundred feet of the property to be rezoned.

18 E. If the commission or hearing officer has held a public hearing, the
 19 board may adopt the recommendations of the commission or hearing officer
 20 through use of a consent calendar without holding a second public hearing if
 21 there is no objection, request for public hearing or other protest. If there
 22 is an objection, a request for public hearing or a protest, the board shall
 23 hold a public hearing AFTER GIVING at least fifteen days' notice of ~~which~~
 24 ~~shall be given~~ THE HEARING by one publication ~~in a newspaper of general~~
 25 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county seat and by posting
 26 the area included in the proposed rezoning. In counties with territory in
 27 the vicinity of a military airport or ancillary military facility as defined
 28 in section 28-8461, the board shall hold a public hearing if, after notice is
 29 mailed to the military airport pursuant to subsection D of this section and
 30 before the public hearing, the military airport provides comments or AN
 31 analysis concerning the compatibility of the proposed rezoning with the high
 32 noise or accident potential generated by military airport or ancillary
 33 military facility operations that may have an adverse impact on public health
 34 and safety, and the board shall consider and analyze the comments or analysis
 35 before making a final determination. After holding the hearing the board may
 36 adopt the rezoning by a majority vote of the board for those counties with
 37 fewer than five supervisors, or for those counties with five or more
 38 supervisors if a protest has not been filed. If twenty per cent of the
 39 owners of property by area and number within the zoning area file a protest
 40 to the proposed rezoning, the change shall not be made except by a
 41 three-fourths vote of all members of the board for those counties with five
 42 or more supervisors. If any members of the board are unable to vote on the
 43 question because of a conflict of interest, the required number of votes for
 44 the passage of the question is three-fourths of the remaining membership of
 45 the board for those counties with five or more supervisors, except that the

1 required number of votes in no event shall be less than a majority of the
2 full membership of the board. In calculating the owners by area, only that
3 portion of a lot or parcel of record situated within three hundred feet of
4 the property to be rezoned shall be included. In calculating the owners by
5 number or area, county property and public rights-of-way shall not be
6 included.

7 F. The board of supervisors shall adopt by ordinance a citizen review
8 process that applies to all rezoning and specific zoning plan applications
9 that require a public hearing. The citizen review process shall include at
10 least the following requirements:

11 1. Adjacent landowners and other potentially affected citizens will be
12 notified of the application.

13 2. The county will inform adjacent landowners and other potentially
14 affected citizens of the substance of the proposed rezoning.

15 3. Adjacent landowners and other potentially affected citizens will be
16 provided an opportunity to express any issues or concerns that they may have
17 with the proposed rezoning before the public hearing.

18 G. The rezoning or subdivision plat of any unincorporated area
19 completely surrounded by a city or town shall use as a guideline the adopted
20 general plan and standards as prescribed in the subdivision and zoning
21 ordinances of the city or town after April 10, 1986.

22 H. The board or commission, before taking any action on a rezoning or
23 subdivision plat in an area as prescribed in subsection G of this section,
24 may require the affected city or town to supply information to allow the
25 county to meet the guideline. If an affected city or town objects to any
26 such proposed action, the board or commission shall prescribe in the minutes
27 of the meeting specific reasons why in its opinion the guideline is actually
28 being followed or why it is not practicable to follow the guideline of the
29 general plan.

30 I. The board may approve a change of zone conditioned on a schedule
31 for development of the specific use or uses for which rezoning is requested.
32 If at the expiration of this period the property has not been improved for
33 the use for which it was conditionally approved, the board after notification
34 by certified mail to the owner and applicant who requested the rezoning shall
35 schedule a public hearing to grant an extension, determine compliance with
36 the schedule for development or cause the property to revert to its former
37 zoning classification.

38 J. The legislature finds that a rezoning of land that changes the
39 zoning classification of the land or that restricts the use or reduces the
40 value of the land is a matter of statewide concern. Such a change in zoning
41 that is initiated by the governing body or zoning body shall not be made
42 without the express written consent of the property owner. In applying an
43 open space element or a growth element of a comprehensive plan, a parcel of
44 land shall not be rezoned for open space, recreation, conservation or
45 agriculture unless the owner of the land consents to the rezoning in writing.

1 For the purposes of this subsection, rezoning does not include the creation
2 or expansion of overlay zones solely for the purpose of implementing airport
3 safety and protection. Rezoning also does not include the redesignation of
4 areas of the county to which the residential provisions of the county
5 building codes apply or do not apply. The county shall not adopt any change
6 in a zoning classification to circumvent the purpose of this subsection.

7 K. Notwithstanding title 19, chapter 1, article 4, a decision by the
8 governing body involving rezoning of land that is not owned by the county and
9 that changes the zoning classification of the land may not be enacted as an
10 emergency measure and such a change shall not be effective for at least
11 thirty days after final approval of the change in classification by the
12 board. Unless a resident files a written objection with the board of
13 supervisors, the rezoning may be enacted as an emergency measure that becomes
14 effective immediately by a four-fifths majority vote of the board for those
15 counties with five or more supervisors or a two-thirds majority vote of the
16 board for those counties with fewer than five supervisors.

17 L. For the purposes of this section, "zoning area" means the area
18 within three hundred feet of the proposed amendment or change.

19 Sec. 79. Section 11-821, Arizona Revised Statutes, is amended to read:

20 11-821. Subdivision regulations; subdivision reservation for
21 public facilities and services; conditions;
22 procedures; time limitation

23 A. The county board of supervisors shall regulate the subdivision of
24 all lands within its corporate limits, except subdivisions that are regulated
25 by municipalities.

26 B. The commission shall recommend to the board and the board shall
27 adopt general regulations of uniform application governing plats and
28 subdivisions of land within its area of jurisdiction. The regulations
29 adopted shall secure and provide for the proper arrangement of streets or
30 other highways in relation to existing or planned streets, highways or
31 bicycle facilities or to the official map for adequate and convenient open
32 spaces for traffic, utilities, drainage, access of firefighting apparatus,
33 recreation, light and air. The board may adopt general regulations to
34 provide for the proper arrangement of hiking and equestrian trails in
35 relation to existing or planned streets or highways, and if adopted, the
36 hiking and equestrian trails shall conform to the official map for adequate
37 and convenient open spaces for traffic, utilities, drainage, access of
38 firefighting apparatus, recreation, light and air. The general regulations
39 may provide for modification by the commission in planned area development or
40 specific cases where unusual topographical or other exceptional conditions
41 may require such action. The regulations shall include provisions as to the
42 extent to which streets and other highways shall be graded and improved and
43 to which water, sewer or other utility mains, piping or other facilities
44 shall be installed or provided for on the plat as a condition precedent to
45 the approval of the final plat.

1 C. Boards of supervisors of counties shall prepare specifications and
2 make orders, inspections, examinations and certificates as may be necessary
3 to protect and complete the provisions and make them effective. The
4 regulations shall require the posting of performance bonds, assurances or
5 such other security as may be appropriate and necessary to ensure the
6 installation of required street, sewer, electric and water utilities,
7 drainage, flood control and improvements meeting established minimum
8 standards of design and construction.

9 D. Before adoption of regulations by the board or any amendment as
10 provided in this article, the commission shall hold a public hearing. The
11 commission shall certify a copy of the regulations to the county board of
12 supervisors, which shall hold a public hearing after notice of the time and
13 place has been given by one publication fifteen days before the public
14 hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in
15 the county.

16 E. A board of supervisors may require by ordinance that land areas
17 within a subdivision be reserved for parks, recreational facilities, school
18 sites and fire stations subject to the following conditions:

19 1. The requirement may only be made on preliminary plats filed at
20 least thirty days after the adoption of a comprehensive plan or amendment of
21 the plan affecting the land area to be reserved.

22 2. The required reservations are in accordance with definite
23 principles and standards adopted by the board or commission.

24 3. The land area reserved is of such a size and shape as to permit the
25 remainder of the land area of the subdivision within which the reservation is
26 located to develop in an orderly and efficient manner.

27 4. The land area reserved is in such multiples of streets and parcels
28 as to permit an efficient division of the reserved area if it is not acquired
29 within the prescribed period.

30 F. The public agency for whose benefit an area has been reserved has
31 one year after recording the final subdivision plat to enter into an
32 agreement to acquire the reserved land area. The purchase price is the fair
33 market value of the land at the time of the filing of the preliminary
34 subdivision plat plus the taxes against the reserved area from the date of
35 the reservation and any other costs incurred by the subdivider in the
36 maintenance of the reserved area, including interest cost incurred on any
37 loan covering the reserved area.

38 G. If the public agency for whose benefit an area has been reserved
39 does not exercise the reservation agreement within the one year period or an
40 extended period mutually agreed on by the public agency and the subdivider,
41 the reservation of the area terminates.

1 Sec. 80. Section 11-833, Arizona Revised Statutes, is amended to read:
2 11-833. Standards for enactment of moratorium; land
3 development; limitations; definitions

4 A. A county shall not adopt a moratorium on construction or land
5 development unless it first:

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

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

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

14 B. For urban land or land subject to potential urbanization, a
15 moratorium may be justified by demonstration of a need to prevent a shortage
16 of essential public facilities that would otherwise occur during the
17 effective period of the moratorium. This demonstration shall be based on
18 reasonably available information and shall include at least the following
19 findings:

20 1. A showing of the extent of need beyond the estimated capacity of
21 existing essential public facilities expected to result from new land
22 development, including identification of any essential public facilities
23 currently operating beyond capacity and the portion of this capacity already
24 committed to development, or in the case of water resources, a showing that,
25 in an active management area as defined in section 45-402, an assured water
26 supply cannot be provided, or outside an active management area, a sufficient
27 water supply cannot be provided, to the new land development, including
28 identification of current water resources and the portion already committed
29 to development.

30 2. That the moratorium is reasonably limited to those areas of the
31 county where a shortage of essential public facilities would otherwise occur
32 and on property that has not received development approvals based on the
33 sufficiency of existing essential public facilities.

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

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

42 1. For urban land or land subject to potential urbanization:

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

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

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

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

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

14 2. For rural land:

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

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

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

23 (d) That the county proposing the moratorium has developed a work plan
24 and time schedule for achieving the objectives of the moratorium.

25 D. Any moratorium adopted pursuant to this section does not affect any
26 express provision in a development agreement entered into pursuant to section
27 9-500.05 or ~~as defined in section~~ 11-1101 governing the rate, timing and
28 sequencing of development, nor does it affect rights acquired pursuant to a
29 protected development right granted according to chapter 9 of this title or
30 title 9, chapter 11. Any moratorium adopted pursuant to this section shall
31 provide a procedure pursuant to which an individual landowner may apply for a
32 waiver of the moratorium's applicability to its property by claiming rights
33 obtained pursuant to a development agreement, a protected development right
34 or any vested right or by providing the public facilities that are the
35 subject of the moratorium at the landowner's cost.

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

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

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

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

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

5 G. This section does not prevent a city or town from complying with
6 any state or federal law, regulation or order issued in writing by a legally
7 authorized governmental entity.

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

16 I. For the purposes of this section:

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

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

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

28 4. "Rural land" means all property in the unincorporated area of a
29 county or in the incorporated area of the city or town with a population of
30 two thousand nine hundred or less persons.

31 5. "Urban land or land subject to potential urbanization" means all
32 property in the incorporated area of a city or town with a population of more
33 than two thousand nine hundred persons.

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

37 Sec. 81. Section 11-903, Arizona Revised Statutes, is amended to read:
38 11-903. City or town joining or withdrawing from county library
39 district

40 A. After the establishment of a ~~free~~ county FREE library district as
41 provided in this article and title 48, chapter 24, article 1, the governing
42 body of any incorporated city or town in the county may notify the board of
43 supervisors that the city or town desires to become a part of the county free
44 library district, and thereafter the city or town shall be a part thereof and
45 its inhabitants shall be entitled to the benefits of the county free library.

1 B. The governing body of an incorporated city or town in the county
2 ~~may~~ at any time MAY notify the board that the city or town no longer desires
3 to be a part of the county free library district, and thereafter the city or
4 town shall cease to participate in the benefits of the county free library.

5 C. The governing body of an incorporated town or city shall publish
6 once each week for three successive weeks, prior either to giving or to
7 withdrawing such notice, notice of its contemplated action ~~in a newspaper of~~
8 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town,
9 designated by the governing body, giving ~~therein~~ the date, place and time of
10 the meeting at which such action is proposed to be taken.

11 Sec. 82. Section 11-936, Arizona Revised Statutes, is amended to read:

12 11-936. Rules; notice

13 ~~Prior to~~ BEFORE THE final adoption, amendment or repeal by the
14 commission of any rule, the commission shall hold a public hearing ~~thereon~~
15 for the purpose of gaining public acceptance of the adoption, amendment or
16 repeal of the rule. The commission shall publish one notice ~~in a newspaper~~
17 ~~of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county at least
18 twenty days ~~prior to~~ BEFORE the hearing specifying the time and place the
19 hearing will be held, together with the text of the proposed rule or
20 amendment or repeal of a rule. Every rule or amendment or repeal of a rule
21 shall state the date on which it takes effect.

22 Sec. 83. Section 11-1403, Arizona Revised Statutes, is amended to
23 read:

24 11-1403. Request for expressions of interest

25 A. Before entering into an operating agreement, the board of
26 supervisors shall publish, four times ~~in a newspaper of general circulation~~
27 ON A PUBLIC MEDIUM PUBLISHED in the county, a request for expressions of
28 interest from existing nonprofit corporations and others. The request shall
29 include the date on which expressions of interest must be submitted to the
30 board.

31 B. Expressions of interest shall contain the names of parties that
32 wish to enter into the operating agreement and a statement of their ability
33 to comply with the requirements of this chapter.

34 Sec. 84. Section 11-1704, Arizona Revised Statutes, is amended to
35 read:

36 11-1704. Adoption of countywide residential rental property
37 licensing, registration or inspection program;
38 requirements

39 A. A county may adopt a countywide residential rental property
40 inspection program only if the following occurs:

41 1. The county conducts a public hearing and adopts the rental property
42 inspection program ordinance or resolution at a regularly held county board
43 meeting that occurs at least thirty days after the public hearing.

44 2. The ordinance or resolution is adopted by at least a majority vote
45 of the entire board.

1 3. The county notifies all owners of residential rental properties who
2 are then currently registered with the county assessor of the county.

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

5 5. A notice of the public hearing is published ~~in a local newspaper of~~
6 ~~general circulation~~ ON A PUBLIC MEDIUM and posted on any official county
7 website not less than two weeks before the required public hearing.

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

12 C. A county shall not adopt a residential rental registration
13 requirement. A county shall obtain rental registration information only from
14 the county assessor's office.

15 Sec. 85. Section 12-883, Arizona Revised Statutes, is amended to read:

16 12-883. Summons; service and publication

17 ~~Upon~~ ON filing of the complaint described in section 12-882, a summons
18 shall issue, service thereof shall be made and the summons shall also be
19 published ~~in a newspaper~~ ON A PUBLIC MEDIUM in the manner and for the time
20 provided for the service of summons in a civil action by publication, and the
21 action shall proceed as other civil actions.

22 Sec. 86. Section 12-991, Arizona Revised Statutes, is amended to read:

23 12-991. Nuisance; applicability; residential property used for
24 crime; action to abate and prevent; notice;
25 definitions

26 A. Residential property that is regularly used in the commission of a
27 crime is a nuisance, and the criminal activity causing the nuisance shall be
28 enjoined, abated and prevented.

29 B. If there is reason to believe that a nuisance as described in
30 subsection A of this section exists, the attorney general, the county
31 attorney, the city attorney or a resident of a county or city who is affected
32 by the nuisance may bring an action in superior court against the owner, the
33 owner's managing agent or any other party responsible for the property to
34 abate and prevent the criminal activity.

35 C. The court shall not assess a civil penalty against any person
36 unless that person knew or had reason to know of the criminal activity.

37 D. An injunction that is ordered pursuant to this article shall be
38 necessary to protect the health and safety of the public or prevent further
39 criminal activity.

40 E. An order shall not affect the owner's interest in the property
41 unless all of the following apply:

42 1. The owner is a defendant in the action.

43 2. The owner knew of the criminal activity.

44 3. The owner failed to take reasonable, legally available actions to
45 abate the nuisance.

1 F. If the owner, the owner's managing agent or the party responsible
2 for the property knows or has reason to know of the criminal activity and
3 fails to take reasonable, legally available actions to abate the nuisance, a
4 governmental authority may abate the nuisance. The court may assess the
5 owner for the cost of abating the nuisance. On recording with the county
6 recorder in the county in which the property is located, the assessment is
7 prior to all other liens, obligations or encumbrances except for prior
8 recorded mortgages, restitution liens, child support liens and general tax
9 liens. A city, town or county may bring an action to enforce the assessment
10 in the superior court in the county in which the property is located.

11 G. For purposes of this section, an owner, the owner's managing agent
12 or the party responsible for the property is deemed to know or have reason to
13 know of the nuisance if the owner, the owner's managing agent or the party
14 responsible for the property has received notice from a governmental
15 authority of documented reports of criminal offenses occurring on the
16 residential property.

17 H. A law enforcement agency, a city attorney, a county attorney, the
18 attorney general or any other person who is at least twenty-one years of age
19 may serve the notice provided for in subsection G of this section, either
20 personally or by certified mail. If personal service or service by certified
21 mail cannot be completed or the address of the person to be notified is
22 unknown, notice may be served by publishing the notice three times within ten
23 consecutive days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
24 PUBLISHED in the county in which the property is located. In all cases a
25 copy of the notice shall be posted on the premises where the nuisance exists.

26 I. The notice shall be printed in at least twelve-point type in
27 substantially the following form:

28 Notice

29 This is formal notice that the property at (insert address
30 and unit number if applicable) has had (insert number of)
31 arrests or (insert number of) documented reports of alleged
32 criminal activity and is considered a nuisance under section
33 12-991, Arizona Revised Statutes. A copy of the police report
34 numbers is attached. Police reports are available at (insert
35 applicable police agency).

36 Within five business days you must begin to take action
37 that is legally available to you to abate the nuisance from the
38 property. If you fail to do so, a restraining order to abate
39 and prevent continuing or recurring criminal activity will be
40 pursued.

41 If you fail to cooperate to abate the nuisance, the
42 appropriate authorities will abate the nuisance and their costs
43 will be a lien on the property.

44 You may contact (local agency) in order to obtain
45 information on how to abate the nuisance.

1 J. For the purposes of this article:

2 1. "Owner" means a person or persons or a legal entity listed as the
3 current title holder as recorded in the official records of the county
4 recorder in the county in which the title is recorded.

5 2. "Owner's managing agent" means a person, corporation, partnership
6 or limited liability company that is authorized by the owner to operate and
7 manage the property.

8 Sec. 87. Section 12-1145, Arizona Revised Statutes, is amended to
9 read:

10 12-1145. Notice of proceedings; effect of filing notice

11 A. Notice of the action shall be given by one publication ~~in a~~
12 ~~newspaper having a general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each
13 county in which any part of the property sought to be condemned is
14 located. The notice shall be published at least twenty and not more than
15 thirty days ~~prior to~~ BEFORE the date set for the hearing on the validity of
16 the proceedings. The notice shall be in substantially the following form:

17 "TO WHOM IT MAY CONCERN:

18 Notice is hereby given that _____ (here insert name of
19 plaintiff) has filed a complaint in the above court under the laws relating
20 to the condemnation of real property for public works projects to acquire by
21 condemnation for _____ (here give brief general description of the
22 public works project for which the land is sought to be acquired), the
23 following described land:

24 (Here describe the land sufficiently for identification thereof. The
25 description may be by a plat or map.)

26 Notice is further given that on _____ (here insert date of
27 hearing, which must be at least twenty days and not more than thirty days
28 after the date of publication) there will be a hearing in this court, at the
29 opening thereof, for the following purposes:

30 1. To determine the validity of the action and the right of plaintiff,
31 if it so elects, to take title to and possession of such property prior to
32 final judgment, as authorized by section 12-1155, and any persons having an
33 interest in or lien upon the above described property shall be deemed to have
34 waived their rights thereafter to object to the court's decision with respect
35 to such issue, unless prior to that date they have filed in writing with the
36 clerk of the court their objection thereto.

37 2. To consider the appointment of a special master to determine the
38 compensation to be awarded for such property and the persons entitled
39 thereto, unless written demand for a jury is filed with the court before the
40 date of hearing, in which event the compensation to be awarded to the person
41 filing such demand shall be ascertained by jury trial and not by special
42 master.

43 3. Fixing the date and place at which the special master will hear and
44 determine the compensation to be paid for such property and the person
45 entitled thereto.

1 Notice is further given that all claims or demands for compensation
2 because of the taking and condemnation of such property shall be filed with
3 the above court before _____ (here insert a date fifteen days after
4 the date above specified for the court hearing), or the compensation will be
5 deemed waived.

6 Dated the _____ day of _____
7 _____

8 Clerk of the court"

9 B. Notice of the action shall also be given:

10 1. By posting a copy of the notice in conspicuous places on the real
11 property sought to be condemned.

12 2. By filing a copy of the notice in the office of the clerk of the
13 court in which such proceedings are pending.

14 3. By filing, in the same manner as lis pendens is filed, a copy of
15 the notice in the office of the county recorder in each county in which any
16 part of the real property is located.

17 C. The publication, posting and filing shall constitute legal and
18 sufficient notice of the action to all persons having any interest in or lien
19 ~~upon~~ ON the property described in the notice. Filing of the notice in the
20 office of the county recorder shall be constructive notice of the proceedings
21 to all persons who subsequently acquired an interest in or lien ~~upon~~ ON the
22 property, and plaintiff shall take all property condemned under this article
23 free of the claims of such persons.

24 Sec. 88. Section 12-1212, Arizona Revised Statutes, is amended to
25 read:

26 12-1212. Unknown owner: notice and service by publication;
27 protection of rights in decree

28 A. If THE plaintiff makes AN affidavit that an undivided portion of
29 the land described in the complaint is owned by some person unknown to THE
30 affiant, a summons shall be issued to the unknown owner. The summons shall
31 contain a brief statement of the nature of the action and a description of
32 the interest of the unknown owner, and shall command him to appear and answer
33 as in ordinary cases.

34 B. The summons shall be served by publication ~~in some newspaper~~ ON A
35 PUBLIC MEDIUM PUBLISHED in the county where the summons issues, if a
36 ~~newspaper~~ PUBLIC MEDIUM is published in the county. ~~If no newspaper is~~
37 ~~published in the county, publication shall be made in the nearest county in~~
38 ~~which a newspaper is published, for four successive weeks.~~

39 C. If no appearance is entered within the time set forth in the
40 summons, the court shall proceed as in other cases where service is made by
41 publication.

42 D. The court shall in its decree protect the rights of the unknown
43 owner.

1 Sec. 89. Section 12-1621, Arizona Revised Statutes, is amended to
2 read:

3 12-1621. Notice of sale; perishable, personal and real
4 property; posting, publication and place of sale

5 A. Notice of sale under execution shall be made as follows:

6 1. For the sale of perishable personal property, written notice of the
7 time and place of sale shall be posted in three public places, two of which
8 shall be in the precinct and one at or near the door of the courthouse of the
9 county in which the sale is to take place, for such period of time before the
10 sale as is reasonable, considering the character and condition of the
11 property.

12 2. For the sale of personal property other than that which is
13 perishable, a posting similar to that provided in paragraph 1 of this
14 subsection shall be made for not less than ten days successively before the
15 day of sale.

16 3. For the sale of real property, notice shall be given by posting
17 notices for not less than fifteen days successively before the day of sale in
18 three public places in the county, one of which shall be at or near the
19 courthouse door, and publishing a copy thereof ~~in a newspaper~~ ON A PUBLIC
20 MEDIUM for three weeks before the day of sale.

21 B. The notices shall note the judgment, parties, amount and court in
22 which the judgment was rendered, and particularly describe the property to be
23 sold, and, for real property to be sold, shall include the legal description
24 of the property and the street address if any, or identifiable location of
25 the property. Failure to accurately describe within any such notice either
26 the street address or the identifiable location of the real property to be
27 sold shall not be grounds for invalidating any such sale if the correct legal
28 description of the real property to be sold was noted. A notice for sale of
29 real property required by subsection A, paragraph 3 OF THIS SECTION shall
30 include a notice in substantially the following form:

31 Notice to Judgment Debtor

32 Title 33, chapter 8, article 1, ~~of the~~ Arizona Revised Statutes, may
33 permit you to protect your residence from certain types of legal process
34 through the homestead exemption.

35 If you are in doubt as to your rights, you should obtain legal advice.

36 C. Real property shall be sold at or near the courthouse door of the
37 county where the property is situated. Personal property shall be sold on
38 the premises where it is taken in execution, at the courthouse door of the
39 county or at some other place more convenient for exhibiting the property to
40 purchasers if necessitated by the nature of the property.

1 Sec. 90. Section 13-4202, Arizona Revised Statutes, is amended to
2 read:

3 13-4202. Void contracts; crime victim accounts; establishment;
4 notice to victims; exceptions; civil liability;
5 definition

6 A. Every contract, whether written or oral, express or implied, with
7 an accused with respect to the reenactment, description or depiction of a
8 crime by movie, book, article, radio or television presentation, internet or
9 ~~on-line~~ ONLINE presentation or depiction, live entertainment or expression of
10 thoughts, feelings, opinions or emotions is contrary to public policy and
11 void unless the contract provides for payment to the commission of any monies
12 that would be paid to the accused for such information or rights.

13 B. The commission shall deposit the monies received pursuant to
14 subsection A OF THIS SECTION from the contracts or agreements of each
15 accused, for each crime committed by the accused, in a separate account
16 designated as a crime victim account. The money shall be distributed as
17 determined by the commission to any victim of the crime committed by the
18 accused if both of the following apply:

19 1. The accused is convicted of or adjudicated delinquent for the
20 crime.

21 2. The victim, within five years after the date of establishment of
22 the account, applies to the commission for compensation and demonstrates by
23 sufficient reliable evidence, as determined by the commission, that the
24 victim has suffered a loss resulting from such crime and the amount of such
25 loss.

26 C. The commission, at least once every year for five years from the
27 date of receipt of monies pursuant to subsection B OF THIS SECTION, shall
28 publish a legal notice ~~in a newspaper of general circulation~~ ON A PUBLIC
29 MEDIUM PUBLISHED in the county in which the crime was committed and in
30 counties contiguous to such county advising all victims for which monies have
31 been received that funds are available to satisfy money judgments pursuant to
32 this section. The notice shall identify the accused, describe the criminal
33 act involved and the proceedings against the accused and state the procedure
34 to be followed for recovery of monies pursuant to subsection B OF THIS
35 SECTION. ~~No~~ Reference to the identity of the victim shall NOT be made. The
36 commission, in its discretion, may provide for such additional notice as it
37 deems necessary.

38 D. On disposition of charges favorable to an accused, the commission
39 shall immediately pay any monies in the account owing to such person.

40 E. After five years have elapsed following the establishment of the
41 account pursuant to subsection B OF THIS SECTION and on a showing that no
42 applications for compensation are pending pursuant to this section, the
43 commission shall immediately pay any monies in the account to the state
44 general fund.

1 F. For the purposes of this section, a person who is found guilty
2 except insane pursuant to rule 23.2, Arizona rules of criminal procedure, is
3 deemed to be a convicted person.

4 G. If it is found, pursuant to rule 11, Arizona rules of criminal
5 procedure, that a person who is accused of a crime is unfit to proceed as a
6 result of a mental illness or defect because the person lacks the capacity to
7 understand the proceedings against the person or to assist in the person's
8 own defense, the commission shall bring an action of interpleader pursuant to
9 rule 22, Arizona rules of civil procedure, to determine disposition of the
10 escrow account.

11 H. Notwithstanding any law to the contrary, the five-year period
12 provided for in subsection B **OF THIS SECTION** does not begin to run until an
13 account is established.

14 I. Notwithstanding subsections B through F **OF THIS SECTION**, the
15 commission shall make payments from the account to any accused on the order
16 of a court of competent jurisdiction after a showing by the accused that the
17 money will be used for the sole purpose of retaining legal representation at
18 any stage of the proceedings against the accused.

19 J. An action taken by any person, whether by execution of a power of
20 attorney, **BY** creation of a corporate entity or otherwise, to defeat the
21 purpose of this section shall be null and void as against the public policy
22 of this state.

23 K. The cost of administering the account and monies in the account
24 shall be reimbursed to the industrial commission from the account.

25 L. Any person who enters into a contract described in subsection A **OF**
26 **THIS SECTION** that does not comply with this section shall be liable to the
27 state for deposit in the crime victim account of an amount equal to all
28 monies paid or received, including monies paid to or received by another
29 person by execution of a power of attorney, **BY** creation of a corporate entity
30 or otherwise, which **execution** was done to defeat the purposes of this
31 section.

32 M. For the purposes of this section, "loss" includes the value of any
33 property damaged, destroyed or taken, the cost of medical treatment or
34 counseling, lost wages and any other damage suffered as a result of the
35 crime.

36 Sec. 91. Section 13-4307, Arizona Revised Statutes, is amended to
37 read:

38 **13-4307. Notice of pending forfeiture**

39 Whenever notice of pending forfeiture is required under this chapter,
40 it shall be given or provided in one of the following ways and is effective
41 at the time of personal service, publication or the mailing of written
42 notice, whichever is earlier:

43 1. If the owner's or interest holder's name and current address are
44 known, by either:

45 (a) Personal service.

1 (b) Mailing a copy of the notice by certified mail to the address.

2 2. If the owner's or interest holder's interest is required by law to
3 be on record with a county recorder's office, the secretary of state, the
4 department of transportation motor vehicle division, the game and fish
5 department, ~~or another state or federal licensing agency~~ in order to perfect
6 an interest in the property, but his current address is not known, by mailing
7 a copy of the notice by certified mail to any address on the record.

8 3. If the owner's or interest holder's address is not known, ~~and is~~
9 not on record as provided in paragraph 2 **OF THIS SECTION**, or if his interest
10 is not known, by publication ~~in one issue of a newspaper of general~~
11 ~~circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the county in which the seizure
12 occurs.

13 Sec. 92. Section 14-1401, Arizona Revised Statutes, is amended to
14 read:

15 **14-1401. Notice; method and time of giving**

16 A. If notice of a hearing on any petition is required and except for
17 specific notice requirements as otherwise provided, the petitioner shall
18 cause notice of the time and place of hearing of any petition to be given to
19 any interested person or his attorney if he has appeared by attorney or
20 requested that notice be sent to his attorney. Notice shall be given either:

21 1. By mailing a copy thereof at least fourteen days before the time
22 set for the hearing by certified, registered or ordinary first class mail
23 addressed to the person being notified at the post office address given in
24 his demand for notice, if any, or at his office or place of residence, if
25 known.

26 2. By delivering a copy thereof to the person being notified
27 personally at least fourteen days before the time set for the hearing.

28 3. If the address or identity of any person is not known and cannot be
29 ascertained with reasonable diligence, or when otherwise required under this
30 title, by publishing at least three times ~~prior to~~ **BEFORE** the date set for
31 the hearing a copy ~~thereof in a newspaper having general circulation~~ **OF THE**
32 **NOTICE ON A PUBLIC MEDIUM PUBLISHED** in the county where the hearing is to be
33 held, the first publication of which is to be at least fourteen days before
34 the hearing.

35 B. The court for good cause shown may provide for a different method
36 or time of giving notice for any hearing.

37 C. Proof of the giving of notice shall be made at or before the
38 hearing and filed in the proceeding.

39 Sec. 93. Section 14-3801, Arizona Revised Statutes, is amended to
40 read:

41 **14-3801. Notice to creditors**

42 A. Unless notice has already been given under this section, at the
43 time of appointment a personal representative shall publish a notice to
44 creditors once a week for three successive weeks ~~in a newspaper of general~~
45 ~~circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the county announcing the

1 appointment and the personal representative's address and notifying creditors
2 of the estate to present their claims within four months after the date of
3 the first publication of the notice or be forever barred.

4 B. A personal representative shall give written notice by mail or
5 other delivery to all known creditors, notifying the creditors of the
6 personal representative's appointment. The notice shall also notify all
7 known creditors to present the creditor's claim within four months after the
8 published notice, if notice is given as provided in subsection A **OF THIS**
9 **SECTION**, or within sixty days after the mailing or other delivery of the
10 notice, whichever is later, or be forever barred. A written notice shall be
11 the notice described in subsection A **OF THIS SECTION** or a similar notice.

12 C. The personal representative is not liable to a creditor or to a
13 successor of the decedent for giving or failing to give notice under this
14 section.

15 Sec. 94. Section 15-213, Arizona Revised Statutes, is amended to read:

16 **15-213. Procurement practices of school districts and charter**
17 **schools; definitions**

18 A. The state board of education shall adopt rules prescribing
19 procurement practices for all school districts in this state as follows:

20 1. The state board shall submit to the auditor general proposed rules
21 consistent with the procurement practices prescribed in title 41, chapter 23,
22 modifying the provisions for public notice of invitation for bids, requests
23 for proposals and requests for qualifications to allow a governing board to
24 give public notice of the invitation for bids, requests for proposals and
25 requests for qualifications by publication ~~in the official newspaper of~~ **ON A**
26 **PUBLIC MEDIUM PUBLISHED IN** the county as ~~defined~~ **PRESCRIBED** in section
27 11-255, modifying the provisions relating to disposal of materials to comply
28 with section 15-342, paragraph 18, providing for governing board delegation
29 of procurement authority and modifying as necessary other provisions that the
30 state board determines are not appropriate for school districts. The rules
31 shall include provisions specifying that school districts are not required to
32 engage in competitive bidding in order to make the decision to participate in
33 programs pursuant to section 15-382 and that a program authorized by section
34 15-382 is not required to engage in competitive bidding for the services
35 necessary to administer the program or for purchase of insurance or
36 reinsurance. The rules shall include provisions specifying that school
37 districts are not required to engage in competitive bidding in order to place
38 a pupil in a private school that provides special education services if such
39 placement is prescribed in the pupil's individualized education program and
40 the private school has been approved by the department of education division
41 of special education pursuant to section 15-765, subsection D. This
42 placement is not subject to rules adopted by the state board of education
43 before November 24, 2009 pursuant to this section. The rules for procurement
44 of construction projects shall include provisions specifying that surety
45 bonds furnished as bid security and performance and payment bonds shall be

1 executed and furnished as required by title 34, chapter 2 or 6, as
2 applicable. The rules shall specify the total cost of a procurement that is
3 subject to invitations for bids, requests for proposals and requests for
4 clarification, using the aggregate dollar amount limits for procurements
5 prescribed in section 41-2535.

6 2. The state board of education shall adopt rules for procurements
7 involving construction not exceeding one hundred fifty thousand dollars,
8 which shall be known as the simplified school construction procurement
9 program. At a minimum, the rules for a simplified construction procurement
10 program shall require that:

11 (a) A list be maintained by each county school superintendent of
12 persons who desire to receive solicitations to bid on construction projects
13 to which additions shall be permitted throughout the year.

14 (b) The list of persons be available for public inspection.

15 (c) A performance bond and a payment bond as required by this section
16 be provided for contracts for construction by contractors.

17 (d) All bids for construction be opened at a public opening and the
18 bids shall remain confidential until the public opening.

19 (e) All persons desiring to submit bids be treated equitably and the
20 information related to each project be available to all eligible persons.

21 (f) Competition for construction projects under the simplified school
22 construction procurement program be encouraged to the maximum extent
23 possible. At a minimum, a school district shall submit information on each
24 project to all persons listed with the county school superintendent by any
25 school district within that county.

26 (g) A provision, covenant, clause or understanding in, collateral to
27 or affecting a construction contract that makes the contract subject to the
28 laws of another state or that requires any litigation, arbitration or other
29 dispute resolution proceeding arising from the contract to be conducted in
30 another state is against this state's public policy and is void and
31 unenforceable.

32 3. The state board of education shall adopt rules for the procurement
33 of goods and information services by school districts and charter schools
34 using electronic, online bidding. The rules adopted by the state board shall
35 include the use of reverse auctions and shall be consistent with the
36 procurement practices prescribed in title 41, chapter 23, article 13,
37 modifying as necessary those provisions and the rules adopted pursuant to
38 that article that the state board determines are not appropriate for school
39 districts and charter schools. Until the rules are adopted, school districts
40 and charter schools may procure goods and information services pursuant to
41 title 41, chapter 23, article 13 using the rules adopted by the department of
42 administration in implementing that article.

43 4. The auditor general shall review the proposed rules to determine
44 whether the rules are consistent with the procurement practices prescribed in

1 title 41, chapter 23 and any modifications are required to adapt the
2 procedures for school districts.

3 5. If the auditor general approves the proposed rules, the auditor
4 general shall notify the state board in writing and the state board shall
5 adopt such rules.

6 6. If the auditor general objects to the proposed rules, the auditor
7 general shall notify the state board of the objections in writing and the
8 state board, in adopting the rules, shall conform the proposed rules to meet
9 the objections of the auditor general or revise the proposed rules to which
10 an objection has been made and submit the revisions to the auditor general
11 for approval.

12 B. After the bids submitted in response to an invitation for bids are
13 opened and the award is made or after the proposals or qualifications are
14 submitted in response to a request for proposals or a request for
15 qualifications and the award is made, the governing board shall make
16 available for public inspection all information, all bids, proposals and
17 qualifications submitted and all findings and other information considered in
18 determining whose bid conforms to the invitation for bids and will be the
19 most advantageous with respect to price, conformity to the specifications and
20 other factors or whose proposal or qualifications are to be selected for the
21 award. The invitation for bids, request for proposals or request for
22 qualifications shall include a notice that all information and bids,
23 proposals and qualifications submitted will be made available for public
24 inspection. The rules adopted by the state board shall prohibit the use in
25 connection with procurement of specifications in any way proprietary to one
26 supplier unless the specification includes all of the following:

27 1. A statement of the reasons why no other specification is
28 practicable.

29 2. A description of the essential characteristics of the specified
30 product.

31 3. A statement specifically permitting an acceptable alternative
32 product to be supplied.

33 C. No project or purchase may be divided or sequenced into separate
34 projects or purchases in order to avoid the limits prescribed by the state
35 board under subsection A of this section.

36 D. A contract for the procurement of construction or construction
37 services shall include a provision that provides for negotiations between the
38 school district and the contractor for the recovery of damages related to
39 expenses incurred by the contractor for a delay for which the school district
40 is responsible, that is unreasonable under the circumstances and that was not
41 within the contemplation of the parties to the contract. This subsection
42 shall not be construed to void any provision in the contract that requires
43 notice of delays, provides for arbitration or any other procedure for
44 settlement or provides for liquidated damages.

1 E. The auditor general may conduct discretionary reviews,
2 investigations and audits of the financial and operational procurement
3 activities of school districts, nonexempt charter schools and school
4 purchasing cooperatives. The auditor general has final review and approval
5 authority over all school district, nonexempt charter school and school
6 purchasing cooperative audit contracts and any audit reports issued in
7 accordance with this section.

8 F. In addition to the requirements of sections 15-914 and 15-914.01,
9 school districts, nonexempt charter schools and school purchasing
10 cooperatives, in connection with any audit conducted by a certified public
11 accountant, shall contract for a systematic review of purchasing practices
12 using methodology consistent with sampling guidelines established by the
13 auditor general. The auditor general shall consider cost when establishing
14 guidelines pursuant to this subsection and to the extent possible shall
15 attempt to minimize the cost of the review. The purpose of the review is to
16 determine whether the school district, nonexempt charter school or school
17 purchasing cooperative is in compliance with the procurement laws and
18 applicable procurement rules of this state. A copy of the review shall be
19 submitted on completion to the auditor general. The auditor general may
20 conduct discretionary reviews of school districts, nonexempt charter schools
21 and school purchasing cooperatives not required to contract for independent
22 audits.

23 G. The attorney general or county attorney has jurisdiction to enforce
24 this section. The attorney general or county attorney may seek relief for
25 any violation of this section through an appropriate civil or criminal action
26 in superior court, including an action to enjoin a threatened or pending
27 violation of this section and including an action to enforce compliance with
28 any request for documents made by the auditor general pursuant to this
29 section.

30 H. The department of education shall enact policies and procedures for
31 the acceptance and disposition of complaints from the public regarding school
32 procurement practices and shall forward all school procurement complaints to
33 the attorney general. Notwithstanding rules adopted by the state board,
34 school districts shall not be required to prepare or submit an annual report
35 on the benefits associated with the use of construction-manager-at-risk,
36 design-build, qualified select bidders list and job-order-contracting
37 methods.

38 I. The state board of education shall adopt, and the auditor general
39 shall review, rules authorizing school districts to procure construction
40 services by construction-manager-at-risk, design-build, qualified select
41 bidders list and job-order-contracting methods of project delivery. The
42 rules shall not require school districts to obtain bid security for the
43 construction-manager-at-risk method of project delivery.

44 J. A school district or charter school may evaluate United States
45 general services administration contracts for materials and services. The

1 governing board or governing body may authorize purchases under a current
2 contract for materials or services without complying with the requirements of
3 the procurement rules adopted by the state board of education if the
4 governing board or governing body determines in writing that all of the
5 following apply:

6 1. The price for materials or services is equal to or less than the
7 contractor's current federal supply contract price with the general services
8 administration.

9 2. The contractor has indicated in writing that the contractor is
10 willing to extend the current federal supply contract pricing, terms and
11 conditions to the school district or charter school.

12 3. The purchase order adequately identifies the federal supply
13 contract on which the order is based.

14 4. The purchase contract is cost effective and is in the best
15 interests of the school district or charter school.

16 K. Unless otherwise provided by law, multiterm contracts for materials
17 or services and contracts for job-order-contracting construction services may
18 be entered into if the duration of the contract and the conditions of renewal
19 or extension, if any, are included in the invitation for bids or the request
20 for proposals and if monies are available for the first fiscal period at the
21 time the contract is executed. The duration of contracts for materials or
22 services and contracts for job-order-contracting construction services shall
23 be limited to no more than five years unless the governing board determines
24 in writing before the procurement solicitation is issued that a contract of
25 longer duration would be advantageous to the school district. Payment and
26 performance obligations for succeeding fiscal periods are subject to the
27 availability and appropriation of monies.

28 L. Notwithstanding the rules adopted by the state board of
29 education, the maximum dollar amount of an individual job order for
30 job-order-contracting construction services shall be one million dollars or a
31 higher or lower amount prescribed by the governing board in a policy adopted
32 in a public meeting held pursuant to title 38, chapter 3, article 3.1.
33 Requirements shall not be artificially divided or fragmented in order to
34 constitute a job order that satisfies the requirements of this subsection.

35 M. For the purposes of this section:

36 1. "Nonexempt charter school" means a charter school that is not
37 exempted from procurement laws pursuant to section 15-183, subsection E,
38 paragraph 6.

39 2. "School purchasing cooperative" means an entity engaged in
40 cooperative purchasing as defined in section 41-2631.

41 3. "Total cost" means the cost of all materials and services,
42 including the cost of labor performed by employees of the school district,
43 for all construction as provided in subsection A of this section.

1 Sec. 95. Section 15-241, Arizona Revised Statutes, is amended to read:

2 15-241. School and school district accountability; failing
3 schools tutoring fund; classification label for
4 school districts and charter school operators

5 A. The department of education shall compile an annual achievement
6 profile for each public school and school district.

7 B. Each school and school district shall submit to the department any
8 data that is required and requested and that is necessary to compile the
9 achievement profile. A school or school district that fails to submit the
10 information that is necessary is not eligible to receive monies from the
11 classroom site fund established by section 15-977.

12 C. The department shall establish a baseline achievement profile for
13 each school and school district. The baseline achievement profile shall be
14 used to determine a standard measurement of acceptable academic progress for
15 each school and school district and a school and school district
16 classification pursuant to subsection H of this section. Any disclosure of
17 educational records compiled by the department of education pursuant to this
18 section shall comply with the family educational rights and privacy act of
19 1974 (20 United States Code section 1232g).

20 D. The achievement profile for schools and school districts that offer
21 instruction in kindergarten programs and grades one through eight, or any
22 combination of those programs or grades, shall include the following school
23 academic performance indicators:

24 1. The Arizona measure of academic progress. The department shall
25 compute the extent of academic progress made by the pupils in each school and
26 school district during the course of each year.

27 2. The Arizona instrument to measure standards test. The department
28 shall compute the percentage of pupils who meet or exceed the standard on the
29 Arizona instrument to measure standards test, as prescribed by the state
30 board of education. The superintendent of public instruction and the
31 department may calculate academic gain on the Arizona instrument to measure
32 standards test according to each of the school classifications prescribed in
33 subsection G of this section on a statewide basis, for each school district
34 in this state and for each school by determining the average scale scores for
35 students in the current academic year as compared to the average scale scores
36 for the previous academic year for the same students.

37 3. The results of English language learners tests administered
38 pursuant to section 15-756, subsection B, section 15-756.05 and section
39 15-756.06.

40 E. The achievement profile for schools and school districts that offer
41 instruction in grades nine through twelve, or any combination of those
42 grades, shall include the following school academic performance indicators:

43 1. The Arizona measure of academic progress. The department shall
44 compute the extent of academic progress made by the pupils at each school.

1 2. The Arizona instrument to measure standards test. The department
2 shall compute the percentage of pupils pursuant to subsection G of this
3 section who meet or exceed the standard on the Arizona instrument to measure
4 standards test, as prescribed by the state board of education. The
5 superintendent of public instruction and the department may calculate
6 academic gain on the Arizona instrument to measure standards test according
7 to each of the school classifications prescribed in subsection G of this
8 section on a statewide basis, for each school district in this state and for
9 each school by determining the average scale scores for students in the
10 current academic year as compared to the average scale scores for the
11 previous academic year for the same students.

12 3. The annual dropout rate.

13 4. The annual graduation rate.

14 5. The results of English language learners tests administered
15 pursuant to section 15-756, subsection B, section 15-756.05 and section
16 15-756.06.

17 F. Schools and school districts that offer instruction in all or a
18 combination of the grades specified in subsections D and E of this section
19 shall include a single achievement profile for that school and school
20 district that includes the school academic performance indicators specified
21 in subsections D and E of this section.

22 G. Subject to final adoption by the state board of education, the
23 department shall determine the criteria for each school and school district
24 classification using a research based methodology. The methodology shall
25 include the performance of pupils at all achievement levels, account for
26 pupil mobility, account for the distribution of pupil achievement at each
27 school and school district and include longitudinal indicators of academic
28 performance. Fifty per cent of the school and school district classification
29 determination shall consist of academic performance measurements. Fifty per
30 cent of the academic performance measurement shall consist of a measurement
31 of academic gain for all pupils enrolled at the school or school district and
32 fifty per cent of the academic performance measurements shall consist of a
33 measurement of the twenty-five per cent of pupils with the lowest academic
34 performance measurement enrolled at the school or school district. For the
35 purposes of this subsection, "research based methodology" means the
36 systematic and objective application of statistical and quantitative research
37 principles to determine a standard measurement of acceptable academic
38 progress for each school and school district.

39 H. Except as provided in subsection EE of this section, the
40 achievement profile shall be used to determine a school and school district
41 classification that uses a letter grade system as follows:

42 1. A school or school district assigned a letter grade of A shall
43 demonstrate an excellent level of performance.

44 2. A school or school district assigned a letter grade of B shall
45 demonstrate an above average level of performance.

1 3. A school or school district assigned a letter grade of C shall
2 demonstrate an average level of performance.

3 4. A school or school district assigned a letter grade of D shall
4 demonstrate a below average level of performance.

5 5. A school or school district assigned a letter grade of F shall
6 demonstrate a failing level of performance. The state board of education may
7 also assign a school a letter grade of F if the state board of education
8 determines that the school is among the "persistently lowest-achieving
9 schools" in the state under the federal school accountability requirements
10 pursuant to section 1003(g) of the elementary and secondary education act (20
11 United States Code section 6303).

12 I. The classification for each school and the criteria used to
13 determine classification pursuant to subsection G of this section shall be
14 included on the school report card prescribed in section 15-746.

15 J. Subject to final adoption by the state board of education, the
16 department of education shall develop a parallel achievement profile for
17 accommodation schools, alternative schools as defined by the state board of
18 education and extremely small schools as defined by the state board of
19 education for the purposes of this section.

20 K. If a school is assigned a letter grade of D, within ninety days
21 after receiving notice of the designation, the governing board shall develop
22 an improvement plan for the school, submit a copy of the plan to the
23 superintendent of public instruction and the county educational service
24 agency and supervise the implementation of the plan. The plan shall include
25 necessary components as identified by the state board of education. Within
26 thirty days after submitting the improvement plan to the superintendent of
27 public instruction and the county educational service agency, the governing
28 board shall hold a special public meeting in each school that has been
29 assigned a letter grade of D and shall present the respective improvement
30 plans that have been developed for each school. The school district
31 governing board, within thirty days of receiving notice of the designation,
32 shall provide written notification of the classification to each residence
33 within the attendance area of the school. The notice shall explain the
34 improvement plan process and provide information regarding the public meeting
35 required by this subsection.

36 L. A school that has not submitted an improvement plan pursuant to
37 subsection K of this section is not eligible to receive monies from the
38 classroom site fund established by section 15-977 for every day that a plan
39 has not been received by the superintendent of public instruction within the
40 time specified in subsection K of this section plus an additional ninety
41 days. The state board of education shall require the superintendent of the
42 school district to testify before the board and explain the reasons that an
43 improvement plan for that school has not been submitted.

44 M. If a charter school is assigned a letter grade of D, within thirty
45 days the school shall notify the parents of the students attending the school

1 of the classification. The notice shall explain the improvement plan process
 2 and provide information regarding the public meeting required by this
 3 subsection. Within ninety days of receiving the classification, the charter
 4 holder shall present an improvement plan to the charter sponsor at a public
 5 meeting and submit a copy of the plan to the superintendent of public
 6 instruction. The improvement plan shall include necessary components as
 7 identified by the state board of education. For every day that an
 8 improvement plan is not received by the superintendent of public instruction
 9 and the county educational service agency, the school is not eligible to
 10 receive monies from the classroom site fund established by section 15-977 for
 11 every day that a plan has not been received by the superintendent of public
 12 instruction within the time specified in subsection K of this section plus an
 13 additional ninety days. The charter holder shall appear before the
 14 sponsoring board and explain why the improvement plan has not been submitted.

15 N. The department of education shall establish an appeals process, to
 16 be approved by the state board of education, for a school to appeal data used
 17 to determine the achievement profile of the school. The criteria established
 18 shall be based on mitigating factors and may include a visit to the school
 19 site by the department of education.

20 O. If a school is assigned a letter grade of D for a third consecutive
 21 year, the department of education shall visit the school site to confirm the
 22 classification data and to review the implementation of the school's
 23 improvement plan. The school shall be assigned a letter grade of F unless an
 24 alternate letter grade is assigned after an appeal pursuant to subsection N
 25 of this section. A school that is assigned a letter grade of D for less than
 26 three consecutive years may also be assigned a letter grade of F if the state
 27 board of education determines that there is no reasonable likelihood that the
 28 school will achieve an average level of performance within the next two
 29 years.

30 P. The school district governing board, within thirty days of
 31 receiving notice of the school being assigned a letter grade of F, shall
 32 provide written notification of the classification to each residence in the
 33 attendance area of the school. The notice shall explain the improvement plan
 34 process and provide information regarding the public meeting required by
 35 subsection S of this section.

36 Q. The superintendent of public instruction in collaboration with the
 37 county educational service agency, based on need, shall assign a solutions
 38 team to a school assigned a letter grade of D, a school assigned a letter
 39 grade of F or any other school pursuant to a mutual agreement between the
 40 department of education and the school ~~comprised~~ COMPOSED of master teachers,
 41 fiscal analysts and curriculum assessment experts who are certified by the
 42 state board of education as Arizona academic standards technicians. The
 43 department of education or the county educational service agency may hire or
 44 contract with administrators, principals and teachers who have demonstrated
 45 experience with the characteristics and situations in a school assigned a

1 letter grade of D or F and may use these personnel as part of the solutions
2 team. The department of education shall work with staff at the school to
3 assist in curricula alignment and shall instruct teachers on how to increase
4 pupil academic progress, considering the school's achievement profile. The
5 solutions team shall consider the existing improvement plan to assess the
6 need for changes to curriculum, professional development and resource
7 allocation and shall present a statement of its findings to the school
8 administrator and district superintendent. Within forty-five days after the
9 presentation of the solutions team's statement of findings, the school
10 district governing board, in cooperation with each school within the school
11 district that is assigned a letter grade of D and its assigned solutions team
12 representative, shall develop and submit to the department of education and
13 the county educational service agency an action plan that details the manner
14 in which the school district will assist the school as the school
15 incorporates the findings of the solutions team into the improvement plan.
16 The department of education shall review the action plan and shall either
17 accept the action plan or return the action plan to the school district for
18 modification. If the school district does not submit an approved action plan
19 within forty-five days, the state board of education may direct the
20 superintendent of public instruction to withhold up to ten per cent of state
21 monies that the school district would otherwise be entitled to receive each
22 month until the plan is submitted to the department of education and the
23 county educational service agency, at which time those monies shall be
24 returned to the school district.

25 R. The parent or the guardian of the pupil may apply to the department
26 of education, in a manner determined by the department of education, for a
27 certificate of supplemental instruction from the failing schools tutoring
28 fund established by this section. Pupils attending a school assigned a
29 letter grade of D or F or a pupil who has failed to pass one or more portions
30 of the Arizona instrument to measure standards test in grades eight through
31 twelve in order to graduate from high school may select an alternative
32 tutoring program in academic standards from a provider that is certified by
33 the state board of education. To qualify, the provider must state in writing
34 a level of academic improvement for the pupil that includes a timeline for
35 improvement that is agreed to by the parent or guardian of the pupil. The
36 state board of education shall annually review academic performance levels
37 for providers certified pursuant to this subsection and may remove a provider
38 at a public hearing from an approved list of providers if that provider fails
39 to meet its stated level of academic improvement. The state board of
40 education shall determine the application guidelines and the maximum value
41 for each certificate of supplemental instruction. The state board of
42 education shall annually complete a market survey in order to determine the
43 maximum value for each certificate of supplemental instruction. This
44 subsection shall not be construed to require the state to provide additional

1 monies beyond the monies provided pursuant to section 42-5029, subsection E,
2 paragraph 7.

3 S. Within sixty days of receiving notification of a school being
4 assigned a letter grade of F, the school district governing board shall
5 evaluate needed changes to the existing improvement plan for the school,
6 consider recommendations from the solutions team, submit a copy of the plan
7 to the superintendent of public instruction and the county educational
8 service agency and supervise the implementation of the plan. Within thirty
9 days after submitting the improvement plan to the superintendent of public
10 instruction, the governing board shall hold a public meeting in each school
11 that has been assigned a letter grade of F and shall present the respective
12 improvement plans that have been developed for each school.

13 T. A school that has not submitted an improvement plan pursuant to
14 subsection S of this section is not eligible to receive monies from the
15 classroom site fund established by section 15-977 for every day that a plan
16 has not been received by the superintendent of public instruction within the
17 time specified in subsection S of this section plus an additional ninety
18 days. The state board of education shall require the superintendent of the
19 school district to testify before the board and explain the reasons that an
20 improvement plan for that school has not been submitted.

21 U. If a charter school is assigned a letter grade of F, the department
22 of education shall immediately notify the charter school's sponsor. The
23 charter school's sponsor shall either take action to restore the charter
24 school to acceptable performance or revoke the charter school's charter.
25 Within thirty days the school shall notify the parents of the students
26 attending the school of the classification and of any pending public meetings
27 to review the issue.

28 V. A school that has been assigned a letter grade of F shall be
29 evaluated by the department of education to determine if the school failed to
30 properly implement its school improvement plan, align the curriculum with
31 academic standards, provide teacher training, prioritize the budget or
32 implement other proven strategies to improve academic performance. After
33 visiting the school site pursuant to subsection O of this section, the
34 department of education shall submit to the state board of education a
35 recommendation to proceed pursuant to subsections Q, R and S of this section
36 or that the school be subject to a public hearing to determine if the school
37 failed to properly implement its improvement plan and the reasons for the
38 department's recommendation.

39 W. If the department does recommend a public hearing, the state board
40 of education shall meet and may provide by a majority vote at the public
41 hearing for the continued operation of the school as allowed by this
42 subsection. The state board of education shall determine whether
43 governmental, nonprofit and private organizations may submit applications to
44 the state board to fully or partially manage the school. The state board's
45 determination shall include:

- 1 1. If and to what extent the local governing board may participate in
2 the operation of the school including personnel matters.
- 3 2. If and to what extent the state board of education shall
4 participate in the operation of the school.
- 5 3. Resource allocation pursuant to subsection Y of this section.
- 6 4. Provisions for the development and submittal of a school
7 improvement plan to be presented in a public meeting at the school.
- 8 5. A suggested time frame for the alternative operation of the school.
- 9 X. The state board shall periodically review the status of a school
10 that is operated by an organization other than the school district governing
11 board to determine whether the operation of the school should be returned to
12 the school district governing board. Before the state board makes a
13 determination, the state board or its designee shall meet with the school
14 district governing board or its designee to determine the time frame,
15 operational considerations and the appropriate continuation of existing
16 improvements that are necessary to assure a smooth transition of authority
17 from the other organization back to the school district governing board.
- 18 Y. If an alternative operation plan is provided pursuant to subsection
19 W of this section, the state board of education shall pay for the operation
20 of the school and shall adjust the school district's soft capital allocation
21 pursuant to section 15-962, capital outlay revenue limit pursuant to section
22 15-961, base support level pursuant to section 15-943, monies distributed
23 from the classroom site fund established by section 15-977 and transportation
24 support level pursuant to section 15-945 to accurately reflect any reduction
25 in district services that are no longer provided to that school by the
26 district. The state board of education may modify the school district's
27 revenue control limit, the district support level and the general budget
28 limit calculated pursuant to section 15-947 by an amount that corresponds to
29 this reduction in services. The state board of education shall retain the
30 portion of state aid that would otherwise be due the school district for the
31 school and shall distribute that portion of state aid directly to the
32 organization that contracts with the state board of education to operate the
33 school.
- 34 Z. If the state board of education determines that a charter school
35 failed to properly implement its improvement plan, the sponsor of the charter
36 school shall revoke the charter school's charter.
- 37 AA. If there are more than two schools in a district and more than
38 one-half, or in any case more than five, of the schools in the district are
39 assigned a letter grade of F for more than two consecutive years, in the next
40 election of members of the governing board the election ballot shall contain
41 the following statement immediately above the listing of governing board
42 candidates:

1 Within the last five years, (number of schools) schools in the
2 _____ school district have been assigned a letter grade of F
3 or designated as "schools failing to meet academic standards" by
4 the superintendent of public instruction.

5 BB. At least twice each year the department of education shall publish
6 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each
7 county of this state a list of schools that are assigned a letter grade of F.

8 CC. The failing schools tutoring fund is established consisting of
9 monies collected pursuant to section 42-5029, subsection E as designated for
10 this purpose. The department of education shall administer the fund. The
11 department of education may use monies from the fund to purchase materials
12 designed to assist students to meet the Arizona academic standards and to
13 achieve a passing score on the Arizona instrument to measure standards test
14 in order to graduate from high school.

15 DD. The department of education may develop a classification label for
16 school districts and charter school operators. If the department of
17 education develops a classification label for school districts and charter
18 school operators, the classification label may be developed from the
19 following components:

- 20 1. Measures of academic progress.
- 21 2. Pupil assessment data.
- 22 3. The attendance rates and graduation rates of pupils who are
23 educated in that charter school operator's charter schools or in that school
24 district's schools.
- 25 4. The percentage of the parents of pupils enrolled in that charter
26 school operator's charter schools or in that school district's schools that
27 categorizes the quality of their child's education as excellent on a parental
28 rating of school quality.

29 EE. The state board of education shall determine appropriate
30 modifications to the criteria used to calculate achievement profiles for
31 schools that participate in the board examination system prescribed in
32 chapter 7, article 6 of this title.

33 FF. The state board of education shall adopt guidelines to include
34 supplementary training in reading instruction for teachers who provide
35 instruction to pupils in a kindergarten program or grade one, two or three in
36 an improvement plan pursuant to subsection K of this section.

37 GG. In addition to any other corrective procedures prescribed in this
38 section and section 15-241.01, a school that has been assigned a letter grade
39 of D or F for two consecutive years shall implement a science, technology,
40 engineering and mathematics intervention strategy under the supervision of
41 the state board of education.

42 HH. In addition to any other corrective procedures prescribed in this
43 section a school district that has been assigned a letter grade of D or F for
44 two consecutive years shall implement a parent involvement strategy. The
45 parent involvement strategy shall be included in the school improvement ~~plans~~

1 PLAN for each applicable school within the district, as prescribed in
2 subsection K of this section.

3 Sec. 96. Section 15-395, Arizona Revised Statutes, is amended to read:
4 15-395. Enlarging joint district

5 A. To add school districts to a joint district, the joint board shall
6 first publish a copy of a proposed resolution accepting the school district
7 into the joint district ~~in a newspaper of general circulation~~ ON A PUBLIC
8 MEDIUM PUBLISHED in the school district proposing to join the joint district
9 once a week for at least two weeks immediately before the date of the
10 consideration of the adoption of the proposed resolution by the joint board.

11 B. After adoption by the joint board of the resolution accepting the
12 school district into the joint district, the question shall be submitted to
13 the qualified electors of the district seeking to become a part of the joint
14 district at an election held on the first Tuesday after the first Monday in
15 November. The question that is submitted to the qualified electors shall
16 describe the tax rate that is associated with joining the joint district and
17 the estimated cost of that tax rate for the owner of a single family home
18 that is valued at one hundred thousand dollars. Authorization is required
19 through an intergovernmental agreement or other written contract between the
20 joint district and the district seeking to become part of the joint district
21 in order to enlarge the joint district.

22 Sec. 97. Section 15-450, Arizona Revised Statutes, is amended to read:
23 15-450. Formation of a new joint unified school district;

24 petition; report; election; notice; ballots; canvass
25 of votes; appointment of governing board

26 A. Notwithstanding any other statute, a new joint unified school
27 district may be formed if the formation is approved by the state board of
28 education and if the following requirements are met:

29 1. The boundaries of the proposed new joint unified school district
30 include an incorporated city that is divided by two counties.

31 2. The proposed new joint unified school district includes territory
32 within the boundaries of two or more existing school districts.

33 3. The proposed new joint unified school district would have a student
34 count of not less than six hundred.

35 4. A high school is not located within the boundaries of the proposed
36 new joint unified school district.

37 5. The assessed valuation of the proposed school district is at least
38 two million dollars.

39 6. The governing boards of the districts affected have been given
40 notice of the proposed change and an opportunity to be heard pursuant to
41 section 15-442, subsection B.

42 B. If it is desired that a new joint unified school district be formed
43 pursuant to ~~the provisions of~~ this section, ten per cent or more of the
44 qualified electors residing within the boundaries of the proposed joint
45 unified school district shall file petitions with the county school

1 superintendents of the counties in which the territory of the proposed
2 district is situated. The petitions shall describe the territory to be
3 included in the proposed joint unified school district and shall request that
4 the formation of the proposed district be submitted to the qualified electors
5 who reside within the proposed district.

6 C. Each county school superintendent with whom petitions for the
7 formation of a joint unified school district are filed shall examine the
8 petitions within fifteen days of the date of receipt to determine their
9 sufficiency, including the adequacy of the signatures from the portion of the
10 proposed district within his county. If the petitions are found sufficient,
11 the county school superintendent shall transmit the petitions to the state
12 board of education.

13 D. The state board of education shall promptly schedule a review of
14 the issue of the formation of the proposed joint unified school district
15 after receiving the petitions from the county school superintendents pursuant
16 to subsection C of this section. The board shall approve or reject the
17 formation of the proposed joint unified school district within sixty days of
18 the date of receipt of the petitions. The board shall consider:

- 19 1. Operational costs of the existing and proposed districts.
- 20 2. Travel times and distances.
- 21 3. Climatic conditions.
- 22 4. Local terrain.
- 23 5. The number of pupils.
- 24 6. The fairness and appropriateness of any redistribution of taxable

25 wealth from an existing school district to a proposed joint unified school
26 district.

27 7. Whether the assessed valuation of the proposed joint unified school
28 district is sufficient to support the district in a manner comparable to
29 other districts of similar size.

30 If the state board after considering all such factors determines that the
31 proposed new district will not cause an undue adverse effect on the
32 operations of any existing school district, jeopardize the operation of the
33 proposed joint common school district or cause a disproportionate amount of
34 taxable wealth to be redistributed, it shall approve the petitions and return
35 them to the respective county school superintendents.

36 E. On approval from the state board of education, the county school
37 superintendent of each county whose territory or a portion of whose territory
38 will be included in the proposed joint unified school district shall submit
39 the question of the formation of the proposed joint unified school district
40 to the voters at a general election or at a special election to be held for
41 that purpose. If no general election is scheduled to be held within sixty
42 days after the date the county school superintendent receives the approved
43 petitions from the state board of education, ~~he~~ THE COUNTY SCHOOL
44 SUPERINTENDENT shall promptly call a special election to be held within sixty
45 days after receipt of the approved petitions. Notice of the election shall

1 be given by the county school superintendent to the boards of supervisors.
2 At least ten days before the election, the county school superintendent shall
3 cause notice of the proposed election to be posted in not less than three
4 public places in the proposed district and to be published at least once ~~in a~~
5 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the proposed
6 district. The notice shall state the following:

7 1. The question to be voted on and the boundaries of the proposed
8 joint unified school district with sufficient definiteness to make them
9 readily ascertainable.

10 2. A description of voter qualifications, including requirements that
11 the voters shall be residents of the proposed district.

12 3. The location of voting places within the proposed district, at
13 least one of which shall be in each county.

14 F. Within ten days after the election, the county school
15 superintendent and the chairman of the board of supervisors of each county
16 shall canvass the vote. If a majority of the votes cast in each county of
17 persons who reside within the proposed district ~~favours~~ FAVOR formation of the
18 proposed joint unified school district, the boards of supervisors shall
19 jointly declare the election and the joint unified school district shall
20 become operative from and after June 30 next following the election.

21 G. If the joint unified school district includes territory located in
22 two or more counties, the county of jurisdiction is the county in which the
23 largest number of qualified electors of the joint unified school district
24 resides, except that if all of the existing school buildings are located in
25 one county, that county is the county of jurisdiction. The county school
26 superintendent of the jurisdictional county shall perform all duties for and
27 with respect to the joint unified school district required to be performed by
28 county school superintendents. The board of supervisors of the
29 jurisdictional county shall perform all duties for and with respect to the
30 joint unified school district required to be performed by boards of
31 supervisors, except that school district taxes to be levied on property in
32 the portion of the joint unified school district lying in another county
33 shall be levied by the board of supervisors of the other county or counties
34 and on receipt shall be transferred to the county of jurisdiction.

35 H. If a new joint unified school district is authorized, the governing
36 boards of the existing school districts shall prepare a projected list of
37 assets for the existing districts ~~prior to~~ BEFORE the end of the fiscal year
38 in which the election is held. The governing boards of the original school
39 districts and the new joint unified school district shall prepare a final
40 statement of assets for the formerly existing school districts as of the end
41 of the fiscal year in which the election was held and shall have the
42 statement of cash and bonded indebtedness certified by the county treasurers
43 by August 30 of the year in which the new school district becomes
44 operative. The governing boards of the original school districts and the new
45 joint unified school district shall set aside sufficient assets or provide

1 other means to satisfy the liabilities of the former existing districts
2 except for bonded indebtedness and approve the final division of all assets
3 by September 15 of the year in which the new school district becomes
4 operative. If one or more of the governing boards fail to provide for
5 satisfying the liabilities and fail to approve the division of assets by
6 September 15, the county attorney or attorneys shall determine the means to
7 satisfy the liabilities and final division of assets by October 1 of the
8 fiscal year in which the new school district becomes operative.

9 I. The division of bonded indebtedness of the original school
10 districts shall be in accordance with the provisions of section 15-457,
11 subsection B. In addition, any debt due to lease-purchase agreements shall
12 be handled in a similar manner as outlined for bonded indebtedness in section
13 15-457, subsection B.

14 J. Sections 15-457, 15-975 and 15-997 apply to joint unified school
15 districts formed under this section.

16 K. A joint unified school district shall not be formed if any of the
17 resulting school districts would have a student count for the current year of
18 less than six hundred.

19 L. The governing board of the joint unified school district shall
20 prepare policies, curricula and budgets for the new school district. These
21 policies shall require that:

22 1. The base salary of each teacher for the first year of operation of
23 the new school district shall not be lower than the teacher's base salary for
24 the prior year in the previously existing school district.

25 2. The teacher's years of employment in the previously existing school
26 district shall be included in determining the teacher's years of employment
27 in the new joint unified school district.

28 M. If a new joint unified school district is authorized, the governing
29 board of a district that will have its boundaries reduced by creation of the
30 new joint unified district may hold an override election for the year
31 beginning July 1 after the election that authorized the formation of the new
32 joint unified district. The governing board of a school district that will
33 have its boundaries reduced by creation of the new joint unified district may
34 hold a bond election for bonds applicable to and paid solely by the school
35 district as it will exist after the formation of the new joint unified school
36 district. Override elections and bond elections under this subsection shall
37 be held on the first Tuesday following the first Monday in November as
38 prescribed by section 16-204. The electors who reside in an area ~~that~~ WHERE
39 property will not be subject to taxation for operation or payment of the
40 bonds of the school district calling the override or bond election after
41 creation of the new joint unified school district are not eligible to vote in
42 such an override or bond election.

1 Sec. 98. Section 15-455, Arizona Revised Statutes, is amended to read:
2 15-455. Formation of joint common school district; petition;
3 election; notice; canvass

4 A. A petition for the creation of a joint common school district shall
5 include the following:

- 6 1. A description of the territory comprising the proposed district.
7 2. A request that the question of the creation of the proposed
8 district be submitted to the qualified electors residing within each of the
9 affected districts.

10 3. The signatures of not less than ten per cent of the qualified
11 electors residing within the portion of the proposed district within the
12 respective county involved. The county school superintendent of each county
13 whose territory, or a portion thereof, will be included in the proposed
14 district shall receive the petitions containing signatures of residents of
15 ~~his~~ THAT county.

16 B. Each county school superintendent with whom a petition for the
17 creation of a joint common school district is filed ~~shall~~, within fifteen
18 days ~~of~~ AFTER the date of receipt, SHALL examine the petition to determine
19 its sufficiency, including the adequacy of the signatures from the portion of
20 the proposed district within ~~his~~ THAT county. If the petition is found
21 sufficient, the county school superintendent shall transmit the petition to
22 the state board of education.

23 C. If the petitions for the creation of the proposed joint common
24 school district are found sufficient by the county school superintendent of
25 each county whose territory or a portion thereof is to be included in the
26 proposed district, the state board of education shall promptly schedule a
27 review of the issue of the creation of the proposed joint common school
28 district. Such review and the board determination on the issue of the
29 creation of the proposed joint common school district shall be completed
30 within sixty days ~~of~~ AFTER the date of receipt of the final petition.

31 D. The review of the issue of the creation of a proposed joint common
32 school district shall include consideration of the following factors:

- 33 1. Operational costs.
34 2. Travel times and distances.
35 3. Climatic conditions.
36 4. THE local terrain.
37 5. THE number of pupils.
38 6. The fairness and appropriateness of any redistribution of taxable
39 wealth from an existing school district to a proposed joint common school
40 district. If the state board after considering all such factors determines
41 that the proposed new district will not cause an undue adverse effect on the
42 operations of any existing school district or jeopardize the operation of the
43 proposed joint common school district or cause a disproportionate amount of
44 taxable wealth to be redistributed, it shall approve the petitions and return
45 them to the respective county school superintendents.

1 E. ~~Upon~~ ON receipt of the approved petitions the county school
2 superintendent of each county whose territory, or a portion thereof, will be
3 included in the proposed joint common school district shall submit the
4 question of the formation of the proposed joint common school district at a
5 general election, or at a special election to be held for that purpose. If
6 no general election will be held within sixty days after the date the county
7 school superintendent receives the approved petition from the state board of
8 education, ~~he~~ THE COUNTY SCHOOL SUPERINTENDENT shall promptly call a special
9 election to be held within forty-five days after receipt of the approved
10 petition. Notice of such election shall be given by the county school
11 superintendent to the boards of supervisors.

12 F. The county school superintendent shall cause notice of the proposed
13 election to be posted in not less than three public places in the area within
14 each of the affected districts and to be published one time ~~in a newspaper of~~
15 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county, ~~such posting~~
16 ~~and publication to be made~~ at least ten days before the election. Such
17 notice shall state the following:

18 1. The question to be voted on and the boundaries of the proposed
19 joint common school district with sufficient definiteness to make them
20 readily ascertainable.

21 2. Voter qualifications.

22 3. The voting places within each of the affected districts. There
23 shall be at least one voting place in each county. The election shall be
24 called and held, and voters shall possess qualifications as prescribed for
25 the election of governing boards and shall be residents of the territory
26 within each of the affected districts. Ballots shall be prepared and the
27 officers of election appointed by the county school superintendent.

28 G. On the fifth day after the election the county school
29 superintendent and the chairman of the board of supervisors of each county
30 shall canvass the vote. If a majority of the votes cast in each county of
31 persons who reside within each of the affected districts ~~is~~ ARE in favor of
32 creation of the proposed joint common school district, the boards of
33 supervisors shall jointly declare the election and the joint common school
34 district is established. For the purpose of this subsection, ~~a~~ "majority of
35 the votes cast in each county of persons who reside within each of the
36 affected districts" means a majority vote of the qualified electors voting in
37 each county in each part of an affected existing school district or affected
38 area to be included in the proposed joint common school district and a
39 majority vote of the qualified electors voting in each county in each part,
40 if any, of an affected school district not to be included in the proposed
41 joint common school district.

1 Sec. 99. Section 15-904, Arizona Revised Statutes, is amended to read:
2 15-904. School district annual financial report: publication:
3 summary

4 A. The governing board of each school district shall publish an annual
5 financial report for the prior fiscal year by November 15. The auditor
6 general in conjunction with the department of education shall prescribe the
7 format of the financial report to be used by school districts. The financial
8 report shall contain budgeted and actual expenditures for the preceding
9 fiscal year and shall be prepared and distributed by October 15 by the school
10 district with a copy to the county school superintendent. A copy of the
11 annual financial report shall be submitted electronically by the school
12 district to the superintendent of public instruction by October 15. The
13 annual financial report shall be approved by the county school superintendent
14 in an electronic procedure as prescribed by the department of education. On
15 or before October 15, the governing board shall submit the annual financial
16 report for the previous fiscal year to the department of education, which
17 shall prominently display this information about that school district on the
18 website maintained by the department. If the school district maintains a
19 website, the school district shall post a link to the website of the
20 department of education where this information about the school district is
21 posted. School districts that are subject to section 15-914.01 are not
22 required to send a copy to the county school superintendent.

23 B. In addition to the information required in subsection A of this
24 section, the annual financial report shall contain detailed information on
25 the school district budgeted and actual expenditures from the bond building
26 fund, the soft capital allocation fund, the deficiencies correction fund, the
27 building renewal fund and the new school facilities fund, including but not
28 limited to information on classified salaries, employee benefits, interest
29 and fiscal charges, capital lease agreements, land and improvements,
30 buildings and improvements, furniture and equipment, technology and vehicles
31 and transportation equipment for pupils. The information shall specify
32 whether the expenditures are for school district renovation or for new
33 construction, the cost per square foot and land acquisition costs, as
34 appropriate.

35 C. Except as provided in subsection D of this section, the governing
36 board shall publish, by November 15, the annual financial report for the
37 school district either ~~in a newspaper of general circulation~~ ON A PUBLIC
38 MEDIUM PUBLISHED within the school district, by electronic transmission of
39 the information to the department of education for posting on the
40 department's website or in the official ~~newspaper~~ PUBLIC MEDIUM of the county
41 as ~~defined~~ PRESCRIBED in section 11-255, or the governing board may mail the
42 annual financial report for the school district to each household in the
43 school district. If the governing board chooses to transmit the report
44 electronically to the department of education, the school district shall
45 provide a link on the school district's website to the report on the

1 department's website. If the governing board chooses to publish the report
 2 ~~in a newspaper~~ ON A PUBLIC MEDIUM, the size of the newspaper print shall be
 3 at least eight-point type. The cost of publication or mailing shall be a
 4 charge against the school district. The publisher's affidavit of publication
 5 shall be filed by the governing board of the school district with the
 6 superintendent of public instruction within thirty days after publication.

7 D. The governing board may publish or mail a summary of the annual
 8 financial report in the same manner as provided in subsection C of this
 9 section. The auditor general in conjunction with the department of education
 10 shall prescribe the form of the summary of the annual financial report for
 11 use by the governing boards.

12 E. The superintendent of public instruction shall compile the
 13 financial reports of the school districts, including expenditure data for
 14 federal and state projects, and shall report to the governor and the
 15 legislature on or before January 15 of each year as provided in section
 16 15-255.

17 Sec. 100. Section 15-905, Arizona Revised Statutes, is amended to
 18 read:

19 15-905. School district budgets; notice; adoption; aggregate
 20 budget limit; summary; adjustments; impact aid fund;
 21 definition

22 A. Not later than July 5 of each year or no later than the publication
 23 of notice of the public hearing and board meeting as required by this
 24 section, the governing board of each school district shall prepare and
 25 furnish to the superintendent of public instruction and the county school
 26 superintendent, unless waived by the county school superintendent, a proposed
 27 budget in electronic format for the budget year, which shall contain the
 28 information and be in the form as provided by the department of education.
 29 The proposed budget shall include the following:

30 1. The total amount of revenues from all sources that was necessary to
 31 meet the school district's budget for the current year.

32 2. The total amount of revenues by source that will be necessary to
 33 meet the proposed budget of the school district, excluding property taxes.
 34 The governing board shall prepare the proposed budget and a summary of the
 35 proposed budget. Both documents shall be kept on file at the school district
 36 office and shall be made available to the public ~~upon~~ ON request. Not later
 37 than July 5 of each year or not later than the publication of notice of the
 38 public hearing and board meeting required by this subsection, the governing
 39 board shall submit the proposed budget to the department of education, which
 40 shall prominently display this information about that school district on the
 41 website maintained by the department. If the school district maintains a
 42 website, the school district shall post a link to the website of the
 43 department of education where this information about the school district is
 44 posted. The auditor general in conjunction with the department of education
 45 shall prescribe the form of the summary of the proposed budget for use by

1 governing boards. School district governing boards may include in the
 2 proposed budget any items or amounts ~~which~~ THAT are authorized by legislation
 3 filed with the secretary of state and ~~which~~ THAT will become effective during
 4 the budget year. If subsequent events prevent the legislation from becoming
 5 effective, school district governing boards must reduce their budgets by the
 6 amounts budgeted pursuant to the legislation ~~which~~ THAT did not become
 7 effective.

8 B. The governing board of each school district shall prepare a notice
 9 fixing a time not later than July 15 and designating a public place within
 10 each school district at which a public hearing and board meeting shall be
 11 held. The governing board shall present the proposed budget for
 12 consideration of the residents and the taxpayers of the school district at
 13 ~~such~~ THAT hearing and meeting.

14 C. The governing board of each school district shall publish or mail,
 15 ~~prior to~~ BEFORE the hearing and meeting, a copy of the proposed budget or the
 16 summary of the proposed budget and, ~~in addition,~~ a notice of the public
 17 hearing and board meeting no later than ten days ~~prior to~~ BEFORE the meeting.
 18 The proposed budget and the summary of the proposed budget shall contain the
 19 percentage of increase or decrease in each budget category of the proposed
 20 budget as compared to each category of the budget for the current year.
 21 Notification shall be either by publication ~~in a newspaper of general~~
 22 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the school district in which
 23 the size of the ~~newspaper~~ print shall be at least eight-point type, by
 24 electronic transmission of the information to the department of education for
 25 posting on the department's website or by mailing the information to each
 26 household in the school district. The cost of publication, website posting
 27 or mailing shall be a charge against the school district. The publisher's
 28 affidavit of publication shall be filed by the governing board with the
 29 superintendent of public instruction within thirty days after publication.
 30 If the budget or proposed budget and notice are posted on a website
 31 maintained by the department of education or mailed, the board shall file an
 32 affidavit with the superintendent of public instruction within thirty days
 33 after the mailing or the date that the information is posted on the website.
 34 If a truth in taxation notice and hearing is required under section
 35 15-905.01, the governing board may combine the notice and hearing under this
 36 section with the truth in taxation notice and hearing.

37 D. At the time and place fixed in the notice, the governing board
 38 shall hold the public hearing and present the proposed budget to the persons
 39 attending the hearing. ~~Upon~~ ON request of any person, the governing board
 40 shall explain the budget, and any resident or taxpayer of the school district
 41 may protest the inclusion of any item. A governing board member who has a
 42 substantial interest, as defined in section 38-502, in a specific item in the
 43 school district budget shall refrain from voting on the specific item. A
 44 governing board member may participate without creating a conflict of

1 interest in adoption of a final budget even though the member may have
2 substantial interest in specific items included in the budget.

3 E. Immediately following the public hearing the president shall call
4 to order the governing board meeting for the purpose of adopting the budget.
5 The governing board shall adopt the budget, which shall not exceed the
6 general budget limit, the unrestricted capital budget limit or the soft
7 capital allocation limit, making such deductions as it sees fit but making no
8 additions to the proposed budget total for maintenance and operations or
9 capital outlay, and shall enter the budget as adopted in its minutes. Not
10 later than July 18, the budget as finally adopted shall be filed by the
11 governing board with the county school superintendent who shall immediately
12 transmit a copy to the board of supervisors. Not later than July 18, the
13 budget as finally adopted shall be submitted electronically to the
14 superintendent of public instruction. Not later than July 18, the governing
15 board shall submit the budget as finally adopted to the department of
16 education, which shall prominently display this information about that school
17 district on the website maintained by the department. If the school district
18 maintains a website, the school district shall post a link to the website of
19 the department of education where this information about the school district
20 is posted. On or before October 30, the superintendent of public instruction
21 shall review the budget and notify the governing board if the budget is in
22 excess of the general budget limit, the unrestricted capital budget limit or
23 the soft capital allocation limit. The governing board shall revise the
24 budget as follows:

25 1. If the governing board receives notification that the budget
26 exceeds the general budget limit, the unrestricted capital budget limit or
27 the soft capital allocation limit by one per cent of the general budget limit
28 or one hundred thousand dollars, whichever is less, it shall adopt on or
29 before December 15, after it gives notice and holds a public meeting in a
30 similar manner as provided in subsections C and D of this section, a revised
31 budget for the current year, which shall not exceed the general budget limit,
32 the unrestricted capital budget limit or the soft capital allocation limit.

33 2. If the governing board receives notification that the budget
34 exceeds the general budget limit, the unrestricted capital budget limit or
35 the soft capital allocation limit by less than the amount prescribed in
36 paragraph 1 of this subsection, the governing board shall adjust the budget
37 and expenditures so as not to exceed the general budget limit, the
38 unrestricted capital budget limit or the soft capital allocation limit for
39 the current year.

40 3. On or before December 18, the governing board shall file the
41 revised budget it adopts with the county school superintendent who shall
42 immediately transmit a copy to the board of supervisors. Not later than
43 December 18, the budget as revised shall be submitted electronically to the
44 superintendent of public instruction. School districts that are subject to
45 section 15-914.01 are not required to send a copy of revised budgets to the

1 county school superintendent. Procedures for adjusting expenditures or
2 revising the budget shall be as prescribed in the uniform system of financial
3 records.

4 F. The governing board of each school district may budget for
5 expenditures within the school district budget as follows:

6 1. Amounts within the general budget limit, as provided in section
7 15-947, subsection C, may only be budgeted in the following sections of the
8 budget:

9 (a) The maintenance and operation section.

10 (b) The capital outlay section.

11 2. Amounts within the unrestricted capital budget limit, as provided
12 in section 15-947, subsection D, may only be budgeted in the unrestricted
13 capital outlay subsection of the budget. Monies received pursuant to the
14 unrestricted capital budget limit shall be placed in the unrestricted capital
15 outlay fund. The monies in the fund are not subject to reversion.

16 3. The soft capital allocation limit, as provided in section 15-947,
17 subsection E, may only be budgeted in the soft capital allocation subsection
18 of the budget.

19 G. The governing board may authorize the expenditure of monies
20 budgeted within the maintenance and operation section of the budget for any
21 subsection within the section in excess of amounts specified in the adopted
22 budget only by action taken at a public meeting of the governing board and if
23 the expenditures for all subsections of the section do not exceed the amount
24 budgeted as provided in this section.

25 H. The aggregate budget limit is the sum of the following:

26 1. The general budget limit as determined in section 15-947 for the
27 budget year.

28 2. The unrestricted capital budget limit as determined in section
29 15-947 for the budget year.

30 3. The soft capital allocation limit for the budget year as determined
31 in section 15-947.

32 4. Federal assistance, excluding title VIII of the elementary and
33 secondary education act of 1965 monies.

34 I. School districts ~~which~~ THAT overestimated tuition revenues as
35 provided in section 15-947, subsection C, paragraph 2 shall adjust the
36 general budget limit and expenditures based ~~upon~~ ON tuition revenues for
37 attendance of nonresident pupils during the current fiscal year. School
38 districts ~~which~~ THAT underestimated tuition revenues may adjust their budgets
39 ~~prior to~~ BEFORE May 15 based ~~upon~~ ON tuition revenues for attendance of
40 nonresident pupils during the current fiscal year. School districts ~~which~~
41 THAT overestimated revenues as provided in section 15-947, subsection C,
42 paragraph 2, subdivision (a), items (iii), (iv) and (v) and subdivision (d)
43 shall adjust the general budget limit and expenditures based on actual
44 revenues during the current fiscal year. School districts ~~which~~ THAT
45 underestimated such revenues may adjust their budgets before May 15 based on

1 actual revenues during the current fiscal year. Procedures for completing
 2 adjustments shall be as prescribed in the uniform system of financial
 3 records. Not later than May 18, the budget as adjusted shall be submitted
 4 electronically to the superintendent of public instruction.

5 J. A common school district not within a high school district whose
 6 estimated tuition charge for high school pupils exceeds the actual tuition
 7 charge for high school pupils shall adjust the general budget limit and
 8 expenditures based on the actual tuition charge. Not later than May 18, the
 9 budget as adjusted shall be submitted electronically to the superintendent of
 10 public instruction. A common school district not within a high school
 11 district whose estimated tuition charge for high school pupils is less than
 12 the actual tuition charge for high school pupils may adjust its budget before
 13 May 15 based on the actual tuition charge. Procedures for completing
 14 adjustments shall be as prescribed in the uniform system of financial
 15 records. If the adjusted general budget limit requires an adjustment of
 16 state aid and if the adjustment to state aid is not made in the current year,
 17 the superintendent of public instruction shall adjust by August 15 of the
 18 succeeding fiscal year the apportionment of state aid to the school district
 19 to correct any overpayment or underpayment of state aid received during the
 20 current year.

21 K. The governing board may include title VIII of the elementary and
 22 secondary education act of 1965 assistance allocated for children with
 23 disabilities, children with specific learning disabilities, children residing
 24 on Indian lands and children residing within the boundaries of an
 25 accommodation school that is located on a military reservation and that is
 26 classified as a heavily impacted local educational agency pursuant to 20
 27 United States Code section 7703 ~~which~~ THAT is in addition to basic assistance
 28 when determining the general budget limit as prescribed in section 15-947,
 29 subsection C. The increase in the general budget limit for children residing
 30 within the boundaries of an accommodation school that is located on a
 31 military reservation and that is classified as a heavily impacted local
 32 education agency shall equal the dollar amount calculated pursuant to 20
 33 United States Code section 7703(b)(2). The governing board may adjust before
 34 May 15 the budget for the current year based on any adjustments ~~which~~ THAT
 35 result in increases over the amount estimated by the superintendent of public
 36 instruction for title VIII of the elementary and secondary education act of
 37 1965 assistance for such pupils for the fiscal year preceding the current
 38 year. The governing board shall adjust before May 15 the budget for the
 39 current year based on any adjustments ~~which~~ THAT result in decreases in the
 40 amount estimated by the superintendent of public instruction for title VIII
 41 of the elementary and secondary education act of 1965 assistance for such
 42 pupils for the fiscal year preceding the current year. Not later than May
 43 18, the budget as adjusted shall be submitted electronically to the
 44 superintendent of public instruction. Procedures for complying with this
 45 subsection shall be as prescribed in the uniform system of financial records.

1 L. The department of education shall notify the state board of
 2 education if expenditures by any school district exceed the general budget
 3 limit prescribed in section 15-947, subsection C, the unrestricted capital
 4 budget limit, the soft capital allocation limit prescribed in section 15-947,
 5 subsection E, the school plant fund limits prescribed in section 15-1102,
 6 subsection B, the maintenance and operation section of the budget or the
 7 capital outlay section of the budget. If the expenditures of any school
 8 district exceed these limits or sections of the budget without authorization
 9 as provided in section 15-907, and if the state board of education determines
 10 that the equalization assistance for education received by the school
 11 district as provided in section 15-971 does not conform with statutory
 12 requirements, the state board of education shall reduce the state aid for
 13 equalization assistance for education for the school district computed as
 14 provided in section 15-971 during the fiscal year subsequent to the fiscal
 15 year in which the excess equalization assistance for education was received
 16 by an amount equal to the excess equalization assistance for education,
 17 except that in case of hardship to the school district, the superintendent of
 18 public instruction may approve reductions partly in the first subsequent year
 19 and partly in the second subsequent year. If the state board of education
 20 determines that the equalization assistance for education received by the
 21 school district conforms with statutory requirements, the state board of
 22 education shall not reduce the district's equalization assistance for
 23 education pursuant to this subsection but the district shall reduce the
 24 budget limits as required in subsection M of this section. A school district
 25 that disagrees with the department of education's determination regarding an
 26 excess expenditure under this subsection may request a hearing before the
 27 state board of education.

28 M. The governing board of a school district shall reduce the general
 29 budget limit, the unrestricted capital budget limit or the soft capital
 30 allocation limit for the year subsequent to the year in which the
 31 expenditures were in excess of the applicable limit or section of the budget
 32 by the amount determined in subsection L of this section, except that in case
 33 of hardship to the school district, the superintendent of public instruction
 34 may approve reductions partly in the first subsequent year and partly in the
 35 second subsequent year. The reduction in the limit is applicable to each
 36 school district ~~which~~ THAT has exceeded the general budget limit, the
 37 unrestricted capital budget limit, the soft capital allocation limit or a
 38 section of the budget even if the reduction exceeds the state aid for
 39 equalization assistance for education for the school district.

40 N. Except as provided in section 15-916, ~~no~~ AN expenditure shall NOT
 41 be made by any school district for a purpose not included in the budget or in
 42 excess of the aggregate budget limit prescribed in this section, except that
 43 if no budget has been adopted, from July 1 to July 15 the governing board may
 44 make expenditures if the total of the expenditures does not exceed ten per
 45 cent of the prior year's aggregate budget limit. Any expenditures made from

1 July 1 to July 15 and ~~prior to~~ BEFORE the adoption of the budget shall be
2 included in the total expenditures for the current year. ~~No~~ AN expenditure
3 shall NOT be made and ~~no~~ A debt, obligation or liability shall NOT be
4 incurred or created in any year for any purpose itemized in the budget in
5 excess of the amount specified for the item irrespective of whether the
6 school district at any time has received or has on hand funds in excess of
7 those required to meet the expenditures, debts, obligations and liabilities
8 provided for under the budget except expenditures from cash controlled funds
9 as defined by the uniform system of financial records and except as provided
10 in section 15-907 and subsection G of this section. This subsection does not
11 prohibit any school district from prepaying insurance premiums or magazine
12 subscriptions, or from prepaying any item ~~which~~ THAT is normally prepaid in
13 order to procure the service or to receive a discounted price for the
14 service, as prescribed by the uniform system of financial records.

15 0. The governing board of a school district ~~which~~ THAT is classified
16 as a heavily impacted school district having twenty per cent or more pupils
17 pursuant to 20 United States Code section 238(d)1(A) may determine its
18 eligibility to increase the amount that may be included in determining the
19 general budget limit as provided in subsection K of this section and may
20 increase the amount as follows:

21 1. For fiscal year 1988-1989:

22 (a) Multiply one thousand ninety-four dollars by the number of
23 children with disabilities or children with specific learning disabilities,
24 excluding children who also reside on Indian lands, reported to the division
25 of impact aid, United States department of education in the district's
26 application for fiscal year 1987-1988.

27 (b) Multiply five hundred forty-seven dollars by the number of
28 children residing on Indian lands, excluding children who have disabilities
29 or also have specific learning disabilities, reported to the division of
30 impact aid, United States department of education in the district's
31 application for fiscal year 1987-1988.

32 (c) Multiply one thousand nine hundred fourteen dollars by the number
33 of children residing on Indian lands who have disabilities or also have
34 specific learning disabilities reported to the division of impact aid, United
35 States department of education in the district's application for fiscal year
36 1987-1988.

37 (d) Add the amounts determined in subdivisions (a) through (c) OF THIS
38 PARAGRAPH.

39 (e) If the amount of title VIII of the elementary and secondary
40 education act of 1965 assistance as provided in subsection K of this section
41 is less than the sum determined in subdivision (d) of this paragraph, the
42 district is eligible to use the provisions of this subsection.

43 2. For budget years after 1988-1989, use the provisions of paragraph 1
44 of this subsection, but increase each dollar amount by the growth rate for

1 that year as prescribed by law, subject to appropriation and use the number
2 of children reported in the appropriate category for the current fiscal year.

3 3. If the district is eligible to use the provisions of this
4 subsection, subtract the amount of title VIII of the elementary and secondary
5 education act of 1965 assistance determined in subsection K of this section
6 from the sum determined in paragraph 1, subdivision (d) of this subsection.
7 The difference is the increase in the amount that may be included in
8 determining the general budget limit as provided in subsection K of this
9 section, if including this amount does not increase the district's primary
10 tax rate for the budget year. If the amount of title VIII of the elementary
11 and secondary education act of 1965 assistance determined in subsection K of
12 this section is adjusted for the current year, the increase determined in
13 this paragraph shall be recomputed using the adjusted amount and the
14 recomputed increase shall be reported to the department of education by May
15 15 on a form prescribed by the department of education.

16 4. If a district uses the provisions of this subsection, the district
17 is not required to adjust its budget for the current year based on
18 adjustments in the estimated amount of title VIII of the elementary and
19 secondary education act of 1965 assistance as provided in subsection K of
20 this section.

21 P. A school district, except for an accommodation school, ~~which~~ THAT
22 applies for title VIII of the elementary and secondary education act of 1965
23 assistance during the current year may budget an amount for title VIII of the
24 elementary and secondary education act of 1965 administrative costs for the
25 budget year. The amount budgeted for title VIII of the elementary and
26 secondary education act of 1965 administrative costs is exempt from the
27 revenue control limit and may not exceed an amount determined for the
28 budgeted year as follows:

29 1. Determine the minimum cost. The minimum cost for fiscal year
30 1990-1991 is two thousand three hundred forty-three dollars. For fiscal year
31 1991-1992 and thereafter, the minimum cost is the minimum cost for the prior
32 year increased by the growth rate as prescribed by law, subject to
33 appropriation.

34 2. Determine the hourly rate. The hourly rate for fiscal year
35 1990-1991 is nine dollars thirty-eight cents. For fiscal year 1991-1992 and
36 thereafter, the hourly rate is the hourly rate for the prior year increased
37 by the growth rate as prescribed by law, subject to appropriation.

38 3. Determine the title VIII of the elementary and secondary education
39 act of 1965 revenues available by subtracting the amount of title VIII of the
40 elementary and secondary education act of 1965 assistance used to increase
41 the general budget limit as provided in subsections K and O of this section
42 for the current fiscal year from the total amount of title VIII of the
43 elementary and secondary education act of 1965 revenues received in the
44 current fiscal year.

- 1 4. Determine the total number of administrative hours as follows:
2 (a) Determine the sum of the following:
3 (i) 1.00 hours for each high impact pupil who is not disabled or does
4 not have specific learning disabilities.
5 (ii) 1.25 hours for each high impact pupil who is disabled or has
6 specific learning disabilities.
7 (iii) 0.25 hours for each low impact pupil who is not disabled or does
8 not have specific learning disabilities.
9 (iv) 0.31 hours for each low impact pupil who is disabled or has
10 specific learning disabilities.
11 (b) For the purposes of this paragraph:
12 (i) "High impact pupil" means a pupil who resides on Indian lands or a
13 pupil who resides on federal property or in low rent housing and whose parent
14 is employed on federal property or low rent housing property or is on active
15 duty in uniformed service, as provided in title VIII of the elementary and
16 secondary education act of 1965, section 8003(a) (20 United States Code
17 section 7703) and as reported in the application for title VIII of the
18 elementary and secondary education act of 1965 assistance in the current
19 year.
20 (ii) "Low impact pupil" means a pupil who resides on nonfederal
21 property and has a parent who is employed on federal property or low rent
22 housing property or is on active duty in a uniformed service or a pupil who
23 resides on federal property or in low rent housing and who does not have a
24 parent who is employed on federal property or low rent housing property or is
25 on active duty in uniformed service, as provided in title VIII of the
26 elementary and secondary education act of 1965, section 8003(a) (20 United
27 States Code section 7703) and as reported in the application for title VIII
28 of the elementary and secondary education act of 1965 assistance in the
29 current year.
30 5. Multiply the total number of administrative hours determined in
31 paragraph 4 of this subsection by the hourly rate determined in paragraph 2
32 of this subsection.
33 6. Determine the greater of the minimum cost determined in paragraph 1
34 of this subsection or the product determined in paragraph 5 of this
35 subsection.
36 7. Add to the amount determined in paragraph 6 of this subsection the
37 amount, if any, to be expended by the school district in the budget year
38 through an intergovernmental agreement with other school districts or the
39 department of education to provide title VIII of the elementary and secondary
40 education act of 1965 technical assistance to participating districts.
41 8. Determine the lesser of the amount determined in paragraph 7 of
42 this subsection or the revenues available as determined in paragraph 3 of
43 this subsection.
44 9. The amount determined in paragraph 8 of this subsection is the
45 maximum amount ~~which~~ THAT may be budgeted for title VIII of the elementary

1 and secondary education act of 1965 administrative costs for the budget year
2 as provided in this subsection.

3 10. If the governing board underestimated the amount that may be
4 budgeted for title VIII of the elementary and secondary education act of
5 1965, section 8007 administrative costs for the current year, the board may
6 adjust the general budget limit and the budget before May 15. If the
7 governing board overestimated the amount that may be budgeted for title VIII
8 of the elementary and secondary education act of 1965 administrative costs
9 for the current year, the board shall adjust the general budget limit and the
10 budget before May 15.

11 Q. If a school district governing board has adopted a budget for a
12 fiscal year based on forms and instructions provided by the auditor general
13 and the department of education for that fiscal year and if, as a result of
14 the enactment or nonenactment of proposed legislation after May 1 of the
15 previous fiscal year, the budget is based on incorrect limits, does not
16 include items authorized by law or does not otherwise conform with law, the
17 governing board may revise its budget at a public hearing on or before
18 September 15 to conform with the law. Not later than September 18, the
19 budget as adjusted shall be submitted electronically to the superintendent of
20 public instruction. If the governing board does not revise the budget on or
21 before September 15 and if the budget includes any items not authorized by
22 law or if the budget exceeds any limits, the governing board shall adjust or
23 revise the budget as provided in subsection E of this section.

24 R. Notwithstanding any other law, if a school district receives
25 assistance pursuant to title VIII of the elementary and secondary education
26 act of 1965, the school district shall establish a local level fund
27 designated as the impact aid fund and deposit the impact aid monies received
28 in the fund. The school district shall separately account for monies in the
29 fund and shall not combine monies in the fund with any other source of local,
30 state or federal assistance. Monies in the fund shall be expended pursuant
31 to federal law only for the purposes allowed by this title. The school
32 district shall account for monies in the fund according to the uniform system
33 of financial records as prescribed by the auditor general. The
34 superintendent of public instruction shall separately account for monies in
35 each school district's impact aid fund, if an impact aid fund is established,
36 in the annual report required by section 15-255. Monies in the fund are
37 considered federal monies and are not subject to legislative appropriation.

38 S. For the purposes of this section, "title VIII of the elementary and
39 secondary education act of 1965 assistance" means, for the current year, an
40 amount equal to the final determination of title VIII of the elementary and
41 secondary education act of 1965 assistance for the fiscal year preceding the
42 current year as confirmed by the division of impact aid, United States
43 department of education or, if a final determination has not been made, the
44 amount estimated by the superintendent of public instruction as confirmed by
45 the division of impact aid, United States department of education and, for

1 the budget year, an amount equal to the determination of title VIII of the
2 elementary and secondary education act of 1965 assistance for the fiscal year
3 preceding the budget year as estimated by the superintendent of public
4 instruction.

5 Sec. 101. Section 15-905.01, Arizona Revised Statutes, is amended to
6 read:

7 15-905.01. Truth in taxation; calculation; notice and hearing;
8 vote on tax increase

9 A. Each school district shall determine its truth in taxation base
10 limit for expenditures as follows:

11 1. Determine the amounts budgeted in fiscal year 1999-2000 for
12 expenditures in the following categories:

13 (a) Desegregation pursuant to section 15-910.

14 (b) Dropout prevention programs.

15 (c) Excess utilities pursuant to section 15-910.

16 (d) Career and technical education and vocational education center
17 operations pursuant to section 15-910.01.

18 (e) Small school adjustments pursuant to section 15-949.

19 2. The sum of the expenditures in paragraph 1 of this subsection for
20 fiscal year 1999-2000 shall become the truth in taxation base limit.

21 3. For any year after fiscal year 1999-2000, a school district whose
22 aggregate budgeted expenditures for the expenditures prescribed in paragraph
23 1 of this subsection exceed the truth in taxation base limit shall publish a
24 truth in taxation hearing notice that meets the requirements of subsection B
25 of this section. If the amount exceeding the previous truth in taxation base
26 limit is approved by the school district governing board following the
27 hearing prescribed in subsection B of this section, the excess amount plus
28 the previous truth in taxation base limit becomes the school district's new
29 truth in taxation base limit.

30 4. If a school district no longer qualifies for one or more of the
31 expenditures prescribed in paragraph 1 of this subsection, the amount
32 budgeted for the most recent fiscal year in which the school district was
33 eligible for that expenditure shall be deducted from the school district's
34 truth in taxation base limit.

35 B. For any fiscal year in which a school district governing board
36 budgets an amount that is higher than the truth in taxation base limit
37 calculated pursuant to subsection A of this section, any fiscal year in which
38 a school district levies any amount for adjacent ways pursuant to section
39 15-995 or any fiscal year in which the school district levies any amount for
40 liabilities in excess of the school district budget pursuant to section
41 15-907:

42 1. The school district shall publish a notice that meets the following
43 requirements:

44 (a) The notice shall be published once ~~in a newspaper of general~~
45 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the school district. The

1 publication shall be at least ten but not more than twenty days before the
2 date of the hearing.

3 ~~(b) The notice shall be published in a location other than the~~
4 ~~classified or legal advertising section of the newspaper in which it is~~
5 ~~published.~~

6 (e) (b) The notice shall be at least one-fourth page in size and shall
7 be surrounded by a solid black border at least one-eighth inch in width.

8 (d) (c) The notice shall be in the following form, excluding the
9 parenthetical explanations, and with the "truth in taxation hearing - notice
10 of tax increase" headline in at least eighteen-point type:

11 Truth in Taxation Hearing
12 Notice of Tax Increase

13 In compliance with section 15-905.01, Arizona Revised
14 Statutes, _____ school district is notifying its property
15 taxpayers of _____ school district's intention to raise its
16 primary property taxes over the current level to pay for
17 increased expenditures in those areas where the governing board
18 has the authority to increase property taxes for the fiscal year
19 beginning July 1, _____. The _____ school district is
20 proposing an increase in its primary property tax levy of
21 \$_____ (amount of levy increase to pay for truth in taxation
22 base increase, the amount of the total levy for the adjacent
23 ways fund and amounts for liabilities in excess of the school
24 district budget pursuant to section 15-907).

25 The amount proposed above will cause _____ school
26 district's primary property taxes on a \$100,000 home to increase
27 from \$_____ (the amount used to pay for the current year's
28 truth in taxation base limit [the amount divided by the current
29 net assessed value available February 10 pursuant to section
30 42-17052] applied to \$100,000) to \$_____ (the amount used
31 to pay for the budget year's proposed truth in taxation base
32 limit and adjacent ways levy, including adjacent ways and
33 liabilities in excess of the school district budget [the amount
34 divided by the current net assessed value available February 10
35 pursuant to section 42-17052] applied to \$100,000).

36 These amounts proposed are above the qualifying tax levies
37 as prescribed by state law, if applicable. The increase is also
38 exclusive of any changes that may occur from property tax levies
39 for voter approved bonded indebtedness or budget and tax
40 overrides.

41 All interested citizens are invited to attend the public
42 hearing on the proposed tax increase scheduled to be held
43 _____ (date and time) at _____ (location).

44 2. In lieu of publishing the truth in taxation notice, the governing
45 board may mail the truth in taxation notice prescribed by paragraph 1,

1 subdivision ~~(d)~~ (c) of this subsection to all registered voters in the
2 district at least ten but not more than twenty days before the date of the
3 hearing.

4 3. In addition to publishing the truth in taxation notice under
5 paragraph 1 of this subsection or mailing the notice under paragraph 2 of
6 this subsection, the governing board shall issue a press release containing
7 the truth in taxation notice ~~to all newspapers of general circulation~~ ON A
8 PUBLIC MEDIUM PUBLISHED in the school district.

9 4. The governing board shall consider a motion to levy the increased
10 property taxes by roll call vote.

11 5. Within three days after the hearing, the governing board shall mail
12 a copy of the truth in taxation notice, a statement of its publication or
13 mailing and the result of the governing board's vote under paragraph 4 of
14 this subsection to the property tax oversight commission established by
15 section 42-17002.

16 6. The governing board shall hold the truth in taxation hearing on or
17 before the adoption of the school district budget under section 15-905.

18 7. Expenditures for adjacent ways and liabilities in excess of the
19 school district budget do not become part of the school district's truth in
20 taxation base limit.

21 C. The department of education shall maintain a listing of each school
22 district's truth in taxation base limit and shall verify the accuracy of the
23 school district's computations. A school district governing board shall
24 notify the department of education of any change in the district's truth in
25 taxation base limit.

26 D. The department of education shall develop a budget form for school
27 districts to show the primary tax rate associated for each of the expenditure
28 categories mentioned in subsection A, paragraph 1 of this section and for
29 expenditures for adjacent ways pursuant to section 15-995 or any other
30 expenditure in excess of the school district budget pursuant to section
31 15-907. A school district shall make this information available to the
32 general public at truth in taxation hearings and shall submit the information
33 to the department of education.

34 Sec. 102. Section 15-1030, Arizona Revised Statutes, is amended to
35 read:

36 15-1030. Cancellation of unsold bonds; notice; hearing

37 A. If a bond issue remains unsold for six months after being offered
38 for sale, the governing board of the school district or any school district
39 ~~comprised~~ COMPOSED wholly or partly of territory ~~which~~ THAT at the time of
40 holding the bond election was within the school district may cancel the
41 unsold bonds.

42 B. The school district governing board shall fix a time for a hearing
43 on the proposed cancellation of the unsold bonds. The school district
44 governing board shall give notice of the time and place of the hearing, which
45 shall set forth in general terms the object of the hearing. The notice shall

1 be published for ten days ~~prior to~~ BEFORE the day of hearing ~~in some~~
2 ~~newspaper~~ ON A PUBLIC MEDIUM published in the school district. ~~If no~~
3 ~~newspaper is published in the school district, the notice shall be published~~
4 ~~in a newspaper published at the county seat of the county in which the school~~
5 ~~district or some part thereof is located.~~

6 C. At the time and place designated in the notice, the school district
7 governing board shall hear reasons for or against granting the proposed
8 cancellation of the unsold bonds, and if the board deems it for the best
9 interests of the school district that the unsold bonds be canceled, it shall
10 enter an order canceling the unsold bonds, and thereupon the bonds and the
11 vote by which they were authorized to be issued shall be void.

12 Sec. 103. Section 15-1404, Arizona Revised Statutes, is amended to
13 read:

14 15-1404. Election to determine formation of district; notice;
15 canvass

16 A. ~~Upon~~ ON approval of the proposed district, the county board of
17 supervisors shall return the petition with its approval to the county school
18 superintendent, or if the proposed district consists of more than one county,
19 to the county school superintendent of the county with the larger population,
20 as determined by the most recent federal census. The county school
21 superintendent shall transmit notification of approval for formation of the
22 proposed district to the board of supervisors, which shall submit the
23 question to the qualified electors of the county at the next general election
24 or at a special election called for that purpose. If a special election is
25 called, notice ~~thereof~~ OF THE ELECTION shall be given by publication for at
26 least two weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
27 published in the county or counties of the proposed district. The election
28 shall be conducted and returns shall be made in the manner provided by law
29 for special elections.

30 B. A special election conducted pursuant to this section shall be held
31 on a date prescribed by section 16-204.

32 Sec. 104. Section 15-1461, Arizona Revised Statutes, is amended to
33 read:

34 15-1461. District budget; annual estimate; computation; notice;
35 hearing; adoption

36 A. Not later than June 5, each district established pursuant to this
37 chapter, and any other community college established ~~prior to~~ BEFORE the
38 enactment of this chapter, shall prepare a proposed budget for the budget
39 year on a form ~~which~~ THAT the auditor general prescribes to be transmitted to
40 the district board. The proposed budget shall be accompanied by an estimate
41 of the amount of funds needed for the ensuing year as determined by the
42 district based on the proposed budget prepared by it.

43 B. The district shall establish and set forth in the proposed budget
44 the per capita expenditure per full-time equivalent student, which shall be
45 the total operational expenses.

1 C. The district shall establish and set forth in the proposed budget
2 the per capita expenditure per full-time equivalent student, which shall be
3 the total capital outlay expenses.

4 D. The number of basic full-time equivalent students shall be computed
5 by dividing the total community college credit units by fifteen per semester
6 and shall be based on regular day enrollment. The number of additional
7 short-term full-time equivalent students shall be computed by dividing the
8 total community college credit units from additional short-term classes by
9 thirty. The number of skill center full-time equivalent students shall be
10 computed by dividing the total number of clock hours in approved vocational
11 training programs by six hundred forty.

12 E. The governing board of each district shall prepare a notice fixing
13 a time not later than June 20 and designating a public place within each
14 district at which a public hearing and special board meeting shall be held.
15 The governing board of each district shall publish a notice of the public
16 hearing and special board meeting not later than fifteen days before the
17 meeting. The governing board shall publish the proposed budget on its
18 website and present the proposed budget for consideration of the residents
19 and the taxpayers of the district at such meeting.

20 F. The proposed budget shall contain but need not be limited to the
21 following information:

22 1. The estimated cost of all operational, capital outlay and debt
23 service expenses.

24 2. The percentage of increase or decrease in each budget category as
25 compared to each category of the budget for the current year.

26 3. The total amount of revenues by source that was necessary to meet
27 the district's budget for the current year.

28 4. The total amount of revenues by source that will be necessary to
29 meet the proposed district budget.

30 5. The total property tax levy of the district for the current year.

31 6. The levy for primary property taxes and the levy for secondary
32 property taxes for the current year.

33 7. The primary property tax rate and secondary property tax rate for
34 the current year.

35 8. The estimated amount of total property tax levies for the district
36 and the primary property tax and secondary property tax components thereof
37 necessary for the budget year.

38 9. The maximum amount of primary property tax dollars ~~which~~ the
39 district is permitted to levy pursuant to title 42, chapter 17, article 2 for
40 the budget year.

41 10. The amount of secondary property tax dollars ~~which~~ the district
42 will levy for the budget year.

43 11. The amount of monies received from primary property taxation in the
44 previous fiscal year in excess of the maximum allowable amount as calculated
45 pursuant to title 42, chapter 17, article 2.

1 12. Beginning in fiscal year 2013-2014, the total estimated personnel
2 compensation, which shall separately include employee salaries and employee
3 related expenses for retirement costs and health care costs.

4 13. Beginning in fiscal year 2013-2014, all unencumbered cash, both
5 restricted and unrestricted.

6 G. The governing board shall publish the proposed budget and the
7 notice of the public hearing and special board meeting a second time not
8 later than five days ~~prior to~~ BEFORE the meeting. Publication shall be made
9 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the
10 district. The cost of publication shall be a charge against the district.
11 If a truth in taxation notice and hearing is required under section
12 15-1461.01, the district may combine the notice and hearing under this
13 section with the truth in taxation notice and hearing. Beginning in fiscal
14 year 2013-2014, within seven days after the adoption of the proposed budget
15 presented before the governing board, the budget finally adopted under this
16 section shall be accessible in a prominent location on the district's
17 official website and the final adopted budget shall be retained on the
18 website for at least sixty months.

19 H. If the district fails to publish the proposed budget, notice and
20 statements required by subsection F of this section, the board of supervisors
21 shall levy on the property in the district the lesser of the amount of
22 primary property taxes ~~which~~ THAT were levied for the district in the current
23 year or the amount ~~which~~ THAT would be produced by the primary property tax
24 rate ~~which~~ THAT was levied for the district in the current year.

25 I. At the time and place fixed in the notice, the members of the
26 governing board shall hold the public hearing and present the proposed budget
27 to the persons attending the hearing. ~~Upon~~ ON request of any person, the
28 governing board shall explain the budget and any resident or taxpayer of the
29 district may protest the inclusion of any item in the proposed budget.

30 J. Immediately following the public hearing the chairman shall call to
31 order the special board meeting for the purpose of adopting the budget. The
32 governing board shall adopt the budget making deductions from the budget as
33 it sees fit but making no additions to the budget and shall enter the budget
34 as adopted in its minutes. The governing board shall not adopt the budget if
35 the property tax requirements of the budget, excluding amounts budgeted and
36 levied for secondary property taxes, exceed the amounts authorized pursuant
37 to title 42, chapter 17, article 2.

38 Sec. 105. Section 15-1461.01, Arizona Revised Statutes, is amended to
39 read:

40 15-1461.01. Truth in taxation notice and hearing; roll call
41 vote on tax increase; definition

42 A. On or before February 10 of the tax year, the county assessor shall
43 transmit and certify to the property tax oversight commission and to the
44 district governing board the total net primary assessed values that are
45 required to compute the levy limit prescribed by section 42-17051. If the

1 proposed primary property tax levy, excluding amounts that are attributable
2 to new construction, is greater than the amount levied in the preceding tax
3 year by the district:

4 1. The district governing board shall publish a notice that meets the
5 following requirements:

6 (a) The notice shall be published twice ~~in a newspaper of general~~
7 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first
8 publication shall be at least fourteen but not more than twenty days before
9 the date of the hearing. The second publication shall be at least seven but
10 not more than ten days before the date of the hearing.

11 ~~(b) The notice shall be published in a location other than the~~
12 ~~classified or legal advertising section of the newspaper in which it is~~
13 ~~published.~~

14 ~~(c)~~ (b) The notice shall be at least one-fourth page in size and
15 shall be surrounded by a solid black border at least one-eighth inch in
16 width.

17 ~~(d)~~ (c) The notice shall be in the following form, with the "truth in
18 taxation hearing - notice of tax increase" headline in at least
19 eighteen-point type:

Truth in Taxation Hearing
Notice of Tax Increase

20
21 In compliance with section 15-1461.01, Arizona Revised Statutes,
22 _____ community college district is notifying its property taxpayers
23 of _____ community college district's intention to raise its primary
24 property taxes over last year's level. The _____ community college
25 district is proposing an increase in primary property taxes of \$_____
26 or _____.
27

28 For example, the proposed tax increase will cause _____ community
29 college district's primary property taxes on a \$100,000 home to increase
30 from \$_____ (total taxes that would be owed without the proposed tax
31 increase) to \$_____ (total proposed taxes including the tax
32 increase).

33 This proposed increase is exclusive of increased primary
34 property taxes received from new construction. The increase is
35 also exclusive of any changes that may occur from property tax
36 levies for voter approved bonded indebtedness or budget and tax
37 overrides.

38 All interested citizens are invited to attend the public
39 hearing on the tax increase that is scheduled to be held
40 _____ (date and time) at _____ (location).

41 2. In lieu of publishing the truth in taxation notice, the district
42 board may mail the truth in taxation notice prescribed by paragraph 1,
43 subdivision ~~(d)~~ (c) OF THIS SUBSECTION to all registered voters in the
44 district at least ten but not more than twenty days before the date of the
45 hearing.

1 3. In addition to publishing the truth in taxation notice under
2 paragraph 1 OF THIS SUBSECTION or mailing the notice under paragraph 2 OF
3 THIS SUBSECTION, the district governing board shall issue a press release
4 containing the truth in taxation notice ~~to all newspapers of general~~
5 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district.

6 4. The district board shall consider a motion to levy the increased
7 property taxes by roll call vote.

8 5. Within three days after the hearing, the district board shall mail
9 a copy of the truth in taxation notice, a statement of its publication or
10 mailing and the result of the district board's vote under paragraph 4 OF THIS
11 SUBSECTION to the property tax oversight commission established by section
12 42-17002.

13 6. The district board shall hold the truth in taxation hearing on or
14 before the adoption of the county, city or town budget under section
15 42-17105.

16 B. If the governing board fails to comply with the requirements of
17 this section, the governing board shall not fix, levy or assess an amount of
18 primary property taxes that exceeds the preceding year's amount, except for
19 amounts attributable to new construction.

20 C. For THE purposes of this section, "amount attributable to new
21 construction" means the net assessed valuation of property added to the tax
22 roll since the previous year multiplied by a property tax rate computed by
23 dividing the district's primary property tax levy in the preceding year by
24 the estimate of the district's total net assessed valuation for the current
25 year, excluding the net assessed valuation attributable to new construction.

26 Sec. 106. Section 15-1626, Arizona Revised Statutes, is amended to
27 read:

28 15-1626. General administrative powers and duties of board

29 A. The board shall:

30 1. Have and exercise the powers necessary for the effective governance
31 and administration of the institutions under its control. To that end, the
32 board may adopt, and authorize each university to adopt, such regulations,
33 policies, rules or measures as are deemed necessary and may delegate in
34 writing to its committees, to its university presidents, or their designees,
35 or to other entities under its control, any part of its authority for the
36 administration and governance of such institutions, including those powers
37 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
38 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.
39 Any delegation of authority may be rescinded by the board at any time in
40 whole or in part.

41 2. Appoint and employ and determine the compensation of presidents
42 with such power and authority and for such purposes in connection with the
43 operation of the institutions as the board deems necessary.

44 3. Appoint and employ and determine the compensation of
45 vice-presidents, deans, professors, instructors, lecturers, fellows and such

1 other officers and employees with such power and authority and for such
2 purposes in connection with the operation of the institutions as the board
3 deems necessary, or delegate its authority pursuant to paragraph 1 of this
4 subsection.

5 4. Remove any officer or employee when the interests of education in
6 this state so require in accordance with its personnel rules and policies.

7 5. Fix tuitions and fees to be charged and differentiate the tuitions
8 and fees between institutions and between residents, nonresidents,
9 undergraduate students, graduate students, students from foreign countries
10 and students who have earned credit hours in excess of the credit hour
11 threshold. For the purposes of this paragraph, the undergraduate credit hour
12 threshold is one hundred forty-five hours for students who attend a
13 university under the jurisdiction of the board. The undergraduate credit
14 hour threshold shall be based on the actual full-time equivalent student
15 enrollment counted on the forty-fifth day of every fall and spring semester,
16 divided by two, and any budget adjustment based on student enrollment shall
17 occur in the fiscal year following the actual full-time equivalent student
18 enrollment count. The undergraduate credit hour threshold shall not apply to
19 degree programs that require credit hours above the credit hour threshold,
20 credits earned in the pursuit of up to two baccalaureate degrees, credits
21 earned in the pursuit of up to two state regulated licensures or
22 certificates, credits earned in the pursuit of teaching certification,
23 credits transferred from a private institution of higher education, credits
24 transferred from an institution of higher education in another state, credits
25 earned at another institution of higher education but that are not accepted
26 as transfer credits at the university where the student is currently enrolled
27 and credits earned by students who enroll at a university under the
28 jurisdiction of the board more than twenty-four months after the end of that
29 student's previous enrollment at a public institution of higher education in
30 this state. On or before October 15 of each year, the board shall report to
31 the joint legislative budget committee the number of students who were
32 enrolled at universities under the jurisdiction of the board during the
33 previous fiscal year who met or exceeded the undergraduate credit hour
34 threshold prescribed in this paragraph. The amount of tuition, registration
35 fees and other revenues included in the operating budget for the university
36 adopted by the board as prescribed in paragraph 13 of this subsection shall
37 be deposited, pursuant to sections 35-146 and 35-147. All other tuition and
38 fee revenue shall be retained by each university for expenditure as approved
39 by the board, except that the universities shall not use any tuition or fee
40 revenue to fund or support an alumni association.

41 6. Except as provided in subsection I of this section, adopt rules to
42 govern its tuition and fee setting process that provide for the following:

43 (a) At least one public hearing at each university as an opportunity
44 for students and members of the public to comment on any proposed increase in
45 tuition or fees.

1 (b) Publication of the notice of public hearing at least ten days
2 ~~prior to~~ BEFORE the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC
3 MEDIUM PUBLISHED in Maricopa county, Coconino county and Pima county. The
4 notice shall include the date, time and location of the public hearing.

5 (c) Public disclosure by each university of any proposed increases in
6 tuition or fees at least ten days ~~prior to~~ BEFORE the public hearing.

7 (d) Final board action on changes in tuition or fees shall be taken by
8 roll call vote.

9 The procedural requirements of subdivisions (a), (b), (c) and (d) of this
10 paragraph apply only to those changes in tuition or fees that require board
11 approval.

12 7. Pursuant to section 35-115, submit a budget request for each
13 institution under its jurisdiction that includes the estimated tuition and
14 fee revenue available to support the programs of the institution as described
15 in the budget request. The estimated available tuition and fee revenue shall
16 be based on the tuition and registration fee rates in effect at the time the
17 budget request is submitted with adjustments for projected changes in
18 enrollment as provided by the board.

19 8. Establish curriculums and designate courses at the several
20 institutions that in its judgment will best serve the interests of this
21 state.

22 9. Award such degrees and diplomas on the completion of such courses
23 and curriculum requirements as it deems appropriate.

24 10. Prescribe qualifications for admission of all students to the
25 universities. The board shall establish policies for guaranteed admission
26 that assure fair and equitable access to students in this state from public,
27 private and charter schools and homeschools. For the purpose of determining
28 the qualifications of honorably discharged veterans, veterans are those
29 persons who served in the armed forces for a minimum of two years and who
30 were previously enrolled at a university or community college in this state.
31 No prior failing grades received by the veteran at the university or
32 community college in this state may be considered.

33 11. Adopt any energy conservation standards promulgated by the
34 department of administration for the construction of new buildings.

35 12. Employ for such time and purposes as the board requires attorneys
36 whose compensation shall be fixed and paid by the board. Litigation to which
37 the board is a party and for which self-insurance is not provided may be
38 compromised or settled at the direction of the board.

39 13. Adopt annually an operating budget for each university equal to the
40 sum of appropriated general fund monies and the amount of tuition,
41 registration fees and other revenues approved by the board and allocated to
42 each university operating budget.

43 14. In consultation with the state board of education and other
44 education groups, develop and implement a program to award honors
45 endorsements to be affixed to the high school diplomas of qualifying high

1 school pupils and to be included in the transcripts of pupils who are awarded
2 endorsements. The board shall develop application procedures and testing
3 criteria and adopt testing instruments and procedures to administer the
4 program. In order to receive an honors endorsement, a pupil must demonstrate
5 an extraordinary level of knowledge, skill and competency as measured by the
6 testing instruments adopted by the board in mathematics, English, science and
7 social studies. Additional subjects may be added at the determination of the
8 board. The program is voluntary for pupils.

9 15. Require the publisher of each literary and nonliterary textbook
10 used in the universities of this state to furnish computer software in a
11 standardized format when software becomes available for nonliterary textbooks
12 to the Arizona board of regents from which braille versions of the textbooks
13 may be produced.

14 16. Require universities that provide a degree in education to require
15 courses that are necessary to obtain a provisional structured English
16 immersion endorsement as prescribed by the state board of education.

17 17. Acquire United States flags for each classroom that are
18 manufactured in the United States and that are at least two feet by three
19 feet and hardware to appropriately display the United States flags, acquire a
20 legible copy of the Constitution of the United States and the Bill of Rights,
21 display the flags in each classroom in accordance with title 4 of the United
22 States Code and display a legible copy of the Constitution of the United
23 States and the Bill of Rights adjacent to the flag.

24 18. To facilitate the transfer of military personnel and their
25 dependents to and from the public schools of this state, pursue, in
26 cooperation with the state board of education, reciprocity agreements with
27 other states concerning the transfer credits for military personnel and their
28 dependents. A reciprocity agreement entered into pursuant to this paragraph
29 shall:

30 (a) Address procedures for each of the following:

31 (i) The transfer of student records.

32 (ii) Awarding credit for completed course work.

33 (iii) Permitting a student to satisfy the graduation requirements
34 prescribed in section 15-701.01 through the successful performance on
35 comparable exit-level assessment instruments administered in another state.

36 (b) Include appropriate criteria developed by the state board of
37 education and the Arizona board of regents.

38 19. Require a university to publicly post notices of all of its
39 employment openings, including the title and description, instructions for
40 applying and relevant contact information.

41 20. In consultation with the community college districts in this state,
42 develop and implement common equivalencies for specific levels of achievement
43 on advanced placement examinations and international baccalaureate
44 examinations in order to award commensurate postsecondary academic credits at
45 community colleges and public universities in this state.

1 21. On or before August 1 of each year, report to the joint legislative
2 budget committee the graduation rate by university campus during the previous
3 fiscal year. The board shall also report the retention rate by university
4 campus and by class, as determined by date of entry during the previous
5 fiscal year.

6 B. The board shall adopt personnel policies for all employees of the
7 board and the universities.

8 C. In conjunction with the auditor general, the board shall develop a
9 uniform accounting and reporting system, which shall be reviewed by the joint
10 legislative budget committee before final adoption by the board. The board
11 shall require each university to comply with the uniform accounting and
12 reporting system.

13 D. The board may employ legal assistance in procuring loans for the
14 institutions from the United States government. Fees or compensation paid
15 for such legal assistance shall not be a claim on the general fund of this
16 state but shall be paid from funds of the institutions.

17 E. The board shall approve or disapprove any contract or agreement
18 entered into by the university of Arizona hospital with the Arizona health
19 facilities authority.

20 F. The board may adopt policies that authorize the institutions under
21 its jurisdiction to enter into employment contracts with nontenured employees
22 for periods of more than one year but not more than five years. The policies
23 shall prescribe limitations on the authority of the institutions to enter
24 into employment contracts for periods of more than one year but not more than
25 five years, including the requirement that the board approve the contracts.

26 G. The board may adopt a plan or plans for employee benefits that
27 allow for participation in a cafeteria plan that meets the requirements of
28 the United States internal revenue code of 1986.

29 H. The board may establish a program for the exchange of students
30 between the universities under the jurisdiction of the board and colleges and
31 universities located in the state of Sonora, Mexico. Notwithstanding
32 subsection A, paragraph 5 of this section, the program may provide for
33 in-state tuition at the universities under the jurisdiction of the board for
34 fifty Sonoran students in exchange for similar tuition provisions for up to
35 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or
36 universities. The board may direct the universities to work in conjunction
37 with the Arizona-Mexico commission to coordinate recruitment and admissions
38 activities.

39 I. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of
40 this section do not apply to fee increases that are set by individual
41 universities and that do not require approval by the Arizona board of regents
42 before the fee increase becomes effective.

1 J. On or before July 1, 2012, the Arizona board of regents, in
2 collaboration with the universities under its jurisdiction, shall adopt a
3 performance funding model. The performance funding model shall use
4 performance metrics that include the increase in degrees awarded, the
5 increase in completed student credit hours and the increase in externally
6 generated research and public service funding. The funding formula may give
7 added weight to degrees related to science, technology, engineering and
8 mathematics and other high-value degrees that are in short supply or that are
9 essential to this state's long-term economic development strategy.

10 K. The Arizona board of regents shall use the performance funding
11 model adopted pursuant to subsection J of this section in developing and
12 submitting budget requests for the universities under its jurisdiction.

13 Sec. 107. Section 15-2106, Arizona Revised Statutes, is amended to
14 read:

15 15-2106. Cancellation of unsold impact aid revenue bonds

16 A. If an impact aid revenue bond issue remains unsold for six months
17 after being offered for sale, the governing board of the school district or
18 any school district ~~comprised~~ COMPOSED wholly or partly of territory that was
19 part of the school district at the time of issuing the bonds may cancel the
20 unsold bonds.

21 B. The governing board shall fix a time for a hearing on the proposed
22 cancellation of the unsold bonds. The governing board shall give notice of
23 the time, place and subject of the hearing. The notice shall be published
24 for ten days before the hearing ~~in a newspaper of general circulation~~ ON A
25 PUBLIC MEDIUM PUBLISHED in the district.

26 C. At the time and place designated in the notice, the governing board
27 shall hear reasons for or against the proposed cancellation of the unsold
28 bonds, and if the board considers it to be in the school district's best
29 interests, it shall order the unsold bonds to be cancelled and the bonds and
30 the vote by which they were authorized to be issued are void.

31 Sec. 108. Section 16-214, Arizona Revised Statutes, is amended to
32 read:

33 16-214. Issuance of proclamation for general election by
34 governor; publication by boards of supervisors

35 A. At least thirty days before a general election, the governor shall
36 issue a proclamation containing a statement of the time of election and the
37 offices to be filled.

38 B. The governor shall transmit a copy of the election proclamation to
39 the officer in charge of elections of the several counties.

40 C. The board of supervisors shall be notified by the officer in charge
41 of elections of receipt of the election proclamation, and within five days
42 after its receipt the board shall meet and publish a copy thereof ~~in an~~
43 ~~official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county at least ten
44 days before a general election.

1 Sec. 109. Section 16-223, Arizona Revised Statutes, is amended to
2 read:

3 16-223. Issuance of proclamation for special election by
4 governor; publication by boards of supervisors

5 A. Within ten days after a vacancy occurs in the office of
6 representative in Congress, if a special primary and special general election
7 are required by section 16-222, the governor shall issue a proclamation
8 containing a statement of the time of the special primary election and the
9 special general election and the offices to be filled.

10 B. The governor shall transmit a copy of the election proclamation to
11 the clerk of each board of supervisors of the several counties.

12 C. The board of supervisors shall be notified by the clerk of receipt
13 of the election proclamation, and within five days after its receipt the
14 board shall meet and publish a copy of the election proclamation ~~in an~~
15 ~~official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county at least
16 five days before the special primary election and at least five days before
17 the special general election.

18 Sec. 110. Section 16-227, Arizona Revised Statutes, is amended to
19 read:

20 16-227. Publication of call of election for nonpartisan
21 elections

22 A. The governing body shall publish a call of election at least twice
23 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the
24 election district in which a nonpartisan election is being held not less than
25 one week apart during the six calendar weeks preceding ninety days before the
26 election. ~~which~~ THE CALL OF ELECTION shall contain:

- 27 1. The purpose of the election.
28 2. The date of holding the election.
29 3. The last date and place for filing nomination petitions, if
30 applicable.

- 31 4. The last date to register to vote in the election.
32 5. The name of the election district conducting the election.
33 6. The proposed boundaries of the election district, if for
34 establishment or annexation.

35 7. If the election is a special district mail ballot election as
36 described in chapter 4, article 8.1 of this title, the date the mail ballots
37 will be mailed to qualified electors of the district.

38 B. In lieu of publishing the call described in subsection A OF THIS
39 SECTION, the governing body may mail a call of election to each household in
40 the district containing a qualified elector. Such call shall contain the
41 same information described in subsection A OF THIS SECTION and be mailed not
42 later than ninety days before the election.

1 Sec. 111. Section 16-228, Arizona Revised Statutes, is amended to
2 read:

3 16-228. Notice of election for nonpartisan elections

4 A. The governing body shall publish a notice of election at least
5 twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in
6 the election district in which a nonpartisan election is being held not less
7 than one week apart during the six calendar weeks preceding twenty days
8 before the election. This notice shall contain at least:

- 9 1. The date of the election.
- 10 2. The location of the polls.
- 11 3. The hours the polls will be open.
- 12 4. The purpose of the election.
- 13 5. The election district conducting the election.

14 B. In lieu of publishing the notice described in subsection A OF THIS
15 SECTION, the governing body may, and for a nonresident qualified elector of
16 any special district shall, mail a notice of election to each household
17 containing a qualified elector of the district. Such notice shall contain
18 the same information described in subsection A, paragraphs 1, 4 and 5 OF THIS
19 SECTION and the polling place for that household's qualified electors and the
20 times it is open. Mailings may be made over a period of days but shall be
21 mailed in order to be delivered to households before the earliest date of
22 mailing to registered voters of any requested early ballots for that
23 election.

24 C. In mail ballot elections, the governing body shall publish a notice
25 of election at least twice ~~in a newspaper of general circulation~~ ON A PUBLIC
26 MEDIUM PUBLISHED in the special district in which the election is being held
27 once a week during each of the two weeks immediately preceding the thirty
28 days before the election. This notice shall contain at least:

- 29 1. The date of the election.
- 30 2. The date ballots will be mailed.
- 31 3. The deadline and location for return of the ballots.
- 32 4. The method for obtaining a replacement if a ballot is destroyed,
33 lost, spoiled or not received.
- 34 5. A statement that no polling place will be provided.
- 35 6. The name of the district that is conducting the election.
- 36 7. The qualifications of electors.

37 D. In lieu of publishing the notice described in subsection C OF THIS
38 SECTION, the governing body may, and for a nonresident qualified elector of
39 any special district shall, mail a notice of election to each household
40 containing a qualified elector of the district. The notice shall contain the
41 same information described in subsection C OF THIS SECTION and shall be
42 mailed not later than forty-five days before the election.

1 Sec. 112. Section 16-449, Arizona Revised Statutes, is amended to
2 read:

3 16-449. Required test of equipment and programs; notice;
4 procedures manual

5 A. Within the period of time before the election day prescribed by the
6 secretary of state in the instructions and procedures manual adopted pursuant
7 to section 16-452, the board of supervisors or other election officer in
8 charge, or for an election involving state or federal candidates, the
9 secretary of state, shall have the automatic tabulating equipment and
10 programs tested to ascertain that the equipment and programs will correctly
11 count the votes cast for all offices and on all measures. Public notice of
12 the time and place of the test shall be given at least forty-eight hours
13 ~~prior thereto~~ BEFORE THE TEST by publication once ~~in one or more daily or~~
14 ~~weekly newspapers~~ ON A PUBLIC MEDIUM published in the town, city or village
15 using ~~such THAT~~ equipment, ~~if a newspaper is published therein, otherwise in~~
16 ~~a newspaper of general circulation therein~~. The test shall be observed by at
17 least two election inspectors, who shall not be of the same political party,
18 and shall be open to representatives of the political parties, candidates,
19 the press and the public. The test shall be conducted by processing a
20 preaudited group of ballots so punched or marked as to record a predetermined
21 number of valid votes for each candidate and on each measure and shall
22 include for each office one or more ballots that have votes in excess of the
23 number allowed by law in order to test the ability of the automatic
24 tabulating equipment and programs to reject such votes. If any error is
25 detected, the cause therefor shall be ascertained and corrected and an
26 errorless count shall be made before the automatic tabulating equipment and
27 programs are approved. A copy of a revised program shall be filed with the
28 secretary of state within forty-eight hours after the revision is made. If
29 the error was created by automatic tabulating equipment malfunction, a report
30 shall be filed with the secretary of state within forty-eight hours after the
31 correction is made, stating the cause and the corrective action taken. The
32 test shall be repeated immediately before the start of the official count of
33 the ballots in the same manner as set forth above. After the completion of
34 the count, the programs used and the ballots shall be sealed, retained and
35 disposed of as provided for paper ballots.

36 B. Electronic ballot tabulating systems shall be tested for logic and
37 accuracy within seven days before their use for early balloting pursuant to
38 the instructions and procedures manual for electronic voting systems that is
39 adopted by the secretary of state as prescribed by section 16-452. The
40 instructions and procedures manual shall include procedures for the handling
41 of ballots, the electronic scanning of ballots and any other matters
42 necessary to ensure the maximum degree of correctness, impartiality and
43 uniformity in the administration of an electronic ballot tabulating system.

44 C. Notwithstanding subsections A and B of this section, if a county
45 uses accessible voting equipment to mark ballots and that accessible voting

1 equipment does not independently tabulate or tally votes, the secretary of
2 state in cooperation with the county officer in charge of elections may
3 designate a single date to test the logic and accuracy of both the accessible
4 voting equipment and electronic ballot tabulating systems.

5 Sec. 113. Section 17-453, Arizona Revised Statutes, is amended to
6 read:

7 17-453. Notices of restrictions; posting; publication

8 A. For all areas specified under agreements pursuant to section
9 17-452, the commission shall cause notices of the restrictions, prohibitions
10 or permitted uses of such area to be posted, ~~prior to~~ BEFORE the effective
11 date of such restrictions, prohibitions or permitted uses, ~~on the main~~
12 traveled roads and highways entering such area and such locations that the
13 commission deems appropriate.

14 B. In addition to the posted notices required by subsection A of this
15 section, the commission shall cause a notice of such restrictions,
16 prohibitions or permitted uses, together with a description of the area, to
17 be published three times ~~in a newspaper of general circulation~~ ON A PUBLIC
18 MEDIUM PUBLISHED in the state ~~prior to~~ BEFORE the effective date of such
19 restrictions, prohibitions or permitted uses.

20 Sec. 114. Section 20-668, Arizona Revised Statutes, is amended to
21 read:

22 20-668. Powers and duties of the director

23 A. The director shall:

24 1. Report to the board when the director has reasonable cause to
25 believe that any member insurer examined or being examined at the request of
26 the board may be insolvent or in a financial condition hazardous to the
27 policyholders or to the public.

28 2. Notify the board of the existence of an insolvent insurer not later
29 than three working days after the director receives notice of such
30 insolvency.

31 3. ~~Upon~~ ON request of the board, provide the fund with a statement of
32 the net direct written premiums of each member insurer.

33 4. Immediately make available to the fund for the purpose of making
34 payment ~~upon~~ ON all covered claims such assets of the insolvent insurer ~~which~~
35 THAT are not required for payment of any claim accorded a higher priority
36 pursuant to section 20-629.

37 B. The director may:

38 1. Require that the fund notify the insureds of the insolvent insurer
39 and any other interested parties of the determination of insolvency and of
40 their rights pursuant to this article. Such notification shall be by mail at
41 their last known address, where available. If sufficient information for
42 notification by mail is not available, notice shall be by publication ~~in a~~
43 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM.

44 2. Suspend or revoke, after notice and hearing, the certificate of
45 authority to transact insurance in this state of any member insurer ~~which~~

1 THAT fails to pay an assessment when due or fails to comply with the plan of
2 operation. As an alternative, the director may assess a civil penalty on any
3 member insurer ~~which~~ THAT fails to pay an assessment when due. The penalty
4 shall not exceed five per cent of the unpaid assessment per month. ~~No~~ A
5 penalty shall NOT be less than one hundred dollars per month, which ~~amount~~
6 shall be deposited, pursuant to sections 35-146 and 35-147, in the state
7 general fund.

8 3. Revoke the designation of any servicing facility if the director
9 finds claims are being handled unsatisfactorily.

10 C. Any final action or order of the director pursuant to this article
11 shall be subject to review pursuant to chapter 1, article 2 of this title.

12 Sec. 115. Section 20-706, Arizona Revised Statutes, is amended to
13 read:

14 20-706. Filing, recording and publication of articles;
15 appointment of agent to receive process; issuance of
16 certificate

17 A. The articles of incorporation shall be filed in the office of the
18 corporation commission, and certified copies thereof shall be filed with the
19 director of insurance and recorded in the office of the county recorder in
20 each county of the state in which the corporation proposes to transact
21 business.

22 B. The articles of incorporation shall be published at least six times
23 ~~in a newspaper~~ ON A PUBLIC MEDIUM published in ~~or having a general~~
24 ~~circulation in~~ the county of the corporation's principal place of business.
25 ~~Upon~~ ON completion of publication, and within three months after recording
26 the certified copy of the articles in the office of the county recorder of
27 such county, an affidavit of publication shall be filed in the office of the
28 corporation commission.

29 C. The corporation shall appoint a statutory agent located in this
30 state ~~upon~~ ON whom all process in any action or proceeding may be served and
31 shall file duplicate originals of such appointment in the director's office
32 and in the corporation commission's office. Any termination of such
33 statutory agent shall not take effect until the corporation has appointed a
34 new, valid statutory agent.

35 D. ~~Upon~~ ON completion of the filing and recording as to the articles
36 of incorporation, and filing of the appointment of a statutory agent for
37 service of process, the corporation commission shall issue to the corporation
38 a certificate of incorporation. The corporation shall not transact business
39 as an insurer until it has applied for and received from the director a
40 certificate of authority as provided by this title.

41 Sec. 116. Section 23-1326, Arizona Revised Statutes, is amended to
42 read:

43 23-1326. No trespass public notice list; presumption

44 A. The secretary of state shall establish a no trespass public notice
45 list identifying employers in this state who have established private

1 property rights to their establishment and any related real property in this
2 state.

3 B. To be included on the list, an employer shall provide to the
4 secretary of state copies of appropriate documents that establish the
5 employer's private property rights, including the address and legal
6 description of the property to which it has legal control. An employer that
7 records its private property rights shall pay a recording fee determined by
8 the secretary of state.

9 C. If an employer provides the documents prescribed in subsection B OF
10 THIS SECTION and pays the fee, the secretary of state shall list the employer
11 and its address on the no trespass public notice list and shall maintain a
12 copy of the documents for public inspection.

13 D. Beginning January 15, 2012 and every January 15 and July 15
14 thereafter, the secretary of state shall:

15 1. Publish the no trespass public notice list at least one day a week
16 for four consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
17 MEDIUM PUBLISHED in the county in which the employer is located. ~~If there is~~
18 ~~no newspaper of general circulation in the county, the list shall be~~
19 ~~published in a newspaper of general circulation in an adjoining county.~~ The
20 secretary of state shall make the list accessible to the public in the
21 secretary of state's office and shall publish the list on the secretary of
22 state's website.

23 2. Provide a copy of the no trespass public notice list to every law
24 enforcement agency in this state.

25 E. Publication of the no trespass public notice list as prescribed in
26 subsection D OF THIS SECTION establishes a presumption that all members of
27 the public have notice of all employers and properties shown on the list.

28 F. Each law enforcement agency shall maintain the most recent no
29 trespass public notice list received from the secretary of state for its use
30 in responding to complaints of unlawful picketing, trespassory assembly or
31 unlawful mass assembly. If a property is identified on the list, the
32 responding peace officer may not require the employer to provide any further
33 documentation to establish the employer's property rights before requiring
34 any labor organization or individual or groups of individuals acting on
35 employees' behalf that are engaged in unlawful picketing, trespassory
36 assembly or mass picketing to leave the employer's property or cease from
37 blocking ingress to or egress from the employer's property.

38 G. This section does not affect or limit any existing property rights
39 if a property is not included on any no trespass public notice list.

1 Sec. 117. Section 26-347, Arizona Revised Statutes, is amended to
2 read:

3 26-347. Facilities subject to emergency planning; facility
4 emergency response plans

5 A. A facility is subject to emergency planning requirements if a
6 substance identified under section 26-346 is present at the facility in an
7 amount at or in excess of the threshold planning quantity for that substance.

8 B. For purposes of emergency planning, the commission may designate
9 additional facilities ~~which~~ THAT are subject to this section. The
10 designation shall be accomplished after providing at least thirty days' prior
11 public notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
12 PUBLISHED in the county where the facility is located, after allowing public
13 comment to the commission for thirty days and after notification to the
14 facility of the proposed designation.

15 C. The owner or operator of a facility subject to this section shall
16 provide to the committee the identity of a facility representative who will
17 provide a facility emergency response plan and who will participate in the
18 emergency planning process as the facility emergency coordinator.

19 D. Each facility subject to this section shall prepare a facility
20 emergency response plan and submit copies of that plan to the commission, the
21 local emergency planning committee for the district in which the facility is
22 located and the fire department with jurisdiction over the facility. A
23 facility that is required to prepare a contingency plan under title 49,
24 chapter 5, article 2 or the resource conservation and recovery act of 1976
25 (P.L. 94-580; 90 Stat. 2795) may submit that contingency plan in lieu of the
26 emergency response plan required by this section if the information in
27 paragraphs 1 through 7 of this subsection is included in the plan. In
28 preparing the plan required by this section, the facility emergency
29 coordinator shall consult with the local emergency planning committee and
30 other emergency and health professionals to ~~assure~~ ENSURE maximum
31 coordination with those whose cooperation or services may be required in the
32 event of a reportable release. The facility emergency response plan shall
33 include specific actions to be taken in the event of an imminent or
34 accidental reportable release to safeguard the public health, safety and
35 welfare and the environment to the maximum extent practicable. The facility
36 emergency response plan shall include:

37 1. Names, addresses and emergency telephone numbers of a facility
38 emergency coordinator and alternate.

39 2. A description of emergency warning systems and a list of emergency
40 units, emergency personnel and health professionals in close proximity to the
41 facility.

42 3. A description of employee emergency response training and emergency
43 preparedness programs.

44 4. A description of appropriate emergency equipment necessary to
45 respond to a release.

1 5. A description of emergency response procedures, including
2 notification procedures and evacuation plans in the event of a release.

3 6. Identification of transport routes and transportation methods used
4 to transport extremely hazardous substances to and from the facility, if
5 known.

6 7. Provisions for at least an annual review of the plan and provisions
7 to demonstrate the capability to execute the plan on the request of the
8 commission.

9 Sec. 118. Section 27-221, Arizona Revised Statutes, is amended to
10 read:

11 27-221. Notice to delinquent co-owner to contribute share of
12 annual labor expense

13 A. When a co-owner gives a delinquent co-owner notice in writing or
14 notice by publication to contribute his proportion of the expense of annual
15 labor as provided by the laws of the United States, an affidavit of the
16 person giving the notice, stating the time, place, manner of service and by
17 whom and ~~upon~~ ON whom the service was made, shall be attached to a true copy
18 of the notice, and the notice and affidavit shall be recorded ninety days
19 after giving the notice, or if the notice is given by publication ~~in a~~
20 ~~newspaper~~ ON A PUBLIC MEDIUM, there shall be attached to a printed copy of
21 the notice an affidavit of the editor or publisher of the ~~paper~~ PUBLIC
22 MEDIUM, stating the date of each ~~insertion~~ PUBLICATION of the notice therein,
23 and when and where the ~~newspaper~~ PUBLIC MEDIUM was published during that
24 time, and the affidavit and notice shall be recorded one hundred and eighty
25 days after the first publication.

26 B. A true copy of the original notice and affidavit of service, or the
27 records thereof, shall be prima facie evidence that the delinquent co-owner
28 has failed or refused to contribute his proportion of the expenditure, and
29 shall be prima facie evidence of service or publication of the notice, unless
30 the writing or affidavit provided for in section 27-222 is of record.

31 Sec. 119. Section 27-511, Arizona Revised Statutes, is amended to
32 read:

33 27-511. Confiscation proceedings

34 A. Illegal oil and gas and illegal products shall be seized and sold
35 as contraband. The sale shall not take place unless the court finds, in a
36 proceeding held as provided by this section, that the commodity involved is
37 contraband.

38 B. If the commissioner believes that illegal oil or gas or AN illegal
39 product is subject to seizure and sale, ~~he~~ THE COMMISSIONER shall BRING,
40 through the attorney general, ~~bring~~ a civil action in rem for that purpose in
41 the superior court of the county in which the commodity is found, or the
42 action may be maintained in connection with any action or cross action for
43 injunction, or for penalty relating to any prohibited transaction involving
44 THE illegal oil or gas or illegal product. Any interested person adversely
45 affected by seizure and sale may intervene in the suit to protect his

1 rights. The action shall proceed in the name of the state as plaintiff
2 against the illegal oil or gas or illegal product as defendant, and ~~no~~ A bond
3 shall NOT be required of plaintiff.

4 C. ~~Upon~~ ON filing of the complaint, the clerk of the court shall issue
5 a summons directed to the sheriff of the county or to any person the court
6 may authorize to serve process, requiring him to summon all persons
7 interested in the illegal oil or gas or illegal product mentioned in the
8 complaint to appear and answer within thirty days after issuance and service
9 of summons. Such persons need not be named or otherwise identified. The
10 summons shall contain the style and number of the suit and a brief statement
11 of the nature of the action. It shall be served by posting one copy at the
12 courthouse door of the county in which the commodity is alleged to be located
13 and by posting another copy near the place where the commodity is
14 located. Copies of the summons shall be posted not less than five days
15 before the return day stated therein, and posting shall be deemed
16 constructive possession of the commodity by the state. A copy of the summons
17 shall be published once each week for three weeks ~~in a newspaper~~ ON A PUBLIC
18 MEDIUM published in the county where the suit is pending. ~~No~~ A judgment
19 shall NOT be pronounced by a court condemning the commodity as contraband
20 until five days from the last publication of the summons. Proof of service
21 by the person authorized by the court to serve process shall be by affidavit
22 of the person making the service, and proof of service by the sheriff shall
23 be by return as required by law with respect to service of process in civil
24 actions.

25 D. When it appears by a verified pleading on the part of the
26 plaintiff, or by affidavit, that grounds for the seizure and sale exist, the
27 clerk, in addition to the summons, shall issue an order of seizure, which
28 shall be signed by the clerk and bear the seal of the court. The order of
29 seizure shall specifically describe the illegal oil or gas or illegal product
30 so that it may be identified with reasonable certainty. It shall direct the
31 sheriff to whom IT IS addressed to take into ~~his~~ actual or constructive
32 custody the illegal oil or gas or illegal product described in the order,
33 and hold the commodity subject to order of the court. The order of seizure
34 shall be executed as a writ of attachment is executed. ~~No~~ A bond shall NOT
35 be required before the issuance of the order of seizure, and the sheriff
36 shall be responsible ~~upon~~ ON his official bond for the proper execution
37 thereof.

38 E. The sheriff shall receive, for his service, a fee as in case of
39 seizure of personal property, to be assessed as other costs in the cause.

40 Sec. 120. Section 27-554, Arizona Revised Statutes, is amended to
41 read:

42 27-554. Designation of known geological structures of producing
43 oil and gas fields

44 A. The department shall from time to time determine and designate the
45 known geological structures of producing oil and gas fields. The

1 determinations and designations shall be published twice ~~in a newspaper of~~
 2 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the state, the last
 3 publication to be not less than five days from the first date of publication.
 4 The determinations and designations shall become effective from the date of
 5 first publication. Until such a determination and designation ~~is~~ ARE made by
 6 the department, all state lands shall be deemed located not within any known
 7 geological structure of a producing oil and gas field.

8 B. The department may refuse to lease any state lands for oil and gas
 9 when the lands are being used by the state or any state department for a
 10 state purpose.

11 Sec. 121. Section 27-556, Arizona Revised Statutes, is amended to
 12 read:

13 27-556. Lease of state lands located within known geological
 14 structure of producing oil or gas field; sealed bids;
 15 call for bids; publication; lease extension;
 16 provisions of lease; acreage limitation

17 When state lands are located within a known geological structure of a
 18 producing oil or gas field, as determined pursuant to section 27-554, the
 19 lands shall be leased only by sealed bids, as follows:

20 1. ~~Upon~~ ON receipt of an application to lease any of such lands or
 21 whenever, in the opinion of the department, there is a demand for the
 22 purchase of leases of the lands, the department shall offer the tract or
 23 tracts for lease to the highest qualified bidder submitting a sealed bid, on
 24 the basis of a cash bonus.

25 2. The department shall publish a call for sealed bids twice ~~in a~~
 26 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in ~~the~~ THIS
 27 state, the last publication to be not less than fifteen days ~~prior to~~ BEFORE
 28 the date fixed for opening the bids. All bids, together with a certified
 29 check in the amount of the bonus bid, shall be submitted to the department at
 30 the capitol, and opened at the office of the department at the time
 31 specified. On or before December 1 each year, the department shall designate
 32 by general order the ~~newspaper in~~ PUBLIC MEDIUM ON which the publications
 33 shall be made during the following calendar year. The successful bidder
 34 shall pay the cost of the publication and the reasonable expenses of the
 35 sale.

36 3. The publication shall contain a description of the land proposed to
 37 be leased, the time when the bids will be received and opened, the royalty to
 38 be demanded, which the department shall fix ~~prior to~~ BEFORE THE call for bids
 39 at not less than twelve and one-half per cent, and an annual rental to be
 40 demanded in the amount of one dollar per acre for each year.

41 4. The publication shall set forth the form of lease ~~which~~ THAT the
 42 successful bidder will be required to execute. In lieu of publishing the
 43 form of lease in its entirety, the publication may specify the form of lease
 44 by designating the form number of lease on file with the department, ~~copies~~
 45 ~~of which shall be furnished~~ FURNISH COPIES TO any person on request.

1 5. Royalties, including shut-in gas royalties, reserved to the state
2 on production from any state lands leased pursuant to this article and
3 committed to a unit plan of development by virtue of a unit agreement shall
4 be paid only on that portion of production allocated to such state lands or
5 any part of the state lands, pursuant to the terms and conditions of such
6 unit agreement.

7 6. Each lease issued under this section shall be for a primary term of
8 five years and as long thereafter as oil or gas is produced in paying
9 quantities from the lands covered by the lease, except that:

10 (a) If oil or gas is not being produced from the leased premises at
11 the expiration of the primary term of the lease, but the owner of the lease
12 is diligently engaged in drilling, completion or reworking operations, the
13 lease continues in force for a period of two years from the date on which the
14 lease would have otherwise expired and as long thereafter as oil or gas is
15 produced in paying quantities from the lands. If oil or gas is produced from
16 any such well or any other well drilled during any two-year extension, the
17 lease shall continue in force after such two-year extension as long as oil or
18 gas is produced in paying quantities from the leased premises.

19 (b) Oil or gas that is produced from any part of a unit in which state
20 lands are included by virtue of a unit agreement and that is allocated to all
21 or any part of such state lands pursuant to the terms and conditions of the
22 unit agreement is deemed to be produced from the state lands or that part of
23 the state lands to which the production is allocated.

24 (c) If for any reason production of oil or gas from the leased lands
25 ceases after the primary term or any extension, the lease shall not terminate
26 if the lessee commences drilling, completion or reworking operations on the
27 land within ninety days from cessation of production, and if drilling,
28 completion or reworking operations are conducted with reasonable diligence,
29 the lease shall remain in force as long thereafter as such drilling,
30 completion or reworking operations are conducted or as long thereafter as oil
31 or gas is produced in paying quantities from the leased lands, but in no
32 event to extend beyond two years if production is not restored.

33 7. The lease may contain other terms and provisions not inconsistent
34 with ~~the provisions of~~ this article or other laws of the state, as in the
35 opinion of the department are for the best interests of the state.

36 8. Each lease shall provide that the state's royalties shall be
37 computed after deducting any oil or gas reasonably used in operations on the
38 lease.

39 9. Each lease shall provide that any combination, understanding or
40 agreement entered into by the lessee, written, verbal or otherwise, for the
41 purpose of delaying the discovery or development of oil or gas is an illegal
42 practice, and that ~~upon~~ ON legal determination thereof shall constitute
43 grounds for cancellation of the lease. In the event of such an illegal
44 practice, appropriate proceedings may be instituted by the attorney general
45 against the lessee in the county in which the land, or any part thereof, is

1 located. A cooperative or unit plan entered into pursuant to this article or
 2 any other conservation statute of this state shall not be held to violate
 3 this paragraph or any other statute of this state prohibiting monopolies or
 4 acts, arrangements, contracts, combinations or conspiracies in restraint of
 5 trade or commerce on account of operations conducted under such a plan.

6 10. The owner of any state oil and gas lease issued by the department
 7 and maintained in good standing according to the terms and conditions of the
 8 lease and all applicable statutes and regulations shall have the right to
 9 elect at any time to have such lease amended to contain the same term and
 10 extension provisions and the same provisions relating to unit operations and
 11 unit agreements ~~which~~ THAT have been or may be approved by the state land
 12 commissioner as are provided by law for state oil and gas leases ~~upon~~ ON
 13 filing a written notice of such election with the department. ~~Upon~~ ON such
 14 written notice to the department, the lease term and extension provisions and
 15 the provisions relating to unit operations and unit agreements shall be
 16 deemed amended. The lease as amended shall include all other provisions,
 17 except those providing for rents, contained in the original lease and shall
 18 bear the same commencement date as the original lease. The lease as amended
 19 shall require the payment in advance of an annual rental of one dollar and
 20 fifty cents per acre per year for each year of any extension of the lease
 21 beyond the primary term of the lease, except extensions of the primary term
 22 based upon the production of oil or gas.

23 11. Before offering any state lands for lease under sealed bids, the
 24 department shall determine the tract or tracts into which the lands shall be
 25 divided for leasing purposes. Each tract shall contain not less than
 26 one-quarter section of land and not more than two sections of land, but a
 27 tract containing less than one-quarter section of land may be leased if the
 28 tract is segregated from other state lands not then subject to oil and gas
 29 lease. All tracts shall be in reasonably compact form.

30 12. The department shall reserve the right to reject any and all bids
 31 on each offer for lease and to again offer the tract or tracts for lease if
 32 the bids received are not acceptable to the department.

33 13. Before acceptance of any bid for a lease under this section, the
 34 department shall establish to its satisfaction the responsibility of the
 35 bidder.

36 14. The department shall return all checks accompanying rejected bids.

37 Sec. 122. Section 27-557, Arizona Revised Statutes, is amended to
 38 read:

39 27-557. Unit operations; unit agreements

40 A. Each lease issued under ~~the provisions of~~ this article shall
 41 provide that the lessee, insofar as its interest in the lease is affected,
 42 may join in cooperative or unit plans for the exploration, development and
 43 operation of oil and gas pools with the United States, its agencies and its
 44 or their lessees and permittees, or with private owners and persons holding
 45 oil and gas leases on private lands or on state lands.

1 B. Lessees under oil and gas leases issued by the department ~~may~~, with
 2 the consent of the department, ~~MAY~~ commit the state lands to unit,
 3 cooperative or other plans of exploration, development and operation with
 4 other state, federal, private or Indian lands.

5 C. The state land commissioner ~~shall~~, not later than ten days after
 6 the date a proposed cooperative or unit plan for the exploration, development
 7 or operation of oil and gas pools is filed with the department, ~~SHALL~~ give
 8 notice in writing of such proposal to the oil and gas conservation
 9 commission, the bureau of geology and mineral technology and all holders of
 10 oil and gas leases on state lands to be included in the proposed cooperative
 11 or unit plan. Any interested person ~~may~~, within ten days after the date of
 12 such notice, ~~MAY~~ file a written protest with the department. ~~Upon~~ ~~ON~~ receipt
 13 of such a protest, the state land commissioner ~~shall~~, not later than thirty
 14 days after receipt of the protest, ~~SHALL~~ hold a public hearing at the county
 15 seat of the county in which the state lands to be included in the proposed
 16 cooperative or unit plan are located. Notice of the public hearing shall be
 17 published three times ~~in a newspaper of general circulation~~ ~~ON A PUBLIC~~
 18 ~~MEDIUM PUBLISHED~~ in the county, the last publication to be not less than ten
 19 days ~~prior to~~ ~~BEFORE~~ the date of the hearing. The state land commissioner
 20 ~~shall~~, not later than sixty days after the date the proposed cooperative or
 21 unit plan is filed with the department or, in the event of a protest and
 22 public hearing, not later than thirty days after the date of such public
 23 hearing, ~~SHALL~~ determine whether it is in the best interests of the state to
 24 commit state lands to the cooperative or unit plan as proposed or as
 25 modified. A proposed cooperative or unit plan may be modified in a manner
 26 agreeable to the state land commissioner and the proponent of the plan after
 27 such notice and public hearing as may be required by this subsection. ~~Upon~~
 28 ~~ON~~ determination by the state land commissioner that it is in the best
 29 interests of the state to commit state lands to such cooperative or unit
 30 plan, the state land commissioner shall consent to and approve the
 31 cooperative or unit plan.

32 D. The execution by the authorized state officer of a cooperative plan
 33 or unit agreement is deemed to be an amendment of state leases committed to
 34 such ~~A~~ plan or unit and has the effect of extending the term of the state
 35 leases included in the plan or agreement for the full period of time such ~~A~~
 36 plan or unit may remain in effect and of modifying such leases so as to
 37 conform the terms and conditions of the leases to the terms and conditions of
 38 the plan or unit but otherwise to remain in effect.

39 E. The agreements shall provide for the equitable division on an
 40 agreed basis of the oil and gas produced from the unit and for the extension
 41 of leases covering any part of the unit as long as drilling, completion or
 42 reworking operations are conducted anywhere on the unit or as long as oil or
 43 gas in paying quantities is produced from any part of the unit, but no such
 44 agreement shall relieve any operator from the obligation to develop
 45 reasonably the lands and leases as a whole committed thereto. When the

1 agreements provide for returning gas to a formation underlying the unit, they
2 may provide that ~~no~~ royalties are NOT required to be paid on the gas
3 returned.

4 F. Any lease issued under this article ~~which~~ THAT is committed to a
5 unit agreement embracing lands that are in part within and in part outside of
6 the area covered by any such agreement shall be segregated into separate
7 leases as to the lands committed and the lands not committed as of the
8 effective date of unitization. Any such lease, as to the nonunitized
9 portion, shall continue in force and effect for a period of time equal to the
10 greater of the remainder of the original term of the lease or two years from
11 the date of such segregation and as long thereafter as oil or gas is produced
12 in paying quantities.

13 G. Any lease issued under this article ~~which~~ THAT is in effect at the
14 termination of any unit agreement to which such A lease is committed, unless
15 relinquished, shall continue in effect for a period of time equal to the
16 greater of the remainder of the original term of the lease or two years from
17 the termination of the unit agreement and as long thereafter as oil or gas is
18 produced in paying quantities.

19 H. Notwithstanding any of the foregoing, ~~no~~ A lease issued or amended
20 pursuant to this article shall NOT be extended for any term longer than as
21 provided in article X, section 3 of the Constitution of the state of Arizona.

22 Sec. 123. Section 27-669, Arizona Revised Statutes, is amended to
23 read:

24 27-669. Designation of known geothermal resource areas

25 The department may determine and designate the known geothermal
26 resource areas. The determinations and designations shall be published twice
27 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in this
28 state, the last publication to be not less than five days from the first date
29 of publication. The determinations and designations shall become effective
30 from the date of first publication. Until such a determination and
31 designation ~~is~~ ARE made by the department, all state lands shall be deemed
32 not located within any known geothermal resource area.

33 Sec. 124. Section 27-670, Arizona Revised Statutes, is amended to
34 read:

35 27-670. Lease of state lands; application; call for bids;
36 publication; withdrawal of lands from leasing

37 A. Applications for leases shall be in writing addressed to the
38 department and shall contain a description of the lands sufficient to
39 identify them, ~~AND~~ AND the name and address of the applicant and shall be
40 accompanied by a filing fee of twenty-five dollars. Each application shall
41 be stamped when received by the department with a stamp showing the day and
42 hour when received.

43 B. Before offering any state lands for lease, the department shall
44 determine the tract or tracts into which the lands shall be divided for
45 leasing purposes. All tracts shall be in reasonably compact form.

1 C. ~~Upon~~ ON receipt of an application to lease any state lands, the
2 department shall offer the tract or tracts for lease to the highest and best
3 bidder. The bidding shall be on the basis of highest first year's bonus to
4 be paid to the department at the time of declaration of the highest and best
5 bidder.

6 D. The department shall publish a call for bids in the same manner
7 provided for the sale of state lands. On or before December 1 each year, the
8 department shall designate by general order the ~~newspaper~~ PUBLIC MEDIUM at
9 the capital ~~in~~ ON which the publications shall be made during the following
10 calendar year. The successful bidder shall pay the cost of the publication
11 and the reasonable expenses of the sale.

12 E. The publication shall contain a description of the land proposed to
13 be leased, the time when the bids will be received, the royalty to be
14 demanded, which the department shall fix ~~prior to~~ BEFORE THE call for bids,
15 and an annual rental to be demanded.

16 F. The publication shall set forth the form of lease ~~which~~ THAT the
17 successful bidder will be required to execute. In lieu of publishing the
18 form of lease in its entirety, the publication may specify the form of lease
19 by designating the form number of the lease on file with the department,
20 ~~copies of~~ which shall ~~be furnished~~ FURNISH COPIES TO any person on request.

21 G. Each offer for lease shall reserve the right in the department to
22 reject any and all bids and to again offer the tract or tracts for lease if
23 the bids received are not acceptable to the department.

24 H. No bid may be accepted unless the bidder, or the bidder's disclosed
25 principal, qualifies under ~~the provisions of~~ section 37-240, subsection B.

26 I. The department may withdraw from leasing any specific area of land
27 if it appears that the withdrawal is in the interest of this state.

28 J. The department may refuse to lease any state lands for development
29 of geothermal resources and may refuse to sell geothermal resource leases
30 when such A refusal is deemed by the department to be in the best interest of
31 the state.

32 K. The department shall return all checks accompanying rejected bids.

33 Sec. 125. Section 27-929, Arizona Revised Statutes, is amended to
34 read:

35 27-929. Notice of plan or substantial change

36 A. The state mine inspector shall give notice of a proposed
37 reclamation plan or a substantial change to an approved reclamation plan once
38 each week for two consecutive weeks ~~in a newspaper of general circulation ON~~
39 ~~A PUBLIC MEDIUM PUBLISHED~~ in the county or counties in which the exploration
40 operation or mining unit is or will be located. ~~If there is no such~~
41 ~~newspaper, the inspector shall give notice in a newspaper of general~~
42 ~~circulation that is published in an adjoining county.~~

43 B. The notice shall briefly describe the proposed reclamation plan or
44 substantial change and state that any person who may be adversely affected by
45 the plan or substantial change may:

1 1. File a written objection to the plan or substantial change within
2 fifteen days after the last publication.

3 2. Request a public hearing.

4 C. An objection shall state the name and mailing address of the
5 objector, be signed by the objector or the objector's agent or attorney and
6 clearly state the reasons why the plan or substantial change should be
7 denied. Grounds for objection are limited to whether the proposed plan or
8 substantial change meets the criteria for approval in this chapter.

9 D. If there is sufficient public interest by persons who may be
10 adversely affected by the plan or substantial change, the inspector may hold
11 a public hearing in the county in which the exploration operation or mining
12 unit is or will be located.

13 Sec. 126. Section 27-1230, Arizona Revised Statutes, is amended to
14 read:

15 27-1230. Notice of plan for existing exploration operations and
16 existing aggregate mining units

17 A. The inspector shall give notice of a proposed reclamation plan for
18 an existing exploration operation or an existing aggregate mining unit. The
19 notice shall be:

20 1. Filed with the secretary of state.

21 2. Sent by first class mail to cities and counties located within five
22 miles of the existing exploration operation or the existing aggregate mining
23 unit.

24 3. Sent by first class mail to the department of water resources, **THE**
25 department of environmental quality, multi-county water conservation
26 districts and agencies that own or manage **PUBLIC** lands on which the
27 exploration operation or aggregate mining unit is located.

28 4. Sent by first class mail to property owners with property adjoining
29 the exploration operation or aggregate mining unit.

30 5. Published once each week for two consecutive weeks ~~in a newspaper~~
31 ~~of general circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the county or counties
32 in which the exploration operation or aggregate mining unit is located. ~~If~~
33 ~~there is no such newspaper, the inspector shall give notice in a newspaper of~~
34 ~~general circulation that is published in an adjoining county.~~

35 6. Posted in five conspicuous public locations within one mile of the
36 exploration operation or aggregate mining unit.

37 B. The notice shall briefly describe the proposed reclamation plan and
38 shall designate where the plan may be accessed. The notice shall state that
39 any person who may be adversely affected by the plan may file written
40 comments on the plan within fifteen days after the last publication and
41 request a public meeting. If there is sufficient public interest by persons
42 who may be adversely affected by the plan, the inspector shall hold a public
43 meeting in the county in which the exploration operation or aggregate mining
44 unit is located.

1 C. The exploration operation or mining unit's designated
2 representative shall attend the public meeting and respond to questions that
3 relate to information in the reclamation plan.

4 D. If an interested party cannot attend the public meeting, that party
5 may submit written comments to the inspector before the meeting regarding the
6 reclamation plan, and the inspector shall consider the written comments.

7 E. The inspector shall adopt rules to implement ~~the provisions of~~ this
8 section.

9 Sec. 127. Section 28-2093, Arizona Revised Statutes, is amended to
10 read:

11 28-2093. Sale of seized vehicles or motors; disposition of
12 proceeds

13 A. If a vehicle or motor has been seized under this chapter and held
14 for six months and the owner has not complied with the provisions of law
15 under which the vehicle or motor was seized, including payment of all fees,
16 penalties, costs and expenses of seizure, the director shall sell the vehicle
17 or motor.

18 B. After thirty days the department may sell a motor vehicle, trailer
19 or semitrailer seized and held for nonpayment of any fee, tax or other
20 assessment or penalty on the vehicle that is due the department or for its
21 account.

22 C. The department shall sell a motor vehicle, motor, trailer or
23 semitrailer under this section at public auction after notice of the sale by
24 certified mail, return receipt requested, at least five but not more than
25 twenty days before the sale, directed to the last known address of the owner
26 of the vehicle or motor, if the owner is known. If the owner is unknown, the
27 department shall give notice by publication ~~in a newspaper of general~~
28 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the vehicle
29 or motor was seized. If notice is published in a weekly ~~newspaper~~ PUBLIC
30 MEDIUM, the department shall publish it once each week for two consecutive
31 weeks, or if notice is published in a daily ~~newspaper~~ PUBLIC MEDIUM, six
32 consecutive times, the last publication to be at least five but not more than
33 ten days before the date of the sale.

34 D. The department shall pay the proceeds from the sale, after the
35 fees, penalties, costs and expenses of seizure and sale are deducted, to the
36 owner from whom the vehicle or motor was seized, if the owner is known. If
37 the owner is unknown, the department shall deposit, pursuant to sections
38 35-146 and 35-147, the proceeds in the Arizona highway user revenue fund.

39 Sec. 128. Section 28-2422.02, Arizona Revised Statutes, is amended to
40 read:

41 28-2422.02. Spaying and neutering of animals fund; definitions

42 A. The spaying and neutering of animals fund is established consisting
43 of monies received pursuant to section 28-2422. The companion animal spay
44 and neuter committee shall administer the fund. The first thirty-two
45 thousand dollars received shall be reimbursed to the entity that paid the

1 implementation fee to the department of transportation pursuant to section
2 28-2422. Excluding the initial thirty-two thousand dollar reimbursement, not
3 more than ten per cent of monies deposited in the fund annually shall be used
4 for the cost of administering the fund. Monies in the fund are continuously
5 appropriated.

6 B. The companion animal spay and neuter committee shall allocate
7 monies to a qualifying entity that allocates the monies to programs that seek
8 to reduce pet overpopulation by sterilizing, at minimal or no cost, dogs and
9 cats in this state, including those that are impounded and sterilized
10 pursuant to section 11-1022. The companion animal spay and neuter committee
11 shall annually distribute all monies deposited in the spaying and neutering
12 of animals fund, excluding administrative fees, to any qualifying entities.
13 Funds awarded pursuant to this section shall not be used to sterilize animals
14 that may be euthanized unless euthanasia becomes necessary due to illness,
15 injury or behavior.

16 C. On notice from the companion animal spay and neuter committee, the
17 state treasurer shall invest and divest monies in the fund as provided by
18 section 35-313, and monies earned from investment shall be credited to the
19 fund.

20 D. Monies in the fund are exempt from the provisions of section 35-190
21 relating to lapsing of appropriations.

22 E. Before allocating monies pursuant to subsection B of this section:

23 1. The companion animal spay and neuter committee shall prepare and
24 issue a request for donation application that includes at least the following
25 information:

26 (a) A description of the project types eligible for funding, including
27 the scope of the work to be performed by an awardee.

28 (b) Identification of the funding source and the total amount of
29 available monies.

30 (c) Whether a single award or multiple awards may be made.

31 (d) Encouragement of collaboration by entities for community
32 partnerships, if appropriate.

33 (e) Any additional information required by the applications.

34 (f) The criteria or factors under which an application will be
35 evaluated for award and the relative importance of each criteria or factor.

36 (g) The due date for submittal of an application and the anticipated
37 time the awards may be made.

38 2. Adequate public notice of the request for donation application
39 shall be given a reasonable time before the date set forth in the request for
40 application. The notice may include publication one or more times ~~in a~~
41 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in this state a
42 reasonable time before the application opening.

43 3. A preapplication conference may be conducted before the due date
44 for the submittal of an application to explain the donation application
45 requirements. Statements made at a preapplication conference are not

1 amendments to a request for a donation application unless a written amendment
2 is issued.

3 4. A donation application shall be publicly received at the time and
4 place designated in the request for donation application. The name of each
5 applicant shall be publicly read and recorded. All other information in the
6 donation application is confidential during the process of evaluation. All
7 applications shall be open for public inspection after donations are awarded.
8 To the extent the applicant designates and the state concurs, trade secrets
9 and other proprietary information contained in the application shall remain
10 confidential.

11 5. An application shall be evaluated by at least four evaluators who
12 are members of the companion animal spay and neuter committee. The
13 evaluators may allow an applicant to make an oral or written presentation
14 regarding the scope of work, terms and conditions of the donations, budget
15 and other relevant matters set forth in the request for application. An
16 applicant shall be accorded fair treatment with respect to any opportunity
17 for oral or written presentations. The evaluators may require an applicant
18 to revise the application to reflect information provided in an oral or
19 written presentation. Any person who has information contained in the
20 application of competing applicants shall not disclose that information.

21 6. The evaluators shall review each application based solely on the
22 evaluation criteria or factors set forth in the request for donation
23 application. Each evaluator shall maintain a written record of the
24 evaluator's assessment of each application, which shall include comments
25 regarding compliance with each evaluation criteria or factor, the citation of
26 a specific criteria or factor as the basis of each stated strength or
27 weakness and a clear differentiation between comments based on facts
28 presented in the application and comments based on professional judgment.

29 7. The evaluators shall make award recommendations to the companion
30 animal spay and neuter committee based on the evaluators' reviews of each
31 application. The evaluators' recommendations may include the adjustment of
32 the budgets of the applicants individually or collectively.

33 8. The companion animal spay and neuter committee may affirm, modify
34 or reject the evaluators' recommendations in whole or in part. Modification
35 of the evaluators' recommendations may include the adjustment of the budget
36 on any proposed award individually or on all awards by an amount or
37 percentage. If the companion animal spay and neuter committee modifies or
38 rejects the recommendations, the committee shall document in writing the
39 specific justifications for the action taken.

40 9. The companion animal spay and neuter committee may enter into
41 agreements with other state governmental units to furnish assistance in
42 conducting the solicitation of donation applications.

43 10. The companion animal spay and neuter committee may resolve protests
44 of the award or proposed award of a donation. An appeal from a decision of
45 the companion animal spay and neuter committee may be made to the director of

1 the department of administration. A protest of an award or proposed award of
2 a donation and any appeals shall be resolved in accordance with the rules of
3 procedure adopted by the department of administration pursuant to section
4 41-2611.

5 F. On or before December 31 of each year, the companion animal spay
6 and neuter committee shall submit a written report to the governor, the
7 president of the senate and the speaker of the house of representatives on
8 all expenditures made from the fund in that calendar year. The report shall
9 include all administrative expenses, all grants of monies, the names of
10 grantees and any remaining balance in the fund. The committee shall provide
11 a copy of the report to the secretary of state ~~and the director of the~~
12 ~~Arizona state library, archives and public records.~~

13 G. The companion animal spay and neuter committee shall make available
14 to the public a list of all grants awarded pursuant to this section.

15 H. For the purposes of this section:

16 1. "Donation" means furnishing financial or other assistance,
17 including state monies or federal grant monies, by the companion animal spay
18 and neuter committee to any qualifying entity that allocates the monies to
19 programs that seek to reduce pet overpopulation by sterilizing, at minimal or
20 no cost, dogs and cats in this state that are owned by the general public or
21 that are impounded and sterilized pursuant to section 11-1022.

22 2. "Qualifying entity" means either of the following:

23 (a) An animal welfare organization that files under section 501(c)(3)
24 of the United States internal revenue code for federal income tax purposes
25 and that offers or subsidizes sterilization services of dogs and cats,
26 including organizations represented on the companion animal spay and neuter
27 committee.

28 (b) An animal control agency that offers or subsidizes sterilization
29 services of dogs and cats, including organizations represented on the
30 companion animal spay and neuter committee.

31 Sec. 129. Section 28-4594, Arizona Revised Statutes, is amended to
32 read:

33 28-4594. Altered serial or identification number; contraband;
34 seizure; disposition

35 A. Except if a manufacturer's serial or identification number of a
36 motor vehicle or major component part of a vehicle is removed, defaced,
37 altered or destroyed with the permission of the department or if a special
38 serial or identifying number issued by the department has been properly
39 affixed to a vehicle pursuant to section 28-2165, a motor vehicle or major
40 component part of the vehicle that has had the manufacturer's or department's
41 serial or identification number removed, defaced, altered or destroyed and a
42 serial or identification number so removed are contraband.

43 B. A law enforcement agency shall both:

1 1. Immediately seize and store the motor vehicle or major component
2 part of a vehicle or serial or identification number that is contraband
3 pursuant to subsection A of this section.

4 2. Attempt to restore the original manufacturer's serial or
5 identification numbers on the item seized as follows:

6 (a) If the original identification numbers can be permanently restored
7 and the last owner as identified on official title records maintained by the
8 vehicle registration agency of the state, country or territory in which the
9 vehicle was last titled or the person or entity to which title was assigned
10 by the last owner as identified on official title records can be found, the
11 law enforcement agency shall return the motor vehicle or major component part
12 of a vehicle to the person or entity.

13 (b) If the original identification numbers can be temporarily restored
14 and the last owner as identified on official title records maintained by the
15 vehicle registration agency of the state, country or territory in which the
16 vehicle was last titled or the person or entity to which title was assigned
17 by the last owner as identified on official title records can be found, the
18 county attorney of the county in which the motor vehicle or major component
19 part of a vehicle was seized or the attorney general, within sixty days after
20 the date of seizure or such other reasonable time that is set by the court,
21 shall file a petition or action in the superior court in the county in which
22 the item was seized or in Maricopa county to forfeit the motor vehicle or
23 major component part of a vehicle to this state for use or other appropriate
24 disposition by the law enforcement agency that seized the item or for such
25 other disposition as the state deems appropriate. The petition shall set
26 forth probable cause that the item is contraband. A copy of the petition or
27 notice of pending forfeiture shall be served as follows:

28 (i) On the person from whom the item was seized by certified mail to
29 the person's last known address.

30 (ii) On the last owner and any lienholders or interest holders
31 identified on official title records by certified mail to the names and
32 addresses identified on official title records.

33 (iii) On any other known interest holders by certified mail to each
34 holder's last known address.

35 (iv) By publication ~~in one issue of a newspaper of general circulation~~
36 **ON A PUBLIC MEDIUM PUBLISHED** in the county in which the property was seized.

37 (c) If the original identification numbers cannot be permanently or
38 temporarily restored or the last owner as identified on official title
39 records cannot be found, the county attorney in the county in which the motor
40 vehicle or major component part of a vehicle was seized or the attorney
41 general, within sixty days after the date of seizure or such other reasonable
42 time as is set by the court, shall file a petition or action in the superior
43 court in the county in which the item was seized or in Maricopa county to
44 forfeit the motor vehicle or major component part of a vehicle to this state
45 for use or other appropriate disposition by the law enforcement agency that

1 seized the item or for such other disposition as the state deems appropriate.
2 The petition shall set forth probable cause that the item is contraband. A
3 copy of the petition or notice of pending forfeiture shall be served on the
4 person from whom the item was seized by certified mail to the person's last
5 known address.

6 C. If a verified claim is not filed within the time period provided in
7 section 28-4595, subsection A, the court shall declare the seized item to be
8 contraband and shall sign an order forfeiting the seized item to the state
9 for use or other appropriate disposition by the law enforcement agency that
10 seized the item or for other disposition as the state deems appropriate.

11 Sec. 130. Section 28-4841, Arizona Revised Statutes, is amended to
12 read:

13 28-4841. Abandoned vehicle; notice of intent to transfer
14 vehicle

15 A. On receipt of a report as required by this chapter the director
16 shall determine the name and address of the owner and lienholder, if any, or
17 any other person identified on the department's record by either:

- 18 1. Searching the department records.
- 19 2. Asking the vehicle registration agency of another state if the
20 vehicle is registered in that state.

21 B. On receipt of information from reports pursuant to section 28-4838
22 or 28-4839 and after determining the name and address of the owner and
23 lienholder, if any, or any other person identified on the department's record
24 who may have an interest in the vehicle, the director shall notify all
25 interested persons by mail within five days for a vehicle with a record in
26 this state or within thirty days for all other vehicles. The director shall
27 make the notice on a form prescribed by the director. The notice shall
28 include:

- 29 1. A complete description of the vehicle.
- 30 2. A notice of intent to transfer ownership of the vehicle to the
31 person in possession of the vehicle if within thirty days from the date
32 placed on the notification by the department the owner or lienholder or a
33 person who has an interest in the vehicle does not notify the department of
34 the owner's, lienholder's or person's interest in the vehicle or claim the
35 vehicle.
- 36 3. The vehicle identification number.
- 37 4. The place and date the vehicle was found, seized or taken into
38 possession.
- 39 5. The storage location of the vehicle.
- 40 6. A statement that the owner is liable to the department for the
41 amounts provided in section 28-4802 if the vehicle was abandoned and removed
42 pursuant to section 28-4802 and that the cost will be collected if the owner
43 subsequently registers another vehicle in this state or subsequently applies
44 for or renews a driver license issued by this state.

1 C. If the records of the department or out-of-state jurisdiction do
2 not disclose the name and address of the owner and lienholder, if any, or any
3 other person identified on the department's record who may have an interest
4 in the vehicle, or if the notice is returned marked unclaimed or addressee
5 unknown, the department shall publish the notice of the intent of the
6 director to transfer ownership of abandoned vehicles pursuant to this chapter
7 once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in
8 the county in which the vehicle was found or seized. The published notice
9 shall include a statement of the intent of the director to transfer ownership
10 of abandoned vehicles after ten days of the published notice and that the
11 department will make available to the public a complete vehicle description
12 of abandoned vehicles subject to transfer of ownership.

13 D. A person who has filed a report of an abandoned vehicle pursuant to
14 section 28-4838, 28-4839 or 28-4840 shall notify the director within
15 twenty-four hours and in the manner prescribed by the director if the vehicle
16 is released or returned to or redeemed or repossessed by the lawful owner or
17 lienholder, if any, or any other person who is identified on the department's
18 record and who may have an interest in the vehicle.

19 Sec. 131. Section 28-4882, Arizona Revised Statutes, is amended to
20 read:

21 28-4882. Junk vehicle; disposition

22 A. If a vehicle has been reported abandoned under section 28-4838, the
23 person making the report may request that the vehicle be processed as a junk
24 vehicle. An agent of the department shall inspect the vehicle to determine
25 if the vehicle is a junk vehicle.

26 B. On making a determination that the vehicle is a junk vehicle, the
27 director shall cause a search of department records to be made, or if a junk
28 vehicle is registered in another state, make inquiry of the vehicle
29 registration agency in that state, to ascertain the name and address of the
30 owner and lienholder, if any, or any other person identified on the
31 department's record.

32 C. On receipt of information disclosing the name and address of the
33 owner and lienholder, if any, or any other person identified on the
34 department's record who may have an interest in the vehicle, the director
35 shall give notice to all interested persons of the director's intention to
36 allow the disposition of the junk vehicle as prescribed by this section. The
37 director shall give the notice by mail within five days for a vehicle with a
38 record in this state or within thirty days for all other vehicles.

39 D. If the records of the department or out-of-state jurisdiction do
40 not disclose the name and address of the owner and lienholder, if any, or any
41 other person who is identified on the department's record and who may have an
42 interest in the vehicle, or if the notice is returned marked unclaimed or
43 addressee unknown, the department shall publish the notice of the intention
44 of the director to allow the disposition of the junk vehicle as prescribed by
45 this article once ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM

1 PUBLISHED in the county in which the junk vehicle was found. The published
2 notice shall include a statement that the department will make available to
3 the public a complete vehicle description of junk vehicles.

4 E. If the vehicle is unclaimed at the expiration of thirty days after
5 the date placed on the notification mailed by the department or within ten
6 days of the publication as provided in subsections C and D of this section,
7 the director shall determine if the vehicle is a stolen vehicle. On
8 receiving notification that the vehicle has not been reported stolen, the
9 director shall issue written authorization to the owner of the property
10 authorizing the owner of the property or a licensed automotive recycler to
11 dispose of the junk vehicle pursuant to section 28-4883.

12 Sec. 132. Section 28-6702, Arizona Revised Statutes, is amended to
13 read:

14 28-6702. Proposed highway survey; notice of hearing

15 A. On filing the petition prescribed in section 28-6701, the board of
16 supervisors shall:

17 1. Direct the county engineer to make a survey of the proposed highway
18 and to file with the board a report of the proposed highway and a map as
19 surveyed that shows the legal subdivision of the lands traversed by the
20 survey. If a survey and maps have already been made for any purpose, these
21 data and maps may be used instead of conducting a survey pursuant to this
22 section.

23 2. Set a date for a public hearing.

24 3. Give notice to the public of the hearing by advertising once a week
25 for two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
26 MEDIUM PUBLISHED in the county. The notice shall state the purpose and the
27 date of the hearing and shall direct all persons desiring to object to the
28 action requested in the recommendation or petition to file with the board of
29 supervisors a statement in writing setting forth their objection or
30 opposition, and to show cause why the recommendation or petition should not
31 be granted.

32 B. On receipt of a recommendation by the county engineer pursuant to
33 section 28-6701, the board of supervisors shall comply with subsection A,
34 paragraphs 2 and 3 of this section.

35 Sec. 133. Section 28-6713, Arizona Revised Statutes, is amended to
36 read:

37 28-6713. Bids for construction, reconstruction, equipment or
38 supplies; procedure; bond; exceptions

39 A. Except as provided in subsection G of this section, in a county
40 with a population of two hundred fifty thousand persons or more as determined
41 by the most recent United States decennial census or the most recent special
42 census as provided in section 28-6532, bids for all items of construction or
43 reconstruction involving an expenditure equal to or greater than the amount
44 determined pursuant to subsection B of this section, all purchases or other
45 acquisition of equipment involving an expenditure of more than five thousand

1 dollars and all purchases of supplies and materials involving an expenditure
2 of two thousand five hundred dollars or more shall be called for by
3 advertising ~~in a newspaper of general circulation~~ **ON A PUBLIC MEDIUM**
4 **PUBLISHED** in the county ~~for two consecutive publications if it is a weekly~~
5 ~~newspaper, or for two publications of at least six but not more than ten days~~
6 ~~apart if it is a daily newspaper~~. The advertisement shall state specifically
7 the character of the work to be done and the kind and quality of materials or
8 supplies to be furnished.

9 B. Bids shall be called pursuant to subsection A of this section for
10 all items of construction or reconstruction involving an expenditure of:

11 1. In fiscal year 1985-1986, thirty-five thousand dollars.

12 2. In fiscal year 1986-1987 and each fiscal year thereafter, the
13 amount provided in paragraph 1 of this subsection adjusted by the annual
14 percentage change in the GDP price deflator as defined in section 41-563.

15 C. If the board of supervisors receives a satisfactory bid, it shall
16 contract with the lowest responsible bidder after the contractor or supplier
17 gives any bond required by title 34, chapter 2, article 2, except that in
18 counties with a population of more than one million persons according to the
19 most recent United States decennial census, in determining the lowest
20 responsible bidder under this section, the board may consider, for no more
21 than five projects, the time of completion proposed by the bidder, the value
22 over time of completed services and facilities and the value over time of
23 interrupted services, if the board determines that this procedure will serve
24 the public interest by providing a substantial fiscal benefit or that the use
25 of the traditional awarding of contracts is not practicable for meeting
26 desired construction standards or delivery schedules and if the formula for
27 considering the time of completion is specifically stated in the bidding
28 information. The board may reject any or all bids and readvertise.

29 D. The board of supervisors, a member of the board of supervisors or
30 any other official or agent of a county affected by this section shall not
31 segregate or divide into separate units a contiguous or continuous portion of
32 highway construction or reconstruction or divide into separate portions an
33 item of equipment or generally recognized unit of supplies or material to
34 avoid the restrictions imposed by subsection A of this section.

35 E. The board of supervisors, a member of the board of supervisors or
36 any other official or agent of a county affected by this section shall make
37 every effort to combine the following:

38 1. Separate portions of highway construction or reconstruction
39 projects.

40 2. Items of equipment, supplies and materials.

41 F. After a contract has been awarded, the board of supervisors'
42 authorized representative may authorize change orders to the contract if
43 necessary pursuant to guidelines set by the board of supervisors. This
44 authority does not permit the board of supervisors' authorized representative
45 to act independently to award new contracts.

1 G. A building, structure, addition or alteration may be constructed
2 without complying with the bidding requirements of this section if the
3 construction, including construction of buildings or structures on public or
4 private property, is required as a condition of development of private
5 property and is authorized by section 9-463.01 or 11-822. For the purposes
6 of this subsection, building does not include any police, fire, school,
7 library or other public building.

8 H. Subsections A, B and C of this section do not apply to procurement
9 of construction-manager-at-risk, design-build and job-order-contracting
10 construction services pursuant to title 34, chapter 6.

11 Sec. 134. Section 28-6743, Arizona Revised Statutes, is amended to
12 read:

13 28-6743. County highway commission powers and duties

14 A. The county highway commission shall:

15 1. Investigate situations with respect to highways that in the board's
16 judgment the greatest public necessity and convenience require highways to be
17 constructed or improved.

18 2. Prepare a map of the highways that shows the location of, condition
19 of, connections of and other information about the highways.

20 3. Determine which of the public highways should be improved with
21 monies derived from the sale of the bonds to be authorized and sold.

22 4. Determine the kind of improvements that should be made.

23 5. Procure an estimate of the cost of the improvement.

24 B. The county highway commission may employ an engineer. At least
25 twenty days before the day appointed for the election, the county highway
26 commission shall report to the board of supervisors. At least two weeks
27 before the election, the board of supervisors shall publish the report six
28 times in a daily ~~newspaper~~ PUBLIC MEDIUM or twice in a weekly ~~newspaper~~
29 PUBLIC MEDIUM PUBLISHED in the county.

30 C. The call for the election shall be limited to the construction and
31 improvement of the public highways that are included in the report and maps
32 prepared by the county highway commission.

33 Sec. 135. Section 28-6802, Arizona Revised Statutes, is amended to
34 read:

35 28-6802. Toll road construction; notice; application; hearing

36 A. A person who desires to construct a toll road, bridge or ferry
37 within one or more counties shall publish a notice ~~in a newspaper that is~~ ON
38 A PUBLIC MEDIUM published in each county, once each week for six successive
39 weeks. The notice shall state:

40 1. The type and character of the road.

41 2. The terminals.

42 3. The general route and each city, town or village through which
43 construction is proposed.

1 4. The time when the application required by this section shall be
2 made, which shall not be more than ten days after the last publication of the
3 notice.

4 B. On the day specified in the notice, written application shall be
5 made to the respective boards of supervisors of the counties for authority to
6 take the necessary land and construct the road described in the notice. The
7 application shall be in triplicate, and each copy shall be accompanied by:

8 1. An engineer's plat of the route of the proposed road showing the
9 proposed centerline and right-of-way lines and giving engineer's stations and
10 ties to legal subdivision lines of the regions traversed.

11 2. Proposed construction plans and details.

12 3. Estimates of cost.

13 C. When the application is filed with the clerk of the board of
14 supervisors, the clerk shall:

15 1. Immediately set the application for a hearing before the board of
16 supervisors at least fifteen but not more than thirty days after the
17 application is filed.

18 2. Forward a copy of the application, accompanying papers, instruments
19 and documents and notice of the date of the hearing by certified mail to the
20 highway commission.

21 3. Publish notice of the hearing one time at least ten days before the
22 day of the hearing in the same ~~newspaper~~ PUBLIC MEDIUM in which notice of the
23 application was published.

24 D. At the hearing, all persons interested may appear and be heard. The
25 board of supervisors may take testimony and adjourn the hearing.

26 Sec. 136. Section 28-6923, Arizona Revised Statutes, is amended to
27 read:

28 28-6923. Bid requirements; procedure; bond

29 A. All items of construction or reconstruction of department
30 facilities involving an expenditure of one hundred eighty-nine thousand
31 dollars or more shall be called for by advertising ~~in a newspaper of general~~
32 ~~circulation~~ ON A PUBLIC MEDIUM published in this state for either:

33 1. Two consecutive publications if it is a weekly ~~newspaper~~ PUBLIC
34 MEDIUM.

35 2. Two publications at least six but not more than ten days apart if
36 it is a daily ~~newspaper~~ PUBLIC MEDIUM.

37 B. In fiscal year 2008-2009 and each fiscal year thereafter, the
38 amount provided in subsection A of this section shall be adjusted by the
39 annual percentage change in the GDP price deflator as defined in section
40 41-563.

41 C. The advertisement shall state specifically the character of the
42 work to be done and where a person may obtain copies of the plans,
43 specifications and complete information as to the proposed work.

1 D. The bidding information provided shall state specifically the
2 character of the work to be performed and the kind, quantity and quality of
3 materials or supplies to be furnished. The plans and specifications:

4 1. Shall be sufficiently complete, definite and explicit to permit
5 informed, free, open and competitive bidding on a common basis.

6 2. May require performance on the basis of either means and methods
7 specifications or end result specifications.

8 3. If end result specifications are used, shall provide an objective
9 or standard to be achieved with the successful bidder expected to exercise
10 the bidder's skill and ingenuity in achieving that objective or standard of
11 performance by selecting the means and manner of performance and by assuming
12 a corresponding responsibility for that selection.

13 E. If contractor insurance is required for construction or
14 reconstruction pursuant to this section, the insurance shall be placed with
15 an insurer authorized to transact insurance in this state pursuant to title
16 20, chapter 2, article 1 or a surplus lines insurer approved and identified
17 by the director ~~of the department~~ of insurance pursuant to title 20, chapter
18 2, article 5.

19 F. A bid shall be accompanied by a certified check, cashier's check or
20 surety bond for ten per cent of the amount of the bid included in the
21 proposal as a guarantee that the contractor will enter into a contract to
22 perform the proposal pursuant to the plans and specifications.

23 G. The certified check, cashier's check or surety bond shall be
24 returned to the contractors whose proposals are not accepted and to the
25 successful contractor on the execution of a satisfactory bond and contract as
26 provided in this article.

27 H. The surety bond provided pursuant to subsection F of this section
28 shall be executed and furnished as required by title 34, chapter 2, and the
29 conditions and provisions of the surety bid bond regarding the surety's
30 obligations shall follow the form required under section 34-201, subsection
31 A, paragraph 3.

32 I. If a bid that is satisfactory to the board is received, it shall
33 let a contract to the lowest responsible bidder, on the contractor giving
34 performance and payment bonds that follow the form and include the provisions
35 required by title 34, chapter 2, article 2.

36 J. If the bids received for construction or reconstruction are not
37 satisfactory to the board, a second call shall be made. If they are again
38 rejected by the board, it may authorize the state engineer to construct or
39 reconstruct the item as it deems most advantageous.

40 K. In determining the lowest responsible bidder under this section,
41 the department and the board may consider the time of completion proposed by
42 the bidder if the department and the board determine that this procedure will
43 serve the public interest by providing a substantial fiscal benefit or that
44 the use of the traditional awarding of contracts is not practicable for
45 meeting desired construction standards or delivery schedules and if the

1 formula for considering the time of completion is specifically stated in the
2 bidding information.

3 L. This section does not prohibit a change to a construction contract
4 that either:

5 1. Does not alter the scope of the work under a contract and the cost
6 of the change does not exceed ten per cent of the contract amount or fifty
7 thousand dollars, whichever is greater.

8 2. Does alter the scope of the work if the cost of the change does not
9 exceed ten per cent of the contract amount or fifty thousand dollars,
10 whichever is greater, and the changed work is within twenty per cent of the
11 total project length.

12 M. If a project is funded completely with private monies, the private
13 entity is not required to comply with subsections A through L of this section
14 if the private entity complies with all of the following:

15 1. Before advertising for bids, submits to the department a bond that
16 is issued by a surety insurer authorized to do business in this state and
17 that is in an amount equal to one hundred twenty-five per cent of the
18 anticipated construction cost of the project, including construction
19 management and contractor costs.

20 2. Solicits sealed bids from at least four contractors who are
21 prequalified by the department to perform a contract of the anticipated
22 dollar amount of the construction.

23 3. Awards the contract to the best bidder taking into account price
24 and other criteria as provided in the bid documents.

25 4. Obtains bonds from the selected contractor that provide the same
26 coverage as performance and payment bonds issued under title 34, chapter 2,
27 article 2.

28 5. Uses department construction standards.

29 6. Pays all costs of department reviews of the contract and
30 inspections of the project.

31 N. For the purposes of this section, a project is funded completely
32 with private monies if all of the following apply:

33 1. The contractor is paid entirely with monies from private entities.

34 2. The private entities hire a competent construction manager and
35 contractor who do not have an affiliation with each other.

36 3. The private entities either pay all costs of design or reimburse
37 the department for all costs of design.

38 Sec. 137. Section 28-6952, Arizona Revised Statutes, is amended to
39 read:

40 28-6952. Five year transportation facilities construction
41 program; publication; hearing

42 A. On or before the second Monday in April of each year, the board
43 shall review the updated five year transportation facilities construction
44 program prepared by the director.

1 B. On or before the first Monday in May of each year, the board shall
2 publish a notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
3 PUBLISHED in each county in which construction projects are planned under the
4 statewide five year transportation facilities construction program for the
5 following five fiscal years. The notice shall specify a date that is on or
6 before the third Monday in May for a public hearing held at the office of the
7 board to review the program and hear objections and protests from an
8 individual or group.

9 C. After the public hearing, the board may make priority changes in or
10 introduce new projects to the proposed five year transportation facilities
11 construction program pursuant to section 28-6955.

12 Sec. 138. Section 28-7095, Arizona Revised Statutes, is amended to
13 read:

14 28-7095. Conveyance of property not needed for transportation
15 purposes

16 A. The director may dispose of real property or any right, title or
17 interest in the real property if the director determines that it is not
18 needed or used for transportation purposes. After the establishment, laying
19 out, substantial completion of a transportation improvement or abolishment of
20 a transportation improvement by formal action of the transportation board,
21 the director may convey the real property or any interest in the real
22 property that was acquired pursuant to this article and that the director
23 determines is not necessary for state transportation purposes.

24 B. Except as provided in section 28-7099, the director may convey the
25 real property described in subsection A of this section to an agency of the
26 federal government, this state or a county, city or town of this state
27 without a public sale if the director considers the conveyance to be in the
28 public interest and if the real property is to be used for such a specific
29 public purpose. If the property is not used for a highway purpose, the
30 agency shall pay the department for the conveyance based on an appraisal
31 within twelve months of the date of conveyance establishing the fair market
32 value of the property to be conveyed. If the property conveyed to an agency
33 is to be used for a specific highway purpose, the agency shall reimburse the
34 department for its expenditures for the property. If the property is not
35 used for a highway purpose, the property shall revert to the department. If
36 the director determines any property conveyed under this section is needed by
37 the department for a transportation purpose, the department may acquire the
38 property from the agency at a cost equal to the amount paid by the agency, or
39 the fair market value at the time of the repurchase by the department,
40 whichever is less.

41 C. The director may grant an easement to a state or local agency for
42 property to be used for a specific highway purpose, on terms and conditions
43 acceptable to the director, for no payment to the department. The agency
44 shall bear all liability that may be attributed to the department for
45 incidents that occur during the period of the easement, and the agency shall

1 bear all costs of maintaining the property. If the property is not used for
 2 a highway purpose, the department may terminate the easement as to any
 3 portion of the property that is not used for a highway purpose. The easement
 4 terminates if the director determines that the property is needed by the
 5 department for a highway purpose.

6 D. The director may convey other marketable property to the highest
 7 responsible bidder at a public auction or by direct sale after at least
 8 thirty days' notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
 9 PUBLISHED in the county in which the property is located. If the director
 10 elects to convey property by a direct sale, and receives more than one offer
 11 before the termination of the thirty-day notice period, the director shall
 12 sell the property at public auction. At least one fee appraisal or one
 13 in-house appraisal is required for property that is offered to the public.
 14 The director shall disclose the amount of the low appraisal before a public
 15 auction. If at a public auction the amount of the highest responsible bid
 16 does not equal or exceed the amount of the low appraisal, the director shall
 17 advise the bidders that the amount of the low appraisal has not been met and
 18 shall continue the bidding until the amount of the highest responsible bid
 19 equals or exceeds the amount of the low appraisal. If the highest
 20 responsible bid does not equal or exceed the amount of the low appraisal, the
 21 director shall reject all bids. If the director is unable to sell real
 22 property pursuant to this subsection for an amount that equals or exceeds the
 23 low appraisal, the director may convey the real property by direct sale after
 24 at least thirty days' notice ~~in a newspaper of general circulation~~ ON A
 25 PUBLIC MEDIUM PUBLISHED in the county in which the real property is located
 26 at an amount that is at least equal to eighty per cent of the low appraisal,
 27 except that, if the director receives more than one offer before the
 28 termination of the thirty-day notice period in an amount that is at least
 29 equal to eighty per cent of the low appraisal, the director shall sell the
 30 real property at public auction.

31 E. A sale pursuant to subsection B or D of this section may be made
 32 for cash or on terms of at least twenty per cent down with the balance
 33 payable in annual or monthly installments for ten years, and the unpaid
 34 balance bears interest at a rate determined by the director.

35 F. The director may dispose of property by quitclaim deed to adjacent
 36 property owners or the underlying fee owner if the property has no market
 37 value or a net value of ten thousand dollars or less without a public auction
 38 or thirty-day notice period. The director may notify adjacent property
 39 owners or the underlying fee owner that the estimated market value of the
 40 property may be reduced by up to twenty per cent, that the director may
 41 accept an offer between eighty per cent and one hundred per cent of the
 42 estimated market value and that, if the adjacent property owner or underlying
 43 fee owner is interested in acquiring the property, the adjacent property
 44 owner or underlying fee owner must submit a written offer to the director
 45 within sixty days after the date of the notice. If the director does not

1 receive an offer within sixty days after the date of the notice, the director
2 may dispose of the property at the best price the director can obtain for the
3 property pursuant to procedures established by the director. For the purposes
4 of this subsection, "net value" means the estimated market value of the
5 property reduced by the cost to sell the property and the cost of continued
6 maintenance of the property.

7 G. The director may:

8 1. Execute all deeds or conveyances necessary to convey any real
9 property or interest in the real property to be conveyed under this section
10 and shall sell any real property or interest in real property for the highest
11 responsible bid, the direct sale price or the appraised market value of the
12 property, as applicable.

13 2. Assess a fee for the costs of preparing and executing any
14 conveyance under this section.

15 3. Either:

16 (a) Insert in the deed or conveyance conditions, covenants, exceptions
17 and reservations as the director deems to be in the public interest.

18 (b) Convey in fee simple absolute.

19 H. The director shall notify the county assessor and county treasurer
20 of any property disposed of or quitclaimed pursuant to this section within
21 thirty days after the close of escrow. Proper notice includes the legal
22 description of property being conveyed, the name and address of the new
23 property owner and legal description of the conveyed property and the name
24 and address of a person or persons who are identified as the correct
25 recipients of the property tax bill.

26 I. It is conclusively presumed in favor of any purchaser for value and
27 without notice of any real property or interest in the real property conveyed
28 pursuant to this section that the department acted within its lawful
29 authority in acquiring the property and that the director acted within the
30 director's lawful authority in executing a deed, conveyance or lease
31 authorized by this article.

32 J. The director may contract with a licensed real estate broker to
33 assist in any disposition of property under this section or pay a commission
34 to a licensed real estate broker whose client completes a purchase of
35 property under this section. The director shall determine the rate of
36 commission paid to the broker. The director may pay the licensed real estate
37 broker from proceeds received under this section unless the broker is the
38 purchaser or lessee or the purchaser is another governmental agency.

39 Sec. 139. Section 28-7507, Arizona Revised Statutes, is amended to
40 read:

41 28-7507. Notice; bond issuance

42 A. The board shall publish a notice of its intention to issue bonds
43 under this article for at least five consecutive days ~~in a newspaper~~ ON A
44 PUBLIC MEDIUM published in this state. The last day of publication shall be
45 at least ten days before the issuance of the bonds.

1 B. The notice shall state the amount of the bonds to be sold and the
2 intended date of issuance.

3 C. A copy of the notice shall be hand delivered or sent by certified
4 mail with return receipt to the director of the department of administration
5 on or before the last day of publication.

6 Sec. 140. Section 28-7567, Arizona Revised Statutes, is amended to
7 read:

8 28-7567. Notice; bond issuance

9 A. The board shall publish a notice of its intention to issue bonds
10 under this article for at least five consecutive days ~~in a newspaper~~ ON A
11 PUBLIC MEDIUM published in this state. The last day of publication shall be
12 at least ten days before the issuance of the bonds.

13 B. The notice shall state the amount of the bonds to be sold and the
14 intended date of issuance.

15 Sec. 141. Section 28-8243, Arizona Revised Statutes, is amended to
16 read:

17 28-8243. Abandoned aircraft; definition

18 A. A person shall not abandon an aircraft on property of another.

19 B. A peace officer who has reasonable grounds to believe that an
20 aircraft has been abandoned may seize the aircraft and cause its removal from
21 property of another. A peace officer who causes the removal of an aircraft
22 pursuant to this subsection shall immediately notify the director in writing
23 of the removal.

24 C. The abandonment of an aircraft in the manner provided in this
25 section is a presumption that the last registered owner of record is
26 responsible for the abandonment, unless the aircraft is the subject of a
27 theft report filed with a local law enforcement agency.

28 D. On receipt of a report as required by this section, the director
29 shall search the records of the department. On receipt of information
30 disclosing the name and address of the owner and lienholder, if any, the
31 director, at least fifteen days before the date of taking this action, shall
32 give to the owner and lienholder, if any, notice of the director's intention
33 to sell the aircraft. The director shall give notice by certified mail,
34 return receipt requested, to be delivered to the addressee only.

35 E. If the records of the department fail to disclose the name and
36 address of the owner and lienholder, if any, or if the notice is returned
37 marked unclaimed or addressee unknown, the director shall publish notice of
38 the director's intention to sell the aircraft once ~~in a newspaper of general~~
39 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the aircraft
40 was seized. The notice shall include a complete description of the aircraft,
41 including the identification number and the place and date the aircraft was
42 found.

43 F. If the aircraft is unclaimed at the expiration of fifteen days from
44 mailing the certified notice or on the expiration of fifteen days from the
45 publication, the director may sell the aircraft at public auction to the

1 highest bidder. The director shall issue a bill of sale to the purchaser at
2 the sale on compliance with this section.

3 G. The director shall retain any surplus arising from the sale, after
4 deducting the costs of the sale of the aircraft, for the lienholder or owner
5 for a period of thirty days. If the surplus is not claimed on the expiration
6 of that time it shall be deposited, pursuant to sections 35-146 and 35-147,
7 in the state aviation fund.

8 H. For the purposes of this section, "abandoned aircraft" means an
9 aircraft that has been left on property without the consent of the owner or
10 operator of the property for more than sixty days.

11 Sec. 142. Section 28-8331, Arizona Revised Statutes, is amended to
12 read:

13 28-8331. Seized aircraft sale

14 A. If an aircraft has been seized under this article and held for a
15 period of sixty days and license taxes, registration fees, penalties, lien
16 recording fees and costs and expenses of seizure are not paid in full, the
17 sheriff of the county in which the aircraft is found shall sell the aircraft
18 when requested by the department.

19 B. The sale of an aircraft under this section shall be at public
20 auction after notice of the sale is sent by the department by certified mail
21 at least five but not more than twenty days before the sale directed to the
22 last known address of the owner of the aircraft, if the owner is known. If
23 the owner is unknown, the department shall give notice by publication ~~in a~~
24 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county
25 in which the aircraft was seized. ~~If notice is published in a weekly~~
26 ~~newspaper, the publication shall be made once each week for two consecutive~~
27 ~~weeks, or if published in a daily newspaper, six consecutive times, the last~~
28 ~~publication to be at least five but not more than ten days before the date of~~
29 ~~the sale.~~

30 C. Within five days after receipt of the proceeds of the sale, the
31 sheriff shall transmit the entire proceeds to the department. After payment
32 by the department of the license taxes, registration fees, penalties, lien
33 recording fees and costs and expenses of the seizure and sale, the department
34 shall pay the remaining proceeds of the sale to the owner from whom the
35 aircraft was seized, if the owner is known. If the owner is unknown, the
36 department shall deposit, pursuant to sections 35-146 and 35-147, the
37 remaining proceeds in the state aviation fund.

38 D. The department may issue a certificate of release of lien on
39 payment of the license taxes, registration fees, penalties, lien recording
40 fees and costs and expenses of seizure and sale.

41 Sec. 143. Section 28-8425, Arizona Revised Statutes, is amended to
42 read:

43 28-8425. Lease authority; airport or air terminal purposes

44 A. The department, in the operation and maintenance of the Grand
45 Canyon national park airport, or a city, town or county may lease land owned

1 by it or under its control to a person, partnership, association or
2 corporation for airport or air terminal purposes pursuant to a lease
3 agreement that:

4 1. Provides that title to all buildings, structures and improvements
5 added to the leased premises by the lessee vests in the department, city,
6 town or county in the manner and subject to the restrictions contained in the
7 lease.

8 2. As it exists or as it may be amended, is declared to be binding and
9 effective pursuant to its terms.

10 3. Is for a term of not more than forty years and may contain an
11 option to renew the lease for an additional period of not more than forty
12 years.

13 4. Is let to the highest and best bidder.

14 B. In a county with a population of less than four hundred thousand
15 persons or a city or town with a population of less than forty thousand
16 persons, as determined by the most recent United States decennial census or
17 the most recent special census as provided in section 28-6532, during the
18 lease period, the department or a city, town or county may extend the
19 existing lease for airport or airport terminal purposes with a person,
20 partnership, association, corporation or political subdivision for an
21 additional period of not more than forty years after notice and a public
22 hearing. The department or a city, town or county shall:

23 1. Publish a notice of intent to consider an extension of the lease
24 twice ~~in a daily or weekly newspaper of general circulation~~ ON A PUBLIC
25 MEDIUM PUBLISHED in the county. The notice shall contain the name of the
26 lessee, a description of the leased property, the current expiration date of
27 the lease, the amount of time the lease is proposed to be extended and the
28 date, time and place of the public hearing on the extension request.

29 2. Publish the first notice not more than thirty days before the date
30 set for the public hearing.

31 3. Post a copy of the notice of the intent to extend the lease on the
32 leasehold site and at five public places in the county.

33 4. Hold a public hearing on the extension request.

34 5. Grant the extension of an existing lease only if the department or
35 a city, town or county determines that the extension request is in the best
36 interest of the state, city, town or county and on a majority vote of the
37 governing body acting on the request for an extension.

38 6. Grant a second and any subsequent extension request pursuant to
39 this subsection only after bids are received that comply with subsections A
40 and C of this section.

41 C. A notice of intent to lease land under this section shall be
42 advertised twice ~~in a daily or weekly newspaper of general circulation~~ ON A
43 PUBLIC MEDIUM PUBLISHED in the county. The first notice shall be published
44 at least thirty days but not more than sixty days before the date set for the
45 submission of bids. The department or a city, town or county may also

1 publish the notice in any other ~~newspaper~~ PUBLIC MEDIUM that the department
2 or city, town or county determines appropriate.

3 D. This section does not limit the application of section 28-8423.

4 E. This section does not apply to a joint powers airport authority
5 formed pursuant to article 8 of this chapter.

6 Sec. 144. Section 28-8524, Arizona Revised Statutes, is amended to
7 read:

8 28-8524. Allocation of monies; sources; public hearing; reuse,
9 development and capital improvement plans

10 A. Each member of the joint powers airport authority and any new
11 member shall make a pro rata allocation of monies, as specified in the
12 agreement described in section 28-8521, to the airport authority's operating
13 budget from one or any combination of the following sources:

14 1. If the member is a city or town:

15 (a) An ad valorem tax levied by the governing body of the member
16 within its jurisdiction.

17 (b) A transaction privilege tax levied by the governing body of the
18 member within its jurisdiction.

19 2. If the member is a city, town or county:

20 (a) General monies of the member.

21 (b) Other monies legally available to the member.

22 B. The tax prescribed by subsection A of this section shall be
23 designated as an airport authority tax. Any property tax levied pursuant to
24 subsection A of this section shall be a secondary tax.

25 C. The governing body of each airport authority member shall hold a
26 public hearing on both:

27 1. The question of whether to approve and adopt the annual operating
28 budget of the airport authority.

29 2. The method of funding the member's annual budget allocation.

30 D. Notice of a public hearing held pursuant to this section shall be
31 given ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
32 within the member's jurisdiction at least once a week for two weeks before
33 the hearing.

34 E. On receipt of the recommendation of the airport authority board as
35 to the budget allocation, each member shall consider the amount of monies
36 legally available to it to fund its budget allocation before its
37 determination of the amount of taxes it shall levy to meet its budget
38 allocation.

39 F. The airport authority shall adopt and periodically amend a reuse
40 and development plan and a capital improvements plan. Expenditures for or by
41 the airport authority shall be both:

42 1. Consistent with the plans prescribed in this subsection.

43 2. Limited to those items that directly relate to or benefit the
44 operation and development of the airport and the airport authority.

1 G. Any member of the airport authority that fails or refuses to
2 approve and adopt the operating budget for the airport authority shall
3 withdraw from membership in the airport authority as provided in section
4 28-8525. The remaining members and any new members of the airport authority
5 are responsible for the total operating budget as adopted and shall make
6 their allocation as prescribed in subsection A of this section.

7 Sec. 145. Section 29-633, Arizona Revised Statutes, is amended to
8 read:

9 29-633. Amendment of articles of organization; restatement;
10 publication

11 A. The articles of organization of a limited liability company are
12 amended by filing with the commission the articles of amendment, signed on
13 behalf of the limited liability company by a manager if management of the
14 limited liability company is vested in one or more managers or by a member if
15 management of the limited liability company is reserved to the members. The
16 articles of amendment shall set forth:

- 17 1. The name of the limited liability company.
- 18 2. The text of the amendment to the articles of organization.

19 B. A limited liability company shall amend its articles of
20 organization if there is a statement in the articles of organization that was
21 false or erroneous when it was made or within thirty days after the
22 occurrence of any of the following events:

23 1. Any arrangements or facts have changed making the articles of
24 organization inaccurate in any respect other than those changes required to
25 be set forth in a statement delivered to the commission pursuant to section
26 29-605.

27 2. Management of the limited liability company is reserved to the
28 members and there is a change in the persons who are members.

29 3. Management of the limited liability company is vested in a manager
30 or managers and there is a change in the persons who are managers or in the
31 members who own a twenty per cent or greater interest in the capital or
32 profits interest of the limited liability company.

33 C. A limited liability company may amend its articles of organization
34 if its articles of organization as amended contain only provisions that may
35 be lawfully contained in the articles of organization at the time of making
36 the amendment. In particular and without limitation on the general power of
37 amendment, a limited liability company may amend its articles of organization
38 to:

- 39 1. Change the name of the limited liability company.
- 40 2. Change, enlarge or diminish the purposes of the limited liability
41 company.
- 42 3. If management is reserved to the members of a limited liability
43 company, vest management of the limited liability company in one or more
44 managers.

1 4. If management is vested in one or more managers, vest management of
2 the limited liability company in the members.

3 D. A limited liability company may restate its articles of
4 organization. Restated articles of organization shall be executed and filed
5 in the same manner as articles of amendment. Restated articles of
6 organization shall be specifically designated as such in the heading and
7 shall state either in the heading or in an introductory paragraph the limited
8 liability company's present name and, if it has been changed, all of its
9 former names.

10 E. A limited liability company that has not amended its articles of
11 organization as required by this section may not maintain an action ~~upon~~ ON
12 or on account of a contract or transaction made in the name of the limited
13 liability company in any court of this state until it has first amended its
14 articles of organization as required by this section. No person has any
15 liability because an amendment to articles of organization has not been filed
16 to reflect the occurrence of any event prescribed by subsection B of this
17 section if the amendment is filed within the thirty-day period specified in
18 subsection B of this section.

19 F. Within sixty days after the commission approves the filing, a copy
20 of the articles of amendment or restated articles of organization shall be
21 published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
22 in the county of the known place of business for three consecutive
23 publications. An affidavit evidencing publication may be filed with the
24 commission. Publication is not required if amendments to the articles of
25 organization or restated articles of organization only change any of the
26 following:

- 27 1. The name or address of members or managers.
- 28 2. The known place of business address.
- 29 3. The name or address of the statutory agent.

30 Sec. 146. Section 29-635, Arizona Revised Statutes, is amended to
31 read:

32 29-635. Formation of limited liability company

33 A. Except as provided in section 29-634, subsection D, a limited
34 liability company is formed when the articles of organization are delivered
35 to the commission for filing, even if the commission is unable to make the
36 determination required for filing by section 29-634, subsection A at the time
37 of delivery. If the articles of organization, as delivered to the
38 commission, do not conform to the filing provisions of this chapter and are
39 not brought into conformance within the time period prescribed by section
40 29-634, subsection C, paragraph 2, the existence of the limited liability
41 company terminates at the end of the time period.

42 B. A copy of the articles of organization that is filed with the
43 commission and that is stamped "filed" and marked with the filing date is
44 conclusive evidence that all conditions precedent required to be performed by
45 the organizers have been complied with and that the limited liability company

1 has been legally organized and formed under this chapter. A limited
2 liability company continues perpetually unless otherwise provided in its
3 articles of organization or operating agreement or until the limited
4 liability company is dissolved and terminated in accordance with this
5 chapter.

6 C. Within sixty days after the commission approves the filing, there
7 shall be published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
8 PUBLISHED in the county of the known place of business, for three consecutive
9 publications, a notice of the filing of such articles of organization
10 consisting of the information required in section 29-632, subsection A,
11 paragraphs 1, 2, 3, 5 and 6. An affidavit evidencing publication may be
12 filed with the commission.

13 Sec. 147. Section 29-1103, Arizona Revised Statutes, is amended to
14 read:

15 29-1103. Publication and annual reports; late filing penalty

16 A. Within sixty days after the filing with the secretary of state of a
17 statement of qualification, there shall be published ~~in a newspaper of~~
18 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county of the limited
19 liability partnership's chief executive office, or if the limited liability
20 partnership's chief executive office is not located in this state, in the
21 county of the limited liability partnership's office in this state, or if
22 none, the county of the limited liability partnership's statutory agent, for
23 three consecutive publications, a copy of the statement of qualification.

24 B. A limited liability partnership and a foreign limited liability
25 partnership authorized to transact business in this state shall file an
26 annual report with the office of the secretary of state that sets forth all
27 of the following:

28 1. The name of the limited liability partnership and the state or
29 country under whose laws the foreign limited liability partnership is formed
30 or created.

31 2. The current street address of the office required to be set forth
32 in section 29-1101, subsection C, paragraph 2.

33 3. The name and street address of its agent for service of process in
34 this state.

35 C. An annual report must be filed between January 1 and April 30 of
36 each year following the calendar year in which a partnership or limited
37 partnership files a statement of qualification to become a limited liability
38 partnership or a foreign partnership becomes authorized to transact business
39 in this state. If a limited liability partnership is delinquent in filing
40 its annual report, the secretary of state may assess a late filing penalty
41 when the limited liability partnership submits its annual report.

42 D. The secretary of state may administratively revoke the statement of
43 qualification of a limited liability partnership if the secretary of state
44 determines that the statement of qualification does not conform to the filing
45 provisions of this article or if the limited liability partnership fails to

1 file an annual report when due or to pay the required filing fee or fails to
2 perform the publication requirements of subsection A of this section. The
3 secretary of state must provide the limited liability partnership at least
4 sixty days' written notice of the intent to revoke the statement. The notice
5 shall be mailed to the limited liability partnership at its office set forth
6 in the last filed statement of qualification or annual report. The notice
7 must specify the nonconformance, that the statement of qualification has not
8 been published pursuant to subsection A of this section, the annual reports
9 that have not been filed or the fees that have not been paid and the future
10 effective date of revocation. The revocation will not be effective if the
11 specified filing requirements, evidence of publication or annual reports are
12 filed and the specified fees are paid before the specified effective date of
13 revocation.

14 E. A revocation under subsection D of this section only affects a
15 partnership's or limited partnership's status as a limited liability
16 partnership and does not constitute an event of dissolution of the
17 partnership or limited partnership.

18 F. A partnership or limited partnership whose statement has been
19 administratively revoked may apply to the secretary of state for
20 reinstatement within two years after the effective date of the revocation.
21 The application shall recite the name of the partnership or limited
22 partnership and the effective date of the revocation and state that the
23 grounds for revocation either did not exist or have been corrected. If
24 another corporation or partnership has adopted the name of the limited
25 liability partnership or another person has adopted the name of the limited
26 liability partnership as a trade name, the application shall be accompanied
27 by an amendment to the statement of foreign qualification that is in
28 accordance with section 29-1105 and that adopts a new name for the limited
29 liability partnership that complies with section 29-1102.

30 G. A reinstatement under subsection F of this section relates back to
31 and takes effect as of the effective date of the administrative revocation,
32 and the partnership's or limited partnership's status as a limited liability
33 partnership continues as if the administrative revocation never occurred.

34 H. An amendment to the statement of qualification shall be filed by a
35 limited liability partnership or foreign limited liability partnership not
36 later than sixty days after the occurrence of any of the following:

37 1. A change in the name of the limited liability partnership.
38 2. A change in the address of the chief executive office of the
39 partnership.

40 3. The partnership or limited partnership has knowledge that a
41 material statement in the statement of qualification was false or inaccurate
42 when made or that any facts described therein have changed, making the
43 statement of qualification inaccurate in any material respect.

44 I. An amendment to the statement of qualification may be filed for any
45 other proper purpose. The filing of a statement of cancellation by or on

1 behalf of a partnership or limited partnership pursuant to this section shall
2 be effective only to cancel the partnership's or limited partnership's
3 qualification as a limited liability partnership and, unless it specifically
4 so provides, shall not indicate the dissolution of the partnership or limited
5 partnership. On any revocation or the filing of any statement of
6 cancellation, the secretary of state shall be the agent for service of
7 process in any action, suit or proceeding based on any cause of action
8 arising during the time the limited liability partnership was qualified under
9 section 29-1101 or the foreign limited liability partnership was authorized
10 to transact business in this state.

11 Sec. 148. Section 31-445, Arizona Revised Statutes, is amended to
12 read:

13 31-445. Publication of reasons for granting a commutation,
14 pardon, reprieve, stay or suspension of execution

15 When the governor grants a commutation, pardon, reprieve or stay or
16 suspends execution of sentence in a case where a sentence of death is
17 imposed, ~~he shall~~, within ten days after granting the commutation, pardon,
18 reprieve, ~~or~~ stay or suspension of execution, **THE GOVERNOR SHALL** cause to be
19 published in bold type, ~~in a newspaper of general circulation,~~ **ON A PUBLIC**
20 **MEDIUM** published in the county where the conviction was had, and shall file
21 with the secretary of state for publication in the Arizona administrative
22 register, a statement setting forth ~~his~~ **THE** reasons for granting the
23 commutation, pardon, ~~OR~~ reprieve or for staying or suspending such
24 execution. A further reprieve shall not be granted except ~~upon~~ **ON** the same
25 procedure.

26 Sec. 149. Section 32-2188.01, Arizona Revised Statutes, is amended to
27 read:

28 32-2188.01. Notice of claim to judgment debtor; response

29 A. Within the same time prescribed by section 32-2188, subsection C
30 for applying for payment from the real estate recovery fund, an aggrieved
31 party who applies for payment shall serve notice of the claim on the judgment
32 debtor, together with a copy of the application. The notice shall be in the
33 following form:

34 Notice

35 Based on a judgment against you in favor of (enter name of
36 claimant), application is being made to the Arizona state real
37 estate department for payment from the real estate recovery
38 fund.

39 If payment is made from the real estate recovery fund, all
40 licenses and license rights that you have under the Arizona real
41 estate law will be automatically terminated on the date of
42 payment and may only be reinstated pursuant to section 32-2131,
43 subsection A, paragraph 3, Arizona Revised Statutes, on a
44 showing that 1) the real estate recovery fund has been
45 reimbursed for the amount paid plus interest at the current

1 legal rate, 2) the underlying judgment has been fully satisfied
2 and 3) you have filed an original application for a license.

3 If you wish to contest payment from the real estate
4 recovery fund, you must file a written response to the
5 application. The Arizona state real estate commissioner must
6 receive your response at (address) within 35 calendar days after
7 the date this notice is [mailed, delivered, first published].
8 You must also send a copy of the response to the claimant. If
9 you fail to respond as required, you waive your right to present
10 your objections to payment.

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

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

26 Sec. 150. Section 32-2194.33, Arizona Revised Statutes, is amended to
27 read:

28 32-2194.33. Cemetery property owners; address notification
29 reclamation; abandoned cemetery plot

30 A. For the purposes of this section, an owner of cemetery property in
31 any cemetery licensed under this chapter shall keep the cemetery informed in
32 writing of the owner's current residence address. Before initiating a notice
33 of abandonment, the cemetery shall notify each cemetery property owner by
34 letter at the owner's last known address and notify all future cemetery
35 property owners, in the contract for sale and the certificate of ownership,
36 of the requirement to keep the cemetery informed in writing of their current
37 residence address.

38 B. There is a presumption that cemetery property in any cemetery
39 licensed under this chapter has been abandoned when an owner of unused
40 cemetery property has failed to provide the cemetery with a current residence
41 address for a period of fifty consecutive years and as a result the cemetery
42 is unable to communicate by certified mail with the owner of the unused
43 cemetery property. There is not a presumption of abandonment if either of
44 the following occurs:

1 1. Cemetery property held in common ownership is adjoining whether in
2 a grave space, plot, mausoleum, columbarium or other place of interment and
3 is used within common ownership.

4 2. Any type of memorial marker has been placed on or attached to the
5 cemetery property.

6 C. On the occurrence of a presumption of abandonment as prescribed by
7 subsection B of this section, a cemetery may file with the department a
8 certified notice attesting to the abandonment of the cemetery property. The
9 notice shall do the following:

10 1. Describe the cemetery plot certified to have been abandoned.

11 2. Set forth the name of the last known owner of the cemetery plot or,
12 if the owner is known to the cemetery to be deceased, the names, if known to
13 the cemetery, of claimants that are heirs at law, next of kin or specific
14 devisees under the will of the owner.

15 3. Describe the failure of the owner or claimants as prescribed by
16 paragraph 2 of this subsection to keep the cemetery informed of the owner's
17 current residence address for a period of fifty consecutive years or more.

18 4. Certify that cemetery property has not been included that is held
19 in common ownership with any abandoned cemetery property as prescribed by
20 subsection B of this section and that a memorial marker has not been placed
21 on or attached to the cemetery property.

22 D. Irrespective of diversity of ownership of the cemetery property, a
23 cemetery may include in its certification cemetery properties of various
24 types.

25 E. The cemetery shall publish a notice of the approved abandoned
26 cemetery property once each week for two consecutive weeks ~~in a newspaper of~~
27 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the
28 cemetery property is located.

29 F. After one hundred twenty days from the final publication of the
30 notice as provided in subsection E of this section, if there has been no
31 notification of the address of the current owner, the cemetery shall have the
32 right to resell the cemetery property and transfer the ownership of the
33 cemetery property as provided in the cemetery's certificate of authority.

34 G. On the sale of each lot, grave, niche or crypt reclaimed pursuant
35 to this section, the cemetery shall contribute to the endowed-care trust fund
36 the amount currently required by section 32-2194.28.

37 H. On showing of evidence of right of ownership, persons or their
38 heirs who were owners of cemetery property that was sold under this section
39 shall have the right at any time to obtain equivalent cemetery property in
40 the cemetery without additional charge. If no cemetery property is desired,
41 the persons or their heirs may obtain and recover the amount originally paid
42 to the cemetery for the cemetery property.

43 I. The cemetery shall make available cemetery property equal to ten
44 per cent of the abandoned cemetery property sold under this section for the
45 use of persons or their heirs who were owners of cemetery property that was

1 sold under this section and who have the right at any time to obtain cemetery
2 property in the cemetery under this section.

3 J. Persons who purchase cemetery property reclaimed pursuant to this
4 section shall have the right to sell, alienate or otherwise transfer the
5 cemetery property subject to and in accordance with the rules of the cemetery
6 and payment of any applicable transfer fee.

7 Sec. 151. Section 33-808, Arizona Revised Statutes, is amended to
8 read:

9 33-808. Notice of trustee's sale

10 A. The trustee shall give written notice of the time and place of sale
11 legally describing the trust property to be sold by each of the following
12 methods:

13 1. Recording a notice in the office of the recorder of each county
14 where the trust property is situated.

15 2. Giving notice as provided in section 33-809 to the extent
16 applicable.

17 3. Posting a copy of the notice of sale, at least twenty days before
18 the date of sale in some conspicuous place on the trust property to be sold,
19 if posting can be accomplished without a breach of the peace. If access to
20 the trust property is denied because a common entrance to the property is
21 restricted by a limited access gate or similar impediment, the property shall
22 be posted by posting notice at that gate or impediment. Notice shall also be
23 posted at one of the places provided for posting public notices at any
24 building that serves as a location of the superior court in the county where
25 the trust property is to be sold. Posting is deemed completed on the date
26 the trust property is posted. The posting of notice at the superior court
27 location is deemed a ministerial act.

28 4. Publication of the notice of sale ~~in a newspaper of general~~
29 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county in which the trust
30 property to be sold is situated. The notice of sale shall be published at
31 least once a week for four consecutive weeks. The last date of publication
32 shall not be less than ten days ~~prior to~~ BEFORE the date of sale.
33 Publication is deemed completed on the date of the first of the four
34 publications of the notice of sale pursuant to this paragraph.

35 B. The sale shall be held at the time and place designated in the
36 notice of sale on a day other than a Saturday or legal holiday between 9:00
37 a.m. and 5:00 p.m. mountain standard time at a specified place on the trust
38 property, at a specified place at any building that serves as a location of
39 the superior court or at a specified place at a place of business of the
40 trustee, in any county in which part of the trust property to be sold is
41 situated.

42 C. The notice of sale shall contain:

43 1. The date, time and place of the sale. The date, time and place
44 shall be set pursuant to section 33-807, subsection D. The date shall be no

1 sooner than the ninety-first day after the date that the notice of sale was
2 recorded.

3 2. The street address, if any, or identifiable location as well as the
4 legal description of the trust property.

5 3. The county assessor's tax parcel number for the trust property or
6 the tax parcel number of a larger parcel of which the trust property is a
7 part.

8 4. The original principal balance as shown on the deed of trust. If
9 the amount is not shown on the deed of trust, it shall be listed as
10 "unspecified".

11 5. The names and addresses, as of the date the notice of sale is
12 recorded, of the beneficiary and the trustee, the name and address of the
13 original trustor as stated in the deed of trust, the signature of the trustee
14 and the basis for the trustee's qualification pursuant to section 33-803,
15 subsection A, including an express statement of the paragraph under
16 subsection A on which the qualification is based. The address of the
17 beneficiary shall not be in care of the trustee.

18 6. The telephone number of the trustee.

19 7. The name of the state or federal licensing or regulatory body or
20 controlling agency of the trustee as prescribed by section 33-803,
21 subsection A.

22 D. The notice of sale shall be sufficient if made in substantially the
23 following form:

24 Notice of Trustee's Sale

25 The following legally described trust property will be
26 sold, pursuant to the power of sale under that certain trust
27 deed recorded in docket or book _____ at page _____
28 records of _____ county, Arizona, at public auction to
29 the highest bidder at (specific place of sale as permitted by
30 law) _____, in _____ county, in or near
31 _____, Arizona, on _____, _____, at _____ o'clock
32 ____m. of said day:

33 (street address, if any, or identifiable

34 location of trust property)

35 (legal description of trust property)

36 Tax parcel number _____

37 Original principal balance \$ _____

38 Name and address of beneficiary _____

39 _____

40 _____

41 Name and address of original trustor _____

42 _____

43 _____

1 Name, address and telephone number of trustee _____
 2 _____
 3 _____
 4 Signature of trustee _____
 5 Manner of trustee qualification _____
 6 Name of trustee's regulator _____
 7 Dated this _____ day of _____, ____.

8 (Acknowledgement)

9 E. Any error or omission in the information required by subsection C
 10 or D of this section, other than an error in the legal description of the
 11 trust property or an error in the date, time or place of sale, shall not
 12 invalidate a trustee's sale. Any error in the legal description of the trust
 13 property shall not invalidate a trustee's sale if considered as a whole the
 14 information provided is sufficient to identify the trust property being sold.
 15 If there is an error or omission in the legal description so that the trust
 16 property cannot be identified, or if there is an error in the date, time or
 17 place of sale, the trustee shall record a cancellation of notice of sale.
 18 The trustee or any person furnishing information to the trustee shall not be
 19 subject to liability for any error or omission in the information required by
 20 subsection C of this section except for the wilful and intentional failure to
 21 provide such information. This subsection does not apply to claims made by
 22 an insured under any policy of title insurance.

23 F. The notice of trustee sale may not be rerecorded for any
 24 reason. This subsection does not prohibit the recording of a new or
 25 subsequent notice of sale regarding the same property.

26 Sec. 152. Section 33-952, Arizona Revised Statutes, is amended to
 27 read:

28 33-952. Sale of property; notice

29 A. When baggage or other property comes into the possession of a
 30 person entitled to a lien as provided by section 33-951 and remains
 31 unclaimed, or the charges remain unpaid for a period of four months, the
 32 person may proceed to sell the baggage or property at public auction, and
 33 from the proceeds retain the charges, storage and expense of advertising the
 34 sale.

35 B. The sale shall not be made until the expiration of four weeks from
 36 the first publication of notice of the sale, published ~~in a newspaper once a~~
 37 ~~week for four consecutive weeks~~ ON A PUBLIC MEDIUM. The notice shall contain
 38 a description of each piece of property, the name of the owner, if known, the
 39 name of the person holding the property, and the time and place of sale. If
 40 the indebtedness does not exceed sixty dollars, the notice may be given by
 41 posting at not less than three public places located at the place where the
 42 hotel, inn, boarding house, lodging house, apartment house or auto camp is
 43 located.

44 C. Any balance from the sale not claimed by the rightful owner within
 45 one month from the day of the sale shall be paid into the treasury of the

1 county in which the sale took place, and if not claimed by the owner within
2 one year thereafter, the money shall be paid into the general fund of the
3 county.

4 Sec. 153. Section 33-1023, Arizona Revised Statutes, is amended to
5 read:

6 33-1023. Sale of property; disposal of proceeds

7 A. Except as provided in section 33-1021.01, when possession of any
8 property described in this article or any other personal property held under
9 lien without provision at law for foreclosure of the lien has continued for
10 twenty days after the charges accrue and remain unpaid, the person holding
11 the property may notify the owner, if in the county where the property is
12 located, to pay the charges. ~~Upon~~ ON failure of the owner within ten days
13 thereafter to pay the charges, the holder of the property may sell it at
14 public auction and apply the proceeds to payment of the charges. The balance
15 of the proceeds shall be paid to the person entitled thereto. If the owner's
16 residence is not in the county where the property is located, the holder is
17 not required to give the ten days' notice before proceeding to sell.

18 B. Five days' notice of sale shall be given to the owner if ~~he~~ THE
19 OWNER can be found, and if not, ~~then~~ by two publications ~~in a newspaper~~ ON A
20 PUBLIC MEDIUM published in the county.

21 C. If the person legally entitled to receive the balance is not known
22 or has removed from the county, the holder shall pay the balance to the
23 department of revenue. If the party, at any time within two years from the
24 date of payment to the department of revenue, establishes his right to the
25 money to the satisfaction of the director of the department of
26 administration, it shall be paid to him. After two years, all unclaimed
27 monies shall be deposited in the permanent state school fund.

28 Sec. 154. Section 34-201, Arizona Revised Statutes, is amended to
29 read:

30 34-201. Notice of intention to receive bids and enter contract;
31 procedure; doing work without advertising for bids;
32 county compliance

33 A. Except as provided in subsections B through G and L of this
34 section, every agent, on acceptance and approval of the working drawings and
35 specifications, shall publish a notice to contractors of intention to receive
36 bids and contract for the proposed work. This notice shall be published by
37 advertising ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
38 PUBLISHED in the county in which the agent is located. ~~for two consecutive~~
39 ~~publications if it is a weekly newspaper or for two publications that are at~~
40 ~~least six but no more than ten days apart if it is a daily newspaper.~~ The
41 notice shall state:

42 1. The nature of the work required, the type, purpose and location of
43 the proposed building and where the plans, specifications and full
44 information as to the proposed work may be obtained.

1 2. That contractors desiring to submit proposals may obtain copies of
2 full or partial sets of plans and specifications for estimate on request or
3 by appointment. The return of such plans and specifications shall be
4 guaranteed by a deposit of a designated amount ~~which~~ THAT shall be refunded
5 on return of the plans and specifications in good order.

6 3. That every proposal shall be accompanied by a certified check,
7 cashier's check or surety bond for ten per cent of the amount of the bid
8 included in the proposal as a guarantee that the contractor will enter into a
9 contract to perform the proposal in accordance with the plans and
10 specifications. Notwithstanding any other statute, the surety bond shall be
11 executed solely by a surety company or companies holding a certificate of
12 authority to transact surety business in this state issued by the director of
13 the department of insurance pursuant to title 20, chapter 2, article 1. The
14 surety bond shall not be executed by an individual surety or sureties, even
15 if the requirements of section 7-101 are satisfied. The certified check,
16 cashier's check or surety bond shall be returned to the contractors whose
17 proposals are not accepted, and to the successful contractor on the execution
18 of a satisfactory bond and contract as provided in this article. The
19 conditions and provisions of the surety bid bond regarding the surety's
20 obligations shall follow the following form:

21 Now, therefore, if the obligee accepts the proposal of the
22 principal and the principal enters into a contract with the
23 obligee in accordance with the terms of the proposal and gives
24 the bonds and certificates of insurance as specified in the
25 standard specifications with good and sufficient surety for the
26 faithful performance of the contract and for the prompt payment
27 of labor and materials furnished in the prosecution of the
28 contract, or in the event of the failure of the principal to
29 enter into the contract and give the bonds and certificates of
30 insurance, if the principal pays to the obligee the difference
31 not to exceed the penalty of the bond between the amount
32 specified in the proposal and such larger amount for which the
33 obligee may in good faith contract with another party to perform
34 the work covered by the proposal then this obligation is void.
35 Otherwise it remains in full force and effect provided, however,
36 that this bond is executed pursuant to the provisions of section
37 34-201, Arizona Revised Statutes, and all liabilities on this
38 bond shall be determined in accordance with the provisions of
39 the section to the extent as if it were copied at length herein.

40 4. That the right is reserved to reject any or all proposals or to
41 withhold the award for any reason the agent determines.

42 B. If the agent believes that any construction, building addition or
43 alteration contemplated at a public institution can be advantageously done by
44 the inmates of the public institution and regularly employed help, the agent
45 may cause the work to be done without advertising for bids.

1 C. Any building, structure, addition or alteration may be constructed
2 either with or without the use of the agent's regularly employed personnel
3 without advertising for bids, provided that the total cost of the work,
4 excluding materials and equipment previously acquired by bid, does not
5 exceed:

- 6 1. In fiscal year 1994-1995, fourteen thousand dollars.
- 7 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
8 amount provided in paragraph 1 of this subsection adjusted by the annual
9 percentage change in the GDP price deflator as defined in section 41-563.

10 D. Notwithstanding subsection C of this section, any street, road,
11 bridge, water or sewer work, other than a water or sewer treatment plant or
12 building, may be constructed either with or without the use of the agent's
13 regularly employed personnel without advertising for bids, provided that the
14 total cost of the work does not exceed:

- 15 1. In fiscal year 1994-1995, one hundred fifty thousand dollars.
- 16 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
17 amount provided in paragraph 1 of this subsection adjusted by the annual
18 percentage change in the GDP price deflator as defined in section 41-563.

19 E. For the purposes of subsection D of this section, the total cost of
20 water or sewer work does not include services provided by volunteers or
21 donations made for the water or sewer project.

22 F. Notwithstanding this section, an agent may:

23 1. Construct, reconstruct, install or repair a natural gas or electric
24 utility and distribution system, owned or operated by such agent, with
25 regularly employed personnel of the agent without advertising for bids,
26 unless otherwise prohibited by charter or ordinance.

27 2. Construct recreational projects, including trails, playgrounds,
28 ballparks and other similar facilities and excluding buildings, structures,
29 building additions and alterations to buildings, structures and building
30 additions, with volunteer workers or workers provided by a nonprofit
31 organization without advertising for bids for labor and materials, provided
32 that the total cost of the work does not exceed:

- 33 (a) In fiscal year 2001-2002, one hundred fifty thousand dollars.
- 34 (b) In fiscal year 2002-2003 and each fiscal year thereafter, the
35 amount provided in subdivision (a) **OF THIS PARAGRAPH** adjusted by the annual
36 percentage change in the GDP price deflator as defined in section 41-563.

37 G. A contribution by an agent for the financing of public
38 infrastructure made pursuant to a development agreement is exempt from this
39 section if such contribution for any single development does not exceed:

- 40 1. In fiscal year 1994-1995, one hundred thousand dollars.
- 41 2. In fiscal year 1995-1996 and each fiscal year thereafter, the
42 amount provided in paragraph 1 of this subsection adjusted by the annual
43 percentage change in the GDP price deflator as defined in section 41-563.

1 H. In addition to other state or local requirements relating to the
2 publication of bids, each agent shall provide at least one set of all plans
3 and specifications to any construction news reporting service that files an
4 annual request with the agent. For the purposes of this subsection,
5 "construction news reporting service" means a service that researches,
6 gathers and disseminates news and reports either in print or electronically,
7 on at least a weekly basis for building projects, construction bids, the
8 purchasing of materials, supplies or services and other construction bidding
9 or planned activity to the allied construction industry. The allied
10 construction industry includes both general and specialty contractors,
11 builders, material and service suppliers, architects and engineers, owners,
12 developers and government agencies.

13 I. Any construction by a county under this section shall comply with
14 the uniform accounting system prescribed for counties by the auditor general
15 under section 41-1279.21. Any construction by a city or town under this
16 section shall comply with generally accepted accounting principles.

17 J. Any construction, building addition or alteration project that is
18 financed by monies of this state or its political subdivisions shall not use
19 endangered wood species unless an exemption is granted by the director of the
20 department of administration. The director shall only grant an exemption if
21 the use of endangered wood species is deemed necessary for historical
22 restoration or to repair existing facilities and the use of any substitute
23 material is not practical. Any lease-purchase agreement entered into by this
24 state or its political subdivisions for construction shall specify that no
25 endangered wood species may be used in the construction unless an exemption
26 is granted by the director. For the purposes of this subsection, "endangered
27 wood species" includes those listed in appendix I of the convention on
28 international trade in endangered species of wild flora and fauna.

29 K. All bonds given by a contractor and surety pursuant to this
30 article, regardless of their actual form, will be deemed by law to be the
31 form required and set forth in this article and no other.

32 L. Any building, structure, addition or alteration may be constructed
33 without complying with this article if the construction, including
34 construction of buildings or structures on public or private property, is
35 required as a condition of development of private property and is authorized
36 by section 9-463.01 or 11-822. For the purposes of this subsection, building
37 does not include police, fire, school, library or other public buildings.

38 M. Notwithstanding section 34-221, any agent may enter into a
39 guaranteed energy cost savings contract with a qualified provider for the
40 purchase of energy cost savings measures without complying with this article
41 and may procure a guaranteed energy cost savings contract through the
42 competitive sealed proposal process prescribed in title 41, chapter 23 or any
43 similar competitive proposal process adopted by the agent.

1 Sec. 155. Section 34-603, Arizona Revised Statutes, is amended to
2 read:

3 34-603. Procurement of professional services and
4 construction-manager-at-risk, design-build and
5 job-order-contracting construction services:
6 definition

7 A. Except for services that are under a single contract and that an
8 agent procures pursuant to section 34-103 or 34-606, an agent shall procure a
9 single contract for the following services pursuant to this section:

- 10 1. Architect services.
- 11 2. Construction-manager-at-risk construction services.
- 12 3. Design-build construction services.
- 13 4. Engineer services.
- 14 5. Job-order-contracting construction services.
- 15 6. Landscape architect services.
- 16 7. Assayer services.
- 17 8. Geologist services.
- 18 9. Land surveying services.

19 B. An agent shall provide notice of each procurement of professional
20 services or construction services specified in this section and shall award
21 the single contract on the basis of demonstrated competence and
22 qualifications for the type of professional services or construction services
23 pursuant to the procedures prescribed in this section.

24 C. In a procurement of a single contract for professional services or
25 construction services pursuant to this section:

- 26 1. The following requirements apply:

27 (a) The agent and the selection committee shall not request or
28 consider fees, price, man-hours or any other cost information at any point in
29 the selection process under this subsection or under subsection D of this
30 section, including the selection of persons or firms to be interviewed, the
31 selection of persons or firms to be on the final list, in determining the
32 order of preference of persons or firms on the final list or for any other
33 purpose in the selection process.

34 (b) In determining the persons or firms to participate in any
35 interviews and in determining the persons and firms to be on the final list
36 and their order on the final list, the selection committee shall use and
37 shall consider only the criteria and weighting of criteria specified by the
38 agent for that purpose as provided in this subsection. No other factors or
39 criteria may be used in the evaluation, determinations and other actions.

40 (c) An agent is limited to one contract in each procurement under this
41 section. Alternatively:

42 (i) For construction-manager-at-risk construction services, an agent
43 may elect separate contracts for preconstruction services during the design
44 phase, for construction during the construction phase and for any other
45 construction services.

1 (ii) For design-build construction services, an agent may elect
2 separate contracts for preconstruction services and design services during
3 the design phase, for construction and design services during the
4 construction phase and for any other construction services.

5 (iii) For professional services, an agent may enter into multiple
6 contracts for different phases of a single project.

7 (d) All construction-manager-at-risk construction services or
8 design-build construction services included in a procurement under this
9 section shall be limited to construction services to be performed at a single
10 location, a common location or, if the construction services are all for a
11 similar purpose, multiple locations. For construction-manager-at-risk
12 construction services and design-build construction services to be performed
13 at multiple locations:

14 (i) At the time the request for qualifications is issued, the agent
15 must intend to commence all construction at each location within thirty
16 months after execution of the first contract for preconstruction services or
17 other construction services at any of the locations.

18 (ii) The request for qualifications must include the information
19 described in paragraph 2, subdivision (g) of this subsection.

20 (e) If the agent enters into the first contract for preconstruction
21 services, construction services or professional services as the result of the
22 procurement, the procurement under this section ends. After execution of
23 that first contract the agent may not use the procurement or the existing
24 final list in the procurement as the basis for entering into a contract with
25 any other person or firm that participated in the procurement.

26 (f) Notwithstanding any other provision of this section specifying the
27 number of persons or firms to be interviewed, the number of persons or firms
28 to be on a final list or any other numerical specification in this section:

29 (i) If a smaller number of persons or firms ~~respond~~ **RESPONDS** to the
30 request for qualifications or if one or more persons or firms drop out of the
31 procurement so that there is a smaller number of persons or firms
32 participating in the procurement, the agent may elect to proceed with the
33 procurement with the participating persons or firms if there are at least two
34 participating responsive and responsible persons or firms. Alternatively,
35 the agent may elect to terminate the procurement.

36 (ii) As to a request for qualifications for professional services or
37 construction services to be negotiated pursuant to subsection E of this
38 section only, if only one responsive and responsible person or firm responds
39 to the request for qualifications or, if one or more persons or firms drop
40 out of the procurement so that only one responsive and responsible person or
41 firm remains in the procurement, the agent may elect to proceed with the
42 procurement with only one person or firm if the agent determines in writing
43 that the fee negotiated pursuant to subsection E of this section is fair and
44 reasonable and that either other prospective persons or firms had reasonable
45 opportunity to respond or there is not adequate time for a resolicitation.

1 (iii) If a person or firm on the final list withdraws or is removed
2 from the procurement and the selection committee determines that it is in the
3 best interest of the agent, the selection committee may replace that person
4 or firm on the final list with another person or firm that submitted
5 qualifications in the procurement and that is selected by the selection
6 committee as the next most qualified.

7 2. An agent shall issue a request for qualifications for each
8 procurement and publish notice of the request for qualifications. This
9 notice shall be published by advertising ~~in a newspaper of general~~
10 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the agent is
11 located. ~~for two consecutive publications if it is a weekly newspaper or for~~
12 ~~two publications that are at least six but no more than ten days apart if it~~
13 ~~is a daily newspaper.~~ The request for qualifications shall:

14 (a) State that one contract may or will be awarded, describe the
15 services to be performed under the contract and state that one person or firm
16 may or will be awarded the contract.

17 (b) In a procurement of a contract to be negotiated under subsection E
18 of this section, state that there will be a single final list of at least
19 three and not more than five persons or firms. In a procurement in which the
20 contract will be awarded under subsection F of this section, THE REQUEST FOR
21 QUALIFICATIONS SHALL state that there will be a single final list and that
22 the number of persons or firms on the final list will be three.

23 (c) As prescribed below, state the selection criteria and relative
24 weight of the selection criteria to be used by the selection committee,
25 except that for construction services one of the criteria shall be the
26 person's or firm's subcontractor selection plan or procedures to implement
27 the agent's subcontractor selection plan. All selection criteria under this
28 subsection shall be factors that demonstrate competence and qualifications
29 for the type of professional services or construction services included in
30 the procurement. If:

31 (i) Interviews will be held, the request for qualifications shall
32 state the selection criteria and relative weight of the selection criteria to
33 be used in selecting the persons or firms to be interviewed and the request
34 for qualifications may state the selection criteria and relative weight of
35 the selection criteria to be used in selecting the persons or firms on the
36 final list and in determining their order on the final list. The final list
37 selection criteria and relative weights may be different than the selection
38 criteria and relative weights used to determine the persons or firms to be
39 interviewed. The request for qualifications shall also state whether the
40 agent will select the persons or firms on the final list and their order on
41 the final list solely through the results of the interview process or through
42 the combined results of both the interview process and the evaluation of
43 statements of qualifications and performance data submitted in response to
44 the agent's request for qualifications.

1 (ii) Interviews will not be held, the request for qualifications shall
2 state the selection criteria and relative weight of the selection criteria to
3 be used in selecting the persons or firms on the final list and in
4 determining their order on the final list.

5 (d) If the agent will hold interviews as part of the selection
6 process, state that interviews will be held and that the interviews will be
7 with at least three but not more than five persons or firms.

8 (e) For procurements of construction services, include either:

9 (i) A requirement that each person or firm submit a proposed
10 subcontractor selection plan and a requirement that the proposed
11 subcontractor selection plan must select subcontractors based on
12 qualifications alone or on a combination of qualifications and price and
13 shall not select subcontractors based on price alone.

14 (ii) A subcontractor selection plan adopted by the agent that applies
15 to the person or firm that is selected to perform the construction services
16 and that requires subcontractors to be selected based on qualifications alone
17 or on a combination of qualifications and price and not based on price alone
18 and a requirement that each person or firm must submit a description of the
19 procedures it proposes to use to implement the agent's subcontractor
20 selection plan.

21 (f) Include a description of the publicly available location of the
22 agent's protest policy and procedures or, if the agent does not have a
23 protest policy and procedures, a statement that the protest policy and
24 procedures referred to in subsection J of this section apply to any protests
25 in connection with the procurement.

26 (g) In a procurement of construction-manager-at-risk construction
27 services or design-build construction services to be performed at multiple
28 locations, include:

29 (i) A brief description of the construction services to be performed
30 at each location.

31 (ii) The estimated budget for the construction services to be
32 performed at each location.

33 (iii) A schedule for the construction services to be performed at each
34 location that shows the agent's intent to commence all construction at each
35 location within thirty months after execution of the first contract for
36 preconstruction services or other construction services at any of the
37 locations.

38 3. An agent shall initiate an appropriately qualified selection
39 committee for each request for qualifications. The agent shall ensure that
40 the selection committee members are competent to serve on the selection
41 committee. Each selection committee must include one employee of the agent
42 or an agent representative who is appointed by the agent. If the agent is
43 procuring professional services, the agent shall determine the number and
44 qualifications of the selection committee members. A selection committee for
45 the procurement of construction services shall not have more than seven

1 members, except that, if the contract involves the agent and additional
 2 governmental or private participants, the number of members of the selection
 3 committee shall be increased by one for each additional participant, except
 4 that the maximum number of members of the selection committee is nine. The
 5 selection committee for construction services shall include at least one
 6 person who is a senior management employee of a licensed contractor and one
 7 person who is an architect or an engineer who is registered pursuant to
 8 section 32-121. These members may be employees of the agent or outside
 9 consultants. Outside contractors, architects and engineers serving on a
 10 selection committee shall not receive compensation from the agent for
 11 performing this service, but the agent may elect to reimburse outside
 12 contractors, architects and engineers for travel, lodging and other expenses
 13 incurred in connection with service on a selection committee. A person who
 14 is a member of a selection committee shall not be a contractor under a
 15 contract awarded under the procurement or provide any professional services,
 16 construction, construction services, materials or other services under the
 17 contract. The selection committee and the agent shall do the following:

18 (a) If interviews are specified in the request for qualifications:

19 (i) The selection committee shall determine the persons or firms to be
 20 interviewed by evaluating the statements of qualifications and performance
 21 data that are submitted in response to the agent's request for qualifications
 22 based only on the selection criteria and relative weight of the selection
 23 criteria stated in the request for qualifications to be used to determine the
 24 persons or firms to be interviewed.

25 (ii) If the selection criteria and relative weight of the selection
 26 criteria to be used by the selection committee to select the persons or firms
 27 on the final list and to determine their order on the final list are not
 28 included in the request for qualifications, before the interviews are held
 29 the agent shall distribute to the persons or firms to be interviewed the
 30 selection criteria and relative weight of the selection criteria to be used
 31 to select the persons or firms on the final list and to determine their order
 32 on the final list. These selection criteria and relative weight may be
 33 different than the selection criteria and relative weight used to determine
 34 the persons or firms to be interviewed.

35 (iii) The selection committee shall conduct interviews with the number
 36 of persons or firms to be interviewed as stated in the request for
 37 qualifications regarding the professional services or construction services
 38 and the relative methods of approach for furnishing the required professional
 39 services or construction services.

40 (b) Based only on the selection criteria and relative weight of the
 41 selection criteria specified as provided in this subsection for selection of
 42 the persons or firms on the final list and their order on the final list, the
 43 selection committee shall select the persons or firms for the final list and,
 44 in the case of a final list for a contract that will be negotiated under

1 subsection E of this section, rank the persons or firms on the final list in
2 order of preference.

3 (c) If the contract will be negotiated under subsection E of this
4 section, before or at the same time as the agent notifies the highest ranking
5 person or firm on the final list that it is the highest ranking person or
6 firm, the agent shall send actual notice to each of the following that it is
7 not the highest person or firm on the final list or that another person or
8 firm is the highest ranking person or firm on the final list:

9 (i) If interviews were held, the other persons and firms interviewed.

10 (ii) If interviews were not held, the other persons and firms that
11 made submittals.

12 (d) If the contract will be awarded under subsection F of this
13 section, before or at the same time as the agent notifies the persons or
14 firms on the final list that they are on the final list, the agent shall send
15 actual notice to each of the following persons or firms that they are not on
16 the final list or that other persons or firms are on the final list:

17 (i) If interviews were held, the other persons or firms interviewed.

18 (ii) If interviews were not held, the other persons or firms that made
19 submittals.

20 D. An agent shall award the single contract under the procurement as
21 provided in subsection E or F of this section.

22 E. The agent shall conduct negotiations with persons or firms on the
23 final list as follows:

24 1. The procurement is for a single contract for construction services
25 or professional services, and there is one final list.

26 2. The negotiations shall include consideration of compensation and
27 other contract terms that the agent determines to be fair and reasonable to
28 the agent. In making this decision, the agent shall take into account the
29 estimated value, the scope, the complexity and the nature of the professional
30 services or construction services to be rendered.

31 3. The agent shall enter into negotiations with the highest qualified
32 person or firm on the final list.

33 4. If the agent is not able to negotiate a satisfactory contract with
34 the highest qualified person or firm on the final list, at compensation and
35 on other contract terms the agent determines to be fair and reasonable, the
36 agent shall formally terminate negotiations with that person or firm. The
37 agent shall then undertake negotiations with the next most qualified person
38 or firm on the final list in sequence until an agreement is reached or a
39 determination is made to reject all persons or firms on the final list.

40 5. If in a procurement under this section the agent terminates
41 negotiations with a person or firm on the final list and commences
42 negotiations with another person or firm on the final list, the agent shall
43 not in that procurement recommence negotiations or enter into a contract for
44 the construction services or professional services covered by the final list

1 with any person or firm on the final list with whom the agent has terminated
2 negotiations.

3 F. As an alternative to subsection E of this section, an agent may
4 award a single contract for design-build construction services or
5 job-order-contracting construction services as follows:

6 1. The agent shall use the selection committee appointed for the
7 request for qualifications pursuant to subsection C of this section.

8 2. The agent shall issue a request for proposals to the persons or
9 firms on the final list developed pursuant to subsection C of this section.

10 3. The request for proposals shall include:

11 (a) The agent's project schedule and project final budget for design
12 and construction or life cycle budget for a procurement that includes
13 maintenance services or operations services.

14 (b) A statement that the contract will be awarded to the offeror whose
15 proposal receives the highest number of points under a scoring method.

16 (c) A description of the scoring method, including a list of the
17 factors in the scoring method and the number of points allocated to each
18 factor. The factors in the scoring method may include:

19 (i) For design-build construction services only, demonstrated
20 compliance with the design requirements.

21 (ii) Offeror qualifications.

22 (iii) Offeror financial capacity.

23 (iv) Compliance with the agent's project schedule.

24 (v) For design-build construction services only, if the request for
25 proposals specifies that the agent will spend its project budget and not more
26 than its project budget and is seeking the best proposal for the project
27 budget, compliance of the offeror's price or life cycle price for
28 procurements that include maintenance services, operations services or
29 finance services with the agent's budget as prescribed in the request for
30 proposals.

31 (vi) For design-build construction services if the request for
32 proposals does not contain the specifications prescribed in item (v) **OF THIS**
33 **SUBDIVISION** and for job-order-contracting construction services, the price or
34 life cycle price for procurements that include maintenance services,
35 operations services or finance services.

36 (vii) An offeror quality management plan.

37 (viii) Other evaluation factors that demonstrate competence and
38 qualifications for the type of construction services in the request for
39 proposals as determined by the agent, if any.

40 (d) For design-build construction services only, the design
41 requirements.

42 (e) A requirement that each offeror submit separately a technical
43 proposal and a price proposal and that the offeror's entire proposal be
44 responsive to the requirements in the request for proposals. For

1 design-build construction services, the price in the price proposal shall be
2 a fixed price or a guaranteed maximum price.

3 (f) A statement that in applying the scoring method the selection
4 committee will separately evaluate the technical proposal and the price
5 proposal and will evaluate and score the technical proposal before opening
6 the price proposal.

7 (g) If the agent conducts discussions pursuant to paragraph 5 of this
8 subsection, a statement that discussions will be held and a requirement that
9 each offeror submit a preliminary technical proposal before the discussions
10 are held.

11 4. If the agent determines to conduct discussions pursuant to
12 paragraph 5 of this subsection, each offeror shall submit a preliminary
13 technical proposal to the agent before those discussions are held.

14 5. If determined by the agent and included by the agent in the request
15 for proposals, the selection committee shall conduct discussions with all
16 offerors that submit preliminary technical proposals. Discussions shall be
17 for the purpose of clarification to ensure full understanding of, and
18 responsiveness to, the solicitation requirements. Offerors shall be accorded
19 fair treatment with respect to any opportunity for discussion and for
20 clarification by the owner. Revision of preliminary technical proposals
21 shall be permitted after submission of preliminary technical proposals and
22 before award for the purpose of obtaining best and final proposals. In
23 conducting any discussions, information derived from proposals submitted by
24 competing offerors shall not be disclosed to other competing offerors.

25 6. After completion of any discussions pursuant to paragraph 5 of this
26 subsection or if no discussions are held, each offeror shall submit
27 separately the offeror's final technical proposal and its price proposal.

28 7. Before opening any price proposal, the selection committee shall
29 open the final technical proposals, evaluate the final technical proposals
30 and score the final technical proposals using the scoring method in the
31 request for proposals. No other factors or criteria may be used in the
32 evaluation and scoring.

33 8. After completion of the evaluation and scoring of all final
34 technical proposals, the selection committee shall open the price proposals,
35 evaluate the price proposals, score the price proposals and complete the
36 scoring of the entire proposals using the scoring method in the request for
37 proposals. No other factors or criteria may be used in the evaluation and
38 scoring.

39 9. The agent shall award the contract or contracts to the responsive
40 and responsible offeror whose proposal receives the highest score under the
41 method of scoring in the request for proposals. No other factors or criteria
42 may be used in the evaluation. Before or at the same time as the agent
43 notifies the winning offeror that it has won, the agent shall send actual
44 notice to each other offeror either that the offeror has not won or that
45 another offeror has won.

1 10. The contract or contracts file shall contain the basis on which the
2 award is made, including at a minimum the information and documents required
3 under subsection G of this section.

4 11. For design-build construction services only, the agent shall award
5 a stipulated fee equal to a percentage, as prescribed in the request for
6 proposals, of the agent's project final budget for design and construction,
7 as prescribed in the request for proposals, but not less than two-tenths of
8 one per cent of the project final budget for design and construction to each
9 final list offeror who provides a responsive, but unsuccessful, proposal. If
10 the agent does not award a contract, all responsive final list offerors shall
11 receive the stipulated fee based on the owner's project final budget for
12 design and construction as included in the request for proposals. The agent
13 shall pay the stipulated fee to each offeror within ninety days after the
14 award of the initial contract or the decision not to award a contract. In
15 consideration for paying the stipulated fee, the agent may use any ideas or
16 information contained in the proposals in connection with any contract
17 awarded for the project, or in connection with a subsequent procurement,
18 without any obligation to pay any additional compensation to the offerors.
19 Notwithstanding the other provisions of this paragraph, an offeror may elect
20 to waive the stipulated fee. If an offeror elects to waive the stipulated
21 fee, the agent may not use ideas and information contained in the offeror's
22 proposal, except that this restriction does not prevent the agent from using
23 any idea or information if the idea or information is also included in a
24 proposal of an offeror that accepts the stipulated fee.

25 G. At a minimum, the agent shall retain the following for each
26 procurement under this section:

27 1. For each request for qualifications procurement process under
28 subsection C of this section:

29 (a) If interviews were not held:

30 (i) The submittal of the person or firm listed first on the final list
31 and, if different, the submittal of the person or firm with which the agent
32 enters into a contract.

33 (ii) The final list.

34 (iii) A list of the selection criteria and relative weight of
35 selection criteria used to select the persons or firms for the final list and
36 to determine their order on the final list.

37 (iv) A list that contains the name of each person or firm that
38 submitted qualifications and that shows the person's or firm's final overall
39 rank or score.

40 (v) A document or documents that show the final score or rank on each
41 selection ~~criteria~~ CRITERION of each person or firm that submitted
42 qualifications and that support the final overall rankings and scores of the
43 persons or firms that submitted qualifications. At the election of the
44 agent, this documentation may be in the form of a consolidated scoring sheet
45 for the entire selection committee, in the form of individual scoring sheets

1 for individual selection committee members or IN any other form as determined
2 by the agent.

3 (b) If interviews were held:

4 (i) All submittals of the person or firm listed first on the final
5 list and, if different, all submittals of the person or firm with which the
6 agent enters into a contract.

7 (ii) The final list.

8 (iii) A list of the selection criteria and relative weight of
9 selection criteria used to select the persons or firms for the final list and
10 to determine their order on the final list.

11 (iv) A list that contains the name of each person or firm that was
12 interviewed and that shows the person's or firm's final overall rank or
13 score.

14 (v) A document or documents that show the final score or rank on each
15 selection ~~criteria~~ CRITERION of each person or firm that was interviewed and
16 that support the final overall rankings and scores of the persons or firms
17 that were interviewed. At the election of the agent, this documentation may
18 be in the form of a consolidated scoring sheet for the entire selection
19 committee, in the form of individual scoring sheets for individual selection
20 committee members or IN any other form as determined by the agent.

21 (vi) A list of the selection criteria and relative weight of the
22 selection criteria used to select the persons or firms for the short list to
23 be interviewed.

24 (vii) A list that contains the name of each person or firm that
25 submitted qualifications and that shows the person's or firm's final overall
26 rank or score in the selection of the persons or firms to be on the short
27 list to be interviewed.

28 (viii) A document or documents that show the final score or rank on
29 each selection ~~criteria~~ CRITERION of each person or firm that submitted
30 qualifications and that support the final overall rankings and scores of the
31 persons or firms that submitted qualifications in the selection of the
32 persons or firms to be on the short list to be interviewed. At the election
33 of the agent, this documentation may be in the form of a consolidated scoring
34 sheet for the entire selection committee, in the form of individual scoring
35 sheets for the individual selection committee members or IN any other form as
36 determined by the agent.

37 2. For each request for proposals procurement process under subsection
38 F of this section:

39 (a) The entire proposal submitted by the person or firm that received
40 the highest score in the scoring method in the request for proposals and, if
41 different, the entire proposal submitted by the person or firm with which the
42 agent enters into a contract.

43 (b) The description of the scoring method, the list of factors in the
44 scoring method and the number of points allocated to each factor, all as
45 included in the request for proposals.

1 (c) A list that contains the name of each offeror that submitted a
2 proposal and that shows the offeror's final overall score.

3 (d) A document or documents that show the final score on each factor
4 in the scoring method in the request for proposals of each offeror that
5 submitted a proposal and that support the final overall scores of the
6 offerors that submitted proposals. At the election of the agent, this
7 documentation may be in the form of a consolidated scoring sheet for the
8 entire selection committee, in the form of individual scoring sheets for
9 individual selection committee members or IN any other form as determined by
10 the agent.

11 H. Information relating to each procurement under this section shall
12 be made available to the public as follows:

13 1. Notwithstanding title 39, chapter 1, article 2, until the agent
14 awards a contract or terminates the procurement, only the name of each person
15 or firm on the final list developed pursuant to subsection C of this section
16 may be made available to the public. All other information received by the
17 agent in response to the request for qualifications pursuant to subsection C
18 of this section or contained in proposals submitted pursuant to subsection F
19 of this section shall be confidential in order to avoid disclosure of the
20 contents that may be prejudicial to competing submitters and offerors during
21 the selection process.

22 2. After the agent awards the contract or terminates the procurement,
23 the agent shall make available to the public pursuant to title 39, chapter 1,
24 article 2 at a minimum all of the items that the agent is required to retain
25 under subsection G of this section, except the proposals submitted in
26 response to a request for proposals under subsection F of this section and
27 the document or documents prescribed in subsection G, paragraph 1,
28 subdivision (a), item (v) and subdivision (b), items (v) and (viii) and
29 paragraph 2, subdivision (d) of this section.

30 3. The proposals submitted under subsection F of this section shall
31 not be made available to the public until after the agent has entered into a
32 contract or terminated the procurement. At a minimum the proposals submitted
33 under subsection F of this section that the agent is required to retain under
34 subsection G of this section shall be made available to the public after the
35 agent has entered into a contract or terminated the procurement.

36 4. To the extent that the offeror designates and the agent concurs,
37 trade secrets and other proprietary data contained in a proposal remain
38 confidential.

39 5. The document or documents prescribed in subsection G, paragraph 1,
40 subdivision (a), item (v) and subdivision (b), items (v) and (viii) and
41 paragraph 2, subdivision (d) of this section are available to the extent
42 provided in title 39, chapter 1, article 2.

43 I. An agent may cancel a request for qualifications or a request for
44 proposals, reject in whole or in part any or all submittals or proposals, or
45 determine not to enter into a contract as specified in the solicitation if

1 the agent determines in the agent's absolute and sole discretion that the
2 action is in the best interest of the agent. The agent shall make the
3 reasons for cancellation, rejection or determination not to enter into a
4 contract part of the contract file.

5 J. If the agent does not have a procurement protest policy and
6 procedures that have been formally adopted and published by the agent, for
7 protests relating to procurements under this section the agent shall follow
8 the procurement protest policy and procedures of the department of
9 administration. The agent shall process all protests relating to
10 procurements under this section.

11 K. For the purposes of this section, "professional services" includes
12 architect services, engineer services, landscape architect services, assayer
13 services, geologist services and land surveying services and any combination
14 of those services.

15 Sec. 156. Section 34-604, Arizona Revised Statutes, is amended to
16 read:

17 34-604. Procurement of multiple contracts for certain
18 job-order-contracting construction services and
19 certain professional services; definition

20 A. Except for multiple contracts an agent procures pursuant to section
21 34-103, section 34-606 or this section, an agent shall not procure in a
22 single procurement multiple contracts for construction services or
23 professional services. In a procurement under this section, there is a
24 single procurement process for all of the multiple contracts included in the
25 procurement. An agent may procure under this section:

26 1. Multiple contracts for similar job-order-contracting construction
27 services to be awarded to separate persons or firms.

28 2. Multiple contracts for professional services to be awarded to
29 separate persons or firms or to be awarded to a single person or firm as
30 specified in the request for qualifications.

31 B. An agent shall provide notice of each procurement under this
32 section and shall award contracts on the basis of demonstrated competence and
33 qualifications for the type of professional services or construction services
34 pursuant to the procedures prescribed in this section.

35 C. In a procurement pursuant to this section:

36 1. The following requirements apply:

37 (a) The agent and the selection committee shall not request or
38 consider fees, price, man-hours or any other cost information at any point in
39 the selection process under this subsection or under subsection D of this
40 section, including the selection of persons or firms to be interviewed, the
41 selection of persons or firms to be on a final list, in determining the order
42 of preference of persons or firms on a final list or for any other purpose in
43 the selection process.

44 (b) In determining the persons or firms to participate in any
45 interviews and in determining the persons and firms to be on a final list and

1 their order on a final list, the selection committee shall use and shall
2 consider only the criteria and weighting of criteria specified by the agent
3 for that purpose as provided in this subsection. No other factors or
4 criteria may be used in the evaluation, determinations and other actions.

5 (c) If the agent enters into the number of multiple contracts being
6 procured for job-order-contracting construction services or professional
7 services, a procurement under this section ends. After that time the agent
8 may not use the procurement or any existing final list in the procurement as
9 the basis for entering into a replacement contract with any other person or
10 firm that participated in the procurement.

11 (d) Notwithstanding any other provision of this section specifying the
12 number of persons or firms to be interviewed, the number of persons or firms
13 to be on a final list or any other numerical specification in this section:

14 (i) If a smaller number of persons or firms ~~respond~~ **RESPONDS** to the
15 request for qualifications or if one or more persons or firms drop out of the
16 procurement so that there is a smaller number of persons or firms
17 participating in the procurement, the agent may elect to proceed with the
18 procurement with the participating persons or firms if there are at least two
19 participating responsive and responsible persons or firms. Alternatively,
20 the agent may elect to terminate the procurement.

21 (ii) As to a request for qualifications for professional services or
22 job-order-contracting construction services to be negotiated pursuant to
23 subsection E of this section only, if only one responsive and responsible
24 person or firm responds to the request for qualifications or if one or more
25 persons or firms drop out of the procurement so that only one responsive and
26 responsible person or firm remains in the procurement, the agent may elect to
27 proceed with the procurement with only one person or firm if the agent
28 determines in writing that the fee negotiated pursuant to subsection E of
29 this section is fair and reasonable and that either other prospective persons
30 or firms had reasonable opportunity to respond or there is not adequate time
31 for a resolicitation.

32 (iii) If a person or firm on a final list withdraws or is removed from
33 the procurement and the selection committee determines that it is in the best
34 interest of the agent, the selection committee may replace that person or
35 firm on the final list with another person or firm that submitted
36 qualifications in the procurement and that is selected by the selection
37 committee as the next most qualified.

38 2. An agent shall issue a request for qualifications for each
39 procurement and publish notice of the request for qualifications. This
40 notice shall be published by advertising ~~in a newspaper of general~~
41 ~~circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the county in which the agent is
42 located for two consecutive publications if it is a weekly ~~newspaper~~ **PUBLIC**
43 **MEDIUM** or for two publications that are at least six but no more than ten
44 days apart if it is a daily ~~newspaper~~ **PUBLIC MEDIUM**. The publication shall
45 include the fact that multiple contracts may or will be awarded, shall state

1 the number of contracts that may or will be awarded and shall describe the
2 professional services or job-order-contracting construction services to be
3 performed under each contract. The request for qualifications shall:

4 (a) State the following information about the contracts that may or
5 will be awarded:

6 (i) If the request for qualifications is for multiple contracts for
7 similar job-order-contracting construction services to be awarded to separate
8 persons or firms, that multiple contracts for similar job-order-contracting
9 construction services may or will be awarded, the number of contracts that
10 may or will be awarded, the services to be performed under each of the
11 multiple contracts and that each of the multiple contracts will be awarded to
12 a separate person or firm.

13 (ii) If the request for qualifications is for multiple contracts for
14 professional services, that multiple contracts for professional services may
15 or will be awarded, the number of contracts that may or will be awarded, the
16 services to be performed under each of the multiple contracts and either that
17 each of the multiple contracts will be awarded to a separate person or firm
18 or that all of the multiple contracts will be awarded to the same person or
19 firm.

20 (b) State as to final lists:

21 (i) In a procurement of multiple contracts for professional services
22 to be awarded to a single person or firm, that there will be a single final
23 list of at least three but no more than five persons or firms.

24 (ii) In a procurement for multiple contracts for similar
25 job-order-contracting construction services to be awarded to separate persons
26 or firms or in a procurement for multiple contracts for similar professional
27 services to be awarded to separate persons or firms, that there will be a
28 single final list and the number of persons or firms on the final list, which
29 shall be the sum of the number of contracts that may or will be awarded and a
30 number that is determined by the agent and that is not more than five.

31 (iii) In a procurement for multiple contracts for different
32 professional services to be awarded to separate persons or firms, that there
33 will be a separate final list for each type of professional services and that
34 the number of persons or firms on each final list will be the number of
35 contracts that may or will be awarded for each type of professional services
36 and a number that is determined by the agent and that is not more than five.

37 (c) As prescribed below, state the selection criteria and relative
38 weight of the selection criteria to be used by the selection committee,
39 except that in a procurement for multiple contracts for job-order-contracting
40 construction services to be awarded to separate persons or firms, one of the
41 criteria shall be the person's or firm's subcontractor selection plan or
42 procedures to implement the agent's subcontractor selection plan. All
43 selection criteria pursuant to this subsection shall be factors that
44 demonstrate competence and qualifications for the type of professional

1 services or job-order-contracting construction services included in the
2 procurement. If:

3 (i) Interviews will be held, the request for qualifications shall
4 state the selection criteria and the relative weight of the selection
5 criteria to be used in selecting the persons or firms to be interviewed and
6 the request for qualifications may state the selection criteria and relative
7 weight of the selection criteria to be used in selecting the persons or firms
8 on each final list and in determining their order on each final list. The
9 final list selection criteria and relative weights may be different than the
10 selection criteria and relative weights used to determine the persons or
11 firms to be interviewed. The request for qualifications also shall state
12 whether the agent will select the persons or firms on the final list and
13 their order on the final list solely through the results of the interview
14 process or through the combined results of both the interview process and the
15 evaluation of statements of qualifications and performance data submitted in
16 response to the agent's request for qualifications.

17 (ii) Interviews will not be held, the request for qualifications shall
18 state the selection criteria and relative weight of the selection criteria to
19 be used in selecting the persons or firms on each final list and in
20 determining their order on each final list.

21 (d) If the agent will hold interviews as part of the selection
22 process:

23 (i) In a procurement of multiple contracts for professional services
24 to be awarded to the same person or firm, state that interviews will be held
25 and that the interviews will be with at least three but not more than five
26 persons or firms.

27 (ii) In a procurement of multiple contracts for similar
28 job-order-contracting construction services to be awarded to separate persons
29 or firms or in a procurement of multiple contracts for similar professional
30 services to be awarded to separate persons or firms, state that interviews
31 will be held and that the interviews will be with a specified number of
32 persons or firms. The specified number shall be stated in the request for
33 qualifications, shall be determined by the agent, ~~and~~ and shall be the sum of
34 the number of contracts that may or will be awarded and a number that is
35 determined by the agent and that is not more than five.

36 (iii) In a procurement of multiple contracts for different
37 professional services to be awarded to separate persons or firms, state that
38 interviews will be held and that the interviews will be with a specified
39 number of persons or firms. The specified number shall be stated in the
40 request for qualifications, shall be determined by the agent, shall be at
41 least three times the number of contracts that may or will be awarded and
42 shall not be more than five times the number of contracts that may or will be
43 awarded.

1 (e) For procurements of multiple contracts for job-order-contracting
2 construction services to be awarded to separate persons or firms, include
3 either:

4 (i) A requirement that each person or firm submit a proposed
5 subcontractor selection plan and a requirement that the proposed
6 subcontractor selection plan must select subcontractors based on
7 qualifications alone or on a combination of qualifications and price and
8 shall not select subcontractors based on price alone.

9 (ii) A subcontractor selection plan adopted by the agent that applies
10 to the person or firm that is selected to perform the job-order-contracting
11 construction services and that requires subcontractors to be selected based
12 on qualifications alone or on a combination of qualifications and price and
13 not based on price alone and a requirement that each person or firm must
14 submit a description of the procedures it proposes to use to implement the
15 agent's subcontractor selection plan.

16 (f) Include a description of the publicly available location of the
17 agent's protest policy and procedures or, if the agent does not have a
18 protest policy and procedures, a statement that the protest policy and
19 procedures referred to in subsection J of this section apply to any protests
20 in connection with the procurement.

21 3. An agent shall initiate an appropriately qualified selection
22 committee for each request for qualifications. The agent shall ensure that
23 the selection committee members are competent to serve on the selection
24 committee. Each selection committee must include one employee of the agent
25 or an agent representative who is appointed by the agent. The same selection
26 committee shall function as to all of the multiple contracts included in the
27 procurement. If the agent is procuring multiple contracts for professional
28 services, the agent shall determine the number and qualifications of the
29 selection committee members. A selection committee for the procurement of
30 multiple contracts for job-order-contracting construction services shall have
31 not more than seven members, except that if the contract involves the agent
32 and additional governmental or private participants, the number of members of
33 the selection committee shall be increased by one for each additional
34 participant, except that the maximum number of members of the selection
35 committee is nine. The selection committee for multiple contracts for
36 job-order-contracting construction services shall include at least one person
37 who is a senior management employee of a licensed contractor and one person
38 who is an architect or engineer registered pursuant to section 32-121. These
39 members may be employees of the agent or outside consultants. Outside
40 contractors, architects and engineers serving on a selection committee shall
41 not receive compensation from the agent for performing this service, but the
42 agent may elect to reimburse outside contractors, architects and engineers
43 for travel, lodging and other expenses incurred in connection with service on
44 a selection committee. A person who is a member of a selection committee
45 shall not be a contractor under a contract awarded under the procurement or

1 provide any professional services, construction, construction services,
2 materials or other services under the contract. The selection committee and
3 the agent shall do the following:

4 (a) If interviews are specified in the request for qualifications:

5 (i) The selection committee shall determine the persons or firms to be
6 interviewed by evaluating the statements of qualifications and performance
7 data that are submitted in response to the agent's request for qualifications
8 based only on the selection criteria and relative weight of the selection
9 criteria stated in the request for qualifications to be used to determine the
10 persons or firms to be interviewed.

11 (ii) If the selection criteria and relative weight of the selection
12 criteria to be used by the selection committee to select the persons or firms
13 on a final list and to determine their order on a final list are not included
14 in the request for qualifications, before the interviews are held the agent
15 shall distribute to the persons or firms to be interviewed the selection
16 criteria and relative weight of the selection criteria to be used to select
17 the persons or firms on each final list and to determine their order on each
18 final list. These selection criteria and relative weight may be different
19 than the selection criteria and relative weight used to determine the persons
20 or firms to be interviewed.

21 (iii) The selection committee shall conduct interviews with the number
22 of persons or firms to be interviewed as stated in the request for
23 qualifications regarding the professional services or job-order-contracting
24 construction services and the relative methods of approach for furnishing the
25 required professional services or job-order-contracting construction
26 services.

27 (b) Based only on the selection criteria and relative weight of the
28 selection criteria specified as provided in this subsection for selection of
29 the persons or firms on each final list and their order on each final list,
30 the selection committee shall select the persons or firms for each final list
31 and in the case of a final list or final lists for multiple contracts that
32 will be negotiated under subsection E of this section, rank the persons or
33 firms on each final list in order of preference. If the procurement is for
34 multiple contracts for different professional services to be awarded to
35 separate persons or firms, there is a separate final list for each type of
36 professional services, and if a person or firm submitted qualifications for
37 more than one type of professional services, the person or firm may be on
38 more than one final list.

39 (c) If the contract will be negotiated under subsection E of this
40 section, before or at the same time as the agent notifies the persons or
41 firms on each final list that they are on that final list, the agent shall
42 send actual notice to the following persons or firms that they are not on
43 that final list:

44 (i) If interviews were held, the other persons and firms interviewed
45 for that final list.

1 (ii) If interviews were not held, the other persons and firms that
2 made submittals for that final list.

3 (d) If the contract will be awarded under subsection F of this
4 section, before or at the same time as the agent notifies the persons or
5 firms on the final list that they are on the final list, the agent shall send
6 actual notice to each of the following persons or firms that they are not on
7 the final list or that other persons or firms are on the final list:

8 (i) If interviews were held, the other persons or firms interviewed.

9 (ii) If interviews were not held, the other persons or firms that made
10 submittals.

11 D. An agent shall award multiple contracts specified in the request
12 for qualifications as provided in subsection E or F of this section.

13 E. The agent shall conduct negotiations with persons or firms on the
14 final list or final lists. The negotiations shall include consideration of
15 compensation and other contract terms that the agent determines to be fair
16 and reasonable to the agent. In making this decision, the agent shall take
17 into account the estimated value, the scope, the complexity and the nature of
18 the professional services or job-order-contracting construction services to
19 be rendered. If in a procurement under this section the agent terminates
20 negotiations with a person or firm on a final list and commences negotiations
21 with another person or firm on that final list, the agent shall not in that
22 procurement recommence negotiations or enter into a contract for the
23 job-order-contracting construction services or professional services covered
24 by that final list with any person or firm on that final list with whom the
25 agent has terminated negotiations. If the procurement is for:

26 1. Multiple contracts for professional services to be awarded to a
27 single person or firm, there is one final list and the agent shall enter into
28 negotiations with the highest qualified person or firm on the final list. If
29 the agent is not able to negotiate a satisfactory contract with the highest
30 qualified person or firm on the final list, at compensation and on other
31 contract terms the agent determines to be fair and reasonable, the agent
32 shall then undertake negotiations with the next most qualified person or firm
33 on the final list in sequence until an agreement is reached or a
34 determination is made to reject all persons or firms on the final list.

35 2. Multiple contracts for similar job-order-contracting construction
36 services to be awarded to separate persons or firms or for multiple contracts
37 for similar professional services to be awarded to separate persons or firms,
38 there is one final list and the agent shall enter into separate negotiations
39 for contracts with the number of the highest qualified persons or firms on
40 the final list equal to the number of contracts to be awarded. If the agent
41 is not able to negotiate a satisfactory contract with a person or firm with
42 whom the agent has commenced negotiations, the agent shall formally terminate
43 negotiations with that person or firm. The agent shall then undertake
44 negotiations for a contract with the next most qualified person or firm on
45 the final list with whom the agent is not then negotiating and with whom the

1 agent has not previously negotiated in sequence until an agreement is reached
2 for some or all of the multiple contracts included in the request for
3 qualifications or a determination is made to reject all persons or firms on
4 the final list.

5 3. Multiple contracts for different professional services to be
6 awarded to separate persons or firms, there is a separate final list for each
7 type of professional services and the agent shall enter into separate
8 negotiations for contracts with the number of the highest qualified persons
9 or firms on the final list equal to the number of contracts to be awarded.
10 If the agent is not able to negotiate a satisfactory contract with a person
11 or firm with whom the agent has commenced negotiations, the agent shall
12 formally terminate negotiations with that person or firm. The agent shall
13 then undertake negotiations for a contract with the next most qualified
14 person or firm on the final list with whom the agent is not then negotiating
15 and with whom the agent has not previously negotiated in sequence until an
16 agreement is reached for some or all of the multiple contracts included in
17 the request for qualifications or a determination is made to reject all
18 persons or firms on the final list.

19 F. As an alternative to subsection E of this section, an agent may
20 award multiple contracts for similar job-order-contracting construction
21 services to be awarded to separate persons or firms as follows:

22 1. The agent shall use the selection committee appointed for the
23 request for qualifications pursuant to subsection C of this section.

24 2. The agent shall issue a request for proposals to the persons or
25 firms on the final list developed pursuant to subsection C of this section.

26 3. The request for proposals shall include:

27 (a) The agent's project schedule and project final budget for design
28 and construction or life cycle budget for a procurement that includes
29 maintenance services or operations services.

30 (b) A statement that the multiple contracts will be awarded to a
31 specified number of offerors whose proposals receive the highest number of
32 points under a scoring method. The specified number of offerors will be the
33 number of contracts included in the procurement.

34 (c) A description of the scoring method, including a list of the
35 factors in the scoring method and the number of points allocated to each
36 factor. The factors in the scoring method may include:

37 (i) Offeror qualifications.

38 (ii) Offeror financial capacity.

39 (iii) Compliance with the agent's project schedule.

40 (iv) The price or life cycle price for procurements that include
41 maintenance services, operations services or finance services.

42 (v) An offeror quality management plan.

43 (vi) Other evaluation factors that demonstrate competence and
44 qualifications for the job-order-contracting construction services in the
45 request for proposals as determined by the agent, if any.

1 (d) A requirement that each offeror submit separately a technical
2 proposal and a price proposal and that the offeror's entire proposal be
3 responsive to the requirements in the request for proposals.

4 (e) A statement that in applying the scoring method the selection
5 committee will separately evaluate the technical proposal and the price
6 proposal and will evaluate and score the technical proposal before opening
7 the price proposal.

8 (f) If the agent conducts discussions pursuant to paragraph 5 of this
9 subsection, a statement that discussions will be held and a requirement that
10 each offeror submit a preliminary technical proposal before the discussions
11 are held.

12 4. If the agent determines to conduct discussions pursuant to
13 paragraph 5 of this subsection, each offeror shall submit a preliminary
14 technical proposal to the agent before those discussions are held.

15 5. If determined by the agent and included by the agent in the request
16 for proposals, the selection committee shall conduct discussions with all
17 offerors that submit preliminary technical proposals. Discussions shall be
18 for the purpose of clarification to ensure full understanding of, and
19 responsiveness to, the solicitation requirements. Offerors shall be accorded
20 fair treatment with respect to any opportunity for discussion and for
21 clarification by the owner. Revision of preliminary technical proposals
22 shall be permitted after submission of preliminary technical proposals and
23 before award for the purpose of obtaining best and final proposals. In
24 conducting any discussions, information derived from proposals submitted by
25 competing offerors shall not be disclosed to other competing offerors.

26 6. After completion of any discussions pursuant to paragraph 5 of this
27 subsection or if no discussions are held, each offeror shall submit
28 separately the offeror's final technical proposal and its price proposal.

29 7. Before opening any price proposal, the selection committee shall
30 open the final technical proposals, evaluate the final technical proposals
31 and score the final technical proposals using the scoring method in the
32 request for proposals. No other factors or criteria may be used in the
33 evaluation and scoring.

34 8. After completion of the evaluation and scoring of all final
35 technical proposals, the selection committee shall open the price proposals,
36 evaluate the price proposals, score the price proposals and complete the
37 scoring of the entire proposals using the scoring method in the request for
38 proposals. No other factors or criteria may be used in the evaluation and
39 scoring.

40 9. The agent shall award the multiple contracts to the responsive and
41 responsible offerors whose proposals receive the highest scores under the
42 method of scoring in the request for proposals. No other factors or criteria
43 may be used in the evaluation. Before or at the same time as the agent
44 notifies the winning offerors that they have won, the agent shall send actual

1 notice to each other offeror either that the offeror has not won or that
2 other offerors have won.

3 10. The contracts file shall contain the basis on which the award is
4 made, including at a minimum the information and documents required under
5 subsection G of this section.

6 G. If the procurement has multiple final lists under subsection C of
7 this section or multiple requests for proposals under subsection F of this
8 section, the agent shall retain the items in paragraphs 1 and 2 of this
9 subsection, as applicable, for each final list and each request for proposals
10 procurement process. At a minimum, the agent shall retain the following for
11 each procurement under this section:

12 1. As to each final list under each request for qualifications
13 procurement process under subsection C of this section:

14 (a) If interviews were not held:

15 (i) The submittal of the person or firm listed first on the final list
16 and all submittals of each person or firm with which the agent enters into a
17 contract.

18 (ii) The final list.

19 (iii) A list of the selection criteria and relative weight of
20 selection criteria used to select the persons or firms for the final list and
21 to determine their order on the final list.

22 (iv) A list that contains the name of each person or firm that
23 submitted qualifications and that shows the person's or firm's final overall
24 rank or score.

25 (v) A document or documents that show the final score or rank on each
26 selection criteria of each person or firm that submitted qualifications and
27 that support the final overall rankings and scores of the persons or firms
28 that submitted qualifications. At the election of the agent, this
29 documentation may be in the form of a consolidated scoring sheet for the
30 entire selection committee, in the form of individual scoring sheets for
31 individual selection committee members or any other form as determined by the
32 agent.

33 (b) If interviews were held:

34 (i) All submittals of the person or firm listed first on the final
35 list and all submittals of each person or firm with which the agent enters
36 into a contract.

37 (ii) The final list.

38 (iii) A list of the selection criteria and relative weight of
39 selection criteria used to select the persons or firms for the final list and
40 to determine their order on the final list.

41 (iv) A list that contains the name of each person or firm that was
42 interviewed and that shows the person's or firm's final overall rank or
43 score.

44 (v) A document or documents that show the final score or rank on each
45 selection ~~criteria~~ CRITERION of each person or firm that was interviewed and

1 that support the final overall rankings and scores of the persons or firms
2 that were interviewed. At the election of the agent, this documentation may
3 be in the form of a consolidated scoring sheet for the entire selection
4 committee, in the form of individual scoring sheets for individual selection
5 committee members or IN any other form as determined by the agent.

6 (vi) A list of the selection criteria and relative weight of the
7 selection criteria used to select the persons or firms for the short list to
8 be interviewed.

9 (vii) A list that contains the name of each person or firm that
10 submitted qualifications and that shows the person's or firm's final overall
11 rank or score in the selection of the persons or firms to be on the short
12 list to be interviewed.

13 (viii) A document or documents that show the final score or rank on
14 each selection ~~criteria~~ CRITERION of each person or firm that submitted
15 qualifications and that support the final overall rankings and scores of the
16 persons or firms that submitted qualifications in the selection of the
17 persons or firms to be on the short list to be interviewed. At the election
18 of the agent, this documentation may be in the form of a consolidated scoring
19 sheet for the entire selection committee, in the form of individual scoring
20 sheets for the individual selection committee members or IN any other form as
21 determined by the agent.

22 2. For each request for proposals procurement process under subsection
23 F of this section:

24 (a) The entire proposal submitted by the person or firm that received
25 the highest score in the scoring method in the request for proposals and the
26 entire proposal submitted by each person or firm with which the agent enters
27 into a contract.

28 (b) The description of the scoring method, the list of factors in the
29 scoring method and the number of points allocated to each factor, all as
30 included in the request for proposals.

31 (c) A list that contains the name of each offeror that submitted a
32 proposal and that shows the offeror's final overall score.

33 (d) A document or documents that show the final score on each factor
34 in the scoring method in the request for proposals of each offeror that
35 submitted a proposal and that support the final overall scores of the
36 offerors that submitted proposals. At the election of the agent, this
37 documentation may be in the form of a consolidated scoring sheet for the
38 entire selection committee, in the form of individual scoring sheets for
39 individual selection committee members or IN any other form as determined by
40 the agent.

41 H. Information relating to each procurement under this section shall
42 be made available to the public as follows:

43 1. Notwithstanding title 39, chapter 1, article 2, until contract
44 award by an agent of all of the multiple contracts in the procurement or
45 termination of the procurement by the agent, only the name of each person or

1 firm on the final list developed pursuant to subsection C of this section may
2 be made available to the public and all other information received by the
3 agent in response to the request for qualifications under subsection C of
4 this section or contained in proposals submitted under subsection F of this
5 section shall be confidential in order to avoid disclosure of the contents
6 that may be prejudicial to competing submitters and offerors during the
7 selection process.

8 2. After the agent awards all of the multiple contracts in the
9 procurement or terminates the procurement, the agent shall make available to
10 the public pursuant to title 39, chapter 1, article 2 at a minimum all of the
11 items that the agent is required to retain under subsection G of this
12 section, except the proposals submitted in response to a request for
13 proposals under subsection F of this section and the document or documents
14 prescribed in subsection G, paragraph 1, subdivision (a), item (v) and
15 subdivision (b), items (v) and (viii) and paragraph 2, subdivision (d) of
16 this section.

17 3. The proposals submitted under subsection F of this section shall
18 not be made available to the public until after the agent has entered into a
19 contract for all of the multiple contracts in the procurement or the agent
20 has terminated the procurement. At a minimum the proposals submitted under
21 subsection F of this section that the agent is required to retain under
22 subsection G of this section shall be made available to the public after the
23 agent has entered into a contract for all of the contracts in the procurement
24 or the agent has terminated the procurement.

25 4. To the extent that the offeror designates and the agent concurs,
26 trade secrets and other proprietary data contained in a proposal shall remain
27 confidential.

28 5. The document or documents prescribed in subsection G, paragraph 1,
29 subdivision (a), item (v) and subdivision (b), items (v) and (viii) and
30 paragraph 2, subdivision (d) of this section are available to the extent
31 provided in title 39, chapter 1, article 2.

32 I. An agent may cancel a request for qualifications or a request for
33 proposals, reject in whole or in part any or all submittals or proposals, or
34 determine not to enter into one or more of the multiple contracts as
35 specified in the solicitation if the agent determines in its absolute and
36 sole discretion that such action is in the best interest of the agent. The
37 agent shall make the reasons for cancellation, rejection or determination not
38 to enter into contracts part of the contract file.

39 J. If the agent does not have a procurement protest policy and
40 procedures that have been formally adopted and published by the agent, for
41 protests relating to procurements under this section the agent shall follow
42 the procurement protest policy and procedures of the department of
43 administration. The agent shall process all protests relating to
44 procurements under this section.

1 K. For the purposes of this section, "professional services" includes
2 architect services, engineer services, landscape architect services, assayer
3 services, geologist services and land surveying services and any combination
4 of those services.

5 Sec. 157. Section 35-424, Arizona Revised Statutes, is amended to
6 read:

7 35-424. Sale of bonds; notice, publication and bids

8 A. When the loan commissioners are authorized to issue bonds, or
9 decide to refund or redeem all or any of the existing indebtedness of the
10 state, they shall direct the state treasurer to advertise the sale of the
11 bonds to be issued for that purpose by causing a notice of such sale to be
12 published once a week for one month ~~in three newspapers published in the~~
13 ~~state, no two of which shall be published in the same county~~ ON A PUBLIC
14 MEDIUM, and, in their discretion, in a publication in New York City, New
15 York, and in San Francisco, California. Such notice shall state the amount
16 of bonds to be sold, the place, day and hour of sale, and that bids will be
17 received by the treasurer for the purchase of the bonds within one month from
18 expiration of such publication.

19 B. At the place and time named in the notice, the loan commissioners
20 shall open the bids received by the treasurer and shall award the purchase of
21 the bonds, or any part thereof, to the best bidder.

22 C. The loan commissioners may reject any and all bids, and may refuse
23 to make an award unless sufficient security is furnished by the bidder
24 ~~insuring~~ ENSURING compliance with ~~his~~ THE bid.

25 Sec. 158. Section 35-454, Arizona Revised Statutes, is amended to
26 read:

27 35-454. Informational pamphlet for election; review; election;
28 return; canvass of vote; certificate of election

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

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

34 (a) Amount of the bond authorization.

35 (b) Maximum interest rate of the bonds.

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

43 (d) Estimated debt retirement schedule for the proposed bond
44 authorization, showing both the estimated principal and interest payments and
45 the estimated average annual tax rate for the proposed bond authorization.

1 In preparing this information and the information prescribed by subdivision
2 (c), the projected total annual increase in secondary assessed valuation for
3 any future year shall not exceed:

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

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

11 (e) Source of repayment.

12 (f) Estimated issuance costs.

13 (g) Estimated tax impact of debt service for the bonds on an
14 owner-occupied residence classified as class three pursuant to section
15 42-12003, on commercial property classified as class one pursuant to section
16 42-12001, paragraph 12 and on agricultural or other vacant property
17 classified as class two pursuant to section 42-12002, assuming the assessed
18 valuation of the property increases annually at fifty per cent of the
19 projected total annual increase in secondary assessed valuation as determined
20 pursuant to subdivision (d) OF THIS PARAGRAPH over the term of the bonds
21 using the same average annual tax rate as under subdivision (d) OF THIS
22 PARAGRAPH, as follows:

23 The tax impact over the term of the bonds on an
24 owner-occupied residence valued by the county assessor at
25 \$250,000 is estimated to be \$_____ per year for ____ years, or
26 \$_____ total cost.

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

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

35 (h) In bold-faced type, estimated total cost of the proposed bond
36 authorization, including principal and interest.

37 (i) Current outstanding general obligation debt and constitutional
38 debt limitation.

39 (j) Purpose for which the bonds are to be issued and, if applicable,
40 in bold-faced type, that the amount of the proposed bond authorization
41 combined with the current outstanding debt exceeds the political
42 subdivision's constitutional debt limit.

43 (k) Polling location for the addressee.

44 (l) Hours during the day when the polls will be open.

1 (m) Arguments for and against the authorization of one or more of the
2 bond propositions.

3 2. Set a deadline to submit arguments for and against the
4 authorization of one or more of the bond propositions at a public meeting and
5 publish the deadline ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
6 PUBLISHED in the jurisdiction of the political subdivision.

7 3. Submit a copy of the informational pamphlet to the department of
8 revenue within thirty days after the bond election. The department of
9 revenue shall maintain copies of the pamphlets.

10 B. The failure of any one or more electors to receive the
11 informational pamphlet shall not be grounds to invalidate the election. The
12 election shall conform with the general election laws of the state. The
13 return of the election held in a county shall be made to the board of
14 supervisors and, in any other case, to the governing body or board of the
15 municipal corporation or district within twelve days after the election.

16 C. For any proposed general obligation bond authorization where the
17 principal and interest will be paid by a levy of property taxes, the ballot
18 shall contain the phrase "the issuance of these bonds will result in a
19 property tax increase sufficient to pay the annual debt service on bonds".
20 Any written information provided by the political subdivision pertaining to
21 the bond election shall include financial information showing the estimated
22 average tax rate for the proposed bond authorization.

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

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

33 F. The governing board or body shall file and record in the office of
34 the county recorder a certificate disclosing the purpose of the election, the
35 total number of votes cast and the total number of votes for and against
36 creating the indebtedness, and stating whether or not the indebtedness is
37 ordered. ~~Upon~~ ON filing and recording the certificate, the governing board
38 or body shall carry out the purpose of the election.

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

1 Sec. 159. Section 35-457, Arizona Revised Statutes, is amended to
2 read:

3 35-457. Sale of bonds; bids; forfeiture of deposit; definitions

4 A. Any or all of the bonds may be sold at public sale or through an
5 online bidding process in a manner prescribed by the governing body or board
6 that includes the following:

7 1. If sold by public sale before the sale of any bonds, the governing
8 body or board shall meet and enter ~~upon~~ ON its record an order directing the
9 sale of the bonds and the date and hour of the sale, and cause a copy of the
10 order to be published ON A PUBLIC MEDIUM at least once a week for two
11 successive weeks in cities having a population of fifteen thousand or more
12 persons according to the most recent federal census, and PUBLISHED ON A
13 PUBLIC MEDIUM once a week for four successive weeks in all other political
14 subdivisions before the sale ~~in one or more designated daily or weekly~~
15 ~~newspapers~~, together with a notice that sealed proposals will be received for
16 purchase of the bonds on the date and hour named in the order.

17 2. If sold through an online bidding process, bids for the bonds that
18 are entered into the system may be concealed until a specified time or
19 disclosed in the online bidding process, may be subject to improvement in
20 favor of the political subdivision before a specified time and may be for an
21 entire issue of bonds or specified maturities according to the manner, terms
22 and notice provisions ordered by the governing body.

23 B. If the bonds are sold by public sale or through an online bidding
24 process, all proposals shall be received on the date and hour or in the
25 manner stated in the order and the governing body or board shall award the
26 bonds to the highest and most responsible bidder. The successful bidder
27 shall provide a bid guarantee for not less than two per cent of the total par
28 value of the bonds within twenty-four hours after the date and time the bid
29 is awarded. The bid guarantee may be in the form of a certified check or a
30 bond issued by a surety company licensed by the department of insurance to do
31 business in this state. The governing body or board may reject any and all
32 bids. If the successful bidder does not carry out the terms of the proposal
33 to purchase the bonds, the bid guarantee shall be forfeited as stipulated and
34 liquidated damages.

35 C. Notwithstanding any other provision of this section, bonds may be
36 sold by negotiated sale on terms the governing body deems to be the best then
37 available and may bear interest payable at such times as shall be determined
38 by the governing body.

39 D. The bonds may be sold below, at or above par. If an issue of bonds
40 is sold below par, the aggregate amount of discount plus interest to be paid
41 on the bonds must not exceed the amount of interest that would be payable on
42 the bonds over the maturity schedule prescribed by the governing body at the
43 maximum rate set out in the resolution calling the election at which the
44 bonds were voted. The amount of net premium associated with a bond issue may
45 not exceed the greater of:

1 1. Five per cent of the par value of the bond issue.

2 2. One hundred thousand dollars.

3 E. Costs incurred in issuing the bonds may be paid from the net
4 premium associated with a bond issue. Any net premium not used to pay the
5 costs incurred in issuing the bonds shall be deposited in a debt service fund
6 and used only to pay interest on the bonds.

7 F. For the purposes of this section:

8 1. "Net premium" means the difference between the par amount of the
9 bond issue and the bond issue price determined pursuant to United States
10 treasury regulations.

11 2. "Online bidding process" means a procurement process in which the
12 governing body receives bids electronically over the internet in a real-time,
13 competitive bidding event.

14 Sec. 160. Section 35-459, Arizona Revised Statutes, is amended to
15 read:

16 35-459. Redemption of bonds and coupons

17 A. When any bonds mature, the county treasurer, when the bonds have
18 been issued by the county, the city or town treasurer, when the bonds have
19 been issued by a city or town, or the fiscal officer of other political
20 subdivisions shall give notice for four weeks ~~in a newspaper~~ ON A PUBLIC
21 MEDIUM published in the county of intention to redeem and the amount of such
22 bonds. The redemption shall be made and all such bonds shall cease to draw
23 interest at the expiration of four weeks after the date of the notice. If
24 the bonds so called for redemption are not presented within three months from
25 the date of the notice, the treasurer shall apply the money to the redemption
26 of the bonds next in the order of the number of their issue.

27 B. The interest coupons when due and payable shall be delivered to the
28 treasurer or proper fiscal officer, who shall pay them and write the word
29 "canceled" across the face of the coupons. Such canceled coupons shall be
30 the treasurer's receipt for their payment.

31 C. When any bonds are redeemed, the treasurer or proper fiscal officer
32 shall in like manner mark them "canceled" on the face of the bonds over his
33 signature, and deliver them to the clerk or secretary of the governing body,
34 taking a receipt for the cancelled bonds. The clerk or secretary shall file
35 the bonds in his office and report the redemptions to the governing body.

36 Sec. 161. Section 36-183.02, Arizona Revised Statutes, is amended to
37 read:

38 36-183.02. Sanitary regulations; notice

39 A. Each county shall investigate all nuisances, sources of filth and
40 causes of sickness and make regulations necessary for the public health and
41 safety of the inhabitants.

42 B. The county shall give notice of all general orders and regulations
43 by publishing them ~~in a newspaper~~ ON A PUBLIC MEDIUM published within the
44 jurisdiction of the county. If there is no ~~such newspaper~~ PUBLIC MEDIUM, the

1 county shall post the orders and regulations in five public places within the
2 jurisdiction of the county and this constitutes legal notice to all persons.

3 Sec. 162. Section 36-1479, Arizona Revised Statutes, is amended to
4 read:

5 36-1479. Preparation and approval of redevelopment plans

6 A. A municipality shall not prepare a redevelopment plan for a
7 redevelopment project area unless the local governing body, by resolution,
8 has declared the area to be a slum or blighted area in need of redevelopment.
9 The local governing body shall not consider a redevelopment plan for approval
10 until a general plan for the development of the municipality has been
11 prepared. A municipality shall not acquire real property for a redevelopment
12 project unless the local governing body has approved the redevelopment plan,
13 as prescribed in subsection F **OF THIS SECTION**.

14 B. The municipality may ~~itself~~ prepare or cause to be prepared a
15 redevelopment plan or any person or agency, public or private, may submit a
16 plan to a municipality. A redevelopment plan shall be sufficiently complete
17 to indicate its relationship to definite local objectives as to appropriate
18 land uses, improved traffic, public transportation, public utilities,
19 recreational and community facilities and other public improvements and the
20 proposed land uses and building requirements in the redevelopment project
21 area. The plan shall include, at a minimum:

22 1. A statement of the boundaries of the redevelopment project area.

23 2. A map showing the existing uses and conditions of the real property
24 within the redevelopment project area.

25 3. A land use plan showing proposed uses of the real property within
26 the redevelopment project area.

27 4. Information showing the standards of population densities, land
28 coverage and building intensities in the area after redevelopment.

29 5. A statement of the proposed changes, if any, in zoning ordinances
30 or maps, street layouts, street levels or grades, building codes and
31 ordinances.

32 6. A statement as to the kind and number of site improvements and
33 additional public utilities ~~which~~ **THAT** will be required to support the new
34 land uses in the area after redevelopment.

35 7. A statement of the proposed method and estimated cost of the
36 acquisition and preparation for redevelopment of the redevelopment project
37 area and the estimated proceeds or revenues from its disposal to
38 redevelopers.

39 8. A statement of the proposed method of financing the redevelopment
40 project.

41 9. A statement of a feasible method proposed for the relocation of
42 families to be displaced from the redevelopment project area.

43 C. The land uses and building requirements proposed in a redevelopment
44 plan shall be designed with the general purpose of accomplishing, in
45 conformance with the general plan, a coordinated, adjusted and harmonious

1 development of the municipality and its environs ~~which~~ THAT will, in
 2 accordance with present and future needs, promote health, safety, morals,
 3 order, convenience, prosperity and the general welfare, as well as efficiency
 4 and economy in the process of development, and including, among other things,
 5 adequate provision for traffic, vehicular parking, the promotion of safety
 6 from fire, panic and other dangers, adequate provision for light and air, the
 7 promotion of the healthful and convenient distribution of population, the
 8 provision of adequate transportation, water, sewerage and other public
 9 utilities, schools, parks, recreational and community facilities and other
 10 public requirements, the promotion of sound design and arrangement, the wise
 11 and efficient expenditure of public funds, the prevention of the recurrence
 12 of slum conditions or conditions of blight and the provision of adequate,
 13 safe and sanitary dwelling accommodations.

14 D. ~~Prior to~~ BEFORE its approval of a redevelopment plan, the local
 15 governing body shall submit a redevelopment plan to the planning commission
 16 of the municipality, if any, for review and recommendations as to its
 17 conformity with the general plan for the development of the municipality as a
 18 whole. The planning commission shall submit its written recommendations with
 19 respect to the proposed redevelopment plan to the local governing body within
 20 thirty days after receipt of the plan for review. ~~Upon~~ ON receipt of the
 21 recommendations of the planning commission or, if no recommendations are
 22 received within thirty days, the local governing body may proceed with the
 23 hearing on the proposed redevelopment plan prescribed by subsection E OF THIS
 24 SECTION.

25 E. The local governing body shall hold a public hearing on any
 26 redevelopment plan or substantial modification to a plan being considered for
 27 approval. A municipality must notify each owner of real property located
 28 within the boundaries of a proposed redevelopment plan area of the time, date
 29 and location of a public meeting concerning the proposed adoption of the
 30 redevelopment plan. The municipality must provide this notice by first class
 31 mail to the address stated on the most recent records of the county assessor.
 32 The local governing body shall publish a public notice ~~in a newspaper with a~~
 33 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of operation,
 34 once each week for two consecutive weeks, the last publication to be at least
 35 ten days ~~prior to~~ BEFORE the date set for hearing. The notice shall describe
 36 the time, place and purpose of the hearing and shall also generally identify
 37 the area to be redeveloped under the plan. All interested parties shall be
 38 afforded a reasonable opportunity to express their views respecting the
 39 proposed redevelopment plan at the hearing.

40 F. Approval of a redevelopment plan requires a two-thirds vote of the
 41 local governing body.

42 G. Following the hearing, the local governing body may approve a
 43 redevelopment plan if it finds that the plan is feasible and in conformity
 44 with the general plan for the development of the municipality as a whole, but

1 if the redevelopment project area is a blighted area, the local governing
2 body must also find that:

3 1. A shortage of housing of sound standards and design, adequate for
4 family life, exists in the municipality.

5 2. The need for housing accommodations has been or will be increased
6 as a result of the clearance of slums in other areas under redevelopment.

7 3. The conditions of blight in the area and the shortage of decent,
8 safe and sanitary housing cause or contribute to an increase in and spread of
9 disease and crime and constitute a menace to the public health, safety,
10 morals or welfare.

11 4. The development of the area for predominately residential uses is
12 an integral part of and essential to the program of the municipality for the
13 elimination of the slum or blighted area.

14 H. A redevelopment plan may be modified at any time, but if modified
15 after the lease or sale of real property in the redevelopment project area,
16 the modification shall be consented to by the redeveloper or redevelopers of
17 real property or a successor or their successors in interest affected by the
18 proposed modification. Any proposed modification ~~which~~ THAT will
19 substantially change the redevelopment plan as previously approved by the
20 local governing body shall be considered a new plan and shall be subject to
21 all the requirements of this section before it may be approved.

22 Sec. 163. Section 36-1480, Arizona Revised Statutes, is amended to
23 read:

24 36-1480. Disposal of property in redevelopment project area

25 A. A municipality may sell, lease, exchange or otherwise transfer real
26 property or any interest in the property in a redevelopment project area to
27 any redeveloper for residential, recreational, commercial, industrial or
28 other uses or for public use in accordance with the redevelopment plan,
29 subject to covenants, conditions and restrictions as it deems to be in the
30 public interest or to carry out the purposes of this article. The sale,
31 lease, exchange or other transfer, and any related agreement, may be made
32 only after, or subject to, the approval of the redevelopment plan by the
33 local governing body. Real property shall be sold, leased or transferred at
34 its fair value for uses in accordance with the redevelopment plan even though
35 the fair value may be less than the cost of acquiring and preparing the
36 property for redevelopment. In determining the fair value of real property
37 for uses in accordance with the redevelopment plan, a municipality shall take
38 into account and give consideration to the uses and purposes required by the
39 plan, the restrictions ~~upon,~~ ON and the covenants, conditions and obligations
40 assumed by the redeveloper of the property, the objectives of the
41 redevelopment plan for the prevention of the recurrence of slum or blighted
42 areas, and other matters the municipality specifies as being appropriate.

43 B. THE sale, lease, exchange or other transfer of real property or any
44 interest of the property shall not be made until after public advertising for
45 bids has been made for at least thirty days ~~in a newspaper of general~~

1 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the municipality and the
2 posting of notices in three or more public places within the municipality.
3 If there is no ~~newspaper~~ PUBLIC MEDIUM within the corporate limits of the
4 municipality, the municipality shall post in three or more public places
5 within the municipality, ~~notices for bidders for the property proposed to be~~
6 sold.

7 C. ~~Prior to~~ BEFORE the consideration of any redevelopment contract
8 proposal, the municipality shall publish the notice at least once a week for
9 two consecutive weeks ~~in a newspaper having a general circulation~~ ON A PUBLIC
10 MEDIUM PUBLISHED in the area of operation, ~~AND~~ invite proposals from and
11 make all pertinent information available to, ~~private~~ private redevelopers or any
12 persons interested in carrying out the redevelopment of a slum or blighted
13 area, or any part of a slum or blighted area, ~~which~~ THAT the local governing
14 body has declared to be in need of redevelopment. The notice shall identify
15 the slum or blighted area, and shall state where any further information
16 available may be obtained. The municipality shall consider all redevelopment
17 proposals and the financial, technical and legal ability of the prospective
18 redevelopers to carry out their proposals and may negotiate with any
19 redevelopers for proposals for the purchase or lease of any real property in
20 the redevelopment project area. The municipality, with the approval of the
21 local governing body, may accept redevelopment contract proposals it deems to
22 be in the public interest and in furtherance of the purposes of this article
23 and may execute the redevelopment contracts in accordance with ~~the provisions~~
24 ~~of~~ subsection A OF THIS SECTION and deliver deeds, leases and other
25 instruments and take all steps necessary to effectuate the redevelopment
26 contracts. In its discretion, the municipality ~~may~~, without regard to ~~the~~
27 ~~provisions of~~ this subsection, MAY dispose of real property in a
28 redevelopment project area to private redevelopers for redevelopment under
29 the reasonable competitive bidding procedures as it prescribes, subject to
30 ~~the provisions of~~ subsection A OF THIS SECTION.

31 D. A municipality may temporarily operate and maintain real property
32 in a redevelopment project area pending the disposition of the property for
33 redevelopment, without regard to ~~the provisions of~~ subsections A, B and C OF
34 THIS SECTION, for uses and purposes deemed desirable even though not in
35 conformity with the redevelopment plan. If the real property is not disposed
36 of for redevelopment within one year, the municipality, immediately ~~upon~~ ON
37 expiration of the one-year period, shall remove or demolish all buildings
38 thereon.

39 Sec. 164. Section 36-1481, Arizona Revised Statutes, is amended to
40 read:

41 36-1481. Issuance of bonds; immunity

42 A. A municipality may issue bonds in its discretion to finance the
43 undertaking of any redevelopment project under this article, including the
44 payment of principal and interest ~~upon~~ ON any advances for surveys and plans
45 for redevelopment projects, and may also issue refunding bonds for the

1 payment or retirement of such bonds previously issued by it. Such bonds
 2 shall be made payable, as to both principal and interest, solely from the
 3 income, proceeds, revenues and funds of the municipality derived from or held
 4 in connection with its undertaking and carrying out of redevelopment projects
 5 under this article, whether or not they are financed in whole or in part with
 6 the proceeds of such bonds, but payment of such bonds, both as to principal
 7 and interest, may be further or exclusively secured by a pledge of any loan,
 8 grant or contribution from the federal government or other source, in aid of
 9 any redevelopment projects of the municipality undertaken under this article
 10 and by a mortgage of any of such redevelopment projects.

11 B. The bonds and other obligations of the municipality issued pursuant
 12 to subsection A of this section are not a general obligation or general debt
 13 of the municipality, the state or any of its political subdivisions, and
 14 neither the municipality, the state, nor any of its political subdivisions
 15 are generally liable for them, nor in any event shall the bonds or
 16 obligations give rise to a general obligation or liability of the
 17 municipality, the state or any of its political subdivisions, or a charge
 18 against their general credit or taxing powers, or be payable from any funds
 19 or properties other than those funds or properties specifically described in
 20 subsection A of this section and those bonds and obligations shall so state
 21 on their face. Bonds issued under this section shall not constitute an
 22 indebtedness within the meaning of any constitutional or statutory debt
 23 limitation or restriction. Bonds issued under ~~the provisions of~~ this article
 24 are declared to be issued for an essential public and governmental purpose,
 25 and together with interest thereon and income therefrom, shall be exempted
 26 from all taxes.

27 C. Bonds issued under this section shall be authorized by resolution
 28 of the local governing body, may be issued in one or more series, ~~AND~~ shall
 29 bear such date or dates, be payable ~~upon~~ ON demand or mature at such time or
 30 times, bear interest at such rate or rates, be in such denomination or
 31 denominations, be in such form either coupon or registered, carry such
 32 conversion or registration privileges, have such rank or priority, be
 33 executed in such manner, be payable in such medium of payment, at such place
 34 or places, and be subject to such terms of redemption, with or without
 35 premium, as provided by the resolution or trust indenture or mortgage issued
 36 pursuant thereto.

37 D. Such bonds or any bonds issued to refund such bonds may be sold at
 38 public or private sale at such price or prices as may be determined by the
 39 local governing body or may be exchanged for other bonds on the basis of
 40 par. If sold at public sale, notice shall be published once at least ten
 41 days ~~prior to~~ BEFORE the sale ~~in a newspaper having a general circulation~~ ON
 42 A PUBLIC MEDIUM PUBLISHED in the area of operation and in such other medium
 43 of publication as the municipality determines.

44 E. If any of the public officials of the municipality whose signatures
 45 appear on any bonds or coupons issued under this article cease to be such

1 officials before delivery of the bonds, their signatures shall nevertheless
2 be valid and sufficient for all purposes the same as if the officials had
3 remained in office until delivery. Any provision of law to the contrary
4 notwithstanding, bonds issued pursuant to this article shall be fully
5 negotiable.

6 F. In any action or proceedings involving the validity or
7 enforceability of any bond issued under this article or the security for such
8 bond, the recitation in substance in the bond that it has been issued by the
9 municipality in connection with a redevelopment project shall be conclusive
10 proof that the bond was issued for such purpose, and such project shall be
11 conclusively deemed to have been planned, located and carried out in
12 accordance with the purposes and provisions of this article.

13 G. Neither the members of the governing body of a municipality or a
14 commission nor any persons executing the bonds are liable personally on the
15 bonds by reason of their issuance.

16 Sec. 165. Section 36-2234, Arizona Revised Statutes, is amended to
17 read:

18 36-2234. Hearings; waiver of hearing; emergency action;
19 judicial review

20 A. The director shall require a public hearing on any proposed action
21 related to rates, fares or charges, operating or response times, bases of
22 operation or certificates of necessity unless subsection C, ~~E,~~ or M of this
23 section applies.

24 B. A public hearing held pursuant to subsection A of this section
25 shall meet the following requirements:

26 1. The hearing shall be held pursuant to title 41, chapter 6,
27 article 10.

28 2. The director shall mail notice of the hearing to every ambulance
29 service in the affected region no later than fifteen days before the hearing.

30 3. The director may mail notice to other persons who the director
31 determines are interested in the hearing.

32 4. In a hearing or rehearing conducted pursuant to this article, an
33 ambulance service may be represented by a corporate officer, an employee or a
34 designee who has been specifically authorized by the ambulance service to
35 represent it.

36 C. The director may waive the hearing required under subsection A of
37 this section if notification, including a general description of the proposed
38 action of the department and the time and manner for any interested person to
39 request a hearing, is given and all of the following apply:

40 1. Notification of the proposed action has been sent to every
41 ambulance service in the affected region no later than fifteen days before
42 the action.

43 2. The director has notified other persons who the director determines
44 are interested in the proposed action no later than fifteen days before the
45 action.

1 3. The director has published notice of the proposed action ~~in a~~
2 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the affected
3 region at least once each week for two consecutive weeks before the action is
4 taken.

5 4. The director has received no requests within the fifteen-day
6 notification period for a hearing to be held on the proposed action.

7 D. If the director receives a request pursuant to subsection C,
8 paragraph 4 of this section, the director shall hold a hearing in compliance
9 with subsection B of this section.

10 E. The director shall not hold a hearing if a person requests a
11 hearing regarding a rate increase that does not exceed the amount computed as
12 follows:

13 1. Determine the percentage growth in the transportation consumer
14 price index of the United States department of labor, bureau of labor
15 statistics, from the end of the second preceding calendar year to the
16 calendar year immediately preceding the calendar year for which the rate
17 increase is requested.

18 2. Determine the percentage growth in the medical care consumer price
19 index of the United States department of labor, bureau of labor statistics,
20 from the end of the second preceding calendar year to the calendar year
21 immediately preceding the calendar year for which the rate increase is
22 requested.

23 3. Add the amount determined in paragraph 1 of this subsection to the
24 amount determined in paragraph 2 of this subsection and divide the sum by
25 two.

26 F. A rate increase authorized pursuant to subsection E of this section
27 is deemed to be fixed by the department at the requested level.
28 Notwithstanding subsection C of this section, the department shall hold a
29 hearing pursuant to section 36-2232, subsection E for any proposed uniform
30 rate or charge that exceeds the annual rate increase prescribed in subsection
31 E of this section. The department shall require the applicants to submit the
32 following information signed by the designated financial officer and the
33 chief executive of the ambulance service who has fiduciary responsibility for
34 providing accurate financial information:

35 1. A financial statement for the previous twenty-four months relating
36 to the certificated areas.

37 2. Any additional information the department requires to analyze the
38 request.

39 G. If an ambulance service with an established general public rate
40 applies for a contract rate or range of rates that is up to thirty per cent
41 less than its established rate, the director shall grant the rate without a
42 public hearing or waiver, and without any right of intervention, unless
43 within ninety days ~~of~~ AFTER the filing of a completed application the
44 director determines that the contract rate or range of rates applied for does
45 not accurately reflect the cost and economics of providing the contract

1 services, would adversely affect the service available to the general public
2 in the area of service as designated by its certificate of necessity or would
3 cause any fixed rate, fare or charge to the general public to be adversely
4 affected.

5 H. If the department disallows a proposed contract rate pursuant to
6 subsection G of this section, the ambulance service has a right to a hearing
7 for review of the proposed contract rate or range of rates.

8 I. The director may adopt rules for the establishment of a contract
9 rate or range of rates that may be implemented and that exceeds the thirty
10 per cent rate variance identified pursuant to subsection G of this section.

11 J. Subsections G, H and I of this section are limited to contract
12 rates or a range of rates applied for prescheduled, interfacility or
13 convalescent transports.

14 K. A service contract between an ambulance service and a political
15 subdivision of this state, including local fire districts, shall be filed
16 with and approved by the department in accordance with the following
17 requirements:

18 1. On receipt of the proposed contract, the department has fifteen
19 days to review the contract and notify the ambulance service of any
20 additional information the department requires, recommended corrections or
21 any provision that does or may violate this article.

22 2. The ambulance service has fifteen days to provide the department
23 with the information requested or to submit a revised or amended contract if
24 required under paragraph 1 of this subsection.

25 3. The contract becomes effective fifteen days after the ambulance
26 service complies with the department's request unless the department
27 determines that any rate or charge or other provisions specified in the
28 contract will cause any fixed rate or charge to the general public rate to be
29 adversely affected or the contract would be in violation of the ambulance
30 service's certificate of necessity.

31 4. If the department disallows a proposed contract pursuant to this
32 subsection, the ambulance service has a right to a hearing for review of the
33 proposed contract.

34 5. The rates and charges contained in the contract are the rates and
35 charges fixed by the director in a decision or order for the ambulance
36 service and conform to the ambulance service's current or subsequent general
37 public rates and charges.

38 6. The area of response is within the ambulance service's certificated
39 area.

40 L. In case of emergency, the director may take action providing for
41 immediate suspension of a certificate of registration or a certificate of
42 necessity, or both, under this section without notice or a hearing if the
43 director determines that a potential threat to the public health and safety
44 exists. If such action is taken by the director, the director shall conduct
45 a hearing within ten days after the date of the director's action unless the

1 person against whom the action is directed waives the right to have a hearing
2 held within ten days. If the ten-day hearing requirement is waived, the
3 director shall set a date mutually agreeable to the interested parties. The
4 purpose of the hearing is to review the decision of the director to take such
5 action. The director shall make findings of fact and may continue, suspend
6 or modify the director's action.

7 M. The director shall waive the hearing required under subsection A of
8 this section if geographical changes in suboperation stations do not alter
9 the service area or adversely affect approved response times.

10 N. Except as provided in section 41-1092.08, subsection H, a final
11 decision of the director is subject to judicial review pursuant to title 12,
12 chapter 7, article 6.

13 Sec. 166. Section 37-237, Arizona Revised Statutes, is amended to
14 read:

15 37-237. Notice required for sale of lands or lands and
16 improvements; publication

17 Notice of sales of state lands shall be by advertisement, stating the
18 time, place and terms of the sale and a full description of the land. The
19 notice shall be published once each week for not less than ten successive
20 weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM published
21 regularly at the state capital, and in a ~~newspaper~~ PUBLIC MEDIUM of like
22 circulation regularly published nearest the location of the lands to be sold.
23 If the notice is for the sale of lands and improvements, the advertisement
24 shall also state the appraised value of the improvements, the name of the
25 owner thereof and the terms ~~upon~~ ON which compensation therefor shall be
26 made.

27 Sec. 167. Section 37-239, Arizona Revised Statutes, is amended to
28 read:

29 37-239. Participation contracts; planning and disposition
30 proposals

31 A. The commissioner may enter into participation contracts and may
32 charge a fee to an applicant to retain one or more consultants to assist in
33 negotiating or preparing a participation contract. If the applicant is not
34 the successful bidder, the commissioner shall refund the fee.

35 B. Before recommending any participation contract to the board of
36 appeals, the commissioner shall consider and report on:

37 1. The methodology for determining any reimbursable infrastructure
38 costs.

39 2. An analysis of the state trust revenue to be derived from the
40 proposed participation contract.

41 3. The historical trends in land values in the area by types of
42 proposed land uses.

43 4. An analysis of the financial feasibility of the planned
44 development's proposed build-out schedule.

1 5. An evaluation of the potential economic risks and benefits to the
2 trust arising from the participation contract.

3 6. An analysis of the economic and financial impact, and other factors
4 determined by the commissioner, regarding alternative dispositions or no
5 disposition of the lands.

6 C. Each participation contract shall:

7 1. Provide that subsequent sales or leases of state land that are
8 subject to a participation contract shall be based on the criteria and the
9 phasing and disposition plan included in the participation contract and the
10 formula for determining the amount of revenue to the trust as a result of the
11 subsequent sale or lease.

12 2. Prescribe rights and remedies in the case of default, including
13 rights to cure, forfeiture and other appropriate remedies.

14 D. This state's share of the revenues from the sale of land under a
15 participation contract shall be deposited, pursuant to sections 35-146 and
16 35-147, in the appropriate perpetual fund.

17 E. A participation contract may be offered on lands that do not have a
18 development plan approved by the commissioner or on land that may require the
19 successful bidder to further plan and zone property after the auction.
20 Before auctioning a contract requiring planning and zoning, the commissioner
21 may solicit planning and disposition proposals, through advertisement for at
22 least five consecutive days ~~in a newspaper of general circulation~~ ON A PUBLIC
23 MEDIUM PUBLISHED in the county in which the lands are located, or if there is
24 no daily ~~newspaper of general circulation~~ PUBLIC MEDIUM PUBLISHED in that
25 county, the advertisement shall be published as many times within a
26 thirty-day period as the ~~newspaper~~ PUBLIC MEDIUM is published but not more
27 than five times. The commissioner may require information regarding the
28 projected planning and zoning, the estimated costs of the planning and zoning
29 and the financial feasibility of the proposal. The proposals shall also
30 contain proposed participation payments. The commissioner may provide that
31 some of the information that is contained in the proposals will remain
32 confidential, if the information is proprietary, until the commissioner
33 recommends a contract to the board of appeals. After the proposals are
34 received, the commissioner may conduct preauction conferences regarding the
35 proposals. The commissioner may then auction a participation contract that,
36 at the commissioner's option, may incorporate information that was acquired
37 through the proposal process. A participation contract that is entered into
38 pursuant to this subsection shall:

39 1. Require the successful bidder to pay a nonrefundable down payment
40 of at least two and one-half per cent of the minimum bid for the property,
41 plus the required fees prescribed pursuant to section 37-107 and, if the
42 successful bidder did not pay the consultant fee pursuant to subsection A of
43 this section, any fee charged pursuant to subsection A of this section, by
44 cashier's check at the time of the auction. The down payment does not
45 include participation payments.

1 2. Require an additional payment to be made within thirty days if the
2 amount bid for the land exceeds the minimum bid, so that the total down
3 payment, including the down payment paid on the date of the sale, will equal
4 the required percentage down payment of the total amount bid. The additional
5 payment does not include participation payments.

6 3. Require the successful bidder to post within thirty days after the
7 auction a surety bond or another form of collateral that the commissioner
8 considers to be sufficient to cover the costs of the required planning and
9 zoning.

10 4. Provide for the forfeiture of the contract and any accompanying
11 certificate of purchase or lease if the successful bidder fails to provide
12 the required collateral.

13 5. Describe the land to be planned and zoned, which may include land
14 that is retained by the department and not auctioned with the contract.

15 6. Contain guidelines for expected planning and zoning and time frames
16 for the planning and zoning consistent with the guidelines.

17 7. Provide for the forfeiture of the contract and any accompanying
18 certificate of purchase or lease if the successful bidder fails to accomplish
19 the planning and zoning within the prescribed time, unless extended in
20 writing by the commissioner based on good cause shown.

21 8. Require at least ten per cent of the total purchase price to be
22 paid by the time the planning and zoning are completed, unless extended in
23 writing by the commissioner based on good cause shown.

24 9. Provide for absolute approval authority by the commissioner of any
25 planning and zoning actions.

26 10. Deny the successful bidder the right to physically develop the
27 property, including grading or leveling, until at least ten per cent of the
28 purchase price has been paid.

29 11. Deny the issuance of partial patents for the property until at
30 least ten per cent of the purchase price has been paid and the requirements
31 of section 37-251 have been met.

32 12. Contain such other terms that the commissioner considers to be
33 necessary or appropriate.

34 F. After it is accepted by the commissioner, a planning and zoning
35 proposal submitted to the local governing body by the successful bidder shall
36 be administered as a state general plan or development plan as appropriate,
37 according to the procedures described in article 5.1 of this chapter.

38 Sec. 168. Section 37-281.01, Arizona Revised Statutes, is amended to
39 read:

40 37-281.01. Lease of state lands for grazing purposes; notice

41 A. All state lands are subject to lease as provided in this article
42 for a term of not more than ten years for grazing purposes without public
43 auction. In addition to the requirements of section 37-281, subsections B, C,
44 D and E, the leases shall be granted according to the constitution and laws
45 of this state and rules of the department.

1 B. The department shall give notice of the availability of expiring
2 grazing leases on state lands by advertisement, published in December of each
3 year, at least one year in advance of the expiration date of any grazing
4 lease. The notice shall be published at least once ~~in a newspaper of general~~
5 ~~circulation~~ ON A PUBLIC MEDIUM, indicating the number of leases expiring, the
6 county or counties where each lease is located and the location of posting
7 the notice where additional information may be obtained. The ~~newspaper~~
8 PUBLIC MEDIUM that prints the notice may also post the notice on an internet
9 ~~web-site~~ WEBSITE that aggregates legal notices of ten or more Arizona
10 newspapers. The department shall post notice of expiring leases by lease
11 number, abbreviated legal description of the lease area, carrying capacity,
12 expiration date and application information in the following locations:

- 13 1. In each department office.
- 14 2. On the department's internet ~~web-site~~ WEBSITE.
- 15 3. In the office or offices of the county board of supervisors where
16 the land is located.
- 17 4. In United States bureau of land management offices in this state
18 where posting is allowed.

19 Sec. 169. Section 37-312, Arizona Revised Statutes, is amended to
20 read:

21 37-312. Nominating and classifying trust land as suitable for
22 conservation purposes

23 A. On the commissioner's initiative, on petition as provided by
24 subsection C of this section or as provided by section 37-332, the
25 commissioner may nominate certain trust lands as being under consideration
26 for classification as trust lands suitable for conservation purposes. The
27 commissioner shall not nominate trust lands as being under consideration for
28 classification as trust lands suitable for conservation purposes unless the
29 trust lands are eligible for classification under this section and are
30 located within:

- 31 1. One mile of the corporate boundaries of an incorporated city or
32 town having a population of less than ten thousand persons according to the
33 most recent United States decennial census.
- 34 2. Three miles of the corporate boundaries of an incorporated city or
35 town having a population of ten thousand persons or more according to the
36 most recent United States decennial census.
- 37 3. Ten miles of the boundaries that are established in paragraph 1 or
38 2 of this subsection and that are located within counties with a population
39 greater than five hundred thousand persons according to the most recent
40 United States decennial census and are adjacent to lands that are eligible
41 for conservation and share with them a specific physical characteristic such
42 as a reach of a river, a mountain slope or an archaeological feature.

43 B. In addition to the lands identified in subsection A, paragraphs 1
44 through 3 of this section, the following lands may be nominated for
45 reclassification by the commissioner:

- 1 1. Those lands within the Tortolita mountain park in Pinal county
2 located within T10S, R12E and T10S, R13E.
- 3 2. Those lands in the vicinity of the Superstition mountains in Pinal
4 county located within T1N, R9E; T1N, R10E; T1S, R9E; and T1S, R10E.
- 5 3. Those lands in the vicinity of the San Tan mountains in Pinal
6 county located within T3S, R7E, section 10, the northwest quarter of the
7 southeast quarter and the south half of the southeast quarter; section 15,
8 the north half and southeast quarter.
- 9 4. The following lands located in Coconino county:
10 (a) T19N, R5E, section 3.
11 (b) T19N, R6E, sections 5 and 6.
12 (c) T20N, R5E, sections 2, 8, 10, 12, 14, 18, 20, 22, 24, 26, 28, 30,
13 32, 34 and 36.
14 (d) T20N, R6E, sections 4, 5, 6, 8, 10, 14, 17, 18, 20, 22, 26, 28,
15 30, 32 and 34.
16 (e) T21N, R6E, sections 21, 22, 28, 31, 32 and 33.
- 17 C. The commissioner shall receive a petition to nominate trust lands
18 as being under consideration for classification as trust lands suitable for
19 conservation purposes from:
20 1. A state agency that leases the land or intends to lease or purchase
21 the land.
22 2. The board of supervisors of the county in which the land is
23 located.
24 3. The governing body of a city or town if the land is located within:
25 (a) The corporate boundaries of the city or town.
26 (b) One mile outside the corporate boundaries and the city or town has
27 a population of less than ten thousand persons.
28 (c) Three miles outside the corporate boundaries and the city or town
29 has a population of ten thousand persons or more.
30 4. Ten or more private individuals who:
31 (a) Reside in the county in which the land is located.
32 (b) Have the financial capability to lease or purchase the land.
33 5. A nonprofit corporation or trust, the purpose or powers of which
34 include conservation of natural, scenic, open space or other conservation
35 values.
36 6. The current lessee of the land.
37 7. A business or corporation that is legally empowered to own or
38 manage real property in this state and that intends to lease or purchase the
39 land.
- 40 D. A petitioner who requests the commissioner to reclassify the land
41 pursuant to this article solely or partially on grounds that the land
42 contains cultural resources worthy of conservation shall provide, on the
43 commissioner's request, a report on the results of a cultural resources
44 survey of the petitioned land for the commissioner's consideration before
45 determining if the reclassification is in the best interest of the trust.

1 E. Unless the commissioner nominates the trust lands under section
2 37-332, a petitioner shall post a bond or other security sufficient to cover
3 the costs of the planning, notice, advertisement and public hearing as
4 required by this article and as determined by the commissioner. The bond or
5 security is forfeit to this state if the commissioner reclassifies the land
6 pursuant to this article.

7 F. The commissioner shall not nominate or classify trust land as
8 suitable for conservation purposes if a development plan was approved for the
9 land pursuant to article 5.1 of this chapter before July 26, 1996. The
10 commissioner may nominate and classify trust land as suitable for
11 conservation purposes in an area within a development plan approved after
12 July 26, 1996 if appropriate conservation purposes are incorporated within
13 the development plan prepared for the commissioner's approval. In nominating
14 and classifying trust land as suitable for conservation purposes under this
15 subsection, the commissioner shall follow the procedures for requesting local
16 government zoning pursuant to section 37-334, subsection E.

17 G. Unless the commissioner nominates the trust lands under section
18 37-332, after nominating the trust lands under subsection A or B of this
19 section, the commissioner shall:

20 1. Mail notice of intent to classify the lands as trust lands suitable
21 for conservation purposes to the beneficiary or beneficiaries for whom the
22 lands are held in trust, existing lessees, local planning authorities, the
23 appropriate regional planning authorities and owners of private land that
24 consists of forty or more acres and that is located within three hundred feet
25 of the trust land. The notice shall include the date, time and place of the
26 public hearing to be held pursuant to subsection H of this section and a
27 request for written comments on the proposed classification within thirty
28 days after the date of notice.

29 2. Within thirty days after giving the notice under paragraph 1 of
30 this subsection:

31 (a) Publish the notice stating a date, time and place of a public
32 hearing for six publications ~~in a newspaper of general circulation~~ ON A
33 PUBLIC MEDIUM PUBLISHED in the county in which the designated lands are
34 located.

35 (b) Mail the notice to any person who has requested notice of any
36 classification under this article.

37 (c) Mail the notice to the Arizona game and fish department, the
38 Arizona department of agriculture, the Arizona state parks board, the ~~Arizona~~
39 department of transportation and any other affected state agency.

40 H. Within sixty days after the last date of publication of notice
41 under subsection G of this section, the commissioner or the commissioner's
42 designee shall conduct a public hearing in a location in this state as close
43 as conveniently possible to the trust land to receive and record oral and
44 written testimony concerning the proposed classification.

- 1 I. In determining whether reclassification is in the best interest of
2 the trust, the commissioner shall:
- 3 1. Consult with the governing body of each city or town in which the
4 land proposed for reclassification is located or to which the land is
5 contiguous, the county board of supervisors of each county in which the land
6 is located if the land is not located within the boundaries of a city or town
7 and the local planning and zoning authorities, including the affected
8 regional planning authorities.
- 9 2. Consider recommendations of the conservation advisory committee.
- 10 3. Consider all evidence and testimony that are submitted at the
11 hearing that was held pursuant to:
- 12 (a) Subsection H of this section if the commissioner nominated the
13 trust lands under this section.
- 14 (b) Section 37-332, subsections B, C and D if the commissioner
15 nominated the trust lands under section 32-332.
- 16 4. Consider the physical and economic impacts that the
17 reclassification would have on other lands owned or controlled by the current
18 lessee and the physical and economic impacts on the local community.
- 19 5. Consider the existence of any holding lease on the lands.
- 20 6. Consider the existence of any planning permit issued by the
21 commissioner for the lands pursuant to article 5.1 of this chapter.
- 22 7. Consider the amount of progress on any development plans being
23 completed for the lands pursuant to article 5.1 of this chapter.
- 24 8. Evaluate the mineral potential of the land.
- 25 J. The commissioner shall determine whether the reclassification is in
26 the best interest of the trust and, in making the determination, shall state
27 in writing the reasons why the classification is or is not in the best
28 interests of the trust.
- 29 K. If the commissioner reclassifies the trust land as suitable for
30 conservation purposes, the commissioner shall adopt a plan to allow existing
31 and conservation uses to be coordinated in a manner that will protect both
32 existing uses and conservation and open space values. If the reclassified
33 trust land is unleased or the petitioner is the lessee pursuant to subsection
34 C, paragraph 6 of this section, the commissioner may require a plan from the
35 petitioners describing how the property is to be managed. In adopting the
36 plan, the commissioner shall consult with:
- 37 1. The conservation advisory committee.
- 38 2. The governing body of the city or town if the land is located in a
39 city or town.
- 40 3. The county board of supervisors if the land is not located in a
41 city or town.
- 42 4. Existing lessees of the trust land, local and regional planning
43 authorities and owners of private land who provided written comments pursuant
44 to subsection G, paragraph 1 of this section.

1 5. Any other person or entity that the commissioner considers to be
2 necessary.

3 L. The classification of state land as suitable for conservation does
4 not affect the designation or use of adjacent federal, state or private land.

5 M. A person who is adversely affected by the commissioner's decision
6 to reclassify land as suitable for conservation purposes may appeal the
7 decision to the board of appeals pursuant to section 37-215.

8 N. On classifying trust lands suitable for conservation purposes,
9 existing leases shall not be canceled or modified as a result of any actions
10 taken pursuant to this article, and renewals of existing leases shall be
11 pursuant to section 37-291.

12 Sec. 170. Section 37-332, Arizona Revised Statutes, is amended to
13 read:

14 37-332. Urban lands; notice; hearing; requirements;
15 classification; state general plan

16 A. On the commissioner's initiative, the commissioner may designate
17 certain urban lands as being under consideration for classification as urban
18 lands suitable for urban planning, or suitable for conservation purposes if
19 the lands are to be planned in conjunction with lands to be developed,
20 pursuant to this section. The commissioner may designate urban lands as
21 being under consideration for classification as urban lands suitable for
22 urban planning or conservation purposes ~~upon~~ ON application by the governing
23 body having jurisdiction for the area in which the urban lands are located.

24 B. Unless the commissioner has asked the local governing body for a
25 general or comprehensive plan amendment that would include public
26 notification and hearing, and after designating lands pursuant to subsection
27 A of this section, the commissioner shall give notice of intent to classify
28 the lands as suitable for urban planning or conservation purposes and of
29 intent to prepare a state general plan to existing lessees, local planning
30 authorities, owners of property that extends to within three hundred feet of
31 the designated urban lands and the beneficiary or beneficiaries for whom the
32 lands are held in trust. Within thirty days after giving notice, the
33 commissioner shall publish the notice stating the date, time and place of the
34 public hearing for six publications ~~in a newspaper of general circulation~~ ON
35 A PUBLIC MEDIUM PUBLISHED in the county in which the designated urban lands
36 are located. The commissioner shall give notice to any person who requests
37 notice of any classification and preparation of a state general plan made
38 under this section.

39 C. In the notice required under subsection B of this section, or on
40 the commissioner's request of the local governing body for a general or
41 comprehensive plan amendment, the commissioner shall notify all existing
42 lessees of state land within the boundaries of the area under consideration
43 that such a designation may subsequently result in reclassification of state
44 lands within the boundaries of the designated areas.

1 D. If applicable, within sixty days after the last date of publication
2 of notice under subsection B of this section, the commissioner or the
3 commissioner's designee shall conduct a public hearing in the city, town or
4 county in which the lands are located to receive and record oral and written
5 testimony concerning the classification as urban lands suitable for urban
6 planning or conservation purposes and the state general plan.

7 E. The commissioner may classify urban lands as urban lands suitable
8 for urban planning or conservation purposes and may approve a state general
9 plan after determining that:

10 1. The department has met the notice and public hearing requirements
11 of subsections B, C and D of this section or that the commissioner has
12 requested a general or comprehensive plan amendment by the local governing
13 body that would include public notice and hearing.

14 2. The state lands being considered as urban lands suitable for urban
15 planning are adjoining existing commercially or homesite developed lands
16 ~~which~~ THAT are either:

17 (a) Within the corporate boundaries of a city or town.

18 (b) Adjacent to the corporate boundaries of a city or town.

19 (c) Lands for which the designation as urban lands is requested
20 pursuant to section 37-331.01.

21 3. The state lands under consideration are located in areas where
22 planning for urban growth and development is appropriate, is beneficial to
23 the trust and does not promote urban sprawl or leapfrog development.

24 4. The proximity of the urban lands to other developed areas and local
25 jurisdictions is considered.

26 5. The urban lands' compatibility with adjoining development and land
27 uses is considered.

28 6. The department has cooperated with the department of water
29 resources to determine that the urban lands have the quality and quantity of
30 water needed for urban development.

31 7. The department has fully cooperated with the local planning
32 authorities with jurisdiction over the area or areas in which the state urban
33 lands being considered are located.

34 8. All of the affected local planning authorities' development
35 policies have been taken into consideration by the department.

36 9. The classification is consistent with the local planning
37 authorities' development policies.

38 10. The proximity to and impact on public facilities, including streets
39 and highways, water supply systems, wastewater collection and treatment
40 systems and other public facilities and services necessary to support
41 development, are considered.

42 11. It is in the best long-term interest of the trust to plan for
43 development.

1 12. The types of land uses for state lands, including residential,
2 commercial, industrial, agricultural, open space and recreational uses, are
3 considered.

4 13. The natural and artificial features of the state lands, including
5 floodplains, geologic instabilities, natural areas, wildlife habitat, airport
6 influence zones, other potentially hazardous conditions and historic and
7 archaeological sites and structures are considered.

8 14. The timing of development is considered.

9 15. The impact to all existing leases in the area under consideration
10 and in the general area is considered.

11 16. The department has resources available to plan the urban lands
12 under consideration.

13 17. Any other considerations deemed relevant by the commissioner and
14 local planning authorities.

15 F. Before approving the classification and proposed state general
16 plan, the commissioner shall determine whether the classification and state
17 general plan are in the best interest of the trust. The commissioner shall
18 state in writing the reasons for any determination that the classification or
19 state general plan prepared according to this section would be detrimental to
20 the interests of the trust.

21 G. After the commissioner approves the state general plan, no
22 amendment or revision may be made without the commissioner's approval. The
23 commissioner may approve a proposed amendment or revision only after
24 notifying and meeting with the local planning authority regarding the nature
25 of the proposed amendment or revision. If the local planning authority does
26 not hold a public hearing on the proposed amendment or revision, the
27 commissioner shall hold a public hearing on the proposed amendment or
28 revision if the proposed amendment or revision does not substantially conform
29 to the state general plan. If such a hearing is held, the proposed amendment
30 or revision may be adopted after the hearing and after the commissioner and
31 the local planning authority consider the information presented at the
32 hearing. The commissioner shall provide notice of the public hearing as
33 provided by subsections B, C and D of this section. If neither the
34 commissioner nor the local planning authority determines that a public
35 hearing is necessary, the commissioner may adopt the proposed amendment or
36 revision.

37 H. If the land included in a state general plan was previously sold or
38 leased, and the plan amendment proposed by the owner or lessee would
39 substantially increase the value of the land as estimated by an appraisal or
40 would compete with land uses elsewhere on land included under the plan, then
41 as a condition for approving the amendment, the commissioner may require
42 additional consideration.

1 Sec. 171. Section 37-602, Arizona Revised Statutes, is amended to
2 read:

3 37-602. Notice

4 Not less than thirty days ~~prior to~~ BEFORE the actual exchange of such
5 land, the governing body of any county, city, town or school district having
6 control of the land shall cause to be published ~~in a newspaper of general~~
7 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the county in which the land
8 is located a notice of intent to exchange the property, together with a
9 description thereof, and a description of the property to be received in
10 exchange therefor, together with other terms and conditions of the exchange.

11 Sec. 172. Section 37-604.01, Arizona Revised Statutes, is amended to
12 read:

13 37-604.01. Exchange of state subsurface rights and interests

14 A. The department and selection board, for the purpose of
15 consolidating surface and subsurface ownership, may exchange unleased or
16 unclaimed subsurface rights and interests and leased oil and gas rights and
17 interests, managed by the state land department for subsurface rights and
18 interests owned by others.

19 B. Such exchanges shall be subject to the following requirements:

20 1. All subsurface rights and interests exchanged shall be of
21 substantially equal value.

22 2. Exchanges of subsurface rights and interests leased for oil and gas
23 shall only be made with the United States of America.

24 3. Leases for oil and gas on subsurface rights and interests exchanged
25 pursuant to this article shall remain in full force and effect for the term
26 of the lease.

27 4. Before any of the state subsurface rights and interests may be
28 considered for exchange under ~~the provisions of~~ this article, they shall be
29 classified as suitable for purposes in accordance with ~~the provisions of~~
30 section 37-212.

31 5. ~~Prior to~~ BEFORE any exchange of subsurface rights and interests,
32 the state land department shall give thirty days' notice in writing to other
33 interested state agencies, counties, municipalities and leaseholders on such
34 lands that are or may be affected by the exchange.

35 6. Subsurface rights and interests conveyed to the state under this
36 article, ~~shall, upon~~ ON the acceptance of title and records, SHALL be
37 dedicated to the same purpose and administered under the same laws ~~which~~ THAT
38 the lands conveyed were subject to.

39 C. Any person ~~may~~, within ten days ~~of~~ AFTER the date of notice as
40 provided ~~herein~~ IN THIS SECTION, MAY file a written protest of the exchange
41 at the state land department. ~~Upon~~ ON receipt of such a protest to a
42 contemplated exchange pursuant to this section, the state land commissioner
43 ~~shall~~, not later than thirty days after receipt of the protest, SHALL hold a
44 public hearing at the county seat of the county in which the state lands
45 proposed to be exchanged are located to hear any and all matters relevant to

1 the proposed exchange. Notice of the public hearing shall be mailed to all
2 ~~protestants~~ PERSONS WHO FILED A PROTEST and published at least weekly during
3 the thirty-day period ~~prior to~~ BEFORE the date of the hearing ~~in a newspaper~~
4 ~~of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

5 D. The state land department may ~~promulgate~~ ADOPT rules and
6 regulations governing application and procedures for exchanges of subsurface
7 rights and interests.

8 Sec. 173. Section 37-609, Arizona Revised Statutes, is amended to
9 read:

10 37-609. Exchange of sovereign lands

11 A. For proper management of state land, the department may exchange
12 the surface or subsurface rights and interests in sovereign lands of this
13 state that are managed by the department for surface or subsurface rights and
14 interests in federal lands, state lands of another state or lands owned by
15 other agencies or subdivisions of this state.

16 B. The department may not exchange sovereign land of this state for
17 other lands under this section unless:

18 1. The commissioner determines that the exchange is in the best
19 interest of the state.

20 2. The commissioner determines by at least one independent appraisal
21 that either of the following conditions ~~apply~~ APPLIES to the exchange:

22 (a) The fair market value of the sovereign land of this state that is
23 included in the proposed exchange is substantially equal to the fair market
24 value of the other land that is included in the proposed exchange.

25 (b) The fair market value of the sovereign land of this state that is
26 included in the proposed exchange is greater than the fair market value of
27 the other land that is included in the proposed exchange and this state will
28 be compensated for the difference in value with a cash payment to the
29 department from the other party in the exchange.

30 C. At least sixty days before any exchange under this section, the
31 department shall:

32 1. Publish a notice of the proposed exchange ~~in a newspaper of general~~
33 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the majority
34 of state land that is included in the exchange is located. A notice under
35 this paragraph shall include:

36 (a) The identity of the parties to the exchange.

37 (b) A description of all property included in the exchange.

38 (c) The terms and conditions of the exchange.

39 (d) The address to which written comments on the exchange may be
40 mailed for the commissioner's consideration. The comments must be mailed
41 within thirty days after the date of the notice.

42 2. Give written notice of the proposed exchange to:

43 (a) The county or counties in which the state land included in the
44 exchange is located.

1 (b) Any municipality in which the state land included in the exchange
2 is located.

3 (c) Any person with an interest of record in the state land that is
4 included in the exchange.

5 D. Notice given by the department pursuant to subsection C, paragraph
6 2 OF THIS SECTION shall be by certified mail and include the information
7 listed in subsection C, paragraph 1 OF THIS SECTION.

8 E. If the sovereign lands of this state that are included in the
9 proposed exchange are located in another state, the notification requirements
10 under subsection C OF THIS SECTION shall be applied to the Arizona county
11 that is nearest the lands.

12 F. In determining whether a proposed exchange is in the best interest
13 of this state, the commissioner shall consider written comments received by
14 the department pursuant to subsection C OF THIS SECTION.

15 G. Land conveyed to this state pursuant to this section shall become
16 sovereign land of this state on acceptance of title and recording.

17 H. Monies paid to the department pursuant to subsection B, paragraph
18 2, subdivision (b) OF THIS SECTION shall be promptly transferred to the state
19 treasurer for deposit in the appropriate fund.

20 Sec. 174. Section 37-615, Arizona Revised Statutes, is amended to
21 read:

22 37-615. Exchange of road rights-of-way on state land;
23 procedure; limitation and exceptions

24 A. The state land department and selection board, for reasons of
25 proper management, control, protection, or public use of state lands, may
26 exchange road rights-of-way over state lands managed by the state land
27 department for road rights-of-way over any other land within the state. The
28 exchange may be made for road rights-of-way over land owned or held by the
29 United States or an agency thereof, other state agencies, counties or
30 municipalities and privately owned lands.

31 B. The state land department shall adopt rules governing the
32 application and procedure for exchange of road rights-of-way over state
33 land. Such rules shall include the following requirements:

34 1. The application shall include:

35 (a) The name, age and residence of the applicant.

36 (b) A description of all road rights-of-way sought to be exchanged.

37 (c) A list of permanent improvements on the road rights-of-way to be
38 exchanged.

39 (d) Any leasehold interest in the land affected by the proposed
40 exchange.

41 (e) Accompanying agreements, if any, with the leaseholder or owner of
42 improvements on the land affected by the proposed exchange.

43 2. Payment of fees prescribed for that purpose pursuant to section
44 37-107.

1 3. An application initiated by a private owner shall be accompanied by
2 a deposit equal to the estimated cost of appraising the value of the road
3 rights-of-way on any privately owned property to be exchanged.

4 4. Such additional requirements may be imposed as the state land
5 department from time to time determines to be necessary.

6 C. The exchange of road rights-of-way over state lands shall be
7 subject to the following requirements:

8 1. All road rights-of-way exchanged shall be of substantially equal
9 value.

10 2. All road rights-of-way over state lands offered for trade pursuant
11 to this section must be located in the same county as the road rights-of-way
12 over lands offered to the state.

13 3. ~~Prior to~~ BEFORE any exchange of road rights-of-way over state lands
14 for road rights-of-way over privately owned lands, the state land department
15 and selection board shall give thirty days' notice in writing to other
16 interested state agencies, counties, municipalities, ~~and~~ leaseholders on
17 such lands that are or may be affected by the trade.

18 4. Before any road rights-of-way over state land may be considered for
19 exchange under ~~the provisions of~~ this article, the land shall be classified
20 as suitable for such purposes in accordance with ~~the provisions of~~ section
21 37-212.

22 5. Any person adversely affected by such decision may appeal from the
23 decision as provided in section 37-215.

24 D. Any person ~~may~~, within ten days ~~of~~ AFTER the date of notice as
25 provided ~~herein~~ IN THIS SECTION, MAY file a written protest of the exchange
26 at the state land department offices at the state capitol ~~upon~~ ON forms
27 provided by the state land department. ~~Upon~~ ON receipt of such a protest to
28 a contemplated exchange pursuant to this section, the state land commissioner
29 ~~shall~~, not later than thirty days after receipt of the protest, SHALL hold a
30 public hearing at the county seat of the county in which the state lands
31 proposed to be exchanged are located to hear any and all matters properly
32 subject to the proposed exchange. Notice of the public hearing shall be
33 mailed to all ~~protestants~~ PERSONS WHO FILED A PROTEST and published one time
34 ~~prior to~~ BEFORE the date of the hearing ~~in a newspaper of general circulation~~
35 ON A PUBLIC MEDIUM PUBLISHED in the county.

36 Sec. 175. Section 37-802, Arizona Revised Statutes, is amended to
37 read:

38 37-802. Disposition of real property by state agency;
39 alternative fuel delivery systems; definition

40 A. Unless another procedure is prescribed by law, the director or
41 other chief administrative officer of a state agency may lease or convey real
42 property or any right, title or interest in real property as prescribed by
43 this section if the agency director or other chief administrative officer of
44 a state agency determines that it is no longer needed or used for public
45 purposes.

1 B. Unless the property is subject to a right of reversion to a
2 previous owner or the previous owner's successors in interest, the agency
3 director or other chief administrative officer of a state agency may lease or
4 convey:

5 1. Real property to another agency of this state, any county,
6 municipality or other political subdivision or any school district of this
7 state without the necessity of a public sale if the real property will be
8 used for an alternative fuel delivery system. The transferee agency shall
9 pay the transferor agency for a conveyance made pursuant to this section
10 based on a current appraisal establishing the fair market value of the
11 property.

12 2. Other marketable real property to the highest and most responsible
13 bidder at a public auction or by direct sale or exchange after at least
14 thirty days' notice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
15 PUBLISHED in the county in which the property is located. At least two
16 independent appraisals are required for property that is offered, and the
17 property shall not be offered or conveyed for less than the amount of the low
18 appraisal. All purchase offers are public, and any person may submit a
19 subsequent offer that matches or exceeds a previous purchase offer.

20 C. The sale shall be for cash or on terms of at least twenty per cent
21 down payment with the balance payable in annual amortized installments for
22 ten years, the unpaid balance to bear interest at a rate determined by the
23 agency director.

24 D. The agency director or other chief administrative officer may
25 execute all deeds or conveyances necessary to lease or convey any real
26 property or interest in the real property to be leased or conveyed under this
27 section and may assess a fee for the costs of preparing and executing any
28 lease or conveyance under this section. The agency director or other chief
29 administrative officer may insert in any deed or conveyance conditions,
30 covenants, exceptions and reservations the agency director considers to be in
31 the public interest or may convey in fee simple absolute.

32 E. A conclusive presumption exists in favor of any purchaser for value
33 and without notice of any real property or interest in the real property
34 leased or conveyed pursuant to this section that the agency acted within its
35 lawful authority in acquiring the property, and that the agency director or
36 other chief administrative officer acted under lawful authority in executing
37 any deed, conveyance or lease authorized by this section.

38 F. For THE purposes of this section, "alternative fuel delivery
39 system" means any facility that provides for the fueling of an alternative
40 fuel vehicle.

41 Sec. 176. Section 37-803, Arizona Revised Statutes, is amended to
42 read:

43 37-803. Disposition of real property by state agency

44 A. Unless another procedure is prescribed by law, the director or
45 other chief administrative officer of a state agency may dispose of real

1 property or any right, title or interest in real property as prescribed by
2 this section if the agency director determines that the real property is no
3 longer needed or used for public purposes by that agency.

4 B. Unless the property is subject to a right of reversion to a
5 previous owner or the previous owner's successors in interest:

6 1. The agency director may convey the real property to an agency of
7 the federal government, to another agency of this state or to any county,
8 municipality, school district or other political subdivision of this state or
9 charter school in this state without the necessity of a public sale if the
10 agency director considers the conveyance to be in the public interest and if
11 the real property will be used for a specific purpose in the public interest.
12 The transferee agency shall pay the transferor agency for such a conveyance
13 based on an appraisal prepared within the last one hundred eighty days by a
14 certified real estate appraiser establishing the fair market value of the
15 property to be conveyed.

16 2. The agency director may convey other marketable property to the
17 highest and most responsible bidder at a public auction or by direct sale or
18 exchange after at least thirty days' notice ~~in a newspaper of general~~
19 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the property
20 is located. At least two independent appraisals are required for property
21 that is offered, and the property shall not be offered or conveyed for less
22 than or the amount of the low appraisal. All purchase offers are public, and
23 any person may submit a subsequent offer that matches or exceeds a previous
24 purchase offer.

25 C. The sale shall be for cash or on terms of not less than twenty per
26 cent down payment with the balance payable in annual amortized installments
27 for ten years, the unpaid balance to bear interest at a rate determined by
28 the agency director.

29 D. The agency director may execute all deeds or conveyances necessary
30 to convey any real property or interest in the real property to be conveyed
31 under this section and may assess a fee for the costs of preparing and
32 executing any conveyance under this section. The agency director may insert
33 in any deed or conveyance such conditions, covenants, exceptions and
34 reservations as the agency director considers to be in the public interest or
35 may convey in fee simple absolute.

36 E. A conclusive presumption exists in favor of any purchaser for value
37 and without notice of any real property or interest in the real property
38 conveyed pursuant to this section that the agency acted within its lawful
39 authority in acquiring the property and that the agency director acted under
40 lawful authority in executing any deed, conveyance or lease authorized by
41 this section.

42 F. The agency may adopt rules for using licensed real estate brokers
43 to assist in any disposition of property under this section. The agency
44 director may pay a commission, from proceeds received under this section, to

1 a broker who provides the purchaser unless the broker is the purchaser or
2 lessee or the purchaser is another governmental agency.

3 Sec. 177. Section 37-1002, Arizona Revised Statutes, is amended to
4 read:

5 37-1002. Definitions

6 In this chapter, unless the context otherwise requires:

7 1. "Agency of the state" includes the government of the state and any
8 subdivision, agency or instrumentality, corporate or otherwise, of the state
9 government.

10 2. "Agricultural lands" means irrigated farm lands or dry farm lands
11 devoted to the purpose of agriculture.

12 3. "Commissioner" or "state natural resource conservation
13 commissioner" means the state land commissioner.

14 4. "Department" means the state land department.

15 5. "District" means a natural resource conservation district organized
16 in accordance with ~~the provisions of~~ this chapter.

17 6. "District cooperator" means any person who has entered into a
18 cooperative agreement with a natural resource conservation district for the
19 purpose of protecting, conserving and practicing wise use of the natural
20 resources under ~~his~~ THE PERSON'S control.

21 7. "Due notice" means notice published at least twice with an interval
22 of at least six days between the two publication dates, ~~in a newspaper of~~
23 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the area affected, or
24 if there is no ~~newspaper of general circulation~~ PUBLIC MEDIUM PUBLISHED
25 within the area affected, ~~in a newspaper of general circulation~~ ON A PUBLIC
26 MEDIUM PUBLISHED in the county in which the area is located.

27 8. "Government" or "governmental" includes the government of the
28 state, the government of the United States, and any subdivision, agency or
29 instrumentality, corporate or otherwise, of either of them.

30 9. "Irrigation district" means an irrigation district, drainage
31 district, water conservation district, ~~OR~~ agricultural improvement
32 district, ~~and, in addition thereto,~~ includes any district, political
33 subdivision, government agency, canal company, association, corporation or
34 instrumentality of the state, having territorial boundaries and created or
35 organized for the purpose of furnishing irrigation water for lands in the
36 state.

37 10. "Landowner" or "owner of land" means any person, firm or
38 corporation, including the state, holding title to any land lying within a
39 district organized or proposed to be organized under ~~the provisions of~~ this
40 chapter, and includes a buyer on contract who is the occupant of land. ~~For~~
41 ~~the purposes of this chapter,~~ OR a holder of a certificate of purchase or
42 lease from the state ~~shall be considered the "landowner" or "owner of land".~~

43 11. "Nominating petition" means a petition to nominate candidates for
44 the office of supervisor.

1 12. "Petition" means a petition for the creation or for the dissolution
2 of a district.

3 13. "Qualified elector" means a person who is a district cooperator and
4 a qualified elector of the state.

5 14. "Range lands" means lands other than agricultural lands ~~and~~ THAT
6 ARE devoted principally to the purpose of grazing livestock.

7 15. "Supervisor" means a member of the governing body of a district,
8 WHO IS elected or appointed in accordance with ~~the provisions of~~ this
9 chapter.

10 16. "United States" or "agencies of the United States" includes the
11 United States, the United States department of agriculture and any other
12 agency or instrumentality, corporate or otherwise, of the United States.

13 Sec. 178. Section 37-1032, Arizona Revised Statutes, is amended to
14 read:

15 37-1032. Hearing on petition; notice

16 A. Within ninety days after a petition has been accepted by the
17 commissioner, notice shall be given by publication ~~in at least two issues~~, at
18 intervals of not less than six days, ~~of a newspaper of general circulation ON~~
19 A PUBLIC MEDIUM PUBLISHED within the area affected, or if there is no such
20 newspaper PUBLIC MEDIUM, a ~~newspaper of general circulation~~ PUBLIC MEDIUM
21 PUBLISHED within the county, of a hearing ~~upon~~ ON:

22 1. The desirability and necessity, in the interest of preservation of
23 property, health, safety and public welfare, of the creation of such A
24 district.

25 2. The appropriate boundaries to be assigned to the district.

26 3. The propriety of the petition and other proceedings taken.

27 4. All related questions.

28 B. All owners of land within the limits of the territory described in
29 the petition and of lands within any territory considered for addition to the
30 described territory, and all other interested parties, may attend and be
31 heard at such A hearing.

32 C. If it appears on the hearing that it is desirable to include within
33 the proposed district territory outside the area described in the petition,
34 the hearing shall be adjourned and notice of further hearing given, in the
35 manner provided by this section, in the entire area considered for inclusion
36 in the district.

37 Sec. 179. Section 37-1123, Arizona Revised Statutes, is amended to
38 read:

39 37-1123. Receiving and compiling evidence and records

40 A. The commission shall receive, review and consider all relevant
41 historical and other evidence presented to the commission by the state land
42 department and by other persons regarding the navigability or nonnavigability
43 of watercourses in this state as of February 14, 1912, together with
44 associated public trust values, except for evidence with respect to the

1 Colorado river, and, after public hearings conducted pursuant to section
2 37-1126:

3 1. Based only on evidence of navigability or nonnavigability,
4 determine which watercourses were not navigable as of February 14, 1912.

5 2. Based only on evidence of navigability or nonnavigability,
6 determine which watercourses were navigable as of February 14, 1912.

7 3. In a separate, subsequent proceeding pursuant to section 37-1128,
8 subsection B, consider evidence of public trust values and then identify and
9 make a public report of any public trust values that are now associated with
10 the navigable watercourses.

11 B. Before receiving, reviewing or considering any evidence pursuant to
12 subsection A of this section for a particular watercourse, the commission
13 shall publish notice once each week for three consecutive weeks ~~in a~~
14 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county
15 in which the watercourse is located. The notice shall include:

16 1. A statement of the intent to receive, review and consider evidence.

17 2. An address to which interested parties may submit evidence for the
18 commission's review.

19 3. A date by which evidence must be submitted.

20 4. A general description of the procedures the commission will use to
21 review the evidence.

22 C. Private citizens, clubs, organizations, corporations, partnerships,
23 unincorporated associations, municipal corporations and public entities may
24 present evidence to the commission at a hearing according to commission
25 rules. The submission of evidence by any party pursuant to the commission's
26 notice under subsection B of this section does not preclude that party from
27 submitting additional evidence at any hearing before the commission.

28 D. The state land department shall consult and coordinate its efforts
29 to gather evidence of navigability and public trust values with the
30 department of water resources, the ARIZONA game and fish department, the
31 ARIZONA state parks board and other interested persons and public and private
32 entities. The commission shall consider the information that those persons
33 and entities have compiled regarding the navigability of watercourses.

34 E. After public notice, the commission shall set priorities for
35 investigating and conduct hearings on the navigability of the watercourses in
36 this state. In setting the priorities, the commission shall consider:

37 1. The number and value of parcels of real property that are affected
38 by a state claim of sovereign ownership to the bed of the watercourse.

39 2. The degree of hardship to private parties and political
40 subdivisions due to title uncertainties relating to the bed of the
41 watercourse.

42 3. The significance of the public trust values associated with the
43 watercourse and the degree to which those values are threatened.

1 4. The potential viability of this state's sovereign claims to the
2 watercourse, giving higher priority consideration to more viable claims.

3 F. A person who is aggrieved by the undetermined navigability status
4 of a watercourse may petition the commission to modify the priority set under
5 subsection E of this section and grant expedited consideration for a
6 particular watercourse. The commission shall grant the petition if justified
7 by the factors listed in subsection E of this section.

8 G. No judicial action seeking a determination of navigability of a
9 watercourse, to establish or obtain ownership of land within the bed and
10 banks of a watercourse or to determine any public trust values associated
11 with a watercourse may be commenced, continued or completed unless the
12 commission has made a final determination with respect to the watercourse
13 pursuant to section 37-1128. This subsection does not preclude the
14 department from seeking a temporary restraining order or injunctive relief at
15 any time to prevent loss or damage to public trust resources.

16 H. Notwithstanding subsection G of this section, any condemnation
17 action by this state or a political subdivision of this state may proceed to
18 trial and conclusion, including the payment of compensation, regardless of
19 the potential claim of title by this state based on the navigability of the
20 watercourse. In any action commenced or continued pursuant to this
21 subsection, the court shall not consider or decide the navigability of the
22 watercourse. Any judgment in any action commenced or continued pursuant to
23 this subsection shall be subject to a potential claim of title by this state
24 based on the navigability of the watercourse.

25 Sec. 180. Section 37-1126, Arizona Revised Statutes, is amended to
26 read:

27 37-1126. Hearings: notice

28 A. The commission shall schedule public hearings to receive additional
29 evidence and testimony relating to navigability or nonnavigability of each
30 watercourse, and, if the commission finds a watercourse is navigable, the
31 commission shall schedule public hearings to identify and make a public
32 report of any public trust values associated with the watercourse. The
33 hearings shall be held at the commission's office or, in the case of a
34 hearing concerning a watercourse located principally outside of Maricopa
35 county, at the county seat of the county in which the predominant portion of
36 the particular watercourse is located. The commission may schedule
37 additional hearings at other locations at the commission's discretion.

38 B. At least thirty days before any public hearing under this section,
39 the commission shall cause notice of the hearing to be published in two
40 ~~newspapers~~ PUBLIC MEDIA, one of statewide circulation and another of general
41 circulation in the county where the hearing is to be held. In addition, the
42 commission shall mail notice of the hearing to any person who has previously
43 requested notice of hearings in writing from the commission.

1 Sec. 181. Section 39-201, Arizona Revised Statutes, is amended to
2 read:

3 39-201. Definition of public medium

4 A. In this chapter, unless the context otherwise requires, "~~newspaper~~"
5 "PUBLIC MEDIUM" means a publication regularly issued for dissemination of
6 news of a general and public character at stated short intervals of time.
7 Such A publication shall be from a known office of publication and shall bear
8 dates of issue and be numbered consecutively. It shall not be designed
9 primarily for advertising, free circulation or circulation at nominal rates,
10 but shall have a bona fide list of paying subscribers.

11 B. "~~Newspaper~~" shall A PUBLIC MEDIUM DOES not include a publication
12 which THAT has not been admitted under federal law as second-class matter in
13 the United States mails for at least one year.

14 Sec. 182. Section 39-202, Arizona Revised Statutes, is amended to
15 read:

16 39-202. Contract for public printing; bids; award

17 A. All bids for public printing by a ~~newspaper~~ PUBLIC MEDIUM shall be
18 accompanied by AN affidavit of the publisher that the ~~newspaper~~ PUBLIC MEDIUM
19 complies with ~~the provisions of~~ section 39-201.

20 B. Contracts for publishing any notice or matter, the cost of which is
21 paid from public funds, shall be awarded at public bidding only when:

22 1. The publisher has filed the affidavit required by subsection A OF
23 THIS SECTION.

24 2. The ~~newspaper~~ PUBLIC MEDIUM is published within the state.

25 Sec. 183. Section 39-203, Arizona Revised Statutes, is amended to
26 read:

27 39-203. Number of publications for compliance with requirement
28 of notice for specified time

29 A. When notice is provided by law to be given for a specified number
30 of days or weeks, if by publication in a daily ~~paper~~ PUBLIC MEDIUM, it shall
31 be published four days of the seven in the week, and if by publication in a
32 weekly ~~paper~~ PUBLIC MEDIUM, it shall be published one day in each week.

33 B. One insertion each week ~~in papers~~ ON A PUBLIC MEDIUM published
34 weekly, and four insertions each week ~~in papers~~ ON A PUBLIC MEDIUM published
35 daily, shall constitute seven days' notice.

36 Sec. 184. Section 39-204, Arizona Revised Statutes, is amended to
37 read:

38 39-204. Publication of notice; time; place

39 A. When publication of a notice ~~in a newspaper~~ ON A PUBLIC MEDIUM is
40 directed or authorized by law, it shall be ~~in a newspaper of general~~
41 ~~circulation~~ ON A PUBLIC MEDIUM printed in English.

42 B. If the number of times the notice is to be published is not
43 specified, publication shall be:

44 1. If in a weekly ~~newspaper~~ PUBLIC MEDIUM, once each week for two
45 consecutive weeks.

1 2. If in a daily ~~newspaper~~ PUBLIC MEDIUM, four consecutive times.

2 C. If the place of publication of the notice is not specified,
3 publication shall be:

4 1. If by a state officer, board,~~—~~ or commission, ~~in a newspaper~~
5 ~~printed and~~ ON A PUBLIC MEDIUM published within the county where the state
6 capital is located.

7 2. If by a county officer, board,~~—~~ or commission, or by any person in
8 a county, ~~in a newspaper printed and~~ ON A PUBLIC MEDIUM published within such
9 county. If no ~~such newspaper~~ PUBLIC MEDIUM is ~~printed and~~ published within
10 the county, publication may be made ~~in a newspaper of general circulation in~~
11 ~~the county which is printed~~ ON A PUBLIC MEDIUM THAT IS PUBLISHED in an
12 adjoining county.

13 3. If by a district, city or town officer, board,~~—~~ or commission, or
14 by any person in a district, city or town, ~~in a newspaper printed and~~ ON A
15 PUBLIC MEDIUM published within the territorial limits thereof. If no ~~such~~
16 ~~newspaper is printed and~~ PUBLIC MEDIUM IS published within the limits
17 thereof, publication may be made ~~in a newspaper printed and~~ ON A PUBLIC
18 MEDIUM published in the county in which the district, city or town is
19 located.

20 Sec. 185. Section 39-205, Arizona Revised Statutes, is amended to
21 read:

22 39-205. Proof of publication; filing

23 A. An affidavit by the publisher, or ~~his~~ AN agent in ~~his~~ THE
24 PUBLISHER'S behalf, with a copy of the publication thereto attached, stating
25 the name of the ~~paper~~ PUBLIC MEDIUM in which published, the place of
26 publication, the date of each publication, and that the copy thereto attached
27 is a true copy, shall be sufficient proof of publication and primary evidence
28 of all facts stated therein.

29 B. The affidavit shall be filed in the office of the officer or board
30 by whose authority the publication was made.

31 Sec. 186. Section 40-283, Arizona Revised Statutes, is amended to
32 read:

33 40-283. Transmission lines; use of public streets for utility
34 right-of-way; notice; election

35 A. Any person engaged in transportation or transmission business
36 within the state may construct and operate lines connecting any points within
37 the state and connect at the state boundary with like lines, except that
38 within the confines of municipal corporations the use and occupancy of
39 streets shall be under rights acquired by franchises according to law or
40 licenses pursuant to title 9, chapter 5, articles 1.1 and 4, and subject to
41 control and regulation by the municipal authorities. The use of highways,
42 except state highways, by public utilities not within any incorporated city
43 or town shall be regulated by the board of supervisors of the county by
44 license or franchise.

1 B. A board of supervisors in granting a license or franchise, or at
2 any time after it is granted, may impose restrictions and limitations ~~upon~~ ON
3 the use of the public roads as it deems best for the public safety or
4 welfare.

5 C. Every franchise granted under this article shall include provisions
6 requiring the grantee to bear all expenses, including damage and compensation
7 for any alteration of the direction, surface, grade or alignment of a county
8 road, made for the purpose of such franchise. If the surface of a county
9 highway is used by any grantee for trackage, the franchise shall include
10 reasonable regulations for maintenance by the grantee of that portion of the
11 highway so used.

12 D. A board of supervisors may authorize public service corporations,
13 telecommunications corporations or cable television systems to construct a
14 line, plant, service or system within the right-of-way of any road, highway
15 or easement that is designated for access or public use by plat or survey of
16 record of a subdivision, or of unsubdivided land as defined in section
17 32-2101, provided that any such authorization or construction pursuant to
18 such authorization does not impose on the county the duty of maintaining the
19 road or highway unless the county accepts the road or highway into the county
20 maintenance system by appropriate resolution. Nothing contained in this
21 subsection shall be construed to grant county boards of supervisors
22 additional authority to require public service corporations,
23 telecommunications corporations or cable television systems to obtain
24 licenses or franchises.

25 E. A board of supervisors, before granting any of the privileges
26 authorized under this section, shall give public notice of its intention to
27 make such A grant by publishing notice ~~in a newspaper of general circulation,~~
28 ON A PUBLIC MEDIUM published within the county, at least once a week for
29 three weeks ~~prior to~~ BEFORE the day set for consideration of such action.
30 If, on or before such date, more than fifty per cent of the qualified
31 electors of the county petition the board of supervisors to deny such
32 privilege, it shall do so, and any privilege granted against such petition
33 shall be void.

34 Sec. 187. Section 40-344, Arizona Revised Statutes, is amended to
35 read:

36 40-344. Hearing on petition; notice

37 A. ~~Upon~~ ON receipt of a petition to establish an underground
38 conversion service area, the corporation commission, board of supervisors or
39 city or town council shall set a date for a hearing on the petition, which
40 date shall be not later than sixty days nor sooner than thirty days after
41 receipt of such petition. At the hearing all interested property owners
42 owning property within the proposed underground conversion service area may
43 appear and be heard on the matter. Any person owning property within the
44 proposed underground conversion service area and wishing to withdraw such
45 person's signature from the petition of owners referred to in section 40-343,

1 subsection A, or object to the establishment of the underground conversion
 2 service area or to the underground conversion costs as contained in the joint
 3 report pertaining to his lot or parcel included within the proposed
 4 underground conversion service area ~~shall~~, not later than ten days before the
 5 date set for the hearing, **SHALL** file such person's objections with the clerk
 6 of the city or town council or the board of supervisors or with the
 7 corporation commission, as the case may be.

8 B. Notice announcing the hearing and describing the boundaries of the
 9 proposed underground conversion service area and stating that the estimated
 10 underground conversion costs for each lot or parcel included within the
 11 proposed underground conversion service area are available at the office of
 12 each public service corporation or public agency shall be posted in not less
 13 than three public places within the proposed underground conversion service
 14 area for not less than thirty days ~~prior to~~ **BEFORE** the date of the hearing
 15 and shall be published once ~~in a newspaper~~ **ON A PUBLIC MEDIUM** published in
 16 the county ~~and of general circulation~~ within the proposed underground
 17 conversion service area. The publication ~~in the newspaper~~ **ON A PUBLIC MEDIUM**
 18 shall be not less than twenty days ~~prior to~~ **BEFORE** the date of the hearing.

19 C. In the case of public service corporation, the corporation
 20 commission shall mail not less than thirty days before the date set for the
 21 hearing a notice announcing the hearing and stating the boundaries of the
 22 proposed underground conversion service area to each owner of a lot or parcel
 23 of land within the boundaries of the proposed underground conversion service
 24 area, as reflected on the records of the county assessor and to those
 25 governmental agencies having rights in public places within such area. The
 26 public service corporation or corporations involved and all property owners
 27 within the underground conversion service area shall be deemed parties to the
 28 proceedings for the purposes of applications for rehearings or appeals as
 29 provided in sections 40-253 and 40-254.

30 D. If the corporation commission issues an order establishing an
 31 underground conversion service area, the public service corporation shall not
 32 be required to commence conversion until the time for requesting rehearing
 33 has expired and no application has been filed, or if an application for
 34 rehearing has been filed, until the commission has declined to modify or
 35 reverse the order, and until either the time for commencing an action in the
 36 superior court to set aside the order has expired and no application has been
 37 filed, or if application has been filed, until a final order, not subject to
 38 appeal, approving or refusing to set aside the commission's order has been
 39 issued.

40 E. In the case of public service corporations ~~which~~ **THAT** are locally
 41 regulated and licensed by a municipality, the city or town council shall mail
 42 not less than thirty days before the date set for the hearing a notice
 43 announcing the hearing and stating the boundaries of the proposed underground
 44 conversion service area to each owner of a lot or parcel of land within the
 45 boundaries of the proposed underground conversion service area, as reflected

1 on the records of the county assessor and to those governmental agencies
2 having rights in public places within such area. If the city or town council
3 issues an order establishing an underground conversion service area, the
4 public service corporation shall not be required to commence conversion until
5 the time for commencing any action to set aside the order as provided by
6 subsection F of this section has expired and no such action has been
7 commenced, or if commenced, such action has been finally disposed of.

8 F. Any party aggrieved by any act of the city or town council in the
9 establishment of an underground conversion service area may bring an action
10 in the superior court of the county in which the underground conversion
11 service area is located to set aside the action of the city or town council
12 not later than twenty days after the order of the city or town council
13 establishing the underground conversion service area.

14 G. In case of public agencies or public service corporations not under
15 the jurisdiction of the corporation commission and regulated by the board of
16 supervisors, the board of supervisors shall mail not less than thirty days
17 before the date set for the hearing a notice announcing the hearing and
18 stating the boundaries of the proposed service area to each owner of a lot or
19 parcel of land within the boundaries of the proposed service area, as
20 reflected on the records of the county assessor and those governmental
21 agencies having rights in public places within the area. If the board of
22 supervisors issues an order establishing an underground conversion service
23 area, the public agency shall not be required to commence conversion until
24 the time for commencing any action to set aside the order as provided by
25 subsection F of this section has expired and no such action has been
26 commenced, or if commenced, such action has been finally disposed of.

27 H. Any party aggrieved by any act of the board of supervisors in the
28 establishment of an underground conversion service area may bring an action
29 in the superior court ~~of~~ IN the county in which the underground conversion
30 service area is located to set aside the action of the board of supervisors
31 not later than twenty days after the order of the board of supervisors
32 establishing the underground conversion service area.

33 I. The costs of posting, publication and mailing provided for in this
34 section shall be assessed by the city or town council, the board of
35 supervisors or the corporation commission on a pro rata basis to each public
36 service corporation or public agency whose overhead electric or communication
37 facilities are to be included in the proposed underground conversion service
38 area.

39 J. The corporation commission or the board of supervisors shall not
40 establish any underground conversion service area without prior approval of
41 such establishment by resolution of the local government.

42 K. If the underground conversion service area contains overhead
43 electric or communication facilities of a public service corporation and
44 public agency, then neither the public service corporation nor the public
45 agency shall be required to commence conversion until the corporation

1 commission's order, the board of supervisors' order or the city or town
2 council's order has become final.

3 Sec. 188. Section 40-806, Arizona Revised Statutes, is amended to
4 read:

5 40-806. Call for installments on stock subscriptions; notice;
6 action to collect from defaulting subscriber

7 The directors may make calls on stock subscriptions in installments of
8 not more than ten per cent per month, unless otherwise stipulated in the
9 subscription. Notice of each call shall be given the stockholders by mail,
10 and shall be published once a week, for at least four weeks, ~~in a newspaper~~
11 **ON A PUBLIC MEDIUM** published at the principal place of business of the
12 corporation. If the subscriber defaults, action may be brought for
13 collection of the subscription called, or so much of the stock as will be
14 necessary to pay the call and the costs of sale may be sold at public auction
15 in the manner provided in the ~~by laws~~ **BYLAWS**.

16 Sec. 189. Section 40-1002, Arizona Revised Statutes, is amended to
17 read:

18 40-1002. Sale; notice; posting and publication

19 A. At the expiration of the three months' period as provided by
20 section 40-1001, the carrier may sell the freight or baggage at public
21 auction for cash, at the place of delivery, or at the county seat of the
22 county in which the place of delivery is located, after ten days' public
23 notice.

24 B. Notice may be given by one publication at least ten days ~~prior to~~
25 **BEFORE** the date of the sale ~~in a newspaper of general circulation~~ **ON A PUBLIC**
26 **MEDIUM** published in the city or town where the sale is to take place, or if
27 there is no ~~such newspaper~~ **PUBLIC MEDIUM** published at the place of sale, then
28 in the ~~newspaper~~ **PUBLIC MEDIUM** published nearest thereto, and by posting
29 notices in three conspicuous places at the place of sale for at least ten
30 days next preceding the date of the sale.

31 C. The notice shall contain a general description of the freight or
32 baggage to be sold, the check number and the name of the consignee, name of
33 the consignor, and the place where shipped from, if known, and the amount of
34 unpaid charges thereon, if any, and the time, place and terms of sale.

35 Sec. 190. Section 40-1121, Arizona Revised Statutes, is amended to
36 read:

37 40-1121. Board of directors of authority; qualifications;
38 appointment; terms; oath; meetings; compensation

39 A. All powers, privileges and duties vested in a metropolitan public
40 transit authority shall be administered by a board of directors consisting of
41 at least five and not more than eleven members. Each member shall be a
42 resident of the area covered by the authority. The initial board shall
43 consist of five members as appointed by the governing body or bodies of the
44 originating municipalities or counties. If the authority is organized by
45 more than one municipality or county, the initial board shall be appointed by

1 the governing bodies of such municipalities or counties with each such
 2 municipality or county having five votes for such selections. Such vote may
 3 be cast by a municipality or county for one member or may be divided among
 4 any number of prospective appointees, not exceeding five. The governing
 5 bodies of any such municipalities or counties in making such appointments
 6 shall provide for equal representation on a population basis to all areas
 7 within the operating area except each municipality or county the area or a
 8 portion of the area of which is included within the authority shall have at
 9 least one resident as a member of the board. The initial board shall serve
 10 until January 1 of the year succeeding the next general election of the
 11 state. The term of office of all elected boards of directors shall be four
 12 years. Each four years an election shall be held for the purpose of voting
 13 for members of the board, and the election shall be held at such time and
 14 conducted in such manner as prescribed by the governing body or bodies of the
 15 originating municipalities or counties. Appointment to fill a vacancy caused
 16 other than by expiration of term shall be made by resolution of the board,
 17 ~~upon~~ ON nomination of the governing body or bodies of the municipalities or
 18 counties entitled to representation on the board.

19 B. At least twelve weeks preceding the date of the next state general
 20 election, the governing body or bodies of the originating municipalities or
 21 counties shall call an election to be held for the succeeding board of
 22 directors. The call for election shall specify the number of directors to be
 23 voted for and what areas each is to represent. The governing body or bodies
 24 calling the election shall provide for equal representation on a population
 25 basis to all areas within the operating area except each municipality,
 26 county, or portion thereof if all the municipality or county is not within
 27 the authority, shall have at least one resident as a member of the board.
 28 The governing body or bodies calling the election shall prescribe the manner
 29 in which candidates of the board of directors shall qualify in order to have
 30 their names printed on the ballots.

31 C. The governing body or bodies calling the election shall set the day
 32 for the election to be held, which ~~day~~ shall be not less than six weeks after
 33 the call of the election. Notice of the election must be published once ~~in a~~
 34 ~~daily or weekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
 35 within the boundaries of the authority. The election shall be held as nearly
 36 as possible in conformity with the general election law. The governing body
 37 or bodies shall meet within thirty days following the election to canvass and
 38 to certify the results of the election. Only qualified electors residing
 39 within the boundaries of the authority on the date of the election shall be
 40 entitled to vote at such election. Electors may only vote for qualified
 41 candidates to represent the area in which such electors reside.

42 D. The governing body or bodies calling the election may provide that
 43 the election shall be held on the same date as the next state general
 44 election. It may require the board of supervisors of the county or counties
 45 in which the authority is located to conduct the election for the board of

1 directors in conjunction with its holding of the next state general
2 election. The election shall be held at the same polling places and
3 conducted by the same election officials as at the state general election,
4 but separate ballots shall be used and those offering to vote shall sign an
5 affidavit relating to their qualification to vote in the election for the
6 board of directors. In the event the county sustains any additional expense
7 above the normal expenditures incurred in connection with the general
8 election, the authority shall reimburse the county for such additional
9 expenditures.

10 E. Each director, before entering ~~upon~~ ON the duties of ~~his~~ office,
11 shall take the oath of office, a copy of which shall be filed with the
12 secretary of state and a copy thereof with the secretary of the authority.

13 F. The initial meeting of a board shall be held at the time and place
14 fixed by the governing body or bodies creating the authority, and at this
15 first meeting shall elect from among its membership a president, a
16 vice-president and a secretary, each of whom shall serve in such capacity for
17 a period of two years.

18 G. A majority of all members of the board shall constitute a quorum
19 for the transaction of business.

20 H. Directors shall each receive twenty-five dollars a day for
21 attendance at board meetings, but not to exceed fifty dollars in one calendar
22 month, and shall be reimbursed for travel to and from such meetings at the
23 rate of ten cents per mile.

24 Sec. 191. Section 40-1122, Arizona Revised Statutes, is amended to
25 read:

26 40-1122. Powers and duties of the board

27 A. The board of directors shall:

28 1. Be the governing body of the authority and, in compliance with ~~the~~
29 ~~provisions of~~ this article, shall determine all questions of policy of the
30 authority.

31 2. Fix the time and place at which its regular meeting shall be held,
32 and shall provide for the calling and holding of special meetings.

33 3. Determine what transportation facilities should be acquired or
34 constructed to provide the standards of public service determined by it to be
35 necessary and reasonably supportable.

36 4. Fix the location of the principal place of business of the
37 authority and the location of all offices and departments.

38 5. Supervise and regulate every transportation facility owned and
39 operated by the authority, including the fixing of routes, rates, fares,
40 rentals, charges and classifications thereof, and the making and enforcement
41 of rules, regulations, contracts, practices, ~~and~~ and schedules for or in
42 connection with any transportation facility owned or controlled by the
43 authority. The board shall establish such policies, insofar as practical, so
44 as to result in revenue ~~which~~ THAT will make the authority self-supporting.

1 6. Prescribe by resolution a system of business administration and
2 create any and all necessary offices and positions of employment, and select
3 and employ, and establish and reestablish, the powers, duties and
4 compensation of all officers and employees, prescribe the periods, terms and
5 conditions of their employment, and require and fix the amount of all
6 official bonds necessary for the protection of funds and property of the
7 authority.

8 7. Cause a semiannual audit to be made on all books and accounts of
9 the authority by an independent certified public accountant.

10 8. As soon as practical after the close of each fiscal year, submit to
11 the chief administrative officer and the governing body of any city and any
12 county whose area or a portion thereof is within the authority a financial
13 report showing the result of operations during the preceding fiscal year and
14 the financial status of the authority on the final day thereof. Copies of
15 the report shall be supplied to the general public ~~upon~~ ON request and shall
16 be published ~~in the newspaper having the largest circulation in the authority~~
17 ON A PUBLIC MEDIUM.

18 B. The board of directors may:

19 1. Contract and take all actions and proceedings and do any and all
20 other things necessary to carry out the purposes of this article.

21 2. Contract for or employ any professional services required by the
22 authority or for the performance of work or services for the authority,
23 which, in the opinion of the board, cannot satisfactorily be performed by the
24 officers or the employees of the authority.

25 3. Adopt bylaws to govern the operation of the authority.

26 4. By resolution, delegate and redelegate to officers of the authority
27 power to employ clerical, legal and engineering assistance and labor, and,
28 under such conditions and restrictions as shall be fixed by the directors,
29 power to bind the authority by contract.

30 5. Provide by resolution, under such terms and conditions as it sees
31 fit, for the payment of demands against the authority without prior specific
32 approval thereof by the board if the demand is for a purpose for which an
33 expenditure has been previously approved by the board in an amount no greater
34 than the amount so authorized, and if the demand is approved by the general
35 manager or such other officer or deputy as the board may prescribe.

36 6. On behalf of the authority, borrow money and issue bonds.

37 Sec. 192. Section 40-1131, Arizona Revised Statutes, is amended to
38 read:

39 40-1131. Bonds

40 A. For the purpose of acquiring, improving, enlarging or extending a
41 transit system, the authority may issue self-liquidating revenue bonds.
42 Bonds issued under this article shall be authorized by resolution of the
43 board and may be issued in one or more series and shall bear the date of
44 their issuance, mature at such time or times during a period of not to exceed
45 thirty years from date of issuance, be in such denomination or denominations

1 and in the form, coupon, registered, or registered as to principal only,
2 carry the conversion or registration privileges, have the rank or priority,
3 be executed in the manner, payable in the medium of payment, at the place or
4 places and subject to the terms of redemption, with or without premium, as
5 the resolution may provide, the total ~~principle~~ PRINCIPAL amount of all such
6 bonds of the authority shall not exceed at any time the sum of two million
7 dollars. Notwithstanding any provisions of law to the contrary, bonds issued
8 pursuant to this section are negotiable.

9 B. The bonds shall provide that:

10 1. No holder may compel the authority or any municipality the area or
11 a portion of the area of which is included in the operating area thereof to
12 exercise its ad valorem taxing power.

13 2. The bond does not constitute a debt of the authority and is payable
14 only from revenues from the operation of the authority and its equipment and
15 facilities.

16 C. The bonds may be sold at public or private sale, at not less than
17 the par value thereof with all accrued interest to date of delivery. In the
18 event such bonds are sold at public sale, the board shall call for bids by
19 publishing a notice inviting proposals for the purchase of the bonds at least
20 once a week for two successive weeks ~~prior to~~ BEFORE the date fixed for sale
21 of the bonds, ~~in a daily or weekly newspaper,~~ ON A PUBLIC MEDIUM published
22 ~~and of general circulation~~ in the involved county and designated for such
23 purpose, which notice shall be in the form the board shall prescribe.
24 Pending preparation of the definitive bonds, interim receipts or certificates
25 may be issued to the purchaser of the bonds in the form and containing the
26 provisions determined by the board.

27 Sec. 193. Section 40-1139, Arizona Revised Statutes, is amended to
28 read:

29 40-1139. Annual financial statement of authority; estimate of
30 expenses; notice of hearing on estimate

31 A. The board of directors of each metropolitan public transit
32 authority, on or before the third Monday in July each year, shall prepare a
33 full and complete statement of the financial affairs for the preceding fiscal
34 year and an estimate of the different amounts ~~which~~ THAT will be required to
35 meet the expense for the current fiscal year. The estimate shall include an
36 estimate of the amount of money required for each item of expenditure
37 necessary for authority purposes, the amounts necessary to pay the interest
38 and principal of outstanding bonds, the items and amounts of levy provided by
39 law and an amount for unanticipated contingencies or emergencies.

40 B. The estimate shall be entered ~~upon~~ ON the minutes of the board and
41 shall be fully itemized showing under separate heads the following:

42 1. The amounts estimated as required for each department, office or
43 official, for each improvement, for the maintenance of structures and
44 institutions and for the salaries of officers.

1 2. The separate amounts proposed for construction, maintenance,
2 engineering and administration of the facilities of the authority.

3 3. A full and complete disclosure and statement of the contemplated
4 expenditures for the ensuing year, showing the amount proposed to be expended
5 from each separate fund and the total amount of proposed expense.

6 C. The estimate shall also contain:

7 1. A statement of the receipts for the previous year from sources
8 other than direct property taxes.

9 2. The amounts estimated to be received during the current fiscal year
10 from sources other than direct property taxes.

11 3. The amounts actually levied and the amounts actually collected for
12 authority purposes ~~upon~~ ON the tax rolls of the previous fiscal year.

13 4. The amount proposed to be raised by direct property taxation for
14 the current fiscal year.

15 D. The estimate required by this section shall be published with a
16 notice that the board will hold a hearing on such estimate for the purposes
17 provided in section 40-1140. Such publication shall be once a week for at
18 least two consecutive weeks ~~in the official newspaper of~~ ON A PUBLIC MEDIUM
19 PUBLISHED the county, ~~if there is one, and if not, in a newspaper of general~~
20 ~~circulation therein.~~

21 Sec. 194. Section 40-1143, Arizona Revised Statutes, is amended to
22 read:

23 40-1143. Bids required by board; exception

24 The purchase of all supplies, equipment and materials, and construction
25 facilities and works, when the expenditure required exceeds two thousand five
26 hundred dollars shall be by contract let to the lowest responsible bidder.
27 Notice requesting bids shall be published ~~in a newspaper of general~~
28 ~~circulation of~~ ON A PUBLIC MEDIUM PUBLISHED in the area at least once and not
29 less than ten days ~~prior to~~ BEFORE expiration of the period within which bids
30 shall be received. The board may reject any and all bids and readvertise at
31 its discretion. If, after rejecting bids, the board determines and declares
32 by vote of two-thirds of all its members that in its opinion supplies,
33 equipment and materials may be purchased at a lower price on the open market,
34 the board may proceed to purchase the same in the open market without further
35 observances of the provisions requiring contracts, bids or notice.
36 Contracts, in writing or otherwise, may be let without advertising for or
37 inviting bids when any repairs, alterations or other work or for the purchase
38 of materials, supplies, equipment or other property shall be deemed by the
39 board of directors to be of urgent necessity, and shall be authorized by a
40 two-thirds vote of the entire board membership.

41 Sec. 195. Section 41-109, Arizona Revised Statutes, is amended to
42 read:

43 41-109. Prevention of child abuse fund; definitions

44 A. The prevention of child abuse fund is established consisting of
45 monies received pursuant to section 28-2417. The director of the division

1 for children in the governor's office shall administer the fund. Not more
2 than three per cent of monies deposited in the fund annually shall be used
3 for the cost of administering the fund. Monies in the fund are continuously
4 appropriated.

5 B. The director of the division for children in the governor's office
6 shall allocate monies through a private foundation that is qualified under
7 section 501(c)(3) of the United States internal revenue code for federal
8 income tax purposes, that guarantees matching all or a portion of the monies
9 and that further allocates the monies to primary prevention programs that
10 strengthen families and that increase public and professional awareness to
11 prevent child abuse in all its forms to children in this state. The director
12 of the division for children in the governor's office shall forward all
13 monies deposited in the prevention of child abuse fund, excluding
14 administrative fees, to the private foundation on an annual basis.

15 C. On notice from the director of the division for children in the
16 governor's office, the state treasurer shall invest and divest monies in the
17 fund as provided by section 35-313 and monies earned from investment shall be
18 credited to the fund.

19 D. Monies in the fund are exempt from the provisions of section 35-190
20 relating to lapsing of appropriations.

21 E. Before allocating monies pursuant to subsection B of this section:

22 1. The director of the division for children in the governor's office
23 shall prepare and issue a request for donation application that includes at
24 least the following information:

25 (a) A description of the nature of the donation project, including the
26 scope of the work to be performed by an awardee.

27 (b) Identification of the funding source and the total amount of
28 available funds.

29 (c) Whether a single award or multiple awards may be made.

30 (d) Encouragement of collaboration by entities for community
31 partnerships, if appropriate.

32 (e) Any additional information required by the applications.

33 (f) The criteria or factors under which an application will be
34 evaluated for award and the relative importance of each criteria or factor.

35 (g) The due date for submittal of an application and the anticipated
36 time the awards may be made.

37 2. Adequate public notice of the request for donation application
38 shall be given a reasonable time before the date set forth in the request for
39 application. The notice may include publication one or more times ~~in a~~
40 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in this state a
41 reasonable time before the application opening.

42 3. A preapplication conference may be conducted before the due date
43 for the submittal of an application to explain the donation application
44 requirements. Statements made at a preapplication conference are not

1 amendments to a request for a donation application unless a written amendment
2 is issued.

3 4. A donation application shall be publicly received at the time and
4 place designated in the request for donation application. The name of each
5 applicant shall be publicly read and recorded. All other information in the
6 donation application is confidential during the process of evaluation. All
7 applications shall be open for public inspection after donations are awarded.
8 To the extent the applicant designates and the state concurs, trade secrets
9 and other proprietary information contained in the application shall remain
10 confidential.

11 5. An application shall be evaluated by at least three evaluators who
12 are peers or other qualified individuals. The evaluators may allow an
13 applicant to make an oral or written presentation regarding the scope of
14 work, terms and conditions of the donations, budget and other relevant
15 matters set forth in the request for application. An applicant shall be
16 accorded fair treatment with respect to any opportunity for oral or written
17 presentations. The evaluators may require an applicant to revise the
18 application to reflect information provided in an oral or written
19 presentation. Any person who has information contained in the application of
20 competing applicants shall not disclose that information.

21 6. The evaluators shall review each application based solely on the
22 evaluation criteria or factors set forth in the request for donation
23 application. Each evaluator shall maintain a written record of the
24 evaluator's assessment of each application, which shall include comments
25 regarding compliance with each evaluation criteria or factor, the citation of
26 a specific criteria or factor as the basis of each stated strength or
27 weakness and a clear differentiation between comments based on facts
28 presented in the application and comments based on professional judgment.

29 7. The evaluators shall make award recommendations to the director of
30 the division for children in the governor's office based on the evaluators'
31 reviews of each application. The evaluators' recommendations may include the
32 adjustment of the budgets of the applicants individually or collectively.

33 8. The director of the division for children in the governor's office
34 may affirm, modify or reject the evaluators' recommendations in whole or in
35 part. Modification of the evaluators' recommendations may include the
36 adjustment of the budget on any proposed award individually or on all awards
37 by an amount or percentage. If the director of the division modifies or
38 rejects the recommendations, the director shall document in writing the
39 specific justifications for the action taken.

40 9. The director of the division for children in the governor's office
41 may enter into agreements with other state governmental units to furnish
42 assistance in conducting the solicitation of donation applications.

43 10. The director of the division for children in the governor's office
44 may resolve protests of the award or proposed award of a donation. An appeal
45 from a decision of the director of the division for children in the

1 governor's office may be made to the director of the department of
2 administration. A protest of an award or proposed award of a donation and
3 any appeals shall be resolved in accordance with the rules of procedure
4 adopted by the department of administration pursuant to section 41-2611.

5 F. On or before December 31 of each year, the director of the division
6 for children in the governor's office shall submit a written report to the
7 governor, the president of the senate and the speaker of the house of
8 representatives on all expenditures made from the fund in that calendar
9 year. The report shall include all administrative expenses, all grants of
10 monies, the names of grantees and any remaining balance in the fund. The
11 director shall provide a copy of the report to the secretary of state ~~and the~~
12 ~~director of the Arizona state library, archives and public records.~~

13 G. The director of the division for children in the governor's office
14 shall make available to the public a list of all grants awarded pursuant to
15 this section.

16 H. For the purposes of this section, unless the context otherwise
17 requires:

18 1. "Donation" means furnishing financial or other assistance,
19 including state funds or federal grant funds, by the director of the division
20 for children in the governor's office to any person for the purpose of
21 supporting or stimulating primary prevention programs that strengthen
22 families and that increase public and professional awareness to prevent child
23 abuse in all its forms to children of this state if no substantial
24 involvement between the division for children and the recipient occurs during
25 performance.

26 2. "Person" means any corporation, business, individual, committee,
27 club or other organization or group of individuals.

28 Sec. 196. Section 41-563.01, Arizona Revised Statutes, is amended to
29 read:

30 41-563.01. Notification of vote by governing board

31 In the event of a vote by the governing board of any political
32 subdivision pursuant to article IX, section 20, Constitution of Arizona, for
33 the purpose of authorizing expenditures in excess of the prescribed
34 limitations or for proposing an alternative spending limitation, the
35 governing board shall:

36 1. ~~Prior to~~ BEFORE the vote hold two public hearings on the proposed
37 action. Notice of such hearings shall be published once a week for at least
38 two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
39 MEDIUM PUBLISHED in the applicable political subdivision. Immediately
40 following the second public hearing, the governing board shall convene a
41 special meeting and vote on the proposed excess expenditure.

42 2. Following the vote, a notice shall be published ~~in a newspaper of~~
43 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the political
44 subdivision. The notice shall contain the following:

- 45 (a) A record of the vote.

1 (b) If approved, the amount of the expenditures ~~which~~ THAT exceed the
2 amount allowed pursuant to article IX, section 20, subsection (1),
3 Constitution of Arizona.

4 (c) If approved a statement of the purpose or purposes for which the
5 excess expenditures will be expended and the source of revenues to be used to
6 finance the excess expenditures.

7 Sec. 197. Section 41-1276, Arizona Revised Statutes, is amended to
8 read:

9 41-1276. Truth in taxation levy for equalization assistance to
10 school districts

11 A. On or before February 15 of each year, the joint legislative budget
12 committee shall compute and transmit the truth in taxation rates for
13 equalization assistance for school districts for the following fiscal year
14 to:

15 1. The chairmen of the house of representatives ways and means
16 committee and the senate finance committee or their successor committees.

17 2. The chairmen of the appropriations committees of the senate and the
18 house of representatives or their successor committees.

19 B. The truth in taxation rates consist of the qualifying tax rate for
20 a high school district or a common school district within a high school
21 district that does not offer instruction in high school subjects pursuant to
22 section 15-971, subsection B, paragraph 1, a qualifying tax rate for a
23 unified district, a common school district not within a high school district
24 or a common school district within a high school district that offers
25 instruction in high school subjects pursuant to section 15-971, subsection B,
26 paragraph 2 and a state equalization assistance property tax rate pursuant to
27 section 15-994 that will offset the change in net assessed valuation of
28 property that was subject to tax in the prior year.

29 C. The joint legislative budget committee shall compute the truth in
30 taxation rates as follows:

31 1. Determine the statewide primary net assessed value for the
32 preceding tax year as provided in section 42-17151, subsection A,
33 paragraph 3.

34 2. Determine the statewide primary net assessed value for the current
35 tax year, excluding the net assessed value of property that was not subject
36 to tax in the preceding year.

37 3. Divide the amount determined in paragraph 1 of this subsection by
38 the amount determined in paragraph 2 of this subsection.

39 4. Adjust the qualifying tax rates and the state equalization
40 assistance property tax rate for the current fiscal year by the percentage
41 determined in paragraph 3 of this subsection in order to offset the change in
42 net assessed value.

43 D. Except as provided in subsections E and G of this section, the
44 qualifying tax rate for a high school district or a common school district
45 within a high school district that does not offer instruction in high school

1 subjects, the qualifying tax rate for a unified school district, a common
2 school district not within a high school district or a common school district
3 within a high school district that offers instruction in high school subjects
4 and the state equalization assistance property tax rate for the following
5 fiscal year shall be the rate determined by the joint legislative budget
6 committee pursuant to subsection C of this section. The committee shall
7 transmit the rates to the superintendent of public instruction and the county
8 boards of supervisors by March 15 each year.

9 E. If the legislature proposes either qualifying tax rates or a state
10 equalization assistance property tax rate that exceeds the truth in taxation
11 rate:

12 1. The house of representatives ways and means committee and the
13 senate finance committee or their successor committees shall hold a joint
14 hearing on or before February 28 and publish a notice of a truth in taxation
15 hearing that meets the following requirements:

16 (a) The notice shall be published twice ~~in a newspaper of general~~
17 ~~circulation~~ ON A PUBLIC MEDIUM in this state that is published at the state
18 capital. The first publication shall be at least fourteen but not more than
19 twenty days before the date of the hearing. The second publication shall be
20 at least seven but not more than ten days before the date of the hearing.

21 (b) The notice shall be published in a location other than the
22 classified or legal advertising section of the ~~newspaper~~ PUBLIC MEDIUM.

23 (c) The notice shall be at least one-fourth page in size and shall be
24 surrounded by a solid black border at least one-eighth inch in width.

25 (d) The notice shall be in the following form, with the "truth in
26 taxation hearing - notice of tax increase" headline in at least eighteen
27 point type:

28 Truth in Taxation Hearing
29 Notice of Tax Increase

30 In compliance with section 41-1276, Arizona Revised
31 Statutes, the state legislature is notifying property taxpayers
32 in Arizona of the legislature's intention to raise the property
33 tax levy over last year's level.

34 The proposed tax increase will cause the taxes on a
35 \$100,000 home to increase by \$_____.

36 All interested citizens are invited to attend a public
37 hearing on the tax increase that is scheduled to be held
38 _____ (date and time) at _____ (location).

39 (e) For purposes of computing the tax increase on a one hundred
40 thousand dollar home as required by the notice, the joint meeting of the
41 house of representatives ways and means committee and the senate finance
42 committee or their successor committees shall consider the difference between
43 the truth in taxation rate and the proposed increased rate.

1 the director shall give consideration to contracting for private prisons for
2 the incarceration of:

3 1. Prisoners convicted of offenses pursuant to title 28, chapter 4,
4 article 3.

5 2. Prisoners convicted of offenses pursuant to title 13, chapter 14.

6 3. Female prisoners.

7 4. Prisoners over the age of fifty-five years.

8 5. Other inmate populations identified by the director.

9 B. Before entering into a contract with a private prison facility
10 contractor for the incarceration of prisoners listed in subsection A of this
11 section, the director shall determine that the contractor will provide at
12 least the same quality of services as this state at a lower cost or that the
13 contractor will provide services superior in quality to those provided by
14 this state at essentially the same cost. In making this determination, the
15 director shall consider the following:

16 1. Security.

17 2. Inmate management and control.

18 3. Inmate programs and services.

19 4. Facility safety and sanitation.

20 5. Administration.

21 6. Food service.

22 7. Personnel practices and training.

23 8. Inmate health services.

24 9. Inmate discipline.

25 C. The director shall identify from subsection A of this section, the
26 appropriate inmate population for placement in privatized beds and the
27 corresponding number of inmates. The director shall report the information
28 to the governor, the legislature and the joint select committee on
29 corrections by October 15 of every year for consideration in determining
30 expansion of prison capacity.

31 D. The director may establish other private incarceration facilities
32 that are dedicated to the confinement of persons who are sentenced to the
33 department.

34 E. Before incurring any obligation for the establishment of any
35 private incarceration facility, the department shall give at least sixty
36 days' written notice to all of the following:

37 1. The president of the senate.

38 2. The speaker of the house of representatives.

39 3. The senate minority leader and the house of representatives
40 minority leader.

41 4. The state senator and the state representatives whose legislative
42 district includes the proposed site.

43 5. Any state senator and state representatives whose legislative
44 district is located within two miles of the proposed site.

1 6. Each member of the county board of supervisors if the proposed site
2 is in an unincorporated area or each member of the governing body of the city
3 or town in which the proposed site is located.

4 7. Each member of the governing board of the local school district in
5 which the proposed site is located.

6 F. The department shall hold a hearing in the county for an
7 unincorporated area or in the city or town in which the potential site is
8 located. The department shall publish a notice of the public hearing ~~in a~~
9 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area at
10 least ten days before the hearing. After the public hearing, the department
11 shall make a final site determination for the private incarceration facility.

12 ~~G. The final site determination of a private incarceration facility is~~
13 ~~subject to review by the joint select committee on corrections pursuant to~~
14 ~~section 41-1610.04.~~

15 Sec. 199. Section 41-1713, Arizona Revised Statutes, is amended to
16 read:

17 41-1713. Powers and duties of director; authentication of
18 records

19 A. The director of the department shall:

20 1. Be the administrative head of the department.

21 2. Subject to the merit system rules, appoint, suspend, demote,
22 promote or dismiss all other classified employees of the department on the
23 recommendation of their respective division superintendent. The director
24 shall determine and furnish the law enforcement merit system council
25 established by section 41-1830.11 with a table of organization. The
26 superintendent of each division shall serve at the concurrent pleasure of the
27 director and the governor.

28 3. Except as provided in sections 12-119, 41-1304 and 41-1304.05,
29 employ officers and other personnel as the director deems necessary for the
30 protection and security of the state buildings and grounds in the
31 governmental mall described in section 41-1362, state office buildings in
32 Tucson and persons who are on any of those properties. Department officers
33 may make arrests and issue citations for crimes or traffic offenses and for
34 any violation of a rule adopted under section 41-796. For the purposes of
35 this paragraph, security does not mean security services related to building
36 operation and maintenance functions provided by the department of
37 administration.

38 4. Make rules necessary for the operation of the department.

39 5. Annually submit a report of the work of the department to the
40 governor and the legislature, or more often if requested by the governor or
41 the legislature.

42 6. Appoint a deputy director with the approval of the governor.

43 7. Adopt an official seal that contains the words "department of
44 public safety" encircling the seal of this state as part of its design.

1 8. Investigate, on receipt, credible evidence that a licensee or
2 registrant has been arrested for, charged with or convicted of an offense
3 that would preclude the person from holding a license or registration
4 certificate issued pursuant to title 32, chapter 26.

5 9. Cooperate with the Arizona-Mexico commission in the governor's
6 office and with researchers at universities in this state to collect data and
7 conduct projects in the United States and Mexico on issues that are within
8 the scope of the department's duties and that relate to quality of life,
9 trade and economic development in this state in a manner that will help the
10 Arizona-Mexico commission to assess and enhance the economic competitiveness
11 of this state and of the Arizona-Mexico region.

12 10. Adopt and administer the breath, blood or other bodily substances
13 test rules pursuant to title 28, chapter 4.

14 11. Develop procedures to exchange information with the department of
15 transportation for any purpose related to sections 28-1324, 28-1325, 28-1326,
16 28-1462 and 28-3318.

17 12. Collaborate with the state forester in presentations to legislative
18 committees on issues associated with wildfire prevention, suppression and
19 emergency management as provided by section 37-622, subsection B.

20 B. The director may:

21 1. Issue commissions to officers of the department.

22 2. Request the cooperation of the utilities, communication media and
23 public and private agencies and any sheriff or other peace officer in any
24 county or municipality, within the limits of their respective jurisdictions
25 when necessary, to aid and assist in the performance of any duty imposed by
26 this chapter.

27 3. Cooperate with any public or private agency or person to receive or
28 give necessary assistance and may contract for such assistance subject to
29 legislative appropriation controls.

30 4. Utilize the advice of the board and cooperate with sheriffs, local
31 police and peace officers within the state for the prevention and discovery
32 of crimes, the apprehension of criminals and the promotion of public safety.

33 5. Acquire in the name of the state, either in fee or lesser estate or
34 interest, all real or any personal property that the director considers
35 necessary for the department's use, by purchase, donation, dedication,
36 exchange or other lawful means. All acquisitions of personal property
37 pursuant to this paragraph shall be made as prescribed in chapter 23 of this
38 title unless otherwise provided by law.

39 6. Dispose of any property, real or personal, or any right, title or
40 interest in the property, when the director determines that the property is
41 no longer needed or necessary for the department's use. Disposition of
42 personal property shall be as prescribed in chapter 23 of this title. The
43 real property shall be sold by public auction or competitive bidding after
44 notice published ~~in a daily newspaper of general circulation~~ ON A PUBLIC
45 MEDIUM, not less than three times, two weeks before the sale and subject to

1 the approval of the director of the department of administration. When real
2 property is sold, it shall not be sold for less than the appraised value as
3 established by a competent real estate appraiser. Any monies derived from
4 the disposal of real or personal property shall be deposited, pursuant to
5 sections 35-146 and 35-147, in the Arizona highway patrol fund as authorized
6 by section 41-1752, subsection B, paragraph 6.

7 7. Sell, lend or lease personal property directly to any state, county
8 or local law enforcement agency. Personal property may be sold or leased at
9 a predetermined price without competitive bidding. Any state, county or
10 local law enforcement agency receiving personal property may not resell or
11 lease the property to any person or organization except for educational
12 purposes.

13 8. Dispose of surplus property by transferring the property to the
14 department of administration for disposition to another state budget unit or
15 political subdivision if the state budget unit or political subdivision is
16 not a law enforcement agency.

17 9. Lease or rent personal property directly to any state law
18 enforcement officer for the purpose of traffic safety, traffic control or
19 other law enforcement related activity.

20 10. Sell for one dollar, without public bidding, the department issued
21 handgun or shotgun to a department officer on duty related retirement
22 pursuant to title 38, chapter 5, article 4. Any monies derived from the sale
23 of the handgun or shotgun to the retiring department officer shall be
24 deposited, pursuant to sections 35-146 and 35-147, in the Arizona highway
25 patrol fund as authorized by section 41-1752, subsection B, paragraph 6.

26 11. Conduct state criminal history records checks for the purpose of
27 updating and verifying the status of current licensees or registrants who
28 have a license or certificate issued pursuant to title 32, chapter 26. The
29 director shall investigate, on receipt, credible evidence that a licensee or
30 registrant has been arrested for, charged with or convicted of an offense
31 that would preclude the person from holding a registration certificate issued
32 pursuant to title 32, chapter 26.

33 12. Grant a maximum of two thousand eighty hours of industrial injury
34 leave to any sworn department employee who is injured in the course of the
35 employee's duty, any civilian department employee who is injured in the
36 course of performing or assisting in law enforcement or hazardous duties or
37 any civilian department employee who was injured as a sworn department
38 employee rehired after August 9, 2001 and would have been eligible pursuant
39 to this paragraph and whose work-related injury prevents the employee from
40 performing the normal duties of that employee's classification. This
41 industrial injury leave is in addition to any vacation or sick leave earned
42 or granted to the employee and does not affect the employee's eligibility for
43 any other benefits, including workers' compensation. The employee is not
44 eligible for payment pursuant to section 38-615 of industrial injury leave
45 that is granted pursuant to this paragraph. Subject to approval by the law

1 enforcement merit system council, the director shall adopt rules and
2 procedures regarding industrial injury leave hours granted pursuant to this
3 paragraph.

4 13. Sell at current replacement cost, without public bidding, the
5 department issued badge of authority to an officer of the department on the
6 officer's promotion or separation from the department. Any monies derived
7 from the sale of the badge to an officer shall be deposited, pursuant to
8 sections 35-146 and 35-147, in the department of public safety administration
9 fund to offset replacement costs.

10 C. The director and any employees of the department that the director
11 designates in writing may use the seal adopted pursuant to subsection A,
12 paragraph 7 of this section to fully authenticate any department records and
13 copies of these records. These authenticated records or authenticated copies
14 of records shall be judicially noticed and shall be received in evidence by
15 the courts of this state without any further proof of their authenticity.

16 Sec. 200. Section 41-2533, Arizona Revised Statutes, is amended to
17 read:

18 41-2533. Competitive sealed bidding

19 A. Contracts shall be awarded by competitive sealed bidding except as
20 otherwise provided in section 41-2532.

21 B. An invitation for bids shall be issued and shall include a purchase
22 description and all contractual terms and conditions applicable to the
23 procurement.

24 C. Adequate public notice of the invitation for bids shall be given a
25 reasonable time before the date set forth in the invitation for the opening
26 of bids, in accordance with rules adopted by the director. The notice may
27 include publication one or more times ~~in a newspaper of general circulation~~
28 **ON A PUBLIC MEDIUM** a reasonable time before bid opening. If the invitation
29 for bids is for the procurement of services other than those described in
30 sections 41-2513, 41-2578, 41-2579 and 41-2581, the notice shall include
31 publication in a single ~~newspaper~~ **PUBLIC MEDIUM** or in multiple ~~newspapers~~
32 **PUBLIC MEDIA** within this state. The publication shall be not less than two
33 weeks before bid opening and shall be circulated within the affected
34 governmental jurisdiction. The notice may also be posted at a designated
35 site on a worldwide public network of interconnected computers.

36 D. Bids shall be opened publicly at the time and place designated in
37 the invitation for bids. The amount of each bid, and such other relevant
38 information as may be specified by rule, together with the name of each
39 bidder shall be recorded. This record shall be open to public inspection at
40 the bid opening in a manner prescribed by rule. The bids shall not be open
41 for public inspection until after a contract is awarded. To the extent the
42 bidder designates and the state concurs, trade secrets or other proprietary
43 data contained in the bid documents shall remain confidential in accordance
44 with rules adopted by the director.

1 E. Bids shall be unconditionally accepted without alteration or
 2 correction, except as authorized in this chapter. Bids shall be evaluated
 3 based on the requirements set forth in the invitation for bids, including
 4 criteria to determine acceptability such as inspection, testing, quality,
 5 workmanship, delivery and suitability for a particular purpose, as prescribed
 6 in rules adopted by the director. The invitation for bids shall set forth
 7 the evaluation criteria to be used, including the weighting of identified
 8 criteria. Evaluation criteria shall not be used for construction and no
 9 criteria may be used in bid evaluation that are not set forth in the
 10 invitation for bids.

11 F. The correction or withdrawal of erroneous bids before or after bid
 12 opening, based on bid mistakes, may be permitted in accordance with rules
 13 adopted by the director. After bid opening, no corrections in bid prices or
 14 other provisions of bids prejudicial to the interest of this state or fair
 15 competition shall be permitted. Except as otherwise provided by rule, all
 16 decisions to permit the correction or withdrawal of bids, or to cancel awards
 17 or contracts based on bid mistakes, shall be supported by a written
 18 determination made by the director.

19 G. The contract shall be awarded to the lowest responsible and
 20 responsive bidder whose bid conforms in all material respects to the
 21 requirements and criteria set forth in the invitation for bids. The amount
 22 of any applicable transaction privilege or use tax of a political subdivision
 23 of this state is not a factor in determining the lowest bidder. If all bids
 24 for a construction project exceed available monies as certified by the
 25 appropriate fiscal officer, and the low responsive and responsible bid does
 26 not exceed such monies by more than five per cent, the director may in
 27 situations in which time or economic considerations preclude resolicitation
 28 of work of a reduced scope negotiate an adjustment of the bid price,
 29 including changes in the bid requirements, with the low responsive and
 30 responsible bidder, to bring the bid within the amount of available monies.

31 H. The multistep sealed bidding method may be used if the director
 32 determines in writing that it is not practicable to initially prepare a
 33 definitive purchase description ~~which~~ THAT is suitable to permit an award
 34 based on competitive sealed bidding. An invitation for bids may be issued
 35 requesting the submission of technical offers to be followed by an invitation
 36 for bids limited to those bidders whose offers are determined to be
 37 technically acceptable under the criteria set forth in the first
 38 solicitation, except that the multistep sealed bidding method may not be used
 39 for construction contracts.

40 I. If the price of a recycled paper product which conforms to
 41 specifications is within five per cent of a low bid product ~~which~~ THAT is not
 42 recycled and the recycled product bidder is otherwise the lowest responsible
 43 and responsive bidder, the award shall be made to the bidder offering the
 44 recycled product. The director may adopt rules requiring a five per cent
 45 preference for other products made from recycled materials.

1 Sec. 201. Section 42-1124, Arizona Revised Statutes, is amended to
2 read:

3 42-1124. Failure to affix stamps or pay or account for tax;
4 forfeiture of commodity; sale of forfeited
5 commodity; effect of seizure and sale; request for
6 administrative hearing; definitions

7 A. If the department or its authorized agents or representatives
8 discover any luxury subject to tax under chapter 3 of this title to which
9 official stamps have not been affixed as required or on which the tax has not
10 been paid or accounted for, the department or its agent or representative may
11 seize and take possession of the luxury, and it is deemed forfeited to this
12 state. Except as provided in subsection D or E of this section, the
13 department ~~shall~~ within a reasonable time thereafter, pursuant to a notice
14 posted on the premises or by publication ~~in a newspaper of general~~
15 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county where the sale is to
16 take place, not fewer than five days before the date of sale, SHALL offer for
17 sale and sell the forfeited luxuries. The department shall pay the proceeds
18 of the sale into the state general fund. The sale shall take place in the
19 county ~~which~~ THAT is most convenient and economical. The department need not
20 offer any property for sale if, in its opinion, the probable cost of sale
21 exceeds the value of the property.

22 B. The seizure and sale do not relieve any person from the penalties
23 provided for violating this title.

24 C. The department of revenue may enter into an interagency agreement
25 with the department of transportation for the purpose of carrying out tobacco
26 enforcement under chapter 3 of this title at ports of entry.

27 D. All cigarettes that are seized for violations under this title
28 shall be forfeited to this state. All cigarettes that are forfeited to this
29 state pursuant to section 36-798.06 or 42-3210 or section 44-7111, section
30 6(b) shall be destroyed. If a cigarette distributor defrauds this state by
31 knowingly and intentionally failing to keep or make any record, return,
32 report or inventory pertaining to cigarettes, by refusing to pay any luxury
33 tax for cigarettes subject to tax under chapter 3 of this title or by
34 attempting to evade or defeat any requirement of this title, the cigarette
35 distributor shall forfeit to this state all fixtures, equipment and all other
36 materials and personal property that are located on the premises of the
37 cigarette distributor. Alternatively, at the request of the department, the
38 cigarette distributor may be enjoined by an action commenced by the attorney
39 general or a county attorney in the name of the state from engaging or
40 continuing in any business for which a tax is imposed by this chapter until
41 the tax has been paid and until such person has complied with this title.

42 E. The department may sell or otherwise dispose of any cigarettes
43 forfeited to this state on such conditions as it deems most advantageous and
44 just under the circumstances, unless such cigarettes are forfeited pursuant
45 to section 36-798.06 or 42-3210 or section 44-7111, section 6(b). The

1 department shall deposit the proceeds of any sales made pursuant to this
2 subsection in the state general fund.

3 F. The department shall give notice of the seizure and forfeiture of
4 cigarettes described in this section by personal service or by certified mail
5 to all persons known by the department to have any right, title or interest
6 in the property. Notice shall include a description of the cigarettes
7 seized, the reason for the seizure and the time and place of the seizure.
8 The following apply to the notice under this subsection:

9 1. Except as provided in paragraph 2 of this subsection, the
10 department shall post and maintain an ~~on-line~~ ONLINE notice of seizure and
11 forfeiture on its ~~web-site~~ WEBSITE for a period of at least six months,
12 beginning no later than ten business days after the date of the personal
13 service of the notice to a person or the date of the mailing of the notice.
14 The ~~on-line~~ ONLINE notice shall display the date on which the department
15 posts the notice to the ~~web-site~~ WEBSITE, which shall serve as the date of
16 publication of the notice.

17 2. An ~~on-line~~ ONLINE notice is not required if the amount of
18 cigarettes seized is less than sixty-one cartons of two hundred cigarettes
19 each.

20 G. Any person whose legal rights, duties or privileges are determined
21 by the notice of seizure and forfeiture may file a request for an
22 administrative hearing with the department on a form prescribed by the
23 department. The request for an administrative hearing shall contain a
24 statement of the petitioner's interest in the cigarettes and an explanation
25 of why the release or recovery of the cigarettes is warranted on the ground
26 that the cigarettes were erroneously or illegally seized.

27 H. The seizure and forfeiture of cigarettes or other tobacco products
28 by the department is an appealable agency action as defined in section
29 41-1092 and is governed by title 41, chapter 6, article 10 and section
30 42-1251, except that:

31 1. A request for an administrative hearing that is filed under
32 subsection G of this section is deemed to be timely filed if the request is
33 filed with the department within ten days after the date of personal service
34 on the petitioner or the date of mailing the notice to the petitioner. Any
35 person not served personally or by mail shall file the request within ten
36 days after the date of publication of the notice. The failure of a person to
37 file a timely request constitutes a bar to that person's right to any
38 interest in the cigarettes or other tobacco products, except insofar as the
39 rights of that person may be established in an action filed by the department
40 under this chapter.

41 2. If a request for an administrative hearing is not filed with the
42 department at the expiration of ten days after the notice has been personally
43 served, mailed or published, the department's determination is final. If a
44 timely request for an administrative hearing has been filed with the
45 department, the department shall request a hearing by the office of

1 administrative hearings and the department shall suspend action until the
2 final order of the department has been issued. An order that is issued by
3 the office of administrative hearings shall be the final order of the
4 department thirty days after the petitioner receives the decision unless a
5 decision by the director is issued pursuant to section 42-1251. If the
6 director issues a decision, that decision is the final order of the
7 department.

8 I. For the purposes of this section, "cigarette" and "cigarette
9 distributor" have the same meanings prescribed in section 42-3001.

10 Sec. 202. Section 42-2056, Arizona Revised Statutes, is amended to
11 read:

12 42-2056. Closing agreements in cases of extensive taxpayer
13 misunderstanding or misapplication; attorney general
14 approval; rules; definition

15 A. If the department determines that noncompliance with tax
16 obligations results from extensive misunderstanding or misapplication of
17 provisions of this title or title 43 it may enter into closing agreements
18 with those taxpayers under the following terms and conditions:

19 1. Extensive misunderstanding or misapplication of the tax laws occurs
20 if the department determines that more than sixty per cent of the persons in
21 the affected class have failed to properly account for their taxes owing to
22 the same misunderstanding or misapplication of the tax laws.

23 2. The department shall make an initial determination as to the
24 existence of an affected class of taxpayers. After a review of the
25 taxpayer's request, the department may determine that there has not been an
26 extensive misunderstanding or misapplication of the tax laws by an affected
27 class of taxpayers. At that time, the department will notify the taxpayer
28 that the request is denied.

29 3. The department shall publicly declare the nature of the possible
30 misunderstanding or misapplication and the proposed definition of the class
31 of affected taxpayers and shall conduct a public hearing to hear testimony
32 regarding the extent of the misunderstanding or misapplication and the
33 definition of the affected class. Within sixty days after close of the
34 public hearing, the department shall notify the attendees at the public
35 hearing and publish a public notice on its website stating whether relief
36 will be granted.

37 4. If, after the public hearing, the department determines that a
38 class of affected taxpayers has failed to comply with ~~their~~ ITS tax
39 obligations because of extensive misunderstanding or misapplication of the
40 tax laws, it shall issue a tax ruling announcing that finding and publish the
41 ruling ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM.

42 5. A closing agreement under this section may abate some or all of the
43 penalties, interest and tax that the taxpayers have failed to remit, or the
44 agreement may provide for the prospective treatment of the matter as to the
45 class of affected taxpayers. Notwithstanding section 42-1113, all taxpayers

1 in the class shall be offered the opportunity to enter into a similar
2 agreement for the same tax periods.

3 6. Taxpayers in the affected class who have properly accounted for
4 their tax obligations for these tax periods shall be offered the opportunity
5 to enter into a similar closing agreement providing for a pro rata credit or
6 refund of their taxes previously paid, subject to section 42-1104, subsection
7 A and section 42-1106, subsection A.

8 7. The closing agreement shall require the taxpayers to properly
9 account for and pay such taxes in the future. If a taxpayer fails to comply
10 with that requirement, the agreement is voidable by the department and the
11 department may assess the taxpayer for the delinquent taxes. The department
12 may issue such a proposed assessment within six months after the date that it
13 declares the agreement void or within the period prescribed by section
14 42-1104, whichever is later.

15 B. A person who filed a written request for relief under this section
16 but has been denied relief as the result of the department's determination
17 that the elements of subsection A, paragraph 3 of this section have not been
18 established may appeal that determination pursuant to the same procedure as
19 provided in chapter 1, article 6 of this title. A person who files an appeal
20 under this subsection, who also has another appeal pending pursuant to
21 chapter 1, article 6 of this title on a matter solely related to the matter
22 at issue in the department's determination under this section, may petition
23 the relevant appellate forum to hold that appeal in abeyance pending the
24 resolution of the person's appeal pursuant to this section, and the agency,
25 tribunal or court must grant the petition.

26 C. Before entering into closing agreements pursuant to this section,
27 the department shall secure the approval of the attorney general of the tax
28 ruling and the agreements. The department may not enter into the agreements
29 without such approval from the attorney general.

30 D. After a closing agreement has been signed pursuant to this section,
31 and subject to the taxpayer's compliance with the requirements of subsection
32 A, paragraph 6 of this section, it is final and conclusive except on a
33 showing of fraud, malfeasance or misrepresentation of a material fact. The
34 case shall not be reopened as to the matters agreed on, and the agreement
35 shall not be modified by any officer, employee or agent of the state. The
36 agreement or any determination, assessment, collection, payment abatement,
37 refund or credit made pursuant to the agreement shall not be annulled,
38 modified, set aside or disregarded in any suit, action or proceeding.

39 E. The department shall report in writing its activities under this
40 section to the governor, the president of the senate and the speaker of the
41 house of representatives on or before February 1 of each year.

42 F. The department may adopt rules to implement this section.

43 G. For the purposes of this section, "affected class" means taxpayers
44 who are similarly situated and directly affected by the department's position
45 in a tax matter. For transaction privilege or use tax purposes, affected

1 class may include taxpayers in the same industry code under the North
2 American ~~industrial~~ INDUSTRY classification system ~~code~~, if applicable to the
3 tax matter or taxpayers that directly compete with each other. For the
4 purposes of this section, affected class shall not be broadly described
5 unless such description increases the number of taxpayers who are eligible
6 for relief.

7 Sec. 203. Section 42-6054, Arizona Revised Statutes, is amended to
8 read:

9 42-6054. Modifications to model city tax code; notice and
10 hearing

11 A. If a city or town adopts the model city tax code, the city or town
12 shall not adopt any modification or amendment to the code unless the city or
13 town holds a public hearing on the proposed action before the modification or
14 amendment becomes effective.

15 B. If a city or town that has adopted the model city tax code issues a
16 written notice with respect to an interpretation of any provision of the code
17 or any procedures to be followed under the code, the city or town shall not
18 adopt any modification or amendment to the written notice unless the city or
19 town holds a public hearing on the proposed action before the modification or
20 amendment becomes effective.

21 C. A city or town that has adopted the model city tax code shall not
22 change the application of the code from audit to audit unless the city or
23 town adopted an amendment or modification to the code.

24 D. The governing body of the city or town shall publish a notice of
25 the hearing at least fifteen days before the date of the hearing ~~in a~~
26 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city or
27 town. At the hearing the governing body shall receive all written and oral
28 comments relating to the proposed action. If, after receiving and
29 considering all comments, the governing body proceeds with the proposed
30 action, the modification or amendment shall not become effective for at least
31 thirty days after the date of the hearing, unless otherwise provided by city
32 charter.

33 Sec. 204. Section 42-17103, Arizona Revised Statutes, is amended to
34 read:

35 42-17103. Public access to estimates of revenues and expenses;
36 notice of public hearing; access to adopted budget

37 A. The governing body of each county, city or town shall publish the
38 estimates of revenues and expenses, or a summary of the estimates of revenues
39 and expenses, and a notice of a public hearing of the governing body to hear
40 taxpayers and make tax levies at designated times and places. The summary
41 shall set forth the total estimated revenues and expenditures by fund type,
42 truth in taxation calculations and primary and secondary property tax levies
43 for all districts. A complete copy of the estimates of revenues and expenses
44 shall be made available at the city, town or county libraries and city, town
45 or county administrative offices and shall be posted in a prominent location

1 on the official websites, or on a website of an association of cities and
2 towns for cities and towns that do not have official websites, no later than
3 seven business days after the estimates of revenues and expenses are
4 initially presented before the governing body. A complete copy of the budget
5 finally adopted under section 42-17105 shall be posted in a prominent
6 location on the official websites no later than seven business days after
7 final adoption.

8 B. Beginning with fiscal year 2011-2012, both the estimates of
9 revenues and expenses initially presented before the governing body and the
10 budget finally adopted under section 42-17105 shall be retained and
11 accessible in a prominent location on the official websites, or on a website
12 of an association of cities and towns for cities and towns that do not have
13 official websites, for at least sixty months.

14 C. The summary of estimates and notice, together with the library
15 addresses and websites where the complete copy of estimates may be found,
16 shall be published once a week for at least two consecutive weeks after the
17 estimates are tentatively adopted ~~in the official newspaper of~~ ON A PUBLIC
18 MEDIUM PUBLISHED IN the county, city or town, ~~if there is one, and, if not,~~
19 ~~in a newspaper of general circulation in the county, city or town.~~

20 D. If a truth in taxation notice and hearing is required under section
21 42-17107, the governing body may combine the notice under this section with
22 the truth in taxation notice.

23 Sec. 205. Section 42-17107, Arizona Revised Statutes, is amended to
24 read:

25 42-17107. Truth in taxation notice and hearing: roll call vote
26 on tax increase: definition

27 A. On or before February 10 of the tax year, the county assessor shall
28 transmit and certify to the property tax oversight commission and to the
29 governing body of the county, city or town the total net primary assessed
30 values that are required to compute the levy limit prescribed by section
31 42-17051. If the proposed primary property tax levy, excluding amounts that
32 are attributable to new construction, is greater than the amount levied by
33 the county, city or town in the preceding tax year in the county, city or
34 town:

35 1. The governing body shall publish a notice that meets the following
36 requirements:

37 (a) The notice shall be published twice ~~in a newspaper of general~~
38 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county, city or town. The
39 first publication shall be at least fourteen but not more than twenty days
40 before the date of the hearing. The second publication shall be at least
41 seven but not more than ten days before the date of the hearing.

42 (b) The notice shall be published in a location other than the
43 classified or legal advertising section of the ~~newspaper~~ PUBLIC MEDIUM in
44 which it is published.

1 (c) The notice shall be at least one-fourth page in size and shall be
2 surrounded by a solid black border at least one-eighth inch in width.

3 (d) The notice shall be in the following form, with the "truth in
4 taxation hearing notice of tax increase" headline in at least eighteen-point
5 type:

6 Truth in Taxation Hearing
7 Notice of Tax Increase

8 In compliance with section 42-17107, Arizona Revised
9 Statutes, _____ (name of county, city or town) is notifying
10 its property taxpayers of _____'s (name of county, city or
11 town) intention to raise its primary property taxes over last
12 year's level. _____ (name of county, city or town) is
13 proposing an increase in primary property taxes of \$_____
14 or ____%.

15 For example, the proposed tax increase will cause
16 _____'s (name of county, city or town) primary property
17 taxes on a \$100,000 home to increase from \$_____ (total
18 taxes that would be owed without the proposed tax increase) to
19 \$_____ (total proposed taxes including the tax increase).

20 This proposed increase is exclusive of increased primary
21 property taxes received from new construction. The increase is
22 also exclusive of any changes that may occur from property tax
23 levies for voter approved bonded indebtedness or budget and tax
24 overrides.

25 All interested citizens are invited to attend the public
26 hearing on the tax increase that is scheduled to be held
27 _____ (date and time) at _____ (location).

28 2. In lieu of publishing the truth in taxation notice, the governing
29 body may mail the truth in taxation notice prescribed by paragraph 1,
30 subdivision (d) **OF THIS SUBSECTION** to all registered voters in the county,
31 city or town at least ten but not more than twenty days before the date of
32 the hearing on the estimates pursuant to section 42-17104.

33 3. In addition to publishing the truth in taxation notice under
34 paragraph 1 **OF THIS SUBSECTION** or mailing the notice under paragraph 2 **OF**
35 **THIS SUBSECTION**, the governing body shall issue a press release containing
36 the truth in taxation notice.

37 4. The governing body shall consider a motion to levy the increased
38 property taxes by roll call vote.

39 5. Within three days after the hearing, the governing body shall mail
40 a copy of the truth in taxation notice, a statement of its publication or
41 mailing and the result of the governing body's vote under paragraph 4 **OF THIS**
42 **SUBSECTION** to the property tax oversight commission.

43 6. The governing body shall hold the truth in taxation hearing on or
44 before the adoption of the county, city or town budget under section
45 42-17105.

1 B. If the governing body fails to comply with the requirements of this
2 section, the governing body shall not fix, levy or assess an amount of
3 primary property taxes that exceeds the preceding year's amount, except for
4 amounts attributable to new construction.

5 C. For the purposes of this section, "amount attributable to new
6 construction" means the net assessed valuation of property added to the tax
7 roll since the previous year multiplied by a property tax rate computed by
8 dividing the primary property tax levy of the county, city or town in the
9 preceding year by the estimate of the total net assessed valuation of the
10 county, city or town for the current year, excluding the net assessed
11 valuation attributable to new construction.

12 Sec. 206. Section 42-18051, Arizona Revised Statutes, is amended to
13 read:

14 42-18051. Notice of tax; payment by electronic funds transfer

15 A. Immediately on receiving the tax roll from the county board of
16 supervisors, the county treasurer shall publish an official notice stating:

17 1. That the assessment and tax roll is now in the treasurer's
18 possession for collecting the taxes levied.

19 2. That the taxes on real property and personal property are due and
20 payable and become delinquent at the dates and times prescribed by section
21 42-18052, and interest will be added to the tax from the time of the
22 delinquency as prescribed by section 42-18053, unless either:

23 (a) The first half of the taxes are paid before they are delinquent.

24 (b) The full year tax is paid on or before December 31, as provided by
25 section 42-18053.

26 3. That all taxes may be paid at the time the first installment is due
27 and payable.

28 4. When and where tax payments may be made.

29 B. The county treasurer shall publish the notice once a week for four
30 consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
31 PUBLISHED in the county.

32 C. No other demand for taxes is necessary.

33 D. Each person who is subject to taxation shall pay the taxes at the
34 county treasurer's office, or at any other location designated by the
35 treasurer, before they become delinquent.

36 E. The county treasurer may require electronic transmission of
37 supporting documentation and payment that includes the name of the taxpayer,
38 tax parcel number and amount of tax, on or before the dates prescribed by
39 section 42-18052, by any person or entity, acting on behalf of multiple
40 owners of property who submit tax payments to the county treasurer in a lump
41 sum exceeding fifty thousand dollars or owners who submit fifty or more tax
42 payments. If the sum of funds submitted fails to balance with the tax parcel
43 information and supporting documentation submitted electronically, and there
44 have been no changes to the tax bills as a result of assessor resolutions or
45 tax court judgments, the funds shall not be accepted and the treasurer shall

1 return the funds and request that the correct amount be submitted. If any
2 payment is received after a delinquent date as prescribed in section
3 42-18052, interest accrues as prescribed by section 42-18053.

4 Sec. 207. Section 42-18109, Arizona Revised Statutes, is amended to
5 read:

6 42-18109. Publication and posting of list and notice

7 A. The county treasurer shall post a correct copy of the list and
8 notice under section 42-18106 near the outer door of the office of the county
9 treasurer. The list and notice shall remain posted for at least two weeks
10 before the date of the sale.

11 B. The county treasurer shall publish a correct copy of the list and
12 notice under section 42-18106 at least one time ~~in a newspaper of general~~
13 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The publication
14 shall be at least two weeks but not more than three weeks before the date of
15 sale stated in the notice.

16 C. The ~~newspaper~~ PUBLIC MEDIUM that prints the list and notice under
17 section 42-18106 shall also post the list and notice from the first
18 publication date through March 1 of the current year on the internet on a ~~web~~
19 ~~site~~ WEBSITE that posts the legal notices of ten or more Arizona newspapers.

20 Sec. 208. Section 42-18208, Arizona Revised Statutes, is amended to
21 read:

22 42-18208. Expiration of lien and certificate; notice

23 A. If a tax lien that was purchased pursuant to section 42-18114 on or
24 before August 31, 2002 is not redeemed and the purchaser or the purchaser's
25 heirs or assigns fail to commence an action to foreclose the right of
26 redemption on or before ten years from the date that the lien was purchased,
27 the certificate of purchase or registered certificate expires and the lien is
28 void.

29 B. At least six months before the certificate of purchase or
30 registered certificate expires, the county treasurer shall:

31 1. Notify each purchaser by certified mail of the pending expiration.

32 2. Post the names of purchasers who hold liens that are subject to
33 pending expiration:

34 (a) Near the outer door of the office of the county treasurer.

35 (b) On the county treasurer's ~~web-site~~ WEBSITE.

36 3. Publish the names of purchasers who hold liens that are subject to
37 pending expiration at least one time ~~in a newspaper of general circulation~~ ON
38 A PUBLIC MEDIUM PUBLISHED in the county.

39 C. Subsection A of this section does not apply if the tax lien is
40 assigned to the state pursuant to section 42-18113 unless the lien is resold
41 pursuant to section 42-18122.

42 D. If a judicial proceeding prohibits bringing an action to foreclose
43 the right to redeem, the time of expiration under this section shall be
44 extended by twelve months following the completion of the judicial
45 proceeding.

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(Description)

County Treasurer

(Date)

(Acknowledgment)

C. The foreclosure of the right to redeem does not extinguish any easement on or appurtenant to the property.

Sec. 211. Section 42-18302, Arizona Revised Statutes, is amended to read:

42-18302. Notice of sale

A. The board of supervisors shall advertise the real property for sale at a public sale. The advertisement shall be by:

1. Publishing the list and notice of sale ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county at least once a week for at least two weeks, but not more than three weeks, before the stated date of the sale.

2. Continuously posting a current list and notice in the offices of the board of supervisors.

B. The ~~newspaper that prints~~ PUBLIC MEDIUM THAT PUBLISHES the list and notice shall also post the list and notice on the internet on a website that posts the legal notices of ten or more Arizona newspapers.

Sec. 212. Section 42-18401, Arizona Revised Statutes, is amended to read:

42-18401. Collection of personal property tax by seizure and sale

A. At any time after receiving the roll the county treasurer may collect the taxes due on personal property by seizure and sale if not otherwise collected.

B. The sale shall be at public auction after notice of one week of the time and place of the sale by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM PUBLISHED in the county or by posting notices of the sale in three public places in the county. The notice shall state that a sufficient amount of the property will be sold to pay the taxes, fees and costs.

C. For seizing and selling personal property the treasurer may charge in each case three dollars and the same mileage as allowed by law to the sheriff in serving civil process.

D. On payment of the purchase price and delivery of the property with a bill of sale, the title to the property vests in the purchaser.

E. Any amount collected that exceeds the taxes, fees and costs shall be returned to the owner of the property sold and, until claimed, shall be deposited in the county treasury subject to the order of the owner.

1 Sec. 213. Section 42-19111, Arizona Revised Statutes, is amended to
2 read:

3 42-19111. Notice of sale

4 A. After seizing the property the sheriff shall give notice of the
5 time, place and terms of sale by:

6 1. Posting three notices in the county where the property is to be
7 sold. One of the notices shall be posted at the place where the property is
8 located, and the other two shall be posted in locations in the county that
9 are commonly and regularly observed by the general public.

10 2. Either personal service on the owner of the property or mailing a
11 copy of the notice to the owner by certified mail, return receipt requested.
12 If notification under this paragraph cannot be completed because the owner is
13 unknown or the owner's address is unknown, the sheriff shall publish notice
14 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the
15 county in which the unsecured property was seized. If the notice is
16 published in a weekly ~~newspaper~~ PUBLIC MEDIUM, the notice must appear once
17 each week for two consecutive weeks. If the notice is published in a daily
18 ~~newspaper~~ PUBLIC MEDIUM, the notice must appear six consecutive times. In
19 either case, the last publication must appear at least three weeks but not
20 more than four weeks before the date of the sale.

21 B. The notices shall:

22 1. Describe the property to be sold.

23 2. State the name of the owner or person to whom the property is
24 assessed.

25 3. State the place and time of holding the sale.

26 4. State the amount of taxes for which the property is to be sold.

27 C. The sheriff may not sell personal property under section 42-19113
28 until at least three weeks after the notice is served on the property owner,
29 after receiving confirmation that the owner received the notice by certified
30 mail or after the last date of notice by publication, whichever method the
31 sheriff used under subsection A, paragraph 2 of this section.

32 D. If a court determines that a sheriff failed to give notice as
33 required by this section:

34 1. Any sale of the personal property by the sheriff is void.

35 2. The owner is entitled to redeem the property as provided by this
36 article on paying the outstanding taxes, interest and costs associated with
37 collecting the taxes.

38 3. The court may award fees and other expenses associated with the
39 adjudication to the owner as provided by section 12-348.

40 Sec. 214. Section 44-309, Arizona Revised Statutes, is amended to
41 read:

42 44-309. Notice and publication of abandoned property

43 A. The department shall publish a notice at least semiannually with a
44 toll free telephone number and directing the public to the department's ~~web~~
45 ~~site~~ WEBSITE regarding abandoned property that has been paid or delivered to

1 the department. The department shall cause the notice to be published ~~in a~~
2 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county.
3 The department shall ensure that the notice is in a form that in the judgment
4 of the department is likely to attract the attention of the apparent owner of
5 the unclaimed property. The department's ~~web site~~ WEBSITE shall contain all
6 of the following information not later than November 30 of the year after the
7 year in which abandoned property has been paid or delivered to the
8 department:

9 1. The name of each person that appears to be the owner of the
10 property as stated in the report filed by the holder.

11 2. The last known address or location of each person that appears to
12 be the owner of the property, if an address or location is stated in the
13 report filed by the holder.

14 3. A statement that explains that the property of the owner is
15 presumed abandoned and is in the protective custody of the department.

16 4. A statement that on request to the department information about the
17 property and its return to the owner is available to a person who has a legal
18 or beneficial interest in the property.

19 B. The department's ~~web site~~ WEBSITE is not required to contain the
20 name, address or location of an owner of property that has a total value of
21 less than fifty dollars or information concerning a traveler's check, money
22 order or similar instrument.

23 Sec. 215. Section 44-312, Arizona Revised Statutes, is amended to
24 read:

25 44-312. Public sale of abandoned property

26 A. Except as otherwise provided in this section, within three years
27 after receiving abandoned property the department shall sell the property to
28 the highest bidder at a public sale at a location in this state that in the
29 judgment of the department affords the most favorable market for the
30 property. The department may decline the highest bid and reoffer the
31 property for sale if the department considers the bid to be insufficient.
32 The department is not required to offer the property for sale if the
33 department determines that the probable cost of the sale will exceed the
34 proceeds from the sale. Before conducting a sale pursuant to this section,
35 the department shall cause a notice to be published at least three weeks
36 before the sale ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
37 PUBLISHED in the county in which the sale will occur.

38 B. The department shall sell securities that are listed on an
39 established stock exchange at prices prevailing on the exchange at the time
40 of the sale. The department may sell other securities over the counter at
41 prices prevailing at the time of the sale or by any reasonable method
42 selected by the department.

43 C. A person who makes a claim pursuant to this chapter for securities
44 is entitled to receive from the department the securities that the holder
45 delivered to the department if the securities remain in the department's

1 custody or the person is entitled to receive the net proceeds of the sale.
2 Except in a case of intentional misconduct or malfeasance by the department,
3 the person is not entitled to receive any appreciation in the value of the
4 property that occurred after the delivery to the department.

5 D. A purchaser of property at a sale conducted by the department
6 pursuant to this chapter takes the property free of all claims of the owner
7 or previous holder and of all persons claiming through or under the owner or
8 previous holder. The department shall execute all documents necessary to
9 complete the transfer of ownership.

10 Sec. 216. Section 44-353, Arizona Revised Statutes, is amended to
11 read:

12 44-353. Acquiring title to undocumented property

13 A. A museum may acquire title to undocumented property held by a
14 museum for seven years or longer, verifiable through written records, with no
15 valid claim or contact by any person in the following manner:

16 1. The museum shall publish a notice once a week for two consecutive
17 weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in
18 the county in which the museum is located and in the county in which the
19 lender's last known address is located, if applicable. This notice shall
20 include:

21 (a) A brief and general description of the property.

22 (b) The date or approximate date of the loan or acquisition by the
23 museum, if known.

24 (c) Notice of the intent of the museum to claim title if no valid
25 claims are made within sixty-five days from the date of the first notice, if
26 no publication ~~in a newspaper~~ ON A PUBLIC MEDIUM is required, or publication
27 under this section.

28 (d) The name and address of the museum representative to contact for
29 more information or to make a claim.

30 (e) The lender's name and last known address, if known.

31 2. If no valid claims have been made by the end of sixty-five days,
32 the museum shall publish a second notice once a week for two consecutive
33 weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in
34 the county in which the museum is located and in the county in which the
35 lender's last known address is located, if applicable. This second notice
36 shall include:

37 (a) A brief and general description of the property.

38 (b) The date or approximate date of the loan or acquisition by the
39 museum, if known.

40 (c) Notice that the museum claims title to the property as of the date
41 described in paragraph 1, subdivision (c) of this subsection.

42 (d) The lender's name and last known address, if known.

43 B. On compliance with subsection A of this section clear and
44 unrestricted title is transferred to the museum as of the date described in
45 subsection A, paragraph 1, subdivision (c) of this section.

1 Sec. 217. Section 44-1035, Arizona Revised Statutes, is amended to
2 read:

3 44-1035. Notice of appointment of assignee; publication

4 The assignee ~~shall~~, within thirty days after recording the assignment,
5 **SHALL** give public notice of his appointment ~~in some newspaper printed ON A~~
6 **PUBLIC MEDIUM PUBLISHED** in the county where the assignor resides or where his
7 principal business was conducted, and as far as possible, the assignee shall
8 also give personal notice or notice by mail to each of the creditors.

9 Sec. 218. Section 45-108.01, Arizona Revised Statutes, is amended to
10 read:

11 45-108.01. Application for water report or designation of
12 adequate water supply; notice; objections;
13 hearing; appeals

14 A. On receipt of an application for a water report or an application
15 by a city, town or private water company to be designated as having an
16 adequate water supply under section 45-108, if the proposed use is in a
17 county that has adopted the provision authorized by section 11-823,
18 subsection A or in a city or town that has enacted an ordinance pursuant to
19 section 9-463.01, subsection 0, the director shall publish notice of the
20 application once each week for two consecutive weeks ~~in a newspaper of~~
21 ~~general circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the groundwater basin in
22 which the applicant proposes to use water. The first publication shall occur
23 within fifteen days after the application is determined or deemed to be
24 administratively complete. If the application is substantially modified
25 after notice of the application is given pursuant to this subsection, the
26 director shall give notice of the application as modified in the manner
27 prescribed by this subsection. The first publication of any subsequent
28 notice shall occur within fifteen days after the modified application is
29 determined or deemed to be administratively complete.

30 B. Notice pursuant to subsection A of this section shall state that
31 written objections to the application may be filed with the director by
32 residents and landowners within the groundwater basin within fifteen days
33 after the last publication of notice. An objection shall state the name and
34 mailing address of the objector and be signed by the objector, the objector's
35 agent or the objector's attorney. The grounds for objection are limited to
36 whether the application meets the criteria for determining an adequate water
37 supply set forth in section 45-108, subsection I. The objection shall
38 clearly set forth reasons why the application does not meet the criteria.

39 C. In appropriate cases, including cases in which a proper written
40 objection to the application has been filed, an administrative hearing may be
41 held before the director's decision on the application if the director deems
42 a hearing necessary. Thirty days before the date of the hearing, the
43 director shall give notice of the hearing to the applicant and to any person
44 who filed a proper written objection to the application. The hearing shall

1 be scheduled for at least sixty days but not more than ninety days after the
2 expiration of the time in which to file objections.

3 D. If the application is for a water report:

4 1. If the director determines that an adequate water supply exists for
5 the proposed use, the director shall issue a water report stating that the
6 water supply for the subdivision is adequate.

7 2. If the director determines that an adequate water supply does not
8 exist, the director shall issue a water report stating that the water supply
9 for the subdivision is inadequate.

10 E. If the application is for a designation of adequate water supply:

11 1. If the director determines that an adequate water supply exists for
12 the proposed use, the director shall approve the application.

13 2. If the director determines that an adequate water supply does not
14 exist, the director shall deny the application.

15 F. The applicant or a person who contested the application by filing a
16 proper objection pursuant to subsection B of this section may seek judicial
17 review of the final decision of the director as provided in section 45-114,
18 subsection B in the superior court.

19 G. Section 45-114, subsections A and B govern administrative
20 proceedings, rehearings or reviews and judicial reviews of final decisions of
21 the director under this section. If an administrative hearing is held, it
22 shall be conducted in the groundwater basin in which the use is located.

23 Sec. 219. Section 45-172, Arizona Revised Statutes, is amended to
24 read:

25 45-172. Transfer of water rights; application; limitations;
26 required consent

27 A. A water right may be severed from the land to which it is
28 appurtenant or from the site of its use if for other than irrigation purposes
29 and with the consent and approval of the owner of such right may be
30 transferred for use for irrigation of agricultural lands or for municipal,
31 stock watering, power and mining purposes and to the state or its political
32 subdivisions for use for recreation and wildlife purposes, including fish,
33 without losing priority theretofore established, subject to the following
34 limitations and conditions:

35 1. Except as otherwise provided in this section no such severance or
36 transfer shall be made unless approved by the director, and the approval of
37 the director shall prescribe the conditions of the approval.

38 2. Vested or existing rights to the use of water shall not be
39 affected, infringed upon nor interfered with, and in no event shall the water
40 diverted or used after the transfer of such rights exceed the vested rights
41 existing at the time of such severance and transfer, and the director shall
42 by order so define and limit the amount of water to be diverted or used
43 annually subsequent to such transfer.

1 3. The water rights sought to be transferred shall have been lawfully
2 perfected under the laws of the territory or the state of Arizona and shall
3 not have thereafter been forfeited or abandoned.

4 4. No such severance or transfer of water rights shall be permitted or
5 allowed from lands within the exterior boundaries of any irrigation district,
6 agricultural improvement district or water users' association without first
7 having obtained the written consent and approval of such irrigation district,
8 agricultural improvement district or water users' association.

9 5. No right to the use of water on or from any watershed or drainage
10 area ~~which~~ THAT supplies or contributes water for the irrigation of lands
11 within an irrigation district, agricultural improvement district or water
12 users' association shall be severed or transferred without the consent of the
13 governing body of such irrigation district, agricultural improvement district
14 or water users' association. All proposed applications for the severance and
15 transfer of a right to use water of or from any watershed or drainage area
16 ~~which~~ THAT supplies or contributes water for the irrigation of lands within
17 any irrigation district, agricultural improvement district or water users'
18 association shall be submitted to the governing body of such irrigation
19 district, agricultural improvement district or water users' association prior
20 to the filing of such application with the director. Within forty-five days
21 after the receipt of the application such governing body shall reject or
22 approve the proposed application. Failure of such governing body to approve
23 or reject the proposed application within forty-five days after receipt shall
24 constitute approval of the proposed application by such governing body. No
25 application for the severance or transfer of a right to the use of water of
26 or from any watershed or drainage area ~~which~~ THAT supplies or contributes
27 water for the irrigation of lands within any irrigation district,
28 agricultural improvement district or water users' association shall be
29 accepted for filing by the director unless accompanied by the written consent
30 of the governing body of such irrigation district, agricultural improvement
31 district or water users' association to the proposed application or by
32 satisfactory evidence that such governing body failed to either accept or
33 reject the proposed application within forty-five days after receipt by such
34 governing body.

35 6. A severance and transfer of an irrigation water right appurtenant
36 to lands within the boundaries of an irrigation district to other lands
37 within the boundaries of the same irrigation district for agricultural use
38 may be accomplished by the exclusion of lands to which a water right is
39 appurtenant from within the boundaries of an irrigation district, and the
40 inclusion in lieu of other lands within the boundaries of such irrigation
41 district. Such severance and transfer of a water right shall require the
42 consent of only the irrigation district within which the affected lands are
43 situated and of the owners of the lands affected by the severance and
44 transfer. No proceedings before nor approval by the director shall be
45 required to accomplish such severance and transfer.

1 7. An application for severance and transfer of a water right shall be
2 filed with the director. The director shall give notice of the application
3 by publication once a week for three successive weeks ~~in a newspaper of~~
4 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in
5 which the watershed or drainage area is located. The notice shall state that
6 any interested person may file written objections to the proposed severance
7 and transfer with the director within thirty days after the last publication
8 of the notice. In appropriate cases, including cases in which an objection
9 has been filed, an administrative hearing may be held before the director's
10 decision on the application if the director deems a hearing necessary.

11 B. Section 45-114, subsections A and B govern administrative
12 proceedings, rehearing or review and judicial review of final decisions of
13 the director under this section.

14 Sec. 220. Section 45-253, Arizona Revised Statutes, is amended to
15 read:

16 45-253. Service of summons; statement of claimant form; record

17 A. Personal service of the summons and petition shall not be
18 required. The court shall order that:

19 1. The clerk of the court issue the summons ~~which~~ THAT shall specify
20 the date by which the statement of claimant must be filed, generally describe
21 the nature of the general adjudication and set forth such other information
22 as may be necessary or desirable in the circumstances. The form of the
23 summons shall be approved by the court.

24 2. The clerk of the court deliver the summons to the director who
25 shall make such copies and prepare such documents as may be necessary to
26 effect service. The director shall assist the court in determining the scope
27 of adjudication by recommending the portions of the river, its tributaries
28 and any other relevant sources subject to the adjudication and in development
29 of a statement of claimant form, which shall include such duplicates as may
30 be necessary. ~~Upon~~ ON identifying the potential claimants pursuant to
31 section 45-256, subsection A, paragraph 1, the director shall effect service
32 on all known potential claimants by mailing a copy of the summons by
33 registered or certified mail, return receipt requested, to such known
34 potential claimants.

35 3. When the superior court determines that the services of a master or
36 masters appointed pursuant to section 45-255 are no longer necessary and
37 enters an order terminating the appointment the clerk of the court shall
38 reimburse the director from the fund of fees paid by the claimants pursuant
39 to section 45-254 for funds expended by the director in effecting service of
40 process and any subsequent notices to claimants. Reimbursement shall only be
41 from monies remaining in the fund after payment of the costs and expenses
42 attributable to the appointment of a master or masters in accordance with
43 section 45-255, subsection B.

44 B. At the time of commencement of mailing of service of process on
45 known potential claimants, the director shall effect service on all unknown

1 potential claimants by publication of the summons at least once a week for
2 four consecutive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in each of
3 the counties within which interests in and to the use of water may be
4 affected by the general adjudication.

5 C. The director shall publicize the general adjudication through the
6 electronic media and ~~in general circulation newspapers~~ ON A PUBLIC MEDIUM.

7 D. The court shall direct the director:

8 1. To return the original summons to the clerk of the court with an
9 endorsement of the dates on which mailing and publication were completed.

10 2. To maintain a true and accurate record of the names and addresses
11 of all persons who have in fact been served by ~~registered~~ CERTIFIED mail,
12 return receipt requested. Any such record, together with all supporting
13 documents, shall constitute the records of the court, which shall be subject
14 as such to the supervision and control of the court.

15 Sec. 221. Section 45-292, Arizona Revised Statutes, is amended to
16 read:

17 ~~45-292.~~ Approval required to transport water out of state;
18 application; fee; criteria; hearing

19 A. A person may withdraw, or divert, and transport water from this
20 state for a reasonable and beneficial use in another state if approved by the
21 director pursuant to this article. A person shall not transport water from
22 this state unless approved by the director, but this article does not apply
23 to or prohibit transporting water from this state as required by interstate
24 compact, federal law or international treaty.

25 B. An application to transport water from this state for use in
26 another state shall be filed with the director, including a fee established
27 by the director by rule. In establishing a fee by rule, the director may
28 consider factors including the amount of time likely to be expended in
29 processing the application, the amount of preexisting hydrological
30 information available, if any, and the complexity of the application. The
31 application shall include:

32 1. The name and address of the applicant's statutory agent in this
33 state for service of process and other legal notices.

34 2. The legal basis for acquiring the water to be transported.

35 3. The purpose for which the water will be used.

36 4. The annual amount of water in acre-feet for which the application
37 is made.

38 5. The proposed duration of the permit, not to exceed fifty years with
39 an option to renew.

40 6. Studies satisfactory to the director of the probable hydrologic
41 impact on the area from which the water is proposed to be transported.

42 7. Any other information which the director may require.

43 C. The director shall approve or reject the application. If the
44 director approves the application, the director may prescribe terms and

1 conditions for the approval. In determining whether to approve the
2 application the director shall consider:

3 1. Whether the proposed action would be consistent with conservation
4 of water, including any applicable management goals and plans.

5 2. Potential harm to the public welfare of the citizens of this state.

6 3. The supply of water to this state and current and future water
7 demands in this state in general and the proposed source area in particular.

8 4. The feasibility of intrastate transportation of the water that is
9 the subject of the application to alleviate water shortages in this state.

10 5. The availability of alternative sources of water in the other
11 state.

12 6. The demands placed on the applicant's supply in the other state.

13 7. Whether the proposed action is prohibited or affected by other law,
14 including sections 45-165 and 45-172 and chapter 2 of this title.

15 D. This article does not authorize and the director shall not approve
16 transporting from this state water allocated to this state by federal law or
17 interstate compact.

18 E. An administrative hearing shall be held on the application, and the
19 director shall give notice of the hearing by publication once a week for
20 three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
21 MEDIUM PUBLISHED in the county or counties from which the applicant proposes
22 to transport the water. The hearing shall be conducted in the area from
23 which water is proposed to be transported. Any interested person, including
24 the department, may appear and give oral or written testimony on all issues
25 involved.

26 F. Section 45-114, subsections A and B govern administrative
27 proceedings, rehearing or review and judicial review of final decisions of
28 the director under this section.

29 G. The director shall deposit, pursuant to sections 35-146 and 35-147,
30 all fees received under this section in the water resources fund established
31 by section 45-117.

32 Sec. 222. Section 45-403, Arizona Revised Statutes, is amended to
33 read:

34 45-403. Designation of groundwater basins and sub-basins;
35 hearing

36 A. Within eighteen months ~~of~~ AFTER the effective date of this section,
37 the director shall propose boundaries for all groundwater basins and
38 sub-basins of groundwater basins in this state not included within initial
39 active management areas established pursuant to section 45-411.

40 B. Within twenty-four months ~~of~~ AFTER the effective date of this
41 section, the director shall hold public hearings to consider the final
42 boundaries of groundwater basins and sub-basins in this state not included
43 within initial active management areas established pursuant to section
44 45-411. The director shall give reasonable notice of the hearing appropriate
45 to the circumstances, which shall include the publication once each week for

1 two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
2 MEDIUM PUBLISHED in each county in which the proposed groundwater basin is
3 located. Any notice shall contain the time and place of the hearing, the
4 legal description and a map clearly identifying and describing all lands to
5 be included in the proposed groundwater basin and any sub-basin and any other
6 information the director deems necessary.

7 C. The hearings shall be held at the county seat of the county in
8 which the major portion of the land in the proposed groundwater basin is
9 located as soon as practicable but no less than thirty days and no more than
10 sixty days after the first publication of the notice of the hearing. At the
11 hearing, the director shall present the factual data in his possession in
12 support of the proposed action. Any person may appear at the hearing, either
13 in person or by representative, and submit oral or documentary evidence for
14 or against the proposed action. In making his determination, the director
15 shall give full consideration to public comment and to recommendations made
16 by local political subdivisions.

17 Sec. 223. Section 45-413, Arizona Revised Statutes, is amended to
18 read:

19 45-413. Hearing on designation of subsequent active management
20 areas and boundaries; notice; procedures

21 A. If the director proposes to designate a subsequent active
22 management area pursuant to section 45-412, subsection A, the director shall
23 hold a public hearing to consider:

- 24 1. Whether to issue an order declaring the area an active management
25 area.
- 26 2. The boundaries and any sub-basins of the proposed active management
27 area.

28 B. The director shall give reasonable notice of the hearing under the
29 circumstances, which shall include publication once each week for two
30 consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
31 PUBLISHED in each county in which the proposed active management area is
32 located. Any notice shall contain the time and place of the hearing, the
33 legal description and a map clearly identifying and describing all lands to
34 be included in the proposed active management area and any sub-basins and any
35 other information the director deems necessary.

36 C. The hearing shall be held at a location within the proposed active
37 management area as soon as practicable but no less than thirty days and no
38 more than sixty days after the first publication of the notice of hearing.
39 At the hearing, the director shall present the factual data in his possession
40 in support of the proposed action. Any person may appear at the hearing,
41 either in person or by representative, and submit oral or documentary
42 evidence for or against the proposed action. In making his determination,
43 the director shall give full consideration to public comment and to
44 recommendations made by local political subdivisions.

1 Sec. 224. Section 45-435, Arizona Revised Statutes, is amended to
2 read:

3 45-435. Hearing on designation of subsequent irrigation
4 non-expansion areas and boundaries; notice;
5 procedures

6 A. If the director finds that an area which is not included within an
7 active management area meets the criteria specified in section 45-432, or a
8 petition is filed pursuant to section 45-433, the director shall hold a
9 public hearing to consider:

10 1. Whether to issue an order declaring the area an irrigation
11 non-expansion area.

12 2. The boundaries of the proposed irrigation non-expansion area.

13 B. The director shall give reasonable notice of the hearing under the
14 circumstances, which shall include the publication once each week for two
15 consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
16 PUBLISHED in each county in which the proposed irrigation non-expansion area
17 is located. Any notice shall contain the time and place of the hearing, the
18 legal description and a map clearly identifying and describing all lands to
19 be included in the proposed irrigation non-expansion area and any other
20 information the director deems necessary.

21 C. The hearing shall be held at a location in the county in which the
22 major portion of the proposed irrigation non-expansion area is located no
23 less than thirty days but no more than sixty days after the first publication
24 of the notice of the hearing. At the hearing, the director shall present the
25 factual data in his possession in support of or in opposition to the proposed
26 action. Any person may appear at the hearing, either in person or by
27 representative, and submit oral or documentary evidence for or against the
28 proposed action. In making his determination, the director shall give full
29 consideration to public comment and to recommendations made by local
30 political subdivisions.

31 Sec. 225. Section 45-523, Arizona Revised Statutes, is amended to
32 read:

33 45-523. Notice; objections; hearing

34 A. Except as provided in section 45-518, subsection D and section
35 45-519.01, subsection F, when the permit application is determined complete
36 and correct, the director ~~shall~~, within fifteen days of such determination,
37 SHALL give notice of the application once each week for two consecutive weeks
38 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the
39 county or counties in which the active management area in which the applicant
40 proposes to withdraw groundwater is located.

41 B. Notice pursuant to subsection A of this section shall state that
42 objections to the issuance of the permit may be filed, by persons residing in
43 the active management area, in writing, with the director within fifteen days
44 after the last publication of notice and that objections are limited to
45 whether the permit application meets the criteria for issuance of a permit as

1 set forth in this article. An objection shall state the name and mailing
2 address of the objector, be signed by the objector, the objector's agent or
3 the objector's attorney and clearly set forth reasons why the permit should
4 not be issued.

5 C. In appropriate cases, including cases where a proper written
6 objection to the permit application has been filed, an administrative hearing
7 may be held before the director's decision on the application if the director
8 deems a hearing necessary. The director ~~shall~~, thirty days ~~prior to~~ BEFORE
9 the date of the hearing, SHALL give notice to the applicant and to any person
10 who filed a proper written objection to the issuance of the permit. The
11 hearing shall be scheduled for not less than sixty days nor more than ninety
12 days after the expiration of the time in which to file objections.

13 D. Section 45-114, subsections A and B govern administrative
14 proceedings, rehearing or review and judicial review of final decisions of
15 the director under this section. If an administrative hearing is held, it
16 shall be conducted in the active management area in which the use is located.

17 Sec. 226. Section 45-547, Arizona Revised Statutes, is amended to
18 read:

19 45-547. Transportation of groundwater withdrawn in the Yuma
20 basin; permit

21 A. Groundwater may be withdrawn in the Yuma basin for direct or
22 indirect transportation outside of the basin, including transportation to an
23 initial active management area, only if a permit is obtained from the
24 director pursuant to this section.

25 B. A person who has the legal right to divert and use Colorado river
26 water may apply to the director for a permit to withdraw groundwater in the
27 Yuma basin for direct or indirect transportation outside of the basin,
28 including transportation to an initial active management area. The director
29 may issue the permit if all of the following apply:

30 1. The water to be withdrawn was originally Colorado river water
31 applied for irrigation purposes.

32 2. The water to be pumped is groundwater under Arizona law that is
33 causing waterlogging to the detriment of agricultural operations or municipal
34 infrastructure in the Yuma basin.

35 3. No person is currently pumping or will pump the water for use in
36 the Yuma basin during the term of the permit.

37 4. Issuance of the permit will result in water being returned to the
38 Colorado river that otherwise would not have returned.

39 5. Any irrigation district or water users' association in the Yuma
40 basin that has a contractual right with the secretary of the interior for a
41 return flow credit for the water returned to the river pursuant to the permit
42 has waived that right.

43 6. The permittee will comply with all federal laws and treaties and
44 state laws regarding returning the water to the Colorado river.

1 7. If the groundwater will be pumped from wells within the exterior
2 boundaries of an irrigation district or water users' association, that
3 irrigation district or water users' association has consented to the issuance
4 of the permit.

5 8. If the groundwater will be pumped from wells within the city limits
6 of a city or town that holds an entitlement to Colorado river water, that
7 city or town has not objected to the issuance of the permit.

8 9. If the applicant is the United States or an agent or agency of the
9 United States, the water transported pursuant to the permit will be used as
10 replacement water for the specific purposes identified in section 45-107.01,
11 paragraph 2.

12 C. An applicant for a permit issued under this section shall apply to
13 the director in writing and shall submit all evidence necessary to establish
14 that the requirements of subsection B of this section apply, including a
15 hydrologic study. The director shall review the application and determine
16 within one hundred days of receipt of the application whether it is
17 administratively complete. The director shall complete the substantive
18 review of the application and shall issue or deny the permit within nine
19 months of determining the application to be administratively complete.

20 D. If the application is determined to be administratively complete,
21 the director, within fifteen days of that determination, shall give notice of
22 the application once each week for two consecutive weeks ~~in a newspaper of~~
23 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in Yuma, La Paz and Mohave
24 counties. The director shall also give first class mail notice of the
25 application to each city, town, private water company, irrigation district,
26 water users' association and electrical district within Yuma county and to
27 any multicounty water conservation district as defined in section 48-3701.
28 The notice shall state that persons adversely affected by the withdrawal of
29 groundwater in the Yuma basin and the transportation of that water may file
30 written objections to the issuance of the permit with the director within
31 fifteen days after the last publication of the notice. An objection shall
32 state the name and mailing address of the objector, shall be signed by the
33 objector or the objector's agent or attorney and shall clearly set forth the
34 reasons why the permit should not be issued. The grounds for objection are
35 limited to whether the application meets the criteria for issuing the permit
36 as prescribed by subsection B of this section.

37 E. If the director deems a hearing necessary or if a proper objection
38 to the permit application has been filed, an administrative hearing shall be
39 held before the director's decision on the application. At least thirty days
40 before the hearing, the director shall notify the applicant and any person
41 who filed a proper objection to the issuance of the permit. The hearing
42 shall be scheduled for at least ninety days but no more than one hundred
43 twenty days after the expiration of the time in which to file objections. If
44 an administrative hearing is held, it shall be held in the Yuma basin.

1 F. A permit under this section shall contain that information
 2 determined to be necessary by the director and may include any condition
 3 determined by the director to be consistent with this section or necessary to
 4 protect the interests of this state and the water users of the Yuma basin.
 5 The director may issue a permit under this section for a period of not more
 6 than ten years and, on the director's initiative or the request of a water
 7 user in the Yuma basin, may review the permit to ensure that the requirements
 8 of subsection B of this section continue to apply. If the requirements no
 9 longer apply, the director may revoke the permit. On the request of the
 10 permit holder, the director may renew the permit if the director determines
 11 that the requirements of subsection B of this section apply. The director
 12 shall monitor withdrawals of groundwater pursuant to permits issued under
 13 this section and shall terminate a permit if the static groundwater level at
 14 the location of waterlogging identified in the permit reaches a depth greater
 15 than twenty feet below land surface or the conditions specified in subsection
 16 B, paragraph 2 of this section for issuance of the permit no longer apply.

17 G. Issuance of a permit under this section to the United States, an
 18 agent or agency of the United States or any other person shall not preclude
 19 issuance of a permit to any other eligible applicant to transport water for
 20 use within this state.

21 H. Before October 1 of each year, each permit holder shall file a
 22 written statement of intent with the director stating the quantity of
 23 groundwater the permit holder intends to withdraw and transport pursuant to
 24 its permit during the next calendar year. A permit holder who fails to
 25 submit a written statement of intent on or before October 1 of any year shall
 26 not withdraw or transport any groundwater pursuant to its permit in the
 27 following calendar year. A permit holder who files a statement of intent
 28 shall not withdraw and transport an amount of groundwater greater than that
 29 reported on its statement of intent. If, based on the statements of intent,
 30 the director determines that there is insufficient groundwater available to
 31 allow withdrawal of the total amount reported in the statements of intent
 32 filed by all permit holders, the director, on or before December 1, shall
 33 send notice by first class mail to all permit holders who filed a statement
 34 of intent. The notice shall state that the director shall allocate the
 35 groundwater available to each permit holder, up to the amount reported in the
 36 statement of intent, according to each permit holder's priority to divert and
 37 use Colorado river water, except that the director may allocate the
 38 groundwater in accordance with a written agreement signed by all permit
 39 holders who filed a statement of intent.

40 Sec. 227. Section 45-570, Arizona Revised Statutes, is amended to
 41 read:

42 45-570. Hearing on management plans; notice; procedures

43 A. The director shall hold a public hearing on each proposed
 44 management plan in each active management area ~~prior to~~ BEFORE final adoption
 45 of the management plan.

1 B. The director shall give notice of the hearing within thirty days
2 after the proposed management plan is completed. The notice shall include a
3 summary of the management plan, a map or a description of the boundaries of
4 the active management area, and the time and place of the hearing. The
5 notice shall be published once each week for two consecutive weeks ~~in a~~
6 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in each county
7 in which the active management area is located.

8 C. The hearing shall be held at a location within the active
9 management area as soon as practicable but no less than thirty days and no
10 more than sixty days after the first publication of the notice of the
11 hearing.

12 D. At the hearing, the director shall present data in support of the
13 adoption of the proposed management plan and a summary of the comments on the
14 draft management plan made to the director by the groundwater users advisory
15 council pursuant to section 45-421, paragraph 1. Any person may appear at
16 the hearing either in person or by representative and submit oral or
17 documentary evidence for or against the adoption of the management plan.

18 Sec. 228. Section 45-576.03, Arizona Revised Statutes, is amended to
19 read:

20 45-576.03. Director's review of plans

21 A. Within sixty days after receiving a groundwater replenishment
22 district's preliminary and long-range plans pursuant to section 45-576.02,
23 the director shall determine if the district has submitted sufficient
24 information to determine whether the district's plan for operation is
25 consistent with the management goal of the active management area. If the
26 director determines that the information is insufficient for such a
27 determination, the director shall notify the district of the insufficiency in
28 writing and shall specify what additional information is required. The
29 district shall provide the information to the director within thirty days
30 after receiving the notice.

31 B. On determining that the district's preliminary or long-range plan
32 is complete, the director shall publish notice ~~in a newspaper of general~~
33 ~~statewide circulation~~ ON A PUBLIC MEDIUM once each week for two consecutive
34 weeks:

35 1. Requesting public comment concerning information supplied by the
36 district to meet the requirements of section 45-576.02.

37 2. Setting a date and location of a public hearing to be held pursuant
38 to subsection C of this section.

39 C. The director shall hold a public hearing within sixty days after
40 the last day of notice under subsection B of this section. The hearing shall
41 be conducted in an informal manner without adhering to the rules of evidence
42 required in judicial proceedings. Any person, including the department,
43 shall have an opportunity to comment on or to present evidence concerning the
44 submitted plan.

1 D. The district shall respond in writing to all public comments
2 whether received at the hearing or otherwise received by a date announced by
3 the director.

4 E. Within one hundred twenty days after the hearing on the preliminary
5 plan, the director shall issue a preliminary decision determining whether or
6 not the plan for district operation shall be designated as being consistent
7 with achieving the management goal. If the director determines that the
8 preliminary plan for district operation is consistent with achieving the
9 management goal, the designation expires on January 1 of the thirteenth
10 calendar year following the calendar year in which the district is
11 established. Within one hundred twenty days after the hearing on the
12 long-range plan, the director shall issue a final decision determining
13 whether or not the plan for district operation shall be designated as being
14 consistent with achieving the management goal. The director shall include
15 findings with the decision and a summary of all public comments received in
16 writing and public comments made at the public hearing.

17 F. The director shall issue a decision that the district's plan for
18 operation is consistent with achieving the management goal if the director
19 finds that the district has the current capability to meet the district
20 members' replenishment obligations for the five calendar years following the
21 calendar year in which the district submits its plan and, in addition, the
22 director makes either of the following findings, as applicable:

23 1. If the director is evaluating the preliminary plan, that the
24 district has established an adequate plan for obtaining financing and water
25 resources that are necessary to meet the district members' replenishment
26 obligations through the eighteenth calendar year following the year in which
27 the district is established.

28 2. If the director is evaluating the long-range plan, that the
29 district has established an adequate plan to meet the projected replenishment
30 obligations through the first calendar year in which achieving safe-yield is
31 required.

32 G. Unless the district successfully appeals the director's decision
33 pursuant to subsection H of this section, if the director has made a
34 determination that the district's plan for operation is not consistent with
35 achieving the management goal, the director shall notify the district of the
36 inconsistency in writing and shall specify how the district's plan for
37 operation is inconsistent with achieving the management goal. The district
38 shall modify its proposed plan and resubmit the plan, and the director shall
39 review the plan as provided by section 45-576.02 and this section, except
40 that the director shall only hold a hearing regarding those matters that the
41 district has modified in its resubmitted plan.

42 H. The director's determination under subsection E of this section is
43 subject to rehearing or review and to judicial review as provided in section
44 45-114, subsection C, but the court shall not issue a temporary restraining

1 order or preliminary injunction to prevent the director from acting under
2 this chapter while the action is pending.

3 I. Within sixty days after receiving a conservation district's plan or
4 a water district's plan pursuant to section 45-576.02, including a revised
5 plan pursuant to subsection R of this section, the director shall determine
6 if the conservation district or water district, as the case may be, has
7 submitted sufficient information to determine whether the conservation
8 district's plan for operation is consistent with the management goals of each
9 of the active management areas in which a member land or member service area
10 is or may be located or whether the water district's plan for operation is
11 consistent with the management goal of the active management area in which a
12 water district member land or a water district member service area is or may
13 be located. If the director determines that the information is insufficient
14 for such a determination, the director shall notify the conservation district
15 or water district, as the case may be, of the insufficiency in writing and
16 shall specify what additional information is required. The conservation
17 district or water district, as the case may be, shall provide the information
18 to the director within a reasonable time as specified by the director.

19 J. On determining that the conservation district's plan or the water
20 district's plan, as the case may be, is complete, the director shall publish
21 notice ~~in a newspaper of general statewide circulation~~ ON A PUBLIC MEDIUM
22 once each week for two consecutive weeks:

23 1. Requesting public comment concerning information supplied by the
24 conservation district or water district, as the case may be, to meet the
25 requirements of section 45-576.02.

26 2. Setting a date and location of a public hearing to be held pursuant
27 to subsection K of this section.

28 K. The director shall hold a public hearing within sixty days after
29 the last day of the notice under subsection J of this section. The hearing
30 shall be conducted in an informal manner without adhering to the rules of
31 evidence required in judicial proceedings. Any person, including the
32 department, shall have an opportunity to comment on or to present evidence
33 concerning the submitted plan.

34 L. The conservation district or the water district, as the case may
35 be, shall respond in writing to all public comments whether received at the
36 hearing or otherwise received by a date announced by the director.

37 M. Within sixty days after the hearing on the first plan required
38 under section 45-576.02, subsection C or the first plan required under
39 section 45-576.02, subsection E and within one hundred twenty days after the
40 hearing on any subsequent plan required under section 45-576.02, subsection C
41 or E, including a revised plan pursuant to subsection R of this section, the
42 director shall issue a decision for each of the active management areas in
43 which a member land or member service area is or may be located, and the
44 active management area in which a water district member land or water
45 district member service area is or may be located, as to whether or not the

1 plan submitted with respect to an active management area is consistent with
 2 achieving the management goal of the active management area. The director
 3 shall include findings with the decision and a summary of all public comments
 4 received in writing and public comments made at the public hearing. If the
 5 director's decision includes a determination that the plan submitted for an
 6 active management area is consistent with achieving the management goal of
 7 that active management area, except as provided in subsection S of this
 8 section, the determination expires on December 31 of the year following the
 9 year in which the conservation district or the water district, as the case
 10 may be, is required to submit its next plan under section 45-576.02,
 11 subsections C and E, or the date the director issues a decision determining
 12 that the next plan is consistent with achieving the management goal of the
 13 active management area, whichever occurs first.

14 N. The director shall make a determination that the conservation
 15 district's plan is consistent with achieving the management goal for each
 16 active management area if all of the following have been demonstrated:

17 1. The conservation district has identified sufficient water supplies
 18 to meet its replenishment obligations for current members during the twenty
 19 calendar years following the submission of the plan and has identified
 20 additional water supplies potentially available for the district's projected
 21 groundwater replenishment obligations for the one hundred calendar years
 22 following the submission of the plan for current members and potential
 23 members based on reasonable projections of real property and service areas
 24 that could qualify for membership in the ten years following the submission
 25 of the plan.

26 2. The replenishment reserve target for each active management area
 27 was calculated as prescribed in section 48-3772, subsection E, and the
 28 district is developing a replenishment reserve in each active management area
 29 pursuant to section 48-3772, subsection E.

30 3. The conservation district has identified sufficient capacity at
 31 storage facilities and projects to be used for replenishment purposes during
 32 the twenty calendar years following the submission of the plan.

33 4. The district has made a reasonable estimate of its projected
 34 replenishment obligations for the one hundred calendar years following the
 35 submission of the ten year plan as required by section 45-576.02, subsection
 36 C, paragraph 2, subdivision (b).

37 0. The director shall issue a decision that the water district's plan
 38 is consistent with achieving the management goal of the active management
 39 area in which the water district is located if the director finds that the
 40 water district has the current capability to meet the current and projected
 41 water district groundwater replenishment obligation, as that term is defined
 42 and used in title 48, chapter 28, for the five calendar years following the
 43 calendar year in which the water district submits its plan and, in addition,
 44 the director finds the water district has established an adequate plan to
 45 meet the projected water district groundwater replenishment obligation for

1 the twenty calendar years following the calendar year in which the plan was
2 submitted.

3 P. Unless the conservation district or water district successfully
4 appeals the director's decision pursuant to subsection Q of this section, if
5 the director finds for one or more active management areas that the
6 conservation district's plan for operation or the water district's plan is
7 not consistent with achieving the management goal of an active management
8 area, the director shall notify the conservation district or water district,
9 as the case may be, of the inconsistency in writing and shall specify how the
10 conservation district's plan for operation or the water district's plan is
11 inconsistent with achieving the management goal. The conservation district
12 or water district, as the case may be, shall modify its proposed plan and
13 resubmit the plan within sixty days after it has been notified in writing of
14 the director's decision, and the director shall review the plan as provided
15 by section 45-576.02 and this section, except that the director shall only
16 hold a hearing regarding those matters that the conservation district or
17 water district, as the case may be, has modified in its resubmitted plan.

18 Q. The director's decision under subsection M or R of this section is
19 subject to rehearing or review and to judicial review as provided in section
20 45-114, subsection C, but the court shall not issue a temporary restraining
21 order or preliminary injunction to prevent the director from acting under
22 this chapter while the action is pending.

23 R. If, at any time between the second anniversary and the eighth
24 anniversary of the director's determination of consistency with the
25 management goal, the director finds that there has been either an unexpected
26 increase in the conservation district's projected groundwater replenishment
27 obligations or an unexpected reduction in water supplies available to meet
28 the conservation district's current obligations such that the conservation
29 district's plan no longer demonstrates consistency with the management goal
30 for one or more active management areas, the director shall require the
31 conservation district to submit a revised plan for operation. The revised
32 plan for operation shall be submitted within one calendar year after the date
33 that the director notifies the conservation district of such a finding,
34 unless the director extends this time for good cause. The director shall
35 review, hold a hearing on and make a decision on the revised plan as provided
36 by this section, except that the director shall only hold a hearing regarding
37 those conditions that have changed.

38 S. Unless the conservation district successfully appeals the
39 director's decision pursuant to subsection Q of this section, if the
40 director's decision includes a finding for one or more active management
41 areas that the conservation district's revised plan for operation is not
42 consistent with achieving the management goal of that active management area
43 pursuant to this section and the conservation district is unable to satisfy
44 the director's concerns within sixty days after the director has notified the
45 conservation district of the decision, the determination that the district's

1 plan is consistent with the management goal of the active management area
2 shall expire.

3 Sec. 229. Section 45-576.04, Arizona Revised Statutes, is amended to
4 read:

5 45-576.04. Report and review of plans by groundwater
6 replenishment district

7 A. At least once every five years after the final determination that a
8 groundwater replenishment district's plan for operation is consistent with
9 achieving the management goal of the active management area, the district
10 shall prepare and submit a replenishment report to the director and to the
11 district's board of directors. The replenishment report shall include at
12 least the following:

13 1. An estimate of the district members' replenishment obligations that
14 will arise during the following twenty year period.

15 2. A description of water resources that will be available to the
16 district during the following twenty year period.

17 3. A description of any facilities and projects to be used for
18 replenishment during the following twenty year period.

19 4. A description of the district's financial capabilities and
20 financial requirements necessary to address the replenishment obligations
21 during the following twenty year period.

22 5. A description of the district's current capability to meet the
23 replenishment obligations for the five calendar years following the calendar
24 year in which the district submits its report.

25 B. Within thirty days after receiving the district report, the
26 director shall submit written comments to the district. On receiving the
27 director's comments, the district shall publish a notice ~~in a newspaper of~~
28 ~~general statewide circulation~~ ON A PUBLIC MEDIUM once each week for two
29 consecutive weeks:

30 1. Requesting public comment concerning information supplied by the
31 district in the report.

32 2. Setting a date and location of a public hearing to be held pursuant
33 to subsection C OF THIS SECTION.

34 C. Within sixty days after the last day of notice under subsection B,
35 the district shall hold a hearing concerning the report. The hearing shall
36 be conducted in an informal manner without adhering to the rules of evidence
37 required in judicial proceedings. At the hearing, the district shall present
38 a summary of the director's comments and public comments received before the
39 hearing relating to the report. Any person, including the director, shall
40 have an opportunity to present evidence and comments relating to the report.

41 D. Within ninety days after the hearing, the district shall transmit
42 to the director a summary of all comments and evidence submitted at the
43 hearing relating to the report. The district shall include in this document
44 its written response to all comments it received, including the director's
45 comments.

1 E. Within one hundred twenty days after the hearing, the district's
2 board of directors shall determine whether to adopt the report. The decision
3 shall be based on the following factors:

4 1. Whether the report indicates that the district has sufficient
5 projected replenishment efforts to meet the projected replenishment
6 obligations for the twenty calendar years following the calendar year in
7 which the district submits the report.

8 2. Whether the report indicates that the district has the current
9 capability to meet the replenishment obligations for the five calendar years
10 following the calendar year in which the district submits its report.

11 F. If the district's board of directors does not adopt the report, it
12 shall require that the report be modified to sufficiently address the factors
13 described in subsection E **OF THIS SECTION**. The board shall adopt the report
14 as modified.

15 G. On adoption, the board of directors shall transmit a copy of the
16 report to the director and shall make the report and the information
17 described in subsection D **OF THIS SECTION** available to the general public.

18 Sec. 230. Section 45-576.07, Arizona Revised Statutes, is amended to
19 read:

20 45-576.07. Determining water sufficiency and availability;
21 water availability status capability plans

22 A. For the purposes of determining whether to designate or maintain
23 the designation of a city, town or private water company as having an assured
24 water supply, when the service area of that city, town or private water
25 company has qualified as a member service area of a conservation district
26 pursuant to title 48, chapter 22, article 4, and when the member service area
27 has been granted water availability status by a resolution of the
28 conservation district adopted pursuant to section 48-3772, subsection B,
29 paragraph 10, the director shall find that sufficient groundwater, surface
30 water or effluent will be continuously available to satisfy the water needs
31 of a proposed use for at least one hundred years under section 45-576 if all
32 of the following apply:

33 1. The conservation district has committed through the resolution
34 granting water availability status to the city, town or private water company
35 to replenish a specified average annual volume of water in a location where
36 the city, town or private water company may physically access the water for
37 service to its customers.

38 2. The director finds that the commitment by the conservation district
39 to replenish the specified average annual volume of water will provide a
40 sufficient supply of water that will be continuously available to satisfy the
41 water needs of the ~~city~~ **CITY'S**, ~~town~~ **TOWN'S** or private water company's
42 proposed use for at least one hundred years.

43 3. The director finds that, without the water supply provided through
44 the resolution adopted by the conservation district, the city, town or
45 private water company would be unable to obtain or maintain a designation as

1 having an assured water supply for its current and committed demands beyond
2 2010.

3 4. The director finds that the commitment by the conservation district
4 to replenish a specified average annual volume of water in a location where
5 the city, town or private water company may physically access the water for
6 service to its customers is consistent with the most recent plan approved by
7 the director pursuant to subsection H of this section.

8 5. The director finds that the conservation district or the city, town
9 or private water company has committed to ensure that a five year supply of
10 water will be maintained and available for use by the city, town or private
11 water company in years in which water is not available for replenishment.

12 6. The conservation district or the city, town or private water
13 company has obtained all permits necessary to replenish water at the location
14 specified in the resolution, including underground storage facility permits
15 and water storage permits issued under chapter 3.1 of this title.

16 7. If the water supply made available to the city, town or private
17 water company through replenishment by the conservation district will serve
18 only a portion of the water needs of the city, town or private water company,
19 the director finds that the city, town or private water company has
20 sufficient groundwater, surface water or effluent that will be continuously
21 available to satisfy the remaining needs of the city, town or private water
22 company for at least one hundred years, in accordance with the rules adopted
23 by the director pursuant to section 45-576, subsection H.

24 8. The director has determined pursuant to subsection H of this
25 section that the most recent plan submitted by the conservation district
26 pursuant to this section establishes that the conservation district has the
27 capability to grant water availability status to member service areas.

28 B. To establish that the conservation district has the capability to
29 grant water availability status to member service areas in an active
30 management area, the conservation district may submit a plan for the active
31 management area to the director that includes all of the following
32 information:

33 1. An estimate of the conservation district's current and projected
34 groundwater replenishment obligations, as defined in section 48-3701, for the
35 following one hundred calendar years.

36 2. An estimate of the conservation district's current and projected
37 contract replenishment obligations, as defined in section 48-3701, for the
38 following one hundred calendar years.

39 3. An estimate of the conservation district's current and projected
40 commitments to member service areas that have or will be granted water
41 availability status by the conservation district.

42 4. A description of water resources that are available to the
43 conservation district for use in satisfying the obligations described in
44 paragraphs 1 through 3 of this subsection during the following twenty
45 calendar years.

1 5. A description of water resources that are expected to be available
2 to the conservation district for use in satisfying the obligations described
3 in paragraphs 1 through 3 of this subsection during the following one hundred
4 calendar years.

5 6. A description of the transportation facilities and available
6 capacity in those facilities to be used in satisfying the obligations
7 described in paragraphs 1 through 3 of this subsection during the following
8 twenty calendar years.

9 7. An analysis of potential transportation facilities and available
10 capacity in those facilities that could be used in satisfying the obligations
11 described in paragraphs 1 through 3 of this subsection during the following
12 one hundred calendar years.

13 C. Within sixty days after receiving the conservation district's plan,
14 the director shall determine if the conservation district has submitted
15 sufficient information to determine whether the conservation district has the
16 capability to grant water availability status to member service areas. If
17 the director determines that the information is insufficient for that
18 determination, the director shall notify the conservation district of the
19 insufficiency in writing and shall specify what additional information is
20 required. The conservation district shall provide the information to the
21 director within a reasonable time as specified by the director.

22 D. ~~Upon~~ ON determination that the plan of the conservation district is
23 complete, the director shall publish notice ~~in a newspaper of general~~
24 ~~statewide circulation~~ ON A PUBLIC MEDIUM once each week for two consecutive
25 weeks:

26 1. Requesting public comment concerning information supplied by the
27 conservation district to meet the requirements of subsection B of this
28 section.

29 2. Setting a date and location of a public hearing to be held pursuant
30 to subsection E of this section.

31 E. The director shall hold a public hearing within sixty days after
32 the last day of the notice under subsection D of this section. The hearing
33 shall be conducted in an informal manner without adhering to the rules of
34 evidence in judicial proceedings. Any person, including the department,
35 shall have an opportunity to comment on or to present evidence regarding the
36 submitted plan.

37 F. The conservation district shall respond in writing to all public
38 comments whether received at the hearing or otherwise received by a date
39 announced by the director.

40 G. Within sixty days after the hearing on the first plan submitted
41 under subsection B of this section, or within one hundred twenty days after
42 the hearing on any subsequent plan submitted under subsection K of this
43 section, the director shall issue a decision for each of the active
44 management areas in which the conservation district is attempting to

1 establish that the conservation district has the capability to grant water
2 availability status to member service areas.

3 H. The director shall issue a decision that the conservation
4 district's plan establishes that the conservation district has the capability
5 to grant water availability status to member service areas, if the director
6 finds that the conservation district has the current capability to meet the
7 obligations described in subsection B, paragraphs 1 through 3 **OF THIS SECTION**
8 for the twenty calendar years following the submission of the plan and if the
9 director finds that the conservation district has established an adequate
10 plan to meet those obligations for the one hundred calendar years following
11 the submission of the plan.

12 I. Unless the conservation district successfully appeals the
13 director's decision pursuant to subsection J of this section, if the director
14 has made a determination that the conservation district does not have the
15 capability to grant water availability status to member service areas, the
16 director shall notify the conservation district of the insufficiency of the
17 plan in writing and shall specify the insufficiencies of the plan. If, at
18 the time the conservation district receives the insufficiencies of the plan
19 from the director, any member service area has water availability status, the
20 conservation district shall modify and resubmit the plan, and the director
21 shall review the plan as provided in this section, except that the director
22 shall only hold a hearing regarding those matters that the conservation
23 district has modified in its resubmitted plan.

24 J. The director's determination under subsection H of this section is
25 subject to rehearing or review and to judicial review as provided in section
26 45-114, subsection C, but the court shall not issue a temporary restraining
27 order or preliminary injunction to prevent the director from acting under
28 this chapter while the action is pending.

29 K. If the conservation district submits a plan for an active
30 management area to the director pursuant to subsection B of this section, the
31 conservation district shall thereafter, in conjunction with every plan
32 required by section 45-576.02, subsection C, also submit the plan for that
33 active management area described by subsection B of this section. The
34 director shall then review the plan in accordance with subsections C through
35 J of this section. The conservation district shall not be required to submit
36 the plan described in this section for an active management area unless a
37 member service area which has water availability status is located within
38 that active management area.

39 Sec. 231. Section 45-578, Arizona Revised Statutes, is amended to
40 read:

41 **45-578. Notice; objections; hearing; issuance of certificate;**
42 **appeals**

43 A. The director shall give notice of the application for a certificate
44 of assured water supply once each week for two consecutive weeks ~~in a~~
45 ~~newspaper of general circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the active

1 management area in which the applicant proposes to use water. The first
 2 publication shall occur within fifteen days after the application is
 3 determined complete and correct or at any earlier time as the applicant may
 4 request after the application is determined complete. If the application is
 5 substantially modified after notice of the application is given pursuant to
 6 this subsection, the director shall give notice of the application as
 7 modified in the manner prescribed by this subsection. The first publication
 8 of any subsequent notice shall occur within fifteen days after the modified
 9 application is determined complete and correct or at any earlier time as the
 10 applicant may request after the modified application is determined complete.

11 B. Notice pursuant to subsection A of this section shall state that
 12 objections to the issuance of the certificate may be filed by residents of
 13 the active management area, in writing, with the director within fifteen days
 14 after the last publication of notice. An objection shall state the name and
 15 mailing address of the objector, be signed by the objector, the objector's
 16 agent or the objector's attorney and clearly set forth reasons why the
 17 certificate should not be issued. The grounds for objection are limited to
 18 whether the certificate application meets the criteria for determining an
 19 assured water supply set forth in section 45-576, subsection ~~I~~ J.

20 C. In appropriate cases, including cases where a proper written
 21 objection to the certificate application has been filed, an administrative
 22 hearing may be held before the director's decision on the application if the
 23 director deems a hearing necessary. The director, thirty days ~~prior to~~
 24 BEFORE the date of the hearing, shall give notice of the hearing to the
 25 applicant and to any person who filed a proper written objection to the
 26 issuance of the certificate. The hearing shall be scheduled for not less
 27 than sixty days nor more than ninety days after the expiration of the time in
 28 which to file objections.

29 D. ~~Upon~~ ON finding that an assured water supply exists for the
 30 proposed use, the director shall issue a certificate of assured water supply
 31 to the applicant. ~~Upon~~ ON finding that an assured water supply does not
 32 exist, the director shall deny the application and return it to the
 33 applicant.

34 E. An aggrieved party or a person who contested a certificate by
 35 filing a proper objection pursuant to subsection B of this section may seek
 36 judicial review of the final decision of the director as provided in section
 37 45-114, subsection B in the superior court.

38 F. If the application for a certificate of assured water supply is for
 39 land that has qualified as a member land under title 48, chapter 22, the
 40 director shall notify the conservation district when a certificate of assured
 41 water supply is issued and shall report the total projected average annual
 42 replenishment obligation at build-out for each plat under the certificate.
 43 On or before January 1, 2005, the director shall provide a written report to
 44 the conservation district indicating the total projected average annual
 45 replenishment obligation at build-out for each plat under certificates of

1 assured water supply issued for land that qualified as member land under
2 title 48, chapter 22 before January 1, 2004.

3 G. Section 45-114, subsections A and B govern administrative
4 proceedings, rehearing or review and judicial review of final decisions of
5 the director under this section. If an administrative hearing is held, it
6 shall be conducted in the active management area in which the use is located.

7 Sec. 232. Section 45-704, Arizona Revised Statutes, is amended to
8 read:

9 45-704. Notice of application; objections; hearing; approval or
10 rejection

11 A. On receiving an application under section 45-703, the director
12 shall record the application and endorse on the application the date of
13 receipt. The director shall conduct an initial review of the application
14 within fifteen days of receiving the application. If the director determines
15 in the initial review that the application is incomplete, the director shall
16 notify the applicant. The application is incomplete until the applicant
17 files all of the information requested in the application. The director
18 shall determine whether the application is correct within ninety days after
19 receiving a complete application. The director may request additional
20 information from the applicant. The director may conduct independent
21 investigations as may be necessary to determine whether the application
22 should be approved or rejected.

23 B. If the director determines that the application is complete and
24 correct, the director, within fifteen days after the determination, or a
25 longer period if the applicant requests, shall give notice of the application
26 once each week for two consecutive weeks ~~in a newspaper of general~~
27 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in which
28 persons reside who could reasonably be expected to be affected by the
29 designation of groundwater oversupply. The notice shall state that persons
30 who may be adversely affected by the designation may file written objections
31 to the issuance of the certificate with the director within fifteen days
32 after the last publication of notice. An objection shall state the name and
33 mailing address of the objector, shall be signed by the objector or the
34 objector's agent or attorney and shall clearly set forth reasons why the
35 certificate should not be issued. The grounds for objection are limited to
36 whether the application meets the criteria for issuing a certificate
37 prescribed in section 45-702, subsection B.

38 C. In appropriate cases, including cases in which a proper objection
39 to the certificate application has been filed, an administrative hearing may
40 be held before the director's decision on the application if the director
41 deems a hearing necessary. At least thirty days before the hearing, the
42 director shall notify the applicant and any person who filed a proper
43 objection to the issuance of the certificate. The hearing shall be scheduled
44 for at least sixty but not more than ninety days after the expiration of the
45 time in which to file objections.

1 D. The director shall record and endorse the approval or denial of the
2 application on the application. If the certificate is denied, the director
3 shall return a copy of the application to the applicant specifically stating
4 the reasons for denial.

5 E. Section 45-114, subsections A and B govern administrative
6 proceedings, rehearing or review and judicial review of final decisions of
7 the director under this section. If an administrative hearing is held, it
8 shall be conducted in the active management area in which the use is located.

9 Sec. 233. Section 45-871.01, Arizona Revised Statutes, is amended to
10 read:

11 45-871.01. Permit application; fee; notice of application;
12 objections; hearing; appeal

13 A. The director shall prescribe and furnish application forms for the
14 permits prescribed by articles 2 and 3 of this chapter. The application
15 forms shall require the applicant to submit the information needed by the
16 director to determine whether the permit may be issued. The director shall
17 establish and collect a reasonable fee from the applicant to cover the cost
18 of administrative services and other expenses associated with evaluating and
19 issuing each permit. The director shall deposit, pursuant to sections 35-146
20 and 35-147, all fees received under this subsection in the water resources
21 fund established by section 45-117.

22 B. On receipt of an application for a permit pursuant to this chapter,
23 the director shall endorse on the application the date of its receipt and
24 shall keep a record of the application. Within fifteen days after receipt of
25 an application for an underground storage facility permit, the director shall
26 post notice of the application on the department's website until the director
27 issues a decision on the application. The notice shall state the name of the
28 applicant, the location of the proposed underground storage facility, the
29 date the application was filed and the application number. The notice
30 required by this subsection is in addition to the notice requirement in
31 subsection D of this section. The director shall conduct a review of the
32 application within one hundred days of receipt of the application. If the
33 director determines in the review that the application is incomplete or
34 incorrect, the director shall notify the applicant and the review period is
35 extended by fifteen days. The application is incomplete or incorrect until
36 the applicant files the information requested in the application. The
37 director may conduct independent investigations as necessary to determine
38 whether the application should be approved or rejected.

39 C. If the application is for water storage at an underground storage
40 facility that is exempt from the requirement for an aquifer protection permit
41 under section 49-250, subsection B, paragraph 12, 13 or 24, the director of
42 water resources shall consult with the director of environmental quality and
43 shall develop a coordinated and unified permit review process, that conforms
44 to the time schedule prescribed by this section, to determine whether the

1 permit application is correct and whether the development of a plan of action
2 for monitoring and data analysis shall be required.

3 D. Except as provided in subsection E of this section, if the
4 application is determined to be complete and correct and the application is
5 for a storage facility permit or a water storage permit, the director, within
6 fifteen days of that determination or a longer period if requested by the
7 applicant, shall give notice of the application once each week for two
8 consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
9 PUBLISHED in the county or counties in which persons reside who could
10 reasonably be expected to be affected by the water storage. The director
11 shall also give notice by first class mail to each city, town, private water
12 company, conservation district, irrigation district and electrical district
13 that serves land within the area of impact of the stored water. The notice
14 shall state that persons who may be adversely affected by the water storage
15 may file written objections to the issuance of the permit with the director
16 for fifteen days after the last publication of notice. An objection shall
17 state the name and mailing address of the objector, shall be signed by the
18 objector or the objector's agent or attorney and shall clearly set forth the
19 reasons why the permit should not be issued. The grounds for objection are
20 limited to whether the application meets the criteria for issuing the permit
21 being requested as prescribed by articles 2 and 3 of this chapter.

22 E. If the application is determined to be complete and correct and the
23 application is for a water storage permit to store Colorado river water at a
24 storage facility where storage of Colorado river water has previously been
25 permitted, the director may issue the permit within twenty days of that
26 determination if all of the following apply:

27 1. The holder of the storage facility permit with which the water
28 storage permit will be affiliated has consented to the water storage.

29 2. The water storage permit will not require a modification of an
30 affiliated water storage facility permit.

31 3. Colorado river water will be the only type of water stored under
32 the water storage permit.

33 4. The applicant has the right to use the Colorado river water.

34 F. Except as provided in section 45-834.01, subsection D, if the
35 application is determined to be complete and correct and the application is
36 for a recovery well permit, the director, within fifteen days of the
37 determination or a longer period if requested by the applicant, shall give
38 notice of the application once each week for two consecutive weeks ~~in a~~
39 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county
40 in which the applicant proposes to recover stored water. If the application
41 is for a well located inside of or within three miles of the exterior
42 boundaries of the service area of a city, town, private water company or
43 irrigation district, the applicant shall give notice of the application by
44 first class mail to each city, town, private water company or irrigation
45 district within that distance. The applicant shall file proof of the notice

1 with the director. The notice shall state that persons who may be adversely
2 affected by the recovery well may file written objections to the issuance of
3 the permit with the director for fifteen days after the last publication of
4 notice. An objection shall state the name and mailing address of the
5 objector, shall be signed by the objector or the objector's agent or attorney
6 and shall clearly set forth reasons why the permit should not be issued. The
7 grounds for objection are limited to whether the application meets the
8 criteria for issuing a recovery well permit as set forth in section
9 45-834.01, subsection B. For the purposes of this subsection, if the
10 proposed recovery well is located within three miles outside of the exterior
11 boundaries of the service area of a city, town, private water company or
12 irrigation district, a city, town, private water company or irrigation
13 district within that distance shall be considered a person who may be
14 adversely affected by the recovery well.

15 G. In appropriate cases, including cases in which a proper objection
16 to the permit application has been filed, an administrative hearing may be
17 held before the director's decision on the application if the director deems
18 a hearing necessary. At least thirty days before the hearing, the director
19 shall notify the applicant and any person who filed a proper objection to the
20 issuance of the permit. The hearing shall be scheduled for at least sixty
21 days but not more than ninety days after the expiration of the time in which
22 to file objections.

23 H. If a hearing is not held, the director shall issue a decision and
24 order within six months of the date notice of the application is first given
25 pursuant to subsection D or F of this section, or within ninety days in the
26 case of an application under article 6 of this chapter. The director shall
27 record and endorse the approval or rejection of the application on the
28 application. If the permit is denied, the director shall return a copy of
29 the application to the applicant specifically stating the reasons for denial.

30 I. The applicant or any person who filed a proper objection to the
31 application may seek judicial review of the final decision of the director as
32 provided in section 45-114, subsection B in superior court as provided in
33 section 45-405.

34 J. Section 45-114, subsections A and B govern administrative
35 proceedings, rehearings or review and judicial review of final decisions of
36 the director under this section. If an administrative hearing is held, it
37 shall be conducted in the active management area in which the storage or
38 recovery is located.

39 K. On receipt of an application for a permit pursuant to this section,
40 the director shall provide written notice of the proposed permit to the city,
41 town or county that has land use jurisdiction over the site that is the
42 subject of the permit. The notice shall be given at the same time and in the
43 same manner as the notices prescribed by subsections D and F of this section
44 in order to provide the city, town or county with the opportunity to comment
45 on the proposed facility's or well's compliance with site planning and

1 operational requirements of the city, town or county. This subsection shall
2 not be construed to limit the exclusive authority of the director to
3 determine the issuance of the permit or the site of the facility or well or
4 to reduce the authority of the city, town or county to enforce its applicable
5 ordinances governing site planning and operational requirements.

6 Sec. 234. Section 45-1042, Arizona Revised Statutes, is amended to
7 read:

8 45-1042. Application for water exchange permit; notice;
9 objections; hearing

10 A. On receiving an application for a water exchange permit, the
11 director shall endorse on the application the date of receipt and keep a
12 record of the application. The director shall conduct an initial review of
13 the application within fifteen days after receiving the application. If the
14 director determines in the initial review that the application is incomplete,
15 the director shall notify each applicant. The application is incomplete
16 until the applicants file the information requested in the application. The
17 director shall determine whether the application is correct within ninety
18 days after receiving a complete application. The director may request
19 additional information from the applicants. The director may conduct
20 independent investigations as may be necessary to determine whether the
21 application should be approved or rejected.

22 B. Within fifteen days after the director determines that an
23 application for a water exchange permit is complete and correct or a longer
24 period if requested by an applicant, the director shall give notice of the
25 application once each week for three consecutive weeks ~~in a newspaper of~~
26 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county or counties in
27 which any water is proposed to be withdrawn, diverted or used pursuant to the
28 water exchange. In appropriate cases, including those in which surface water
29 subject to decreed or appropriative rights is to be exchanged, the director
30 shall provide personal notice of the application to each person who has made
31 a written request to the director for a mailed copy of the notice. The
32 notice shall state that objections to the issuance of the permit may be filed
33 in writing with the director by interested persons within thirty days after
34 the last publication of notice and that objections are limited to whether the
35 permit application meets the criteria for issuing a permit as prescribed by
36 this article. An objection shall state the name and mailing address of the
37 objector, shall be signed by the objector, the objector's agent or the
38 objector's attorney and shall clearly state reasons why the permit should not
39 be issued. The director shall prepare the notice and shall determine the
40 cost of publishing the notice. Before the notice is published, the applicant
41 shall pay for publication by submitting to the director a check or money
42 order made payable to the ~~newspaper~~ PUBLIC MEDIUM in which the notice is to
43 be published for the cost of publishing the notice. The director shall
44 transmit the check or money order with the notice to the ~~newspaper~~ PUBLIC
45 MEDIUM for publication.

1 C. In appropriate cases, including cases in which a proper written
2 objection to the permit application has been filed, an administrative hearing
3 may be held before the director's decision on the application if the director
4 deems a hearing necessary. At least thirty days before the date of the
5 hearing, the director shall give notice to the applicants and to any person
6 who filed a proper written objection to the issuance of the permit. The
7 hearing shall be scheduled for at least sixty days but not more than ninety
8 days after the expiration of the time in which to file objections. If a
9 hearing is not held, the director shall issue a decision and order within six
10 months after the date notice of the application is first given pursuant to
11 subsection B of this section.

12 D. The approval or rejection of an application for a water exchange
13 permit shall be endorsed on the application and dated. If the permit is
14 denied, the director shall return the application to the applicants
15 specifically stating the reasons for denial.

16 E. Section 45-114, subsections A and B govern administrative
17 proceedings, rehearing or review and judicial review of final decisions of
18 the director under this section. If an administrative hearing is held, it
19 shall be conducted in any county in which water may be withdrawn, diverted or
20 used pursuant to the permit.

21 Sec. 235. Section 45-1902, Arizona Revised Statutes, is amended to
22 read:

23 45-1902. Formation

24 A. An authority may be established in any active management area in
25 which all of the following conditions exist on the date the authority is
26 organized:

27 1. Over fifty per cent of the area of the active management area lies
28 within a single county.

29 2. The population of the county is less than one hundred fifty
30 thousand persons according to the most recent United States decennial census.

31 3. A political subdivision of this state within the active management
32 area directly receives Colorado river water pursuant to contracts with a
33 multi-county water conservation district and the United States secretary of
34 the interior through facilities of the central Arizona project.

35 B. The boundaries of the authority shall be coterminous with the
36 boundaries of the active management area, EXCEPT FOR TERRITORY EXCLUDED
37 PURSUANT TO SUBSECTION C, PARAGRAPH 5 OF THIS SECTION.

38 C. An authority shall be established in the following manner:

39 1. A person who desires to propose establishment of an authority shall
40 prepare and submit a petition to the board of supervisors of the county in
41 which the authority is to be established. The petition shall contain, at
42 least:

43 (a) The name of the proposed authority.

44 (b) Certified copies of adopted resolutions approving the authority's
45 formation by the governing bodies of a majority of the incorporated cities

1 and towns located entirely within the boundaries of the proposed authority on
2 January 1, 1993, and the irrigation districts located entirely or in part
3 within the boundaries of the proposed authority on January 1, 1993.

4 (c) A request that the board of supervisors schedule a hearing.

5 2. On receipt of the petition, the board of supervisors shall set a
6 day, at least sixty but not more than ninety days from that date, for a
7 hearing on the petition.

8 3. The clerk of the board of supervisors shall publish ~~in a newspaper~~
9 ~~or newspapers of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area
10 of the proposed authority, at least twenty days before the scheduled hearing,
11 a notice setting forth the date, hour and place of the hearing and the
12 purpose of the hearing. The clerk shall also notify the governing body of
13 each city, town, irrigation district and water company located within the
14 boundaries of the proposed authority of the date, hour and place of the
15 hearing and the purpose of the hearing.

16 4. At the hearing, the board of supervisors shall hear those who
17 appear for and against the proposed authority and shall determine whether the
18 petition conforms to the requirements of this section. At the hearing all
19 interested persons residing within the boundaries of the proposed authority
20 may appear and may be heard on any matter relating to the establishment of
21 the proposed authority. Before the date set for the hearing, any person
22 wishing to support or oppose the establishment of the authority may file a
23 statement of support or opposition with the clerk of the board of
24 supervisors.

25 5. At or before the time for a hearing, any city, town or irrigation
26 district may file a statement requesting to be excluded from the authority,
27 together with a description of any portion of its territory to be excluded
28 from the authority.

29 6. If the board of supervisors determines that the petition conforms
30 to the requirements of this section and that the public convenience and
31 welfare will be served by the establishment of the authority, it shall order
32 the establishment of the authority. The order shall exclude from the
33 authority those cities, towns and irrigation districts that filed statements
34 to exclude TERRITORY pursuant to paragraph 5 of this subsection and shall
35 specify the territory to be excluded. The powers and duties of the authority
36 that are conferred in this chapter do not extend to or otherwise include the
37 entities and territories that are excluded.

38 7. Any entity excluded pursuant to paragraphs 5 and 6 of this
39 subsection may petition the board of supervisors to be included in the
40 authority. The board of supervisors shall comply with paragraphs 2, 3, 4 and
41 6 of this subsection to determine whether to include the entity and its
42 territory within the authority. An order of inclusion extends the powers and
43 duties of the authority over the entity and territory that are included and
44 entitles the entity to representation on the board of the authority as
45 prescribed by section 45-1921.

1 Sec. 236. Section 45-1994, Arizona Revised Statutes, is amended to
2 read:

3 45-1994. Hearing; findings

4 A. The chairman of the board, at the earliest practical date, shall
5 fix a time and place for a hearing at least twenty but not more than thirty
6 days after adopting the resolution. The authority shall publish notice of
7 the time and place fixed for the hearing twice ~~in a newspaper of general~~
8 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the authority
9 is established.

10 B. All pertinent records and documents shall be filed at least ten
11 days before the date set for the hearing. Prehearings respecting any
12 particular document, feature or incidental matter or any separable part or
13 portion of any resolution may be held by the board on ten days' previous
14 written notice if the board deems that holding a prehearing is conducive to
15 expediting a final hearing, and a decision as to the issues presented may
16 thereupon be rendered.

17 C. At the time and place fixed for the hearing, the board shall
18 examine and determine the matters and questions involved. Hearings may be
19 recessed, adjourned or continued as the board orders.

20 D. Any person who holds an original agreement or proposal made with
21 the authority relating to or concerning the handling, sale, control or
22 disposition of a proposed issue of bonds or who has previously made an offer
23 or bid in good faith to purchase the bonds pursuant to a published invitation
24 for bids by the authority, and any operating unit holding contracts with the
25 authority at least ten days before the date fixed for the hearing, may
26 qualify to be heard.

27 E. If the board finds that all precedent requirements and conditions
28 have been fulfilled, it shall approve the bond issue in whole or in part or
29 shall otherwise disapprove the bond issue as a whole or as to such features
30 or proposals as do not meet the essential requirements. When the board has
31 made and entered its findings, it shall enter a decision accordingly.

32 F. The decision of the board based on findings of fact that are
33 supported by a preponderance of the evidence and that are not arbitrary or
34 unreasonable is final and conclusive.

35 Sec. 237. Section 45-2202, Arizona Revised Statutes, is amended to
36 read:

37 45-2202. Formation

38 A. An authority may be formed in any county with a population of more
39 than ninety thousand persons and less than one hundred twenty thousand
40 persons according to the most recent United States decennial census.

41 B. The members of the authority shall include municipal corporations
42 in the county that:

43 1. Had contracts with the United States for the delivery of Colorado
44 river water as of January 1, 1993.

1 2. Have adopted resolutions approving the formation of the authority
2 as prescribed by subsection C, paragraph 1 **OF THIS SECTION**.

3 C. The authority shall be formed on the occurrence of the following
4 events:

5 1. The adoption of resolutions approving the authority's formation by
6 a majority of the municipal corporations in the county that had contracts
7 with the United States for the delivery of Colorado river water as of January
8 1, 1993. A municipal corporation shall concurrently appoint the person who
9 will represent the municipal corporation on the authority's board.

10 2. The transfer to the authority of the right to the delivery of
11 eighteen thousand five hundred acre-feet per year of Colorado river water
12 from a municipal corporation in the county where the authority is to be
13 formed within seven hundred thirty days of the adoption of resolutions as
14 prescribed by paragraph 1 of this subsection.

15 D. On full compliance with subsection C **OF THIS SECTION**, the authority
16 shall:

17 1. Notify the board of supervisors in the county in which the
18 authority is formed of the authority's formation.

19 2. Publish a notice of the authority's formation once each week for
20 two consecutive weeks ~~in three newspapers of general circulation~~ **ON A PUBLIC**
21 **MEDIUM PUBLISHED** in the county in which the authority is formed.

22 3. Notify each authority member that the events prescribed by
23 subsection C **OF THIS SECTION** have occurred.

24 E. An authority member that in connection with the formation of the
25 authority or after the formation of the authority transfers, or causes to be
26 transferred, to the authority all or a portion of its contractual entitlement
27 to the delivery of Colorado river water shall remain an authority member
28 after the transfer.

29 F. By vote of the directors, the membership of the authority may be
30 expanded to include municipal corporations in the county that obtain
31 contracts for the delivery of Colorado river water from the United States
32 after January 1, 1993.

33 Sec. 238. Section 45-2261, Arizona Revised Statutes, is amended to
34 read:

35 45-2261. Construction work and purchases by bid only;
36 exceptions; award of contract

37 A. The authority shall undertake the construction of projects or
38 facilities by contract and not by force account. For construction contracts
39 exceeding twenty-five thousand dollars, notice shall be published for at
40 least two days ~~in a newspaper of general circulation~~ **ON A PUBLIC MEDIUM**
41 **PUBLISHED** in the county in which the authority is formed, except in emergency
42 cases to prevent imminent loss or danger. All contracts shall be let by
43 public bid to the lowest responsible bidder. The authority may call for
44 sealed bids and may accept or reject any bid. Bids shall be accompanied by a
45 reasonable bid bond in an amount determined by the authority. The authority

1 shall require that a bond or bonds as are required under title 34, chapter 2,
2 article 2 shall be provided and secured for construction contracts exceeding
3 two hundred thousand dollars.

4 B. All purchases and contracts made by the authority for material or
5 services other than personal or professional services shall be made after
6 advertising in a manner and time sufficiently in advance of opening bids as
7 the authority deems adequate to ensure appropriate notices and an opportunity
8 for competition. Advertisement is not required, and the purchase may be made
9 in the open market in any of the following cases:

10 1. An emergency requiring immediate delivery of materials or
11 performance of the services.

12 2. Repair parts, accessories or supplemental equipment or services
13 that are required for material or services previously furnished or contracted
14 for.

15 3. If the aggregate amount involved in the purchase of material or
16 procurement of services does not exceed twenty-five thousand dollars.

17 C. In comparing bids and making awards the authority shall give due
18 consideration to such factors as:

19 1. The relative quality and adaptability of materials or services.

20 2. The bidder's financial responsibility, skill, experience, record of
21 integrity in dealing and ability to furnish repair and maintenance services.

22 3. The time of delivery or performance offered.

23 4. Whether the bidder has complied with the specifications.

24 D. Subsections A, B and C **OF THIS SECTION** do not apply to any
25 contracts entered into with a state or federal agency, a political
26 subdivision **OF THIS STATE** or an Indian tribe.

27 E. The board may cause the review and approve or reject all
28 specifications, plans and construction contracts before their finalization.

29 Sec. 239. Section 47-7210, Arizona Revised Statutes, is amended to
30 read:

31 **47-7210. Enforcement of warehouse's liens**

32 A. Except as otherwise provided in subsection B **OF THIS SECTION**, a
33 warehouse's lien may be enforced by public or private sale of the goods, in
34 bulk or in packages, at any time or place and on any terms that are
35 commercially reasonable, after notifying all persons known to claim an
36 interest in the goods. The notification must include a statement of the
37 amount due, the nature of the proposed sale and the time and place of any
38 public sale. The fact that a better price could have been obtained by a sale
39 at a different time or in a method different from that selected by the
40 warehouse is not of itself sufficient to establish that the sale was not made
41 in a commercially reasonable manner. The warehouse sells in a commercially
42 reasonable manner if the warehouse sells the goods in the usual manner in any
43 recognized market therefore, sells at the price current in that market at the
44 time of the sale or otherwise sells in conformity with commercially
45 reasonable practices among dealers in the type of goods sold. A sale of more

1 goods than apparently necessary to be offered to ensure satisfaction of the
2 obligation is not commercially reasonable, except in cases covered by the
3 preceding sentence.

4 B. A warehouse may enforce its lien on goods, other than goods stored
5 by a merchant in the course of its business, only if the following
6 requirements are satisfied:

7 1. All persons known to claim an interest in the goods have been
8 notified.

9 2. The notification includes an itemized statement of the claim, a
10 description of the goods subject to the lien, a demand for payment within a
11 specified time not less than ten days after receipt of the notification and a
12 conspicuous statement that unless the claim is paid within that time the
13 goods will be advertised for sale and sold by auction at a specified time and
14 place.

15 3. The sale conforms to the terms of the notification.

16 4. The sale is held at the nearest suitable place to where the goods
17 are held or stored.

18 5. After the expiration of the time given in the notification, an
19 advertisement of the sale is published once a week for two consecutive weeks
20 ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED where the
21 sale is to be held. The advertisement must include a description of the
22 goods, the name of the person on whose account the goods are being held and
23 the time and place of the sale. The sale must take place at least fifteen
24 days after the first publication. If there is no ~~newspaper of general~~
25 ~~circulation~~ PUBLIC MEDIUM PUBLISHED where the sale is to be held, the
26 advertisement must be posted at least ten days before the sale in not fewer
27 than six conspicuous places in the neighborhood of the proposed sale.

28 C. Before any sale pursuant to this section, any person claiming a
29 right in the goods may pay the amount necessary to satisfy the lien and the
30 reasonable expenses incurred in complying with this section. In that event,
31 the goods may not be sold but must be retained by the warehouse subject to
32 the terms of the receipt and this chapter.

33 D. A warehouse may buy at any public sale held pursuant to this
34 section.

35 E. A purchaser in good faith of goods sold to enforce a warehouse's
36 lien takes the goods free of any rights of persons against which the lien was
37 valid despite the warehouse's noncompliance with this section.

38 F. A warehouse may satisfy its lien from the proceeds of any sale
39 pursuant to this section but shall hold the balance, if any, for delivery on
40 demand to any person to which the warehouse would have been bound to deliver
41 the goods.

42 G. The rights provided by this section are in addition to all other
43 rights allowed by law to a creditor against a debtor.

1 H. If a lien is on goods stored by a merchant in the course of its
2 business, the lien may be enforced in accordance with subsection A or B **OF**
3 **THIS SECTION**.

4 I. A warehouse is liable for damages caused by failure to comply with
5 the requirements for sale under this section and, in case of wilful
6 violation, is liable for conversion.

7 Sec. 240. Section 48-144, Arizona Revised Statutes, is amended to
8 read:

9 48-144. Resolution calling bond election; publication

10 A. The board of directors shall adopt a resolution calling an election
11 ~~upon~~ **ON** the question of the issuance of the bonds. The resolution shall
12 state in substance:

- 13 1. The maximum amount of bonds to be issued.
- 14 2. The purpose for which the bonds are to be issued.
- 15 3. The maximum rate of interest which the bonds are to bear.
- 16 4. A brief, concise statement, which need not include any detail other
17 than the mere statement of the fact, showing that the bonds will be payable
18 solely from revenues.
- 19 5. The date on which the election is to be held.
- 20 6. The places where votes may be cast.
- 21 7. The hours between which such polling places will be open.

22 B. The election resolution shall be posted in three public places in
23 each division of the district for at least fifteen days ~~prior to~~ **BEFORE** the
24 date of the election and shall be published at least once not less than
25 fifteen days nor more than thirty days ~~prior to~~ **BEFORE** the date of the
26 election ~~in a newspaper of general circulation~~ **ON A PUBLIC MEDIUM** published
27 in the county in which the office of the board of directors of the district
28 is located.

29 C. Instead of publishing the notice described in subsection A **OF THIS**
30 **SECTION**, the board of directors may, and for a nonresident qualified elector
31 of the district shall, mail a notice of election to each household containing
32 a qualified elector of the district. The notice shall contain the same
33 information described in subsection A, paragraphs 1 through 5 **OF THIS SECTION**
34 and the polling place for that household's qualified electors and the times
35 it is open. The notice shall be mailed at least thirty-five days before the
36 election.

37 Sec. 241. Section 48-147, Arizona Revised Statutes, is amended to
38 read:

39 48-147. Form of bonds

40 A. Bonds issued under this article shall be fully negotiable within
41 the meaning and for all purposes under the applicable provisions of title
42 ~~44~~ **47**. They may be in one or more series, bear such dates, be payable in
43 such medium of payment, at such places, carry such registration privileges,
44 be executed in such manner, contain such other terms, covenants and
45 conditions, and be in such form, either couponed or registered, as the board

1 of directors may by resolution prescribe. They shall be payable in equal
2 annual installments, or they shall be of such maturities that the amount
3 required for the payment of interest and principal becoming due thereon each
4 year will be substantially the same, and in either event the final payment
5 shall be due not more than thirty years from the date of issuance, but the
6 first installment may be payable on such date as the board of directors
7 prescribes, not more than two years after the date of issuance. Any or all
8 such bonds shall be callable at such times, on such terms and in such manner
9 as the board of directors by resolution prescribes. The bonds shall bear
10 interest, payable semiannually, at the rate or rates set by the accepted bid
11 which rate shall not exceed the maximum rate of interest set forth in the
12 resolution calling the election, and shall be sold at not less than par to
13 the person making the best bid therefor.

14 B. The board of directors shall call for bids thereon by giving thirty
15 days' notice thereof by publication ~~in a newspaper of general circulation~~ ON
16 A PUBLIC MEDIUM PUBLISHED within the county in which the office of the board
17 of directors is located. The notice shall be in such form as prescribed by
18 the board of directors. The bids shall be for the entire bond issue unless
19 the board of directors by resolution allows bidding therefor in parcels of
20 less than the entire issue.

21 C. Pending the preparation of the definitive bonds, interim receipts
22 or certificates may be issued to the purchasers of the bonds in such form and
23 with such provisions as the board of directors may determine.

24 Sec. 242. Section 48-175, Arizona Revised Statutes, is amended to
25 read:

26 48-175. Approval of contract by real property taxpayers

27 A. Notwithstanding the provisions of any general, special or local
28 law, before any contract or agreement with the federal government becomes
29 effective and binding ~~upon~~ ON the district, the contract or agreement shall
30 be submitted to and approved by the vote of a majority of the real property
31 taxpayers voting on the question of approving or disapproving the contract or
32 agreement. The taxpayers shall also in all respects be qualified electors of
33 this state and of the district affected by the question. The question may be
34 submitted at a general, special or primary election.

35 B. Notice of the time and place of a general or primary election shall
36 be given in the manner provided by law therefor. If a special election is
37 held, notice of the time and place thereof shall be given by posting notices
38 in three public places in the district for at least ten days ~~prior to~~ BEFORE
39 the election, and if a ~~newspaper~~ PUBLIC MEDIUM is published in the county in
40 which the office of the governing body of the district is located, by one
41 publication of the notice at least ten days ~~prior to~~ BEFORE the election. At
42 any general, primary or special election at which the proposition is to be
43 submitted, the election notice shall recite that the district proposes to
44 enter into a contract or agreement with the federal government for a loan or
45 grant of money to or for the benefit of the district or for the purchase or

1 exchange by the federal government of bonds issued or to be issued by the
 2 district. The notice shall also recite the maximum amount of money that may
 3 be advanced by the federal government pursuant to the contract or agreement
 4 and the maximum amount, interest rate and maturities of any new bonds that
 5 may be issued by the district pursuant thereto, and shall state that a copy
 6 of the proposed contract or agreement is available for inspection by any
 7 elector of the district at the office of the governing body.

8 C. At the election the ballots shall contain the words "Shall the
 9 proposed contract between the district and _____ and the issuance of any
 10 bonds thereunder be approved?" "Yes", "No", or other words equivalent
 11 thereto. If no bonds are to be issued pursuant to the contract, the words
 12 "and the issuance of any bonds thereunder" may be omitted from the question.
 13 Any special election shall be conducted and the votes canvassed in all
 14 respects as nearly as practicable in conformity with the provisions of law
 15 relating to the election of members of the governing body of the district.
 16 No informalities in conducting the election shall invalidate it if the
 17 election has been otherwise fairly conducted.

18 D. A contract or agreement on which there has been an adverse vote may
 19 be resubmitted to the electors in the same or any modified form at a
 20 subsequent election. If the proposition voted ~~upon~~ ON is approved, no
 21 further or additional approval by the voters at an election or otherwise
 22 shall be required for the acquisition, construction, reconstruction,
 23 extension, improvement, betterment or repair of works, properties or
 24 undertakings of or for the district insofar as they are financed pursuant to
 25 the contract or agreement, or for any refunding, refinancing, retiring or
 26 reducing all or any part of the indebtedness of the district, or for the
 27 issuance of bonds by the district as provided in the contract or agreement,
 28 or for the levy of any taxes, assessments or other charges for the payment of
 29 any amounts payable by the district pursuant to the provisions of the
 30 contract or agreement or of principal and interest on any such bonds when
 31 they fall due.

32 E. A sanitary district bond election under section 48-2020 or a
 33 sanitary district proceeding under chapter 14, article 2 of this title
 34 satisfies the requirements of subsection A of this section if, at the bond
 35 election, a majority of the qualified electors voting in the election
 36 approves, or if, under chapter 14, article 2 of this title, the owners of a
 37 majority of the frontage of the property along the proposed improvement do
 38 not file an objection to the proceedings, the contract or agreement with the
 39 federal government, as described in the resolution calling for the bond
 40 election under section 48-2020 or the resolution of intention to order the
 41 improvements under section 48-2044, is effective and binding on the sanitary
 42 district.

1 Sec. 243. Section 48-180, Arizona Revised Statutes, is amended to
2 read:

3 48-180. Time for hearing; notice; summons; parties; pleadings

4 A. ~~Upon~~ ON filing of the petition in the superior court, the court or
5 judge thereof shall fix a time for a hearing on the petition, which shall be
6 not less than fifteen days from the date of filing the petition, and shall
7 order the clerk of the court to issue summons in the matter directed to all
8 persons who may have or claim any interest in any land located in the
9 district or in any matters referred to in the petition. The court shall also
10 order the clerk to give notice of the filing of the petition and the date of
11 the hearing thereon by publishing the summons at least once a week for two
12 weeks ~~in a newspaper published or of general circulation~~ ON A PUBLIC MEDIUM
13 PUBLISHED in the county in which the office of the district is located, and
14 by posting a written or printed copy of the notice in at least three public
15 places in the district, the first of the publications and postings to be not
16 less than ten days ~~prior to~~ BEFORE the date fixed for the hearing.

17 B. The summons shall state the maximum amount that may be advanced by
18 the federal government pursuant to the contract, shall describe in general
19 terms the maximum amount, interest rate and maturities of any new bonds to be
20 issued by the district pursuant thereto, and shall contain any other
21 information the court deems advisable to have inserted therein. The summons
22 shall also state the time and place fixed for hearing the petition and that
23 any person interested in or whose rights may be affected by the execution of
24 the contract or agreement, or by issuance or sale of any bonds, or by the
25 levy of taxes or assessments, or by the limitation of the taxes or
26 assessments, or by the proceedings had or to be had by the governing body
27 with respect to the matters, or by the entering into or the performance of
28 the contract or agreement, ~~may,~~ on or before the date fixed for hearing the
29 petition, MAY move to dismiss the petition for failure to state a claim ~~upon~~
30 ON which relief can be granted or answer the petition, and may appear in the
31 hearing and contest the granting of the petition and the entry of any order
32 of confirmation pursuant thereto.

33 C. Any owner of land in the district or any other person interested in
34 or whose rights may be affected by the entering into or the performance of
35 the contract or agreement, or by the issuance or sale or exchange of any
36 bonds, or by the levy of any taxes or assessments or by the limitation of
37 indebtedness, taxes or assessments, or by the entry of any order of
38 confirmation, may enter his appearance in the proceeding and move to dismiss
39 the petition for failure to state a claim ~~upon~~ ON which relief can be granted
40 or answer the petition and contest the granting of the prayer of the
41 petition.

42 D. The provisions of law pertaining to civil actions shall be
43 applicable to the responsive pleadings to the petition. The governing body
44 of the district shall be the plaintiff and the person or persons filing the
45 responsive pleadings shall be the defendants in the proceeding. Every

1 material allegation of the petition not specifically controverted by the
2 answer shall be taken as true, and every holder of title or evidence of title
3 to lands included in the district and every other party in interest failing
4 to file a responsive pleading to the petition, shall be deemed to admit as
5 true all the material allegations thereof.

6 Sec. 244. Section 48-261, Arizona Revised Statutes, is amended to
7 read:

8 48-261. District creation; procedures; notice; hearing;
9 determinations; petitions

10 A. A fire district, community park maintenance district, sanitary
11 district or hospital district for either a hospital or an urgent care center
12 shall be created by the following procedures:

13 1. Any adult person desiring to propose creation of a district shall
14 provide a legal description of the area proposed for inclusion in the
15 district to the county assessor of the county in which the district is to be
16 located. The county assessor shall provide to the person proposing formation
17 of the district a detailed list of all ~~taxed~~ TAXABLE properties in the area
18 proposed for inclusion in the district. The person proposing formation of
19 the district shall prepare and submit a district impact statement to the
20 board of supervisors of the county in which the district is to be located.
21 Except for a proposed community park maintenance district that is to be
22 located in more than one county, if a proposed district is located in more
23 than one county, the impact statement shall be submitted to the board of
24 supervisors of the county in which the majority of the assessed valuation of
25 the proposed district is located. The boards of supervisors of any other
26 counties in which a portion of the district is to be located shall provide
27 information and assistance to the responsible board of supervisors. For a
28 community park maintenance district that is to be located in more than one
29 county, the impact statement shall be submitted to the board of supervisors
30 for each of the affected counties. If the person desiring to create a
31 district pursuant to this section is unable to complete the district impact
32 statement, the board of supervisors may assist in the completion of the
33 impact statement if requested to do so, provided the bond required in
34 subsection C of this section is in an amount sufficient to cover any
35 additional cost to the county. The district impact statement shall contain
36 at least the following information:

37 (a) A legal description of the boundaries of the proposed district and
38 a map and a general description of the area to be included in the district
39 sufficiently detailed to permit a property owner to determine whether a
40 particular property is within the proposed district.

41 (b) The detailed list of ~~taxed~~ TAXABLE properties provided by the
42 assessor pursuant to this paragraph.

43 (c) An estimate of the assessed valuation within the proposed
44 district.

1 (d) An estimate of the change in the property tax liability, as a
2 result of the proposed district, of a typical resident of the proposed
3 district.

4 (e) A list and explanation of benefits that will result from the
5 proposed district.

6 (f) A list and explanation of the injuries that may result from the
7 proposed district.

8 (g) The names, addresses and occupations of the proposed members of
9 the district's organizing board of directors.

10 (h) A description of the scope of services to be provided by the
11 district during its first five years of operation. At a minimum this
12 description shall include an estimate of anticipated capital expenditures,
13 personnel growth and enhancements to service.

14 2. On receipt of the district impact statement, the board of
15 supervisors shall set a day, not fewer than thirty nor more than sixty days
16 from that date, for a hearing on the impact statement. The board of
17 supervisors, at any time before making a determination pursuant to paragraph
18 4 of this subsection, may require that the impact statement be amended to
19 include any information that the board of supervisors deems to be relevant
20 and necessary.

21 3. On receipt of the district impact statement, the clerk of the board
22 of supervisors shall mail, by first class mail, notice of the day, hour and
23 place of the hearing on the proposed district to each owner of taxable
24 property within the boundaries of the proposed district. The written notice
25 shall state the purpose of the hearing and shall state where a copy of the
26 impact statement may be viewed or requested. The clerk of the board of
27 supervisors shall post the notice in at least three conspicuous public places
28 in the area of the proposed district and shall publish twice ~~in a daily~~
29 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of
30 the proposed district, at least ten days before the hearing, ~~or, if no daily~~
31 ~~newspaper of general circulation exists in the area of the proposed district,~~
32 ~~at least twice at any time before the date of the hearing,~~ a notice setting
33 forth the purpose of the impact statement, the description of the area of the
34 proposed district and the day, hour and place of the hearing.

35 4. At the hearing called pursuant to paragraph 2 of this subsection,
36 the board of supervisors shall hear those who appear for and against the
37 proposed district and shall determine whether the creation of the district
38 will promote public health, comfort, convenience, necessity or welfare. If
39 the board of supervisors determines that the public health, comfort,
40 convenience, necessity or welfare will be promoted, it shall approve the
41 district impact statement and authorize the persons proposing the district to
42 circulate petitions as provided in this subsection. For a community park
43 maintenance district that is required to obtain the approval of more than one
44 county's board of supervisors, the petitions may only be circulated after
45 approval of the board of supervisors from each affected county. The order of

1 the board of supervisors shall be final, but if the request to circulate
 2 petitions is denied, a subsequent request for a similar district may be
 3 refiled with the board of supervisors after six months from the date of such
 4 denial. The county board of supervisors shall authorize the circulation of
 5 petitions of only one proposed new district of the same type in which any
 6 property owner's land is proposed for inclusion. No new petition circulation
 7 shall be authorized until the one-year period to submit signatures prescribed
 8 by ~~section 48-261, subsection A,~~ paragraph 6, ~~OF THIS SUBSECTION~~ of the
 9 original petition circulation has expired or has otherwise been extinguished.

10 5. Within fifteen days after receiving the approval of the board of
 11 supervisors as prescribed by paragraph 4 of this subsection, the clerk of the
 12 board shall determine the minimum number of signatures and assessed valuation
 13 required for compliance with paragraph 7 of this subsection. After making
 14 that determination, the number of signatures shall remain fixed and the
 15 assessed valuation of the ~~taxed~~ TAXABLE properties within the boundaries of
 16 the proposed district shall remain fixed for purposes of determining
 17 compliance with the property valuation requirement prescribed in paragraph 7
 18 of this subsection.

19 6. After receiving the approval of the board of supervisors as
 20 provided in paragraph 4 of this subsection, any adult person may circulate
 21 and present petitions to the board of supervisors of the county in which the
 22 district is located. All petitions circulated shall be returned to the board
 23 of supervisors within one year from the date of the approval of the board of
 24 supervisors pursuant to paragraph 4 of this subsection. Any petition that is
 25 returned more than one year from that date is void.

26 7. The petitions presented pursuant to paragraph 6 of this subsection
 27 shall comply with the provisions regarding verification in section 48-266 and
 28 shall:

29 (a) At all times, contain a map and general description of the
 30 boundaries of the proposed district sufficiently detailed to permit a
 31 property owner to determine whether a particular property is within the
 32 proposed district and the names, addresses and occupations of the proposed
 33 members of the district's organizing board of directors. No alteration of
 34 the proposed district shall be made after receiving the approval of the board
 35 of supervisors as provided in paragraph 4 of this subsection. The items
 36 required to be contained with the petition under this ~~subsection~~ SUBDIVISION
 37 shall be printed on the back of the petition form required pursuant to
 38 section 48-266 unless the size of the items ~~preclude~~ PRECLUDES COMPLIANCE
 39 WITH this requirement. An error in the legal description of the proposed
 40 district shall not invalidate the petitions if considered as a whole the
 41 information provided is sufficient to identify the property as illustrated in
 42 the map required pursuant to ~~subsection A of this section~~ THIS SUBDIVISION.

43 (b) Be signed by owners of more than one-half of the ~~taxed~~ TAXABLE
 44 property units in the area of the proposed district and be signed by persons
 45 owning collectively more than one-half of the assessed valuation of the

1 property in the area of the proposed district. Property exempt pursuant to
2 title 42, chapter 11, article 3 shall not be considered in determining the
3 total assessed valuation of the proposed district nor shall owners of
4 property not subject to taxation be eligible to sign petitions.

5 8. On receipt of the petitions, the board of supervisors shall set a
6 day, not fewer than ten nor more than thirty days from that date, for a
7 hearing on the petition. The hearing shall be postponed if a timely request
8 to supplement petition signatures is made pursuant to section 48-266,
9 subsection ~~K~~ L, so that any supplemental petition signatures submitted
10 pursuant to that section may be considered by the board of supervisors. The
11 postponed hearing shall be held no more than thirty days after the submission
12 of any supplemental petition signatures.

13 9. Before the hearing called pursuant to paragraph 8 of this
14 subsection, the board of supervisors shall determine the validity of the
15 petitions presented.

16 10. At the hearing called pursuant to paragraph 8 of this subsection,
17 the board of supervisors, if the petitions are valid, shall order the
18 creation of the district. The board of supervisors shall enter its order
19 setting forth its determination in the minutes of the meeting, not later than
20 ten days from the day of the hearing, and a copy of the order shall be filed
21 in the county recorder's office. The order of the board of supervisors shall
22 be final, and the proposed district shall be created thirty days after the
23 board of supervisors votes to create the district, except that for a
24 community park maintenance district that is proposed for more than one
25 county, the proposed district is created thirty days after the approval of
26 the board of supervisors of the final county of the counties in which the
27 district is to be located. A decision of the board of supervisors under this
28 subsection is subject to judicial review under title 12, chapter 7,
29 article 6.

30 B. For the purpose of determining the validity of the petitions
31 presented pursuant to subsection A, paragraph 6 of this section:

32 1. Property held in multiple ownership shall be treated as if it had
33 only one property owner, so that the signature of only one of the owners of
34 property held in multiple ownership is required on the formation petition.
35 The number of persons owning property inside the boundaries of the proposed
36 district shall be determined as follows:

37 (a) In the case of property assessed by the county assessor, the
38 number of persons owning property shall be as shown on the most recent
39 assessment of property.

40 (b) In the case of property valued by the department of revenue, the
41 number of persons owning property shall be as shown on the most recent
42 valuation of property.

43 (c) If an undivided parcel of property is owned by multiple owners,
44 those owners are deemed to be one owner for the purposes of this section.

1 (d) If a person owns multiple parcels of property, that owner is
2 deemed to be a single owner for the purposes of this section.

3 2. The value of property shall be determined as follows:

4 (a) In the case of property assessed by the county assessor, values
5 shall be the same as those shown on the last assessment roll of the county
6 containing such property.

7 (b) In the case of property valued by the department of revenue, the
8 values shall be those determined by the department in the manner provided by
9 law, for municipal assessment purposes. The county assessor and the
10 department of revenue, respectively, shall furnish to the board of
11 supervisors, within twenty days after such a request, a statement in writing
12 showing the owner, the address of each owner and the appraisal or assessment
13 value of properties contained within the boundaries of the proposed district
14 as described in subsection A of this section.

15 3. Petition signatures **REPRESENTING REAL PROPERTY** on which taxes and
16 assessments are not current at the time of petition review shall be
17 invalidated.

18 C. The board of supervisors may require of the person desiring to
19 propose creation of a district pursuant to subsection A, paragraph 1 of this
20 section a reasonable bond to be filed with the board at the start of
21 proceedings under this section. The bond shall be in an amount sufficient to
22 cover costs incurred by the county if the district is not finally organized.
23 County costs covered by the bond include any expense incurred from completion
24 of the district impact statement, mailing of the notice of hearing to
25 district property owners, publication of the notice of hearing and other
26 expenses reasonably incurred as a result of any requirements of this section.

27 D. If a district is created pursuant to this section, the cost of
28 publication of the notice of hearing, the mailing of notices to property
29 owners and all other costs incurred by the county as a result of this section
30 shall be a charge against the district.

31 E. If a proposed district would include property located within an
32 incorporated city or town, in addition to the other requirements of
33 subsection A of this section, the board shall approve the creation and
34 authorize the circulation of petitions only if the governing body of the city
35 or town has by ordinance or resolution endorsed such creation.

36 F. Except as provided in section 48-851 and section 48-2001,
37 subsection A, the area of a district created pursuant to this section shall
38 be contiguous.

39 G. A district organized pursuant to this section shall have an
40 organizing board of directors to administer the affairs of the district until
41 a duly constituted board of directors is elected as provided in this title.
42 The organizing board shall have all the powers, duties and responsibilities
43 of an elected board. The organizing board shall consist of the three
44 individuals named in the district impact statement and the petitions
45 presented pursuant to subsection A of this section. If a vacancy occurs on

1 the organizing board, the remaining board members shall fill the vacancy by
2 appointing an interim member. Members of the organizing board shall serve
3 without compensation but may be reimbursed for actual expenses incurred in
4 performing their duties. The organizing board shall elect from its members a
5 chairman and a clerk.

6 H. For the purposes of this section assessed valuation does not
7 include property exempt pursuant to title 42, chapter 11, article 3.

8 Sec. 245. Section 48-262, Arizona Revised Statutes, is amended to
9 read:

10 48-262. District boundary changes; procedures; notice; hearing;
11 determinations; petitions

12 A. Except as prescribed by subsection I of this section, a fire
13 district, community park maintenance district or sanitary district shall
14 change its boundaries by the following procedures:

15 1. Any adult person desiring to propose any change to the boundaries
16 of a district shall provide a legal description of the area proposed for
17 inclusion in the district to the county assessor of the county in which the
18 district is to be located. The county assessor shall provide to the person
19 proposing any change to the boundaries of the district a detailed list of all
20 ~~taxed~~ TAXABLE properties in the area proposed for inclusion in the district.
21 The person proposing any change to the boundaries of the district shall
22 prepare and submit a boundary change impact statement to the governing body
23 of the district. The boundary change impact statement shall contain at least
24 the following information:

25 (a) A legal description of the boundaries of the area to be included
26 within the proposed change and a map and general description of the area
27 sufficiently detailed to permit a property owner to determine whether a
28 particular property is within the proposed district. The boundaries of the
29 proposed change shall not overlap with the boundaries of any other proposed
30 new district of the same type or any annexation by a district of the same
31 type for which petitions are being circulated on the date that the boundary
32 change impact statement is filed with the governing body.

33 (b) The detailed list of ~~taxed~~ TAXABLE properties provided by the
34 assessor pursuant to this paragraph.

35 (c) An estimate of the assessed valuation within the boundaries of the
36 proposed change.

37 (d) An estimate of the change in the tax rate of the district if the
38 proposed change is made.

39 (e) An estimate of the change in the property tax liability, as a
40 result of the proposed change, of a typical resident of a portion of the
41 district, not in the area of the proposed change, before and after the
42 proposed change and of a typical resident of the area of the proposed change.

43 (f) A list and explanation of benefits that will result from the
44 proposed change to the residents of the area and of the remainder of the
45 district.

1 (g) A list and explanation of the injuries that may result from the
2 proposed change to residents of the area and of the remainder of the
3 district.

4 2. On receipt of the boundary change impact statement, the governing
5 body shall set a day, not fewer than twenty nor more than thirty days from
6 that date, for a hearing on the boundary change impact statement. The board
7 of supervisors may at any time prior to making a determination pursuant to
8 paragraph 5 of this subsection require that the impact statement be amended
9 to include any information that the board of supervisors deems to be relevant
10 and necessary.

11 3. On receipt of the boundary change impact statement, the clerk of
12 the governing body shall mail, by first class mail, written notice of the
13 statement, its purpose and notice of the day, hour and place of the hearing
14 on the proposed change to each owner of taxable property within the
15 boundaries of the proposed change. The clerk of the governing body shall
16 post the notice in at least three conspicuous public places in the area of
17 the proposed change and also publish twice ~~in a daily newspaper of general~~
18 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed change,
19 at least ten days before the hearing, ~~or if no daily newspaper of general~~
20 ~~circulation exists in the area of the proposed change, at least twice at any~~
21 ~~time before the date of the hearing,~~ a notice setting forth the purpose of
22 the impact statement, the description of the boundaries of the proposed
23 change and the day, hour and place of the hearing.

24 4. On receipt of the boundary change impact statement the clerk shall
25 also mail notice, as provided in paragraph 3 of this subsection, to the
26 chairman of the board of supervisors of the county in which the district is
27 located. The chairman of the board of supervisors shall order a review of
28 the proposed change and may submit written comments to the governing body of
29 the district within ten days of receipt of the notice.

30 5. At the hearing called pursuant to paragraph 2 of this subsection,
31 the governing body shall consider the comments of the board of supervisors,
32 hear those who appear for and against the proposed change and determine
33 whether the proposed change will promote the public health, comfort,
34 convenience, necessity or welfare. If the governing body determines that the
35 public health, comfort, convenience, necessity or welfare will be promoted,
36 it shall approve the impact statement and authorize the persons proposing the
37 change to circulate petitions as provided in this subsection. The order of
38 the governing body shall be final, but if the request to circulate petitions
39 is denied, a subsequent request for a similar change may be refiled with the
40 governing body after six months from the date of such denial. The county
41 board of supervisors shall authorize the circulation of petitions for only
42 one boundary change of a district of the same type in which any property
43 owner's land is proposed for inclusion. No new petition circulation shall be
44 authorized until the one-year period to submit signatures set by

1 subsection B, paragraph 3 of this section of the original petition
 2 circulation has expired or has otherwise been extinguished.

3 6. Except as provided by section 48-851, the governing body shall not
 4 approve a proposed annexation if the property to be annexed is not contiguous
 5 with the district's existing boundary. For purposes of determining whether
 6 or not the proposed addition is contiguous, the addition is deemed contiguous
 7 if land that is owned by or under the jurisdiction of the United States
 8 government, this state or any political subdivision of this state, other than
 9 an incorporated city or town, intervenes between the proposed addition and
 10 the current district boundary.

11 7. The governing body shall not approve a proposed annexation if the
 12 area proposed to be annexed surrounds any unincorporated territory and that
 13 unincorporated territory is not also included in the district.

14 8. After receiving the approval of the governing body as provided in
 15 paragraph 5 of this subsection and provided no appeal filed pursuant to
 16 paragraph 14 of this subsection remains unresolved, any adult person may
 17 circulate and present petitions to the governing body of the district.

18 9. Within fifteen days after receiving the approval of the governing
 19 body as prescribed by paragraph 5 of this subsection, the clerk of the board
 20 shall determine the minimum number of signatures and the assessed valuation
 21 required to comply with paragraph 10, subdivision (b) of this subsection.
 22 After making that determination, the number of signatures shall remain fixed
 23 and the assessed valuation of the ~~taxed~~ TAXABLE properties within the
 24 boundaries of the proposed change shall remain fixed for purposes of
 25 determining compliance, notwithstanding any subsequent changes in ownership
 26 of the property within the boundaries of the proposed change.

27 10. The petitions presented pursuant to paragraph 8 of this subsection
 28 shall comply with the provisions regarding petition form in section 48-266
 29 and shall:

30 (a) At all times, contain a map and general description of the
 31 boundaries of the area to be included within the proposed change sufficiently
 32 detailed to permit a property owner to determine whether a particular
 33 property is included within the proposed change. No alteration of the
 34 described area shall be made after receiving the approval of the governing
 35 body as provided in paragraph 5 of this subsection. The items required to be
 36 contained with the petition under this ~~subsection~~ SUBDIVISION shall be
 37 printed on the back of the petition form required pursuant to section 48-266
 38 unless the size of the items ~~preclude~~ PRECLUDES COMPLIANCE WITH this
 39 requirement. An error in the legal description of the proposed change shall
 40 not invalidate the petitions if considered as a whole the information
 41 provided is sufficient to identify the property as illustrated in the map
 42 required pursuant to ~~subsection A of this section~~ THIS SUBDIVISION.

43 (b) Be signed by owners of more than one-half of the ~~taxed~~ TAXABLE
 44 property units within the boundaries of the proposed change and be signed by
 45 persons owning collectively more than one-half of the assessed valuation of

1 the property within the boundaries of the proposed change. Property exempt
2 pursuant to title 42, chapter 11, article 3 shall not be considered in
3 determining the total assessed valuation of the proposed change nor shall
4 owners of property not subject to taxation be eligible to sign petitions.

5 11. On receipt of the petitions, the governing body shall set a day,
6 not fewer than ten nor more than thirty days from that date, for a hearing on
7 the request. The hearing shall be postponed if a timely request to
8 supplement petition signatures is made pursuant to section 48-266, subsection
9 ~~K~~ L, so that any supplemental petition signatures submitted pursuant to that
10 section may be considered by the board of supervisors. The postponed hearing
11 shall be held no more than thirty days after the submission of any
12 supplemental petition signatures.

13 12. ~~Prior to~~ BEFORE the hearing called pursuant to paragraph 11 of this
14 subsection, the board of supervisors shall determine the validity of the
15 petitions presented pursuant to subsection B of this section.

16 13. At the hearing called pursuant to paragraph 11 of this subsection,
17 the governing body, if the petitions are valid, shall order the change to the
18 boundaries. The governing body shall enter its order setting forth its
19 determination in the minutes of the meeting, not later than ten days from the
20 day of the hearing, and a copy of the order shall be sent to the officer in
21 charge of elections and a copy shall be recorded in the county recorder's
22 office. The order of the governing body shall be final, and the proposed
23 change shall be made to the district boundaries thirty days after the
24 governing body votes.

25 14. On filing a verified complaint with the superior court, the
26 attorney general, the county attorney or any other interested party may
27 question the validity of the annexation for failure to comply with this
28 section. The complaint shall include a description of the alleged
29 noncompliance and shall be filed within thirty days after the governing body
30 of the district adopts a resolution that annexes the territory of the
31 district. The burden of proof is on the plaintiff to prove the material
32 allegations of the verified complaint. An action shall not be brought to
33 question the validity of an annexation resolution unless it is filed within
34 the time and for the reasons prescribed in this subsection. All hearings
35 that are held pursuant to this paragraph and all appeals of any orders shall
36 be preferred and shall be heard and determined in preference to all other
37 civil matters, except election actions. If more than one complaint
38 questioning the validity of an annexation resolution is filed, all such
39 complaints shall be consolidated for the hearing.

40 B. For the purpose of determining the validity of the petitions
41 presented pursuant to subsection A, paragraph 8 of this section:

42 1. Property held in multiple ownership shall be treated as if it had
43 only one property owner, so that the signature of only one of the owners of
44 property held in multiple ownership is required on the boundary change

1 petition. The number of persons owning property inside the boundaries of the
2 proposed boundary change shall be determined as follows:

3 (a) In the case of property assessed by the county assessor, the
4 number of persons owning property shall be as shown on the most recent
5 assessment of property.

6 (b) In the case of property valued by the department of revenue, the
7 number of persons owning property shall be as shown on the most recent
8 valuation of property.

9 (c) If an undivided parcel of property is owned by multiple owners,
10 those owners are deemed to be one owner for the purposes of this section.

11 (d) If a person owns multiple parcels of property, that owner is
12 deemed to be a single owner for the purposes of this section.

13 2. The value of property shall be determined as follows:

14 (a) In the case of property assessed by the county assessor, values
15 shall be the same as those shown on the last assessment roll of the county
16 containing such property.

17 (b) In the case of property valued by the department of revenue, the
18 values shall be those determined by the department in the manner provided by
19 law, for municipal assessment purposes. The county assessor and the
20 department of revenue, respectively, shall furnish to the governing body,
21 within twenty days after such a request, a statement in writing showing the
22 owner, the address of each owner and the appraisal or assessment value of
23 properties contained within the area of a proposed change as described in
24 subsection A of this section.

25 3. All petitions circulated shall be returned to the governing body of
26 the district within one year from the date of the approval given by the
27 governing body pursuant to subsection A, paragraph 5 of this section. Any
28 petition returned more than one year from that date is void. If an appeal is
29 filed pursuant to subsection A, paragraph 14 of this section, this time
30 period for gathering signatures is tolled beginning on the date an action is
31 filed in superior court and continuing until the expiration of the time
32 period for any further appeal.

33 C. For the purposes of determining whether or not the proposed
34 addition is contiguous, the addition is deemed contiguous if land that is
35 owned by or under the jurisdiction of the United States government, this
36 state or any political subdivision of this state, other than an incorporated
37 city or town, intervenes between the proposed addition and the current
38 district boundary. Property shall not be approved for annexation if the area
39 proposed to be annexed surrounds any unincorporated territory and that
40 unincorporated territory is not also included in the district.

41 D. If the change in the boundaries proposed pursuant to subsection A
42 of this section would result in a withdrawal of territory from an existing
43 district, the petitions shall be approved by the governing body only if the
44 proposed withdrawal would not result in a noncontiguous portion of the
45 district that is less than one square mile in size.

1 E. If the impact statement described in subsection A of this section
2 relates to the withdrawal of property from a district, in addition to the
3 other requirements of subsection A of this section, the governing body shall
4 also determine:

5 1. If the district has any existing outstanding bonds or other
6 evidences of indebtedness.

7 2. If those bonds were authorized by an election and issued during the
8 time the property to be withdrawn was lawfully included within the district.

9 F. If the conditions of subsection E of this section are met:

10 1. The property withdrawn from the district shall remain subject to
11 taxes, special assessments or fees levied or collected to meet the contracts
12 and covenants of the bonds. The board of supervisors shall provide for the
13 levy and collection of such taxes, special assessments or fees.

14 2. The governing body shall:

15 (a) Annually determine the amount of special property taxes, special
16 assessments or fees that must be levied and collected from property withdrawn
17 from the district and the mechanism by which such amount is to be collected.

18 (b) Notify the board of supervisors on or before the third Monday in
19 July of the amount determined in subdivision (a) of this paragraph.

20 3. Property withdrawn from an existing district shall not be subject
21 to any further taxes, special assessments or fees arising from the
22 indebtedness of such district except as provided in this subsection.

23 G. If the statement described in subsection A, paragraph 1 of this
24 section requests the annexation of property located within an incorporated
25 city or town, in addition to the other requirements of subsection A of this
26 section, the governing body shall approve the district boundary change impact
27 statement and authorize the circulation of petitions only if the governing
28 body of the city or town has by ordinance or resolution endorsed such
29 annexation and such annexation is authorized pursuant to this title.

30 H. Except as provided in subsection D of this section and section
31 48-2002, no change in the boundaries of a district pursuant to this section
32 shall result in a district which contains area that is not contiguous.

33 I. Notwithstanding subsection A of this section, any property owner,
34 including a county, this state or the United States government, whose land is
35 within a county that contains a sanitary district or fire district and whose
36 land is contiguous to the boundaries of the sanitary district or fire
37 district may request in writing that the governing body of the district amend
38 the district boundaries to include that property owner's land. If the
39 property is located in an incorporated city or town, in addition to the other
40 requirements prescribed in this subsection, the governing body of the fire
41 district or sanitary district may approve the boundary change only if the
42 governing body of the affected city or town by ordinance or resolution has
43 approved the inclusion of the property in the district. If the governing
44 body determines that the inclusion of that property will benefit the district
45 and the property owner, the boundary change may be made by order of the

1 governing body and is final on the recording of the governing body's order
2 that includes a legal description of the property that is added to the
3 district. A petition and impact statement are not required for an amendment
4 to a sanitary district's or fire district's boundaries made pursuant to this
5 subsection.

6 J. Until August 1, 2014, in a county with a population greater than
7 two million persons, notwithstanding subsection I of this section, any
8 property owner, including the United States, this state or a county, whose
9 land is within two thousand six hundred forty feet of an adjacent sanitary
10 district or fire district, not contiguous to the boundaries of the sanitary
11 district or fire district and within an unincorporated area or county island
12 may request in writing that the governing body of the district amend the
13 district boundaries to include that property owner's land.

14 K. A fire district shall not annex or otherwise add territory that is
15 already included in another existing fire district, unless deannexed pursuant
16 to subsections D, E and F of this section.

17 L. A fire district, community park maintenance district or sanitary
18 district may appropriate and spend monies as necessary or reasonably required
19 to assist one or more individuals or entities to change the district's
20 boundaries pursuant to this section.

21 M. Notwithstanding subsection A of this section, if an incorporated
22 city or town has previously adopted a resolution designating a fire district
23 as the fire service agency for the city or town, the jurisdictional
24 boundaries of the fire district without further notice or election shall be
25 changed to include any property annexed into the city or town. If the
26 annexation occurs pursuant to a joint petition for annexation, any joint
27 petition for annexation shall clearly indicate in its title and in the notice
28 required in the petition that the property to be annexed will be subject to
29 the jurisdiction of both the city or town and the fire district. A joint
30 petition for annexation shall comply with both section 9-471 and this
31 section. Any fire district boundary change that occurs through city or town
32 annexation pursuant to this subsection is effective on the effective date of
33 the annexation by the incorporated city or town. If an incorporated city or
34 town that has designated a fire district as the fire service agency for that
35 city or town annexes property that is already part of another fire district,
36 the annexed property shall remain part of the fire district in which it was
37 located before the city or town's annexation.

38 N. Notwithstanding subsection I of this section, from ~~the effective~~
39 ~~date of this amendment to this section~~ AUGUST 2, 2012 until July 1, 2015, in
40 counties with a population of more than two million five hundred thousand
41 persons, any property owner, including the United States, this state or a
42 county, whose land is within two thousand six hundred forty feet of an
43 adjacent sanitary district or fire district, ~~AND IS~~ not contiguous to the
44 boundaries of the sanitary district or fire district may request in writing
45 that the governing body of the district amend the district boundaries to

1 include that property owner's land. If the property is located in an
2 incorporated city or town, in addition to the other requirements prescribed
3 in this subsection, the governing body of the sanitary district or fire
4 district may approve the boundary change only if the governing body of the
5 affected city or town, by ordinance or resolution, has approved the inclusion
6 of the property in the district. If the governing body determines that the
7 inclusion of that property will benefit the district and the property owner,
8 the boundary change may be made by order of the governing body and is final
9 on the recording of the governing body's order that includes a general
10 description of the property, including the assessor's parcel number, that is
11 added to the district. A petition and impact statement are not required for
12 an amendment to a sanitary district's or fire district's boundaries made
13 pursuant to this subsection.

14 0. For the purposes of this section, assessed valuation does not
15 include property exempt pursuant to title 42, chapter 11, article 3.

16 Sec. 246. Section 48-506, Arizona Revised Statutes, is amended to
17 read:

18 48-506. Notice of resolution

19 A. The street superintendent shall cause to be conspicuously posted
20 along all streets and parts of streets within the assessment district
21 described in the resolution, at not more than three hundred feet in distance
22 apart, not less than three notices of the passage of the resolution.

23 B. The notices shall be headed "Notices of public work" in letters not
24 less than one inch in height, shall state the fact and date of passage of the
25 resolution, shall briefly describe the improvement proposed, shall refer to
26 the resolution for further particulars, and shall publish the notice ~~in a~~
27 ~~newspaper~~ ON A PUBLIC MEDIUM as required by section 39-204.

28 Sec. 247. Section 48-507, Arizona Revised Statutes, is amended to
29 read:

30 48-507. Protests; filing; presentation to council; hearing

31 A. Any person interested and objecting to the improvement, or to the
32 extent of the assessment district, may file a written protest with the city
33 or town clerk within fifteen days after completion of posting the notice, or
34 within fifteen days after the date of the last publication of the notice if
35 such date is subsequent to the completion of the posting.

36 B. The protest shall contain a description of the property in which
37 each signer thereof is interested and the nature of his interest therein, and
38 shall be accompanied by the affidavit of one of the signers thereof that each
39 signature is the genuine signature of the person whose name is thereto
40 subscribed. If a signature is made by an agent, there shall be attached to
41 the protest the affidavit of the agent that he is duly authorized to sign the
42 protest. A protest not complying with the foregoing requirements shall not
43 be considered. If property is held by tenancy in common, and a cotenant
44 signs the protest, only the proportionate share of the frontage represented

1 by his interest shall be counted in determining the amount of frontage
2 represented by the protest.

3 C. The clerk shall endorse on the protest the date of its filing, and,
4 at the next meeting of the council after the expiration of the time for
5 filing protests, shall present to the council all protests filed with
6 him. If the protests are against the improvement, and the council finds that
7 they are signed by the owners of a majority of the frontage of the property
8 fronting on streets or parts of streets within the assessment district, all
9 further proceedings under the resolution of intention, excepting in the cases
10 otherwise provided in this article, shall be barred, unless the owners of a
11 majority of the frontage of the property fronting on streets or parts of
12 streets within the assessment district shall in the meantime petition
13 therefor.

14 D. The council at the meeting shall fix a time for hearing protests,
15 not less than ten days thereafter, in the following cases:

16 1. If the protests are against the improvement, and the council finds
17 that they are not signed by the owners of a majority of the property fronting
18 on streets or parts of streets within the assessment district.

19 2. If the protests are only against the extent of the assessment
20 district.

21 3. If the proposed improvement is for opening or extending a street
22 for a distance of not more than two blocks intervening between the
23 terminations of two different streets, or two portions of the same street,
24 both of which are at least five blocks in length, and which existed at the
25 time the resolution of intention for the proposed improvement was adopted,
26 and the opening or extending of the streets will, together with the different
27 streets or portions of the same street so existing, make, as nearly as
28 practicable, one connecting or continuous street.

29 4. If the proposed improvement is for opening or extending a street
30 into a different street for a distance of not more than one block
31 intervening, and the street so proposed to be opened or extended through the
32 intervening block existed for a distance of at least five blocks at the time
33 the resolution of intention was adopted.

34 5. If the proposed improvement is for opening or extending a public
35 street, lane, alley, court or place through the remainder of a block when the
36 public street, lane, alley, court or place existed at the time the resolution
37 of intention was adopted for at least one-half the distance through the
38 block.

39 E. The council shall cause notice of the time of the hearing to be
40 published for at least two days ~~in a daily newspaper published and circulated~~
41 ~~in the city or town, or if there is no daily newspaper, by at least one~~
42 ~~publication in a weekly newspaper so published and circulated, the first~~
43 ~~publication to be~~ ON A PUBLIC MEDIUM PUBLISHED not less than five days before
44 the hearing.

1 F. The council shall hear the protest at the time appointed, or any
2 time to which the hearing thereof may be adjourned, and pass ~~upon~~ ON it, and
3 its decision thereon shall be final and conclusive. If any protests are
4 sustained, no further proceedings shall be had under the resolution of
5 intention, but a new resolution of intention for the same improvement may be
6 passed at any time. If the protests are denied, the proceedings shall
7 continue as if such protests had not been made.

8 G. At the expiration of the time within which protests may be filed,
9 if none are filed, or if protests are filed and are denied, the council shall
10 acquire jurisdiction to order the improvement described in the resolution of
11 intention.

12 Sec. 248. Section 48-513, Arizona Revised Statutes, is amended to
13 read:

14 48-513. Referee's report; objections; notice of hearing; court
15 action on report

16 A. ~~Upon~~ ON filing the referee's report the court ~~shall, upon,~~ ON
17 motion of any party, SHALL appoint a day for hearing the report, not less
18 than fifteen days thereafter. Notice of the time and place of the hearing
19 ~~shall,~~ at least ten days before the time so appointed, SHALL be served on all
20 other parties, except those in default.

21 B. The plaintiff, or any defendant who has answered, may file
22 objections in writing to the report, specifying the grounds, at any time not
23 less than one day ~~prior to~~ BEFORE the hearing.

24 C. The clerk of the court shall give notice of filing the report and
25 of the time and place appointed for the hearing to all persons owning or
26 having an interest in any property included within the assessment district
27 described in the resolution of intention, by causing the notice to be
28 published for two days ~~in a daily newspaper published and circulated~~ ON A
29 PUBLIC MEDIUM PUBLISHED in the city. ~~If there is no daily newspaper, then~~
30 ~~publication shall be by at least one insertion in a weekly newspaper so~~
31 ~~published and circulated.~~ The publication shall commence at least five days
32 before the time appointed for hearing the report, and shall require all
33 persons owning or having an interest in any property included within the
34 assessment district to intervene in the action, and file, in the office of
35 the clerk of the court, their objections in writing to the report specifying
36 the grounds ~~upon~~ ON which the objections are based. The notice shall also
37 contain a description of the assessment district as set forth in the
38 resolution of intention.

39 D. At any time within not less than one day ~~prior to~~ BEFORE the
40 hearing, a person not a party to the action owning, or having an interest in,
41 any property included within the assessment district, may intervene in the
42 action and file objections in writing to the report, specifying the grounds
43 ~~upon~~ ON which the objections are based and such person so intervening may
44 appear and contest the report and introduce evidence in support of the
45 objections.

1 E. After hearing the report and objections, the court may confirm the
2 report, may modify it and confirm it as modified or may set it aside and
3 order a new report from the same referees, or from new referees to be
4 appointed. If new referees are appointed, the same proceedings shall be had
5 as ~~upon~~ ON the first reference.

6 Sec. 249. Section 48-521, Arizona Revised Statutes, is amended to
7 read:

8 48-521. Filing of assessment and diagram; notice

9 A. When the assessment is completed the street superintendent shall
10 file it, with the diagram attached, with the city clerk, who shall give
11 notice of the filing by publication for at least five days ~~in a daily~~
12 ~~newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the city
13 or town, ~~or if there is no daily newspaper, by two successive insertions in a~~
14 ~~weekly newspaper so published and circulated.~~

15 B. The notice shall:

16 1. State the date of the first publication of the notice.

17 2. Require all persons interested to file with the clerk their
18 objections to the confirmation of the assessment within fifteen days
19 thereafter.

20 3. State that at the first meeting of the council after the expiration
21 of the time for filing objections the council will hear all objections filed
22 and may confirm, modify or correct the assessment and may reduce or increase
23 the amount assessed against any lot, piece or parcel of land without further
24 notice.

25 4. State that all persons interested have a right to be present at the
26 meeting and be heard on any proposed increase.

27 Sec. 250. Section 48-525, Arizona Revised Statutes, is amended to
28 read:

29 48-525. Notice that assessments are due; payment; delinquent
30 assessments

31 A. The street superintendent ~~shall, upon,~~ ON recording the assessment,
32 SHALL give notice by publication for at least two days ~~in a daily newspaper,~~
33 ~~published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality, ~~or~~
34 ~~by at least two successive insertions in a weekly newspaper so published and~~
35 ~~circulated.~~

36 B. The notice shall state:

37 1. That the assessment has been recorded in his office.

38 2. That all sums assessed therein are due and payable immediately.

39 3. The date of the first publication of notice.

40 4. That payment thereof shall be made to him within thirty days
41 thereafter.

42 5. That all assessments not paid before the expiration of the thirty
43 days will become delinquent, and that thereupon five per cent ~~upon~~ ON the
44 amount of each assessment will be added thereto.

1 C. The street superintendent shall also notify the owners of the
2 several lots, pieces and parcels of land affected by the assessment, as shown
3 by the assessment rolls of the city or town, by mailing a copy of the notice
4 to the last known address of such persons, and the affidavit of the street
5 superintendent of the mailing shall be conclusive evidence thereof.

6 D. When payment for any assessment is made, the street superintendent
7 shall mark opposite the assessment the word "paid," the date of payment, and
8 the name of the person by or for whom the assessment is paid, and give
9 receipt therefor.

10 E. On the expiration of thirty days, all assessments then unpaid shall
11 become delinquent, and the street superintendent shall certify that fact at
12 the foot of the assessment roll, and mark each such assessment "delinquent,"
13 and add five per cent to the amount of each assessment delinquent.

14 Sec. 251. Section 48-526, Arizona Revised Statutes, is amended to
15 read:

16 48-526. Delinquent list; publication; notice of sale of
17 delinquent property

18 A. The street superintendent ~~shall~~, within ten days from the date of
19 the delinquency, **SHALL** publish ~~in a newspaper~~ **ON A PUBLIC MEDIUM** not less
20 than three times a list of the delinquent assessments, which shall contain a
21 description of each parcel of property delinquent, and opposite or against
22 each description the name of the owner as stated in the assessment roll, and
23 the amount of the assessment, penalty and costs due, including the cost of
24 advertising. The cost of advertising shall not exceed fifty cents for each
25 lot of land separately assessed.

26 B. The street superintendent shall append to and publish with the
27 delinquent list a notice that unless each assessment delinquent, together
28 with the penalty and costs thereon, is paid, the property ~~upon~~ **ON** which the
29 assessment is a lien will be sold at public auction at a time and place to be
30 specified in the notice. The time of sale shall be not less than five nor
31 more than ten days after the expiration of the period of publication of the
32 list, and the place of sale shall be in, or in front of, the office of the
33 street superintendent.

34 Sec. 252. Section 48-535, Arizona Revised Statutes, is amended to
35 read:

36 48-535. Publication of notices by posting

37 A. If there is no ~~daily or weekly newspaper~~ **PUBLIC MEDIUM** published
38 ~~and circulated~~ in the city or town, then the notices and delinquent lists
39 required to be published ~~in a newspaper~~ **ON A PUBLIC MEDIUM** shall be posted in
40 three public places in the city or town for the length of time required for
41 the publication ~~in a weekly newspaper~~ **ON A PUBLIC MEDIUM**.

42 B. Publication or notice other than that herein provided is not
43 necessary to give validity to any proceedings had under this article.

1 Sec. 253. Section 48-543, Arizona Revised Statutes, is amended to
2 read:

3 48-543. Sale of bonds; disposition of proceeds

4 A. Improvement bonds issued under this article may be sold to the
5 highest cash bidder, after advertising for bids by publication at least three
6 times ~~in a daily newspaper published and circulated~~ ON A PUBLIC MEDIUM
7 PUBLISHED in the city or town, ~~or if there is no daily newspaper, then once~~
8 ~~in a weekly or semiweekly newspaper so published and circulated.~~

9 B. The council may not sell the bonds for less than par. If sold in
10 excess of par the excess shall be paid into the general fund of the city or
11 town. The proceeds of the sale shall be paid into a fund representing the
12 assessments on which the bonds were issued.

13 Sec. 254. Section 48-545, Arizona Revised Statutes, is amended to
14 read:

15 48-545. Collection of assessment installments; notice of
16 delinquent installment

17 A. All assessments not certified through the clerk shall remain
18 collectible by sale of the property as provided in this article, but the
19 superintendent shall promptly collect all installments of principal and
20 interest on the assessments so certified to the clerk. The superintendent
21 ~~shall~~, thirty days before any installment of principal or interest becomes
22 due, SHALL give notice by mail to every person interested who has filed his
23 name and address with the superintendent, and by publication in not smaller
24 than eighteen point type at least two times ~~in a daily newspaper published~~
25 ~~and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality, ~~or at least~~
26 ~~two successive insertions in a weekly or semiweekly newspaper so published~~
27 ~~and circulated.~~

28 B. The notice shall serve for all assessments in the municipality
29 becoming due on the date specified therein, and shall be substantially in the
30 following form: "Notice of special assessments due on improvements. All
31 persons owning property heretofore assessed for improvements, will take
32 notice that an installment of _____ becomes due and payable on or
33 before the _____ day of _____, ~~19~~ 20 and if not so paid on
34 or before said date the same will become delinquent and five per cent penalty
35 will be added to the amount thereof."

36 C. The council may publish a more detailed notice, in smaller type,
37 but the heading of the notice shall not be smaller type than eighteen point.
38 The first publication of notice shall be at least thirty days before the
39 installment is payable. The method of publication of notice provided for in
40 this section shall apply to and govern all bonds and assessments heretofore
41 issued and levies, and all notices of special assessments due on improvements
42 shall be given and published in accordance herewith.

43 D. When an installment is paid, the superintendent shall note in his
44 record the date of the payment, the name of the person by or for whom it is
45 paid and ~~shall~~, if requested, SHALL give receipt therefor.

1 E. On the day succeeding the date on which the installment becomes
2 due, all installments unpaid shall become delinquent, and the superintendent
3 shall certify such fact on his records and mark each installment delinquent
4 and add five per cent to the amount of each installment.

5 Sec. 255. Section 48-546, Arizona Revised Statutes, is amended to
6 read:

7 48-546. List of delinquent installments; publication of notice;
8 sale of delinquent property

9 A. The superintendent ~~shall~~, within twenty days from the date of the
10 delinquency, ~~SHALL~~ begin publication of the list of assessments on which any
11 installment is delinquent. The list shall contain a description of each
12 parcel of property, and opposite each description the name of the owner as
13 stated in the assessment, or, if no name is stated in the assessment, the
14 word "unknown", and the amount of the installment delinquent, together with
15 penalty and costs due, including the cost of advertising.

16 B. The superintendent shall append to and publish with the list, a
17 notice that unless each delinquent installment, together with the penalty and
18 costs thereon, is paid, the whole amount of the assessment will be declared
19 due by him, and the property upon which the assessment is a lien will be sold
20 at public auction at a time and place to be specified in the notice. The
21 publication shall be published ~~and circulated~~ in the municipality for a
22 period of ten days ~~ON A PUBLIC MEDIUM. in a daily newspaper, or for two~~
23 ~~weeks in a weekly newspaper so published and circulated. If published in a~~
24 ~~daily newspaper, publication shall be made in two issues of the paper, and~~
25 ~~eight days shall intervene between the first and last publication.~~

26 C. The time of sale shall not be less than five days nor more than ten
27 days after the last publication, and the place of sale shall be in or in
28 front of the office of the superintendent, or in or in front of the usual
29 place of meeting of the governing body of the municipality.

30 Sec. 256. Section 48-549, Arizona Revised Statutes, is amended to
31 read:

32 48-549. Resolution calling hearing when improvement bonds
33 remain unsold; publication; determination of
34 continuance or abandonment of project

35 A. When bonds authorized to be issued under the provisions of this
36 article have been advertised for sale under the provisions of section 48-543,
37 and the bonds have not been sold within two years from the date of the first
38 advertisement for sale, the governing body of the municipality authorizing
39 issuance of the bonds may provide for a hearing of all persons interested in
40 the property affected by the opening or widening proceedings for the purpose
41 of determining whether or not the proceedings shall be abandoned under the
42 provisions of section 48-517 or whether they shall be continued by sale of
43 the improvement bonds theretofore authorized without reappraisal of
44 compensation and damages, or benefits, or whether they shall be continued

1 under a reappraisal of the compensation and damages awarded for taking the
2 property and of the benefits assessed for such opening or widening.

3 B. The hearing may be provided for by resolution ~~which~~ THAT shall
4 state:

5 1. The name of the street proposed to be opened or widened.

6 2. The approximate limits between which the opening or widening is to
7 be made.

8 3. The time and place of the hearing.

9 4. That the purpose of the hearing is to determine whether or not the
10 proceedings shall be abandoned or shall be continued by sale of the
11 improvement bonds theretofore authorized without reappraisal of compensation
12 and damages, or benefits, or whether they shall be continued under a
13 reappraisal of compensation and damages awarded for the taking of property
14 and of the benefits assessed for such street opening or widening.

15 5. That all owners of property and persons having an interest in or
16 lien ~~upon~~ ON property proposed to be taken for public purposes, or included
17 in the district to be assessed, as described in the proceedings theretofore
18 had and taken at or before the time fixed for the hearing, may file written
19 request as to the action desired by them in regard to the matter.

20 C. The resolution, or a notice stating the matter as provided in
21 subsection B of this section to be stated in the resolution, shall be
22 published ~~in a daily or weekly newspaper~~ ON A PUBLIC MEDIUM published in the
23 municipality, on not less than two different days before the day fixed for
24 the hearing, the first of which shall be not less than five days before the
25 day fixed for the hearing.

26 D. At the hearing all persons interested shall be heard in support of
27 written requests filed by them. The hearing may be continued from time to
28 time by the governing body, and ~~upon~~ ON termination of the hearing or
29 continuance thereof, the governing body shall enter an order in its minutes,
30 determining what action shall be taken with respect to the proceedings.

31 Sec. 257. Section 48-553, Arizona Revised Statutes, is amended to
32 read:

33 48-553. Hearing on reappraisal report; publication of notice;
34 refiling report on approval

35 A. As soon as the reappraisals provided for in sections 48-551 and
36 48-552 are completed, the appraiser or appraisers shall certify and file them
37 in the office of the superintendent of streets, and the superintendent shall
38 thereupon set a time for reviewing and passing ~~upon~~ ON the reappraisals,
39 including the compensation and damages to be awarded for taking property and
40 the assessments for benefits. He shall give notice of the hearing by
41 publication ~~in a daily or weekly newspaper~~ ON A PUBLIC MEDIUM published in
42 the municipality. The notice shall appear on at least two different days of
43 publication before the date of the hearing, and the first publication shall
44 appear not less than five days before the date of the hearing.

1 B. Notices shall state:

2 1. The time and place fixed for the hearing.

3 2. That at the hearing the governing body will consider and pass upon
4 all reappraisals made by the appraiser or appraisers.

5 3. That the reappraisals are on file in the office of the
6 superintendent of streets where they may be seen and examined by interested
7 property owners.

8 4. That all owners of property or persons having liens ~~upon~~ ON or
9 interested in property to be taken for the improvement, or to be assessed
10 therefor, shall have the right to file written objections to the reappraisals
11 and may appear at the hearing in person, or by counsel, and be heard in
12 support of objections filed by them or against changes in the figures made at
13 the hearing.

14 C. The governing body, at the time fixed for the hearing, may continue
15 it by order in their minutes, or may proceed therewith. It shall hear all
16 persons interested and shall approve the reappraisal figures or make such
17 changes therein at the hearing, or any postponement thereof, as it finds just
18 and proper. All such changes shall be entered ~~upon~~ ON the minutes of the
19 legislative body.

20 D. ~~Upon~~ ON conclusion of the hearing, the governing body shall approve
21 the reappraisal figures with any changes it may have made therein, and they
22 shall be refiled in the office of the superintendent of streets.

23 Sec. 258. Section 48-574, Arizona Revised Statutes, is amended to
24 read:

25 48-574. Improvement districts for operation, maintenance,
26 repair and improvement of pedestrian malls,
27 off-street parking facilities and parkings and
28 parkways

29 A. In addition to the purposes for which an improvement district may
30 be formed under the provisions of section 48-572, an improvement district may
31 be formed for the sole purpose of the operation, maintenance, repair and
32 improvements of pedestrian malls, off-street parking facilities, and parkings
33 and parkways.

34 B. Subject to the powers granted and the limitations contained in this
35 section, the powers and duties of the governing body of the municipality and
36 the procedure to be followed shall be as provided in this article for other
37 types of special improvement districts.

38 C. If a petition for the formation of an improvement district under
39 the provisions of this section is presented to the governing body purporting
40 to be signed by all of the real property owners in the proposed district,
41 exclusive of mortgagees and other lienholders, the governing body, after
42 verifying the property ownership and making a finding of that fact, shall
43 adopt a resolution of intention to order the improvement pursuant to the
44 provisions of section 48-576 and shall have immediate jurisdiction to adopt
45 the resolution ordering the improvement pursuant to the provisions of section

1 48-581, without the necessity of the publication and posting of the
2 resolution of intention provided for in section 48-578.

3 D. The governing body shall make annual statements and estimates of
4 the expenses of the district, which shall be provided for either:

5 1. By the levy and collection of ad valorem taxes ~~upon~~ ON the assessed
6 value of all the real and personal property in the district.

7 2. By assessment of the total sum ~~upon~~ ON the several lots, each
8 respectively in proportion to the benefits to be received by each lot.

9 E. If the expenses of the district are provided for by ad valorem
10 taxes, the governing body shall publish notice, have hearings and adopt the
11 taxes at the times and in the manners provided for incorporated cities and
12 towns by the applicable portions of title 42, chapter 17, article 3. The
13 governing body, on or before the third Monday in August of each year, shall
14 fix, levy and assess the amount to be raised by ad valorem taxes ~~upon~~ ON all
15 of the property of the district. If the expenses of the district are
16 assessed ~~upon~~ ON the several lots in proportion to the benefits received by
17 each lot, the governing body shall follow the procedures established in
18 section 48-575 for the assessment and collection of the assessments. All
19 statutes providing for the levy and collection of general county taxes,
20 including the collection of delinquent taxes and sale of property for
21 nonpayment of taxes, shall be applicable to the district taxes provided for
22 under this section.

23 F. An improvement district formed under the provisions of this section
24 shall not be authorized to issue improvement bonds.

25 G. No improvement district formed under the provisions of this section
26 shall be authorized to engage in any activity other than as provided in
27 subsection A of this section. If the municipality is willing to participate
28 in the cost of the district, the governing body ~~may~~, by resolution, MAY
29 summarily order such participation.

30 H. The formation of an improvement district under the provisions of
31 this section shall not prevent the subsequent establishment of improvement
32 districts for any other purpose authorized by law.

33 I. If, in the opinion of the governing body, any portion of the
34 territory of a district formed under this section is no longer benefited by
35 being a part of the district, the governing body may, by resolution,
36 summarily delete from the district formed under this section any area and may
37 form a new district from the balance of the original district formed under
38 this section.

39 J. If, in the opinion of the governing body, territory adjacent to a
40 district formed under this section would benefit from being a part of the
41 district, the governing body, by resolution, may include the territory in the
42 district formed under this section if the following conditions are met:

43 1. Improvements that meet the standards and specifications established
44 by the governing body have been constructed in the territory and will be used
45 for the purposes of the district.

1 2. Any required public dedications of property have been made or will
2 be made before the inclusion of the territory in the district.

3 3. Including the territory in the district will not adversely affect
4 the district.

5 4. Notice of the proposed inclusion of the territory in the district
6 has been published ~~in five consecutive issues of a daily newspaper or two~~
7 ~~consecutive issues of a weekly or semiweekly newspaper of general circulation~~
8 **ON A PUBLIC MEDIUM** published in the municipality and a public hearing has
9 been held to consider the inclusion of the territory in the district.

10 5. Notice has been sent by first class mail at least ten days ~~prior to~~
11 **BEFORE** the hearing specified in paragraph 4 of this subsection with an
12 accurate map of the territory proposed for inclusion in the district to each
13 owner of real and personal property within the district and in the proposed
14 area of inclusion as shown on the statement furnished pursuant to subsection
15 K of this section that is now or would be subject to taxation by the district
16 in the event of inclusion of the proposed area.

17 K. The county assessor and the department of revenue, respectively,
18 shall furnish to the district within thirty days after a request a statement
19 in writing showing the name and the address of each owner of real and
20 personal property within the district and in the proposed area of inclusion
21 that is now or that would be subject to taxation by the district in the event
22 of inclusion of the proposed area.

23 L. Within ten days after the governing body adopts a resolution
24 pursuant to subsection J of this section, the municipality shall record the
25 resolution in the office of the county recorder in the county in which the
26 district is located to give notice of the inclusion of the territory in the
27 district to all property owners in the district. If, before the governing
28 body adopts the resolution pursuant to subsection J of this section, a
29 majority of the property owners, by area, of either the original district
30 formed under this section or the territory proposed to be included in the
31 district files with the governing board written objections to the proposed
32 inclusion of the territory, the territory shall not be included in the
33 district.

34 M. Within ten days after adoption of the resolution of intention to
35 order the improvement pursuant to section 48-576, the municipality shall
36 record the resolution in the office of the county recorder in the county in
37 which the district is located to give notice of formation of the district to
38 all property owners within the district.

39 N. For the purposes of this subsection, a property owner is an owner
40 of real property, exclusive of mortgagees and other lienholders, that is
41 within an improvement district that was formed as prescribed by this section.
42 A property owner may petition the governing body to dissolve the district
43 pursuant to the following procedures:

44 1. A property owner shall file with the clerk of the governing body in
45 which the district is located a written notice of the property owner's intent

1 to circulate a petition to dissolve the district. The notice shall include
2 the name, address and telephone number of at least one property owner living
3 within the district who intends to circulate the petition, the name, location
4 and general purpose of the district ~~which~~ THAT is to be dissolved and a true
5 and concise statement of two hundred words or less explaining the advantages
6 of dissolving the district. A petition shall not be circulated for thirty
7 days after the property owner files with the governing body the notice of
8 intent to circulate a dissolution petition.

9 2. The governing body may provide a form of petition to be used to
10 dissolve the district. Any petition shall include the statement provided in
11 the notice of intent to circulate a petition regarding the advantages of
12 dissolving the district.

13 3. The governing body may provide a true and concise written statement
14 of two hundred words or less regarding the petition or dissolution of the
15 district. If so provided, the property owner must circulate this statement
16 affixed to the petition.

17 4. Property owners shall submit to the clerk of the governing body a
18 petition for the dissolution of an improvement district formed under this
19 section that purports to be signed by more than fifty per cent of the
20 property owners in the district.

21 5. Within twenty days of receipt of the signed petition, the governing
22 body shall verify that the petition is signed by more than fifty per cent of
23 the property owners as set forth in paragraph 4 of this subsection.

24 6. If the governing body finds the petition contains valid signatures
25 of more than fifty per cent of the property owners, the governing body shall
26 set the date for dissolution of the district within ninety days. The
27 district may continue to operate after dissolution only as needed to collect
28 money and make payments on any outstanding district obligations.

29 7. Each property in the district with outstanding assessments or liens
30 attached shall remain subject to those assessments or liens for payment of
31 the existing obligations of the district, notwithstanding dissolution of the
32 district.

33 8. If a district formed under this section subsequently dissolves as
34 prescribed in this subsection, the governing body may not attempt to form any
35 district for the same purpose for at least two years after the date the
36 district is dissolved if the proposed district includes lands formerly
37 located within the dissolved district.

38 0. Districts that are located in slum or blighted areas as defined in
39 section 36-1471 are exempt from subsection N of this section.

40 Sec. 259. Section 48-575, Arizona Revised Statutes, is amended to
41 read:

42 48-575. Improvement districts for enhanced municipal services

43 A. In addition to the purposes for which an improvement district may
44 be formed under the provisions of section 48-572, an improvement district may
45 be formed within a designated area to provide public service within the

1 district at a higher level or greater degree than provided in the remainder
2 of the community, including such services as public safety, fire protection,
3 refuse collection, street or sidewalk cleaning or landscape maintenance in
4 public areas, planning, promotion, transportation and public parking.

5 B. The powers and duties of the governing body of the municipality and
6 the procedure to be followed shall be as provided in this article for other
7 types of special improvement districts.

8 C. If a petition for the formation of an improvement district under
9 the provisions of this section is presented to the governing body purporting
10 to be signed by all of the real property owners in the proposed district,
11 exclusive of mortgagees and other lienholders, the governing body, after
12 verifying such ownership and making a finding of such fact, shall adopt a
13 resolution of intention to order the improvement pursuant to the provisions
14 of section 48-576 and shall have immediate jurisdiction to adopt the
15 resolution ordering the improvement pursuant to the provisions of section
16 48-581, without the necessity of the publication and posting of the
17 resolution of intention provided for in section 48-578.

18 D. The engineer shall make duplicate diagrams of the property
19 contained within the improvement district. The diagram shall show each
20 separate lot numbered consecutively, the area in square feet of each lot, and
21 the area in square feet of any building or buildings located on each lot.
22 ~~Prior to~~ BEFORE making any assessment ~~upon~~ ON the district, the diagram shall
23 be approved by the governing body.

24 E. The governing body shall make annual statements and estimates of
25 the expenses of the district, and shall assess the total sum ~~upon~~ ON the
26 several lots, each respectively in proportion to the benefits to be received
27 by each lot. When the assessments have been completed, the governing body
28 shall fix a time when it will hear and pass ~~upon~~ ON the assessments and the
29 prior proceedings relating thereto ~~which~~ THAT shall not be less than twenty
30 days from the date of the notice. Notice of hearing shall be given in the
31 manner provided by section 48-590, subsection E. Any person owning real
32 property affected by the assessment who has any objection to the legality of
33 the assessment, or to any of the previous proceedings connected therewith,
34 ~~may prior to~~ BEFORE the time fixed for the hearing MAY file a written notice
35 briefly specifying the grounds of the objection. At the time fixed for the
36 hearing or at any time not later than ten days thereafter to which the
37 hearing may be postponed, the governing body shall hear and pass ~~upon~~ ON the
38 objections. The decision of the governing body shall be final and conclusive
39 ~~upon~~ ON all persons entitled to object as to all errors, informalities and
40 irregularities which the governing body might have remedied or avoided any
41 time during the progress of the proceedings.

42 F. The assessments for the annual expenses shall be collectible in the
43 manner and by the officers provided by law for the collection and enforcement
44 of general taxes the municipality is authorized to levy. All statutes
45 providing for the levy and collection of county and city taxes, including the

1 collection of delinquent taxes and sale of property for nonpayment of taxes,
2 shall be applicable to the district assessments provided for under this
3 section.

4 G. An improvement district formed under the provisions of this section
5 shall not be authorized to issue improvement bonds.

6 H. No improvement district formed under the provisions of this section
7 shall be authorized to engage in any activity other than as provided in
8 subsection A of this section. If the municipality is willing to participate
9 in the cost of the district, the governing body ~~may~~, by resolution, **MAY**
10 summarily order such participation.

11 I. The formation of an improvement district under the provisions of
12 this section shall not prevent the subsequent establishment of improvement
13 districts for any other purpose authorized by law.

14 J. If, in the opinion of the governing body, any territory of a
15 district formed under this section is not benefited by being a part of the
16 district, the governing body ~~may~~, by resolution, **MAY** exempt such territory
17 from assessment under this chapter, or if any portion of the territory of a
18 district formed under this section is no longer benefited by being a part of
19 the district, the governing body ~~may~~, by resolution, **MAY** summarily delete
20 from the district formed under this section any such area and may form a new
21 district from the balance of the original district formed under this section.

22 K. Any real property that is within the boundaries of the district,
23 that is utilized for residential purposes and that is not specifically
24 benefited by the public services at a higher level or greater degree shall be
25 exempt from assessment pursuant to this section for that year. Existing
26 improved real property utilized for residential purposes with four units or
27 less per building at the time of formation of the district is presumed to not
28 be specifically benefited by a public service at a higher level or greater
29 degree.

30 L. Within ten days after adoption of the resolution of intention to
31 order the improvement, the municipality shall record the resolution in the
32 office of the county recorder in the county in which the district is located
33 in such a way as to give notice of formation of the district to all property
34 owners within the district.

35 M. If, in the opinion of the governing body of the municipality,
36 territory adjacent to a district formed under this section would benefit from
37 being a part of the district, the governing body, by resolution, may include
38 the territory in the district formed under this section if all of the
39 following conditions are met:

40 1. Including the territory in the district will not adversely affect
41 the district.

42 2. Notice of the proposed inclusion of the territory in the district
43 has been published ~~in five consecutive issues of a daily newspaper or two~~
44 ~~consecutive issues of a weekly or semiweekly newspaper of general circulation~~

1 ON A PUBLIC MEDIUM published in the municipality and a public hearing has
2 been held to consider the inclusion of the territory in the district.

3 3. Notice, including an accurate map of the territory proposed for
4 inclusion in the district, has been sent by first class mail at least ten
5 days before the hearing prescribed in paragraph 2 OF THIS SUBSECTION to each
6 owner of property listed on the tax roll within the district and in territory
7 that is now or would be subject to taxation by the district in the event of
8 inclusion of the territory.

9 N. Within ten days after the governing body of the municipality adopts
10 a resolution pursuant to subsection M of this section, the municipality shall
11 record the resolution in the office of the county recorder in the county in
12 which the district is located to give notice of the inclusion of the
13 territory in the district to all property owners in the district. If, before
14 the governing body of the municipality adopts the resolution pursuant to
15 subsection M of this section, a majority of the property owners, by area, of
16 either the original district formed under this section or the territory
17 proposed to be included in the district files with the governing body of the
18 municipality written objections to the proposed inclusion of the territory,
19 the territory shall not be included in the district.

20 O. An improvement district to provide enhanced municipal services may
21 continue to exist in an area that is no longer in a designated area as
22 defined in section 48-571, if at the time of district formation all of the
23 following apply:

24 1. The area contained in the improvement district has been in a
25 designated area for five or more years.

26 2. Not more than ten per cent of the frontage of the property fronting
27 on the proposed improvement, or if the cost of the improvement is to be made
28 chargeable on a district, not more than ten per cent of the frontage of the
29 property contained within the limits of the improvement district, is owned by
30 the same person.

31 3. Not more than one-third of the property owners by frontage of the
32 area contained in the improvement district files with the governing body of
33 the municipality written objections to the improvement district.

34 4. The municipality otherwise complies with the provisions of this
35 article for the process of forming the improvement district.

36 Sec. 260. Section 48-578, Arizona Revised Statutes, is amended to
37 read:

38 48-578. Publication of resolution of intention; posting notice
39 of resolution

40 The resolution of intention shall be published ~~in successive issues~~
41 ~~five times in a daily newspaper, or two times in a weekly or semiweekly~~
42 ~~newspaper, published and of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
43 in the municipality. The superintendent of streets shall also cause to be
44 conspicuously posted along the line of the proposed improvement, at not more
45 than three hundred feet apart, notices of the passage of the resolution. The

1 notice shall be headed "Notice of proposed improvement" in letters at least
2 one inch in height, and shall state the fact of the passage of the resolution
3 of intention, and briefly describe the improvement proposed.

4 Sec. 261. Section 48-580, Arizona Revised Statutes, is amended to
5 read:

6 48-580. Procedure for making and hearing protests and
7 objections

8 A. In determining protests and objections, the governing body shall be
9 guided by these rules:

10 1. Each paper containing signatures shall have attached thereto the
11 affidavit of an owner to be assessed, stating that each signature was affixed
12 in his presence and is the signer's genuine signature.

13 2. The protest or objection shall be counted only for the property
14 described as belonging to the signer, and a signature without the description
15 shall not be counted.

16 3. The signature of one cotenant, or, if community property, the
17 signature of either spouse, is sufficient for a protest if no objection to
18 the signature is made by the other cotenant or spouse. If the signature is
19 so protested, the protest shall be counted only to the extent of the signer's
20 interest in the property.

21 4. A protest or objection signed by a guardian, executor,
22 administrator or trustee is valid without an order of court therefor.

23 5. A protest or objection by a person in possession under contract of
24 purchase is valid.

25 6. When several persons have a claim to or an interest in property,
26 the signature of any of them is sufficient unless questioned by another
27 having such claim or interest, whereupon the wishes of the person legally
28 entitled to possession of the property at the date of the protest shall
29 control.

30 7. A protest or objection signed by an agent or attorney in fact shall
31 be disregarded unless the authority of the agent has been recorded with the
32 county recorder, or written or telegraphic authority is attached to the
33 protest or objection before expiration of the time for filing the protest or
34 objection.

35 8. A signature may be withdrawn from a protest or objection by filing
36 the withdrawal with the clerk in his office at or before five o'clock p.m.,
37 of the last day set for filing protests.

38 9. An objection to the signature of a cotenant, spouse, claimant or
39 person interested may be filed, and the authority of an agent or attorney in
40 fact questioned, at any time before the governing body finally passes ~~upon~~ ON
41 the sufficiency of the protest, but an agency or authority may not be revoked
42 as to the signature after expiration of the protest period.

43 B. The governing body may fix a date for a hearing ~~upon~~ ON the
44 sufficiency of a protest, which shall be within thirty days from the
45 expiration of the protest period, and shall give notice of the hearing by

1 publication ~~twice in a daily, or once in a weekly or semiweekly paper~~ ON A
2 PUBLIC MEDIUM published in the municipality or county, and by mailing the
3 notice to each protestant at his address of record.

4 C. The notice shall require all persons signing the protest, their
5 agents or attorneys, to appear and show cause why the protest should not be
6 overruled.

7 D. ~~Upon~~ ON the hearing the governing body may disregard all signatures
8 of which the right to sign does not appear ~~upon~~ ON the records of the county
9 recorder, and which is not supported by evidence at the hearing.

10 Sec. 262. Section 48-581, Arizona Revised Statutes, is amended to
11 read:

12 48-581. Resolution ordering improvement; notice; bids

13 A. When no protests against the work or no objections as to the extent
14 of the proposed assessment district have been filed within the time
15 specified, or when a protest is found by the governing body to be
16 insufficient, or when the objections to the extent of the proposed district
17 have been heard and denied, the governing body may order, by resolution, the
18 proposed improvements described in the resolution of intention.

19 B. The resolution need not fully describe the improvement nor the
20 extent of the assessment district, but may refer to the resolution of
21 intention for the description.

22 C. On completion of the plans and specifications, the superintendent
23 shall publish a notice of the passage of the resolution ordering the work,
24 and inviting sealed bids for making the improvement therein ordered, ~~twice in
25 one or more daily newspapers or once in a weekly or semiweekly newspaper,
26 published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town,
27 and shall post a copy of the notice for five days on or near the door of the
28 meeting place of the governing body. The notice shall state the time within
29 which proposals may be filed with the clerk, which shall not be less than ten
30 days from the date of the first publication of the notice.

31 D. When in the resolution of intention the governing body has provided
32 for alternative plans and specifications, the invitation for bids for making
33 the improvement may require separate bids according to each of the several
34 alternative plans and specifications.

35 E. The governing body may combine by resolution two or more
36 improvement projects for which resolutions of intention have been approved in
37 order to allow the construction of those improvements under one contract and
38 to allow one series of improvement bonds.

39 Sec. 263. Section 48-584, Arizona Revised Statutes, is amended to
40 read:

41 48-584. Bids; bond; award of contract; entering into contract;
42 liability on bond

43 A. Bids shall be submitted accompanied by a bond payable to the
44 municipality for an amount not less than ten per cent of the aggregate bid.

1 Alternative bids may be accompanied by one bond at least equal to ten per
2 cent of the amount of the highest proposal submitted.

3 B. The governing body of the city or town ~~shall~~, in open session,
4 SHALL publicly declare the bids, and may reject any or all when deemed for
5 the public good, and shall reject all bids other than the lowest and best bid
6 of a responsible bidder. The governing body may award the contract for the
7 work or improvement to the lowest and best responsible bidder at the price
8 named in his bid, ~~upon~~ ON motion, noted in its minutes, and ~~upon~~ ON a
9 majority vote of its members.

10 C. When the resolution of intention to make the improvement and the
11 resolution ordering the work has provided for alternative plans and
12 specifications, and the notice has invited separate bids in accordance with
13 the alternative plans and specifications, the governing body shall not award
14 the contract for the improvement until fifteen days after the bids have been
15 opened, examined and declared. If within such period the owners of a
16 majority of the frontage of property fronting on the proposed improvement,
17 or, when the cost of the improvement has been made chargeable ~~upon~~ ON a
18 district, the owners of a majority of the frontage of property contained
19 within the limits of the assessment district, in writing require that the
20 proposed improvement be constructed in accordance with any particular one of
21 the alternative plans and specifications, then the governing body shall so
22 determine and require, and shall award the contract to the lowest and best
23 responsible bidder. If no such written requirement is filed, then the
24 governing body shall determine which of the alternative plans and
25 specifications shall be adopted, considering the cost and efficiency thereof,
26 and shall award the contract accordingly.

27 D. Notice of the award of contract shall be published ~~twice in a daily~~
28 ~~newspaper or once in a weekly or semiweekly newspaper, published and of~~
29 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the city or town.

30 E. At any time within fifteen days from the date of the first
31 publication, any person having an interest in a lot liable to assessment,
32 claiming that any of the previous acts or proceedings relating to the
33 improvements are irregular, illegal or faulty, may file with the clerk a
34 written notice specifying in what respect the acts and proceedings are
35 irregular, illegal or faulty, and all objections to any act or proceeding
36 ~~which~~ THAT are not made ~~prior to~~ BEFORE the notice of award shall be waived,
37 except as to matters directly affecting the authority of the governing body.
38 If the governing body finds any objection well taken, it may abandon the
39 proceedings, or correct or modify any portion thereof, and proceed as in the
40 first instance.

41 F. Within twenty days after the date of the first publication, if no
42 objections have been filed, the successful bidder shall enter into a contract
43 to make the improvement according to his bid. If objections are filed but
44 are rejected by the governing body, the contract shall be entered into within
45 five days after receiving notice from the clerk of such rejection. If the

1 bidder fails to enter into the contract within such period provided, then the
2 governing body without further proceedings shall again advertise for bids as
3 in the first instance, and the bidder shall be liable ~~upon~~ ON his bond
4 accompanying the bid for all costs and damages incurred and sustained by
5 reason of the failure to enter into the contract.

6 Sec. 264. Section 48-590, Arizona Revised Statutes, is amended to
7 read:

8 48-590. Delivery of warrant and assessment to contractor;
9 demand for payment; release of assessments; review of
10 assessment

11 A. After the warrant and assessment are recorded, they shall be
12 delivered to the contractor, or to the treasurer of the municipality if the
13 municipality charges itself with the duty of making demands for the payment
14 of the several assessments, together with one of the diagrams, and by virtue
15 of the warrant, the contractor or treasurer, as the case may be, is
16 authorized to demand and receive the amount of the several assessments.

17 B. The contractor or treasurer, as the case may be, shall call ~~upon~~ ON
18 the person assessed, either in person or by use of the United States mail if
19 the person can conveniently be found, and demand payment, and if paid shall
20 give a receipt therefor. The receipt, when presented to the superintendent,
21 shall be an order to the superintendent to release the assessment.

22 C. The contractor or treasurer shall promptly notify the
23 superintendent of all payments made to the contractor or treasurer, whereupon
24 the superintendent shall release assessments ~~which~~ THAT have been fully paid.
25 When the name of the owner of the lot is stated as "unknown" on the
26 assessment, the contractor or treasurer shall demand payment of a person in
27 possession. If someone is in possession, such demand may be made either by
28 use of the United States mail, if a mailing address for the person in
29 possession can be determined, or in person. If the premises are unoccupied
30 or the person in possession cannot be found, such demand is unnecessary.

31 D. The warrant shall be returned to the superintendent within thirty
32 days after its date with a "return" endorsed thereon, signed by the
33 contractor or treasurer, as the case may be, verified ~~upon~~ ON oath stating
34 the nature and character of the demand, and whether any assessments remain
35 unpaid in whole or in part, and the amount thereof. In the absence of fraud
36 or bad faith, the verified statement of the person making the return is
37 conclusive proof that the demand for payment was made ~~upon~~ ON each owner,
38 person in possession or each parcel of property as required by this section.
39 The superintendent shall record the return so made in the margin of the
40 record of the warrant and assessment. After return of the assessment and
41 warrant all amounts remaining due shall draw interest at the rate of eight
42 per cent per annum until paid or, upon the issuance of bonds, at the rate
43 specified in the bonds payable for the semiannual period specified in the
44 bonds notwithstanding the fact that the installments of assessments may be
45 due at dates earlier than installments of interest are payable on the bonds.

1 E. After completion of the work, the superintendent shall notify the
 2 governing body of such fact, and the board shall fix a time when it will hear
 3 and pass ~~upon~~ ON the assessment and the proceedings theretofore had and
 4 taken, which shall not be less than twenty days thereafter. The governing
 5 body shall cause notice of the hearing to be given by publication for five
 6 days ~~in a daily newspaper published and circulated~~ ON A PUBLIC MEDIUM
 7 PUBLISHED in the municipality, ~~or two times in a semiweekly or weekly~~
 8 ~~newspaper so published~~, and the street superintendent shall cause notices of
 9 the time and place of the hearing to be mailed by first class mail, at least
 10 twenty days before the hearing date, to all persons owning real property
 11 affected by the assessments as the names and addresses appear on the last
 12 certified property tax roll. If no address appears for any person on the
 13 last certified tax roll, then no notice need be mailed to such person. The
 14 street superintendent shall make an affidavit of the mailing and shall recite
 15 therein that the persons to whom notices were mailed constitute all persons
 16 whose names and addresses appear upon the tax roll as owning property within
 17 the particular improvement area, which affidavit shall be conclusive proof
 18 that notice was mailed each person to whom notice is required to be mailed.
 19 Failure to receive notice shall not constitute any jurisdictional defect
 20 invalidating any proceeding or assessment if notice has been sent pursuant to
 21 this section.

22 F. If the assessment is dated before the work has been completed, the
 23 superintendent shall file with the clerk, at or ~~prior to~~ BEFORE the hearing,
 24 a recapitulated assessment based on the actual quantities determined by the
 25 engineer to have been constructed or installed, or the actual cost of the
 26 acquisition, as the case may be, together with the known incidental expenses
 27 expended to that date and the itemized estimated incidental expenses
 28 remaining to be expended. The engineer need not recompute each individual
 29 assessment but shall determine the amount of the increase or decrease to be
 30 assessed and shall file a supplemental statement with the clerk setting forth
 31 the ratio of the differential between the contractor's bid and the
 32 recapitulated amount and ordering that each assessment be increased or
 33 decreased, as the case may be, by such ratio. If the total assessment is
 34 decreased, the treasurer shall return to the owner, if the owner can be
 35 located, that portion of each assessment previously paid in cash which
 36 represents an excess payment.

37 G. The owners, contractor and all other persons directly interested in
 38 the work or in the assessment, who have any objection to the legality of the
 39 assessment or to any of the previous proceedings connected therewith, or who
 40 claim that the work has not been performed according to the contract, ~~may,~~
 41 ~~prior to~~ BEFORE the time fixed for the hearing, MAY file a written notice
 42 briefly specifying the grounds of their objections. At the time fixed for
 43 the hearing or at any time not later than ten days thereafter to which the
 44 hearing may be postponed, the governing body shall hear and pass ~~upon~~ ON the
 45 objections. The decision of the governing body shall be final and conclusive

1 upon all persons entitled to object as to all errors, informalities and
2 irregularities which the governing body might have remedied or avoided at any
3 time during the progress of the proceedings.

4 H. If the governing body finds that the contract has not been fully
5 performed, it shall withhold all amounts or bonds owed and not then paid, or
6 delivered, to the contractor until such time as in its opinion the contract
7 is fully performed. If the governing body finds that the amount or bonds
8 left on hand to be paid to the contractor is not sufficient to pay the costs
9 necessary to complete the work and that the contractor is not likely to
10 complete the work according to the contract, the governing body may summon
11 the contractor and contractor's surety for a hearing pursuant to section
12 48-586. The governing body may modify the amounts of the several assessments
13 after hearing, and may order that the assessment be recomputed if it finds
14 that the benefits to any lots do not equal the amount of such lot's
15 respective assessment. When recomputing the assessment, the superintendent
16 of streets shall again levy the assessments according to the benefits
17 derived, as instructed by the governing body, notwithstanding the fact that
18 the reduction of any assessment may cause a corresponding increase in other
19 assessments.

20 Sec. 265. Section 48-600, Arizona Revised Statutes, is amended to
21 read:

22 48-600. Collection of assessment installments; notice;
23 delinquent installments

24 A. All assessments not certified to the clerk shall remain collectable
25 by the contractor as provided by this article, but the superintendent shall
26 promptly collect all installments of principal and interest on the
27 assessments so certified to the clerk. The superintendent ~~shall~~, thirty days
28 before any installment of principal or interest becomes due, **SHALL** give
29 notice by mail to every person interested who has filed his name and address
30 with the superintendent, and by publication ~~in not smaller than eighteen~~
31 ~~point type at least two times in a daily newspaper published and circulated~~
32 **ON A PUBLIC MEDIUM PUBLISHED** in the municipality, ~~or at least two successive~~
33 ~~insertions in a weekly or semiweekly newspaper so published and circulated.~~

34 B. The notice shall serve for all assessments in the municipality
35 becoming due on the date specified therein, and shall be substantially in the
36 following form: "Notice of special assessments due on improvements. All
37 persons owning property heretofore assessed for improvements, will take
38 notice that an installment of _____ becomes due and payable on or
39 before the _____ day of _____ ~~19~~ **20** and if not so paid
40 on or before said date the same will become delinquent and five per cent
41 penalty will be added to the amount thereof."

42 C. The governing body may publish a more detailed notice, in smaller
43 type, but the heading of the notice shall not be smaller type than eighteen
44 point. The first publication of notice shall be at least thirty days before
45 the installment is payable. The method of publication of notice provided for

1 in this section shall apply to and govern all bonds and assessments
2 heretofore issued and levied, and all notices of special assessments due on
3 improvements shall be given and published in accordance herewith.

4 D. When an installment is paid, the superintendent shall note in his
5 record the date of the payment, the name of the person by or for whom it is
6 paid and shall, if requested, give receipt therefor.

7 E. On the day succeeding the date on which the installment becomes due
8 all installments unpaid shall become delinquent, and the superintendent shall
9 certify such fact on his records and mark each installment delinquent and add
10 five per cent to the amount of each installment.

11 Sec. 266. Section 48-601, Arizona Revised Statutes, is amended to
12 read:

13 48-601. List of delinquent installments; publication of notice;
14 sale of delinquent property

15 A. The superintendent ~~shall~~, within twenty days from the date of the
16 delinquency, **SHALL** begin the publication of the list of the assessments on
17 which any installment is delinquent. The list shall contain a description of
18 each parcel of property, and opposite each description the name of the owner
19 as stated in the assessment, or, if no name is stated in the assessment, the
20 word "unknown," and the amount of the installment delinquent, together with
21 penalty and costs due, including the cost of advertising.

22 B. The superintendent shall append to and publish with the list, a
23 notice that unless each delinquent installment, together with the penalty and
24 costs thereon, is paid, the whole amount of the assessment will be declared
25 due by him, and the property upon which the assessment is a lien will be sold
26 at public auction at a time and place to be specified in the notice. The
27 publication shall be published ~~and circulated~~ **ON A PUBLIC MEDIUM PUBLISHED** in
28 the municipality for a period of ten days ~~in a daily newspaper, or for two~~
29 ~~weeks in a weekly newspaper so published and circulated. If published in a~~
30 ~~daily newspaper, publication shall be made in two issues of the paper, and~~
31 ~~eight days shall intervene between the first and the last publication.~~

32 C. Before the date fixed for the sale or before the date to which the
33 sale has been postponed, the superintendent shall obtain a record search that
34 shows the names and addresses of record of all lien claimants on, and other
35 persons with an interest in, all lots or parcels on which an installment of
36 the assessment is delinquent. The cost of a record search may be added to
37 the assessment and is deemed to be a portion of the delinquent installment.

38 D. At least ten days before the sale date or the date to which the
39 sale has been postponed, the superintendent shall serve by first class mail a
40 notice of the date and place of the sale or postponed sale to the owner and
41 to each of the lien claimants and other persons with an interest as shown by
42 the search of records. The notice shall state the date of the sale, the
43 amount of the delinquent installments including penalties, costs of
44 advertisement and costs of the record search, shall state either that the
45 whole amount of the assessment and costs and penalties or, if the

1 municipality has provided for the sale of the amount of the delinquent
2 assessment, that the amount then delinquent and costs and penalties are due
3 at the time of the sale and shall state that, unless redeemed within the time
4 allowed by law, a superintendent's deed will be delivered to the purchaser
5 and the superintendent's deed shall convey title to the lands described
6 therein free and clear of all interests and liens, except for the lien for
7 general property taxes and prior special assessments.

8 E. A final sale may not be held unless the superintendent has provided
9 notice by mail as prescribed by this section to all lien claimants discovered
10 in the search of records. The mailing may occur either before the date
11 originally set for the sale or before the date of any postponed sale, and
12 only one mailing and one record search is required.

13 F. The time of sale shall not be less than five days after the last
14 publication, and the place of sale shall be in or in front of the office of
15 the superintendent, or in or in front of the usual place of meeting of the
16 governing body of the municipality. The sale may be postponed.

17 Sec. 267. Section 48-611, Arizona Revised Statutes, is amended to
18 read:

19 48-611. Failure to hold or adjourn scheduled hearing; provision
20 for subsequent hearing

21 When the time and place for a hearing is fixed by a governing body
22 under this article, and for any reason the hearing is not then and there held
23 or regularly adjourned to a time and place fixed, the authority of the
24 governing body shall not thereby be divested or lost, but it may thereafter
25 fix a time and place for the hearing and cause notice thereof to be given by
26 publication ~~by at least one insertion in a newspaper published and circulated~~
27 **ON A PUBLIC MEDIUM PUBLISHED** in the municipality and designated by the
28 governing body. The publication shall be at least five days before the date
29 of the hearing, and thereupon the governing body may act as in the first
30 instance.

31 Sec. 268. Section 48-655, Arizona Revised Statutes, is amended to
32 read:

33 48-655. Publication and posting of resolution

34 A. The resolution of intention shall be published, ~~in successive~~
35 ~~issues, five times in a daily newspaper or two times in a weekly or~~
36 ~~semi-weekly newspaper published and of general circulation~~ **ON A PUBLIC MEDIUM**
37 **PUBLISHED** in the municipality.

38 B. The clerk shall also cause to be conspicuously posted along the
39 line of the improvement for which the bonds to be refunded were issued, at
40 not more than three hundred feet apart, a notice of the proposed issuance of
41 refunding bonds, which shall be sufficient if it is headed, "notice of
42 proposed issuance of refunding bonds," in letters at least one inch in
43 height, and shall substantially state all matters required to be stated in
44 the resolution of intention, and give the date of the passage of the
45 resolution of intention.

1 Sec. 269. Section 48-683, Arizona Revised Statutes, is amended to
2 read:

3 48-683. Election resolution

4 A. The governing body shall adopt a resolution calling an election
5 ~~upon~~ ON the question of the issuance of bonds. The resolution shall state in
6 substance:

- 7 1. The maximum amount of bonds to be issued.
- 8 2. The purpose for which the bonds are to be issued.
- 9 3. The maximum rate of interest ~~which~~ THAT the bonds are to bear.
- 10 4. A brief and concise statement containing an irrevocable
11 appropriation providing for the payment of the principal and interest of the
12 bonds from monies to be derived from taxes, fees, charges and other monies
13 collected by the state and returned to such city or town for street and
14 highway purposes pursuant to law which have not been theretofore specially
15 allocated and pledged for the payment of indebtedness.
- 16 5. The date on which the election will be held.
- 17 6. The places where votes may be cast.
- 18 7. The hours between which polling places will be open.

19 B. The election resolution shall be published in full at least once,
20 not less than fifteen nor more than thirty days ~~prior to~~ BEFORE the date of
21 the election, ~~in a newspaper published in the county and of general~~
22 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the municipality, or, if there is
23 no ~~such newspaper~~ PUBLIC MEDIUM, the resolution shall be printed in full and
24 posted in five conspicuous places in the municipality not less than fifteen
25 nor more than thirty days ~~prior to~~ BEFORE the date of the election.

26 Sec. 270. Section 48-688, Arizona Revised Statutes, is amended to
27 read:

28 48-688. Form of bonds; interest rates; redemption; payment of
29 principal and interest; additional security;
30 definition

31 A. Bonds issued under this article shall be fully negotiable within
32 the meaning and for all purposes provided by title 47. They may be in one or
33 more series, may bear dates, may be payable in a medium of payment and at
34 places, may carry registration privileges, may have that priority or lien
35 position between bondholders, shall be executed in a manner, may contain
36 other terms, covenants and conditions, and SHALL be in a form as the
37 governing body by resolution prescribes. The final payment shall be due not
38 more than thirty years from the date of issuance, as the governing body may
39 prescribe. Any or all of the bonds shall be callable at times, on terms and
40 in a manner as the governing body by resolution prescribes.

41 B. Any or all of the bonds may be sold by calling for bids at public
42 sale or through an ~~on-line~~ ONLINE bidding process or bonds may be sold under
43 an accelerated bidding process. If sold under an accelerated bidding
44 process, the bonds shall be sold at the lowest cost the governing body deems
45 then available after having received at least three pricing quotations from

1 recognized purchasers of bonds of the type being sold. If sold at public
2 sale, the bonds shall be sold to the bidder making the best bid. If bonds
3 are sold through an ~~on-line~~ ONLINE bidding process, bids for the bonds that
4 are entered into the system may be concealed until a specified time or
5 disclosed in the ~~on-line~~ ONLINE bidding process, may be subject to
6 improvement in favor of the district before a specified time and may be for
7 an entire issue of bonds or specified maturities according to the manner,
8 terms and notice provisions ordered by the governing body.

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

15 D. If sold at public sale, the governing body shall call for bids for
16 the bonds by giving notice at least once a week for two successive weeks in
17 cities having a population of fifteen thousand or more persons according to
18 the most recent federal census, and once a week for four successive weeks in
19 all other cities and towns by publication ~~in a newspaper of general~~
20 ~~circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county. The notice
21 shall be in the form prescribed by the governing body. The bids shall be for
22 the entire bond issue unless the governing body by resolution allows bidding
23 in parcels of less than the entire issue. Notwithstanding any other
24 provision of this subsection, bonds may be sold to natural persons residing
25 in this state by negotiated sale on terms the governing body deems to be the
26 best then available and may bear interest payable at times as shall be
27 determined by the governing body. The bonds may be sold below, at or above
28 par, provided that if the bonds are sold below par, the aggregate amount of
29 discount plus interest to be paid on the bonds must not exceed the amount of
30 interest that would be payable on the bonds over the maturity schedule
31 prescribed by the governing body at the maximum rate set out in the
32 resolution calling the election at which the bonds were voted.

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

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

43 2. A variable rate shall be based on any objective measure of the
44 current value of money borrowed such as the announced prime rate of a bank,
45 the rates borne by obligations of the United States or an index or other

1 formula provided for by the governing body. The governing body shall employ
2 a recognized agent in municipal bonds to market and remarket the bonds or
3 commercial paper issued and to establish an interest rate in accordance with
4 the approved index or formula.

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

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

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

23 6. The governing body may:

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

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

31 7. Any reimbursement obligation entered into with the bank, financial
32 institution, insurance company or indemnity company shall not provide for the
33 payment of interest in excess of the maximum rate of interest set forth in
34 the resolution calling the election. The reimbursement obligation does not
35 constitute a general obligation of the city or town and is payable from the
36 same source as the bonds, or from other available revenues, as determined by
37 the governing body.

38 8. Variable rate bonds and commercial paper may be sold at competitive
39 public sale, through an ~~on-line~~ ONLINE bidding process or at negotiated sale.
40 A competitive public sale may be accomplished pursuant to a notice of sale
41 published at the times and in the manner provided in subsection D OF THIS
42 SECTION. This notice shall provide terms and conditions as may be determined
43 by the governing body.

44 9. If bonds are to be issued in the form of commercial paper the
45 governing body shall first provide for the establishment of the schedule for

1 the maturities of the bonds within the maximum period permitted by the voted
2 proposition. The individual instruments representing the bonds may mature
3 over shorter periods and may be retired with proceeds of subsequent
4 instruments, or with the proceeds of definitive bonds, but they shall be
5 finally paid according to the schedule of bond maturities or earlier.

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

10 11. Bonds may be issued as compound interest bonds bearing interest
11 payable only at maturity but compounded periodically until that date at a
12 fixed rate no higher than the rate set forth in the resolution calling the
13 election.

14 F. Pending preparation of the definitive bonds, interim receipts or
15 certificates may be issued to the purchaser of the bonds in a form and with
16 provisions as the governing body prescribes.

17 G. The principal of and interest upon the bonds shall be payable
18 primarily from the proceeds of revenues derived from taxes, fees, charges and
19 other monies collected by the state and returned to the cities and towns for
20 street and highway purposes pursuant to law.

21 H. As additional security for the payment of the bonds, a city or
22 town, by resolution submitted to the electors at a special election called
23 for this purpose, and ~~upon~~ ON the approval of the resolution by a majority of
24 the voters voting at the election, may pledge its full faith and credit for
25 the payment of the bonds, and if the pledge is made, and the revenues pledged
26 to the payment of the bonds are at any time insufficient, the city or town
27 shall be obligated to pay the bonds with interest to the same extent as other
28 general obligation bonds of the city or town, and shall be reimbursed from
29 subsequent revenues received by the city or town from taxes, fees, charges
30 and other monies collected by the state and returned to the city or town for
31 street and highway purposes pursuant to law.

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

35 Sec. 271. Section 48-703, Arizona Revised Statutes, is amended to
36 read:

37 48-703. Notice

38 A. The clerk shall execute a notice ~~which~~ THAT shall read
39 substantially as follows:

40 To whom it may concern:
41 The governing body of the (city) (town) (county) of
42 _____, on _____ (Date) _____, adopted the attached resolution
43 declaring its intention to form a tax levying community
44 facilities district. A hearing on formation will be held on
45 _____ (Date) _____, at _____ (Time) _____ at _____ (Location) _____. All

1 persons owning or claiming an interest in property in the
2 proposed district who object to the inclusion of their land in
3 the district, to the formation of the district or to the
4 contents of the general plan must file a written objection with
5 the undersigned at the following address before the time set for
6 the hearing.

7 (Date)_____

8 _____
9 Clerk

10 _____
11 Address
12 (Name of municipality or county)

13 B. A copy of the resolution declaring the governing body's intention
14 to form the district shall be attached to the notice and the clerk shall
15 cause a copy to be mailed to the owners of real property in the district as
16 shown on the most recent property tax assessment roll and to all other
17 persons claiming an interest in such property who have filed a written
18 request for a copy of the notice within the six months preceding or at any
19 time following the adoption of the resolution of intent to form the district.
20 The clerk shall also publish a copy of the notice and resolution at least
21 once ~~in the official newspaper of~~ ON A PUBLIC MEDIUM PUBLISHED IN the
22 municipality or county, ~~if there is one, or, if there is no official~~
23 ~~newspaper of the municipality, in a newspaper of general circulation in the~~
24 ~~county in which the municipality is located.~~ The mailing and publication
25 shall be completed at least twenty days before the date set for hearing. The
26 clerk shall execute an affidavit of mailing stating the date of mailing and
27 the names and addresses of the persons to whom the notices and copies of the
28 resolutions were mailed. The clerk shall obtain an affidavit from the
29 ~~newspaper~~ PUBLIC MEDIUM in which the publication was made. The clerk shall
30 cause both affidavits to be placed in the official records of the
31 municipality or county. The affidavits are conclusive evidence of the
32 mailing and publishing of notice. Notice shall not be held invalid for
33 failure of delivery to the addressee.

34 C. If the clerk is informed that the person listed on the assessment
35 roll is no longer the owner and the name and address of the successor owner
36 become known, the clerk shall cause a copy of the notice and resolution to be
37 mailed to the successor owner as soon as practicable after learning of the
38 change of ownership.

39 Sec. 272. Section 48-707, Arizona Revised Statutes, is amended to
40 read:

41 48-707. Notice and conduct of elections; waiver

42 A. Any election under this article shall be a nonpartisan election
43 called by posting notices in three public places within the boundaries of the
44 district not less than twenty days before the election. Notice shall also be
45 published ~~in a newspaper of general circulation in the municipality or county~~

1 ~~or if there is no newspaper so circulated in the municipality in a newspaper~~
2 ~~of general circulation in the county in which the municipality is located~~
3 ~~once a week for two consecutive weeks before the election~~ ON A PUBLIC MEDIUM
4 PUBLISHED IN THE MUNICIPALITY. The notice shall state:

5 1. The place of holding the election.
6 2. The hours during the day, not less than six, in which the polls
7 will be open.

8 3. If it is a formation election, the boundaries of the proposed
9 district.

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

14 5. If it is an ad valorem tax levy election pursuant to section
15 48-723, the maximum tax rate per one hundred dollars of assessed valuation to
16 be imposed, the purposes for which the monies raised will be used and the
17 existing maximum tax rate, if any.

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

19 B. The district board or the governing body, as applicable, shall
20 determine the date of the election and the polling places for the election
21 and may consolidate county precincts. For other than a formation election
22 pursuant to section 48-705, subsection B, and an election held pursuant to
23 subsection G of this section, precinct registers shall be used. The county
24 recorder shall submit precinct registers on the request of the clerk, and if
25 the district includes land lying partly in and partly out of any county
26 election precinct, the precinct registers may contain the names of all
27 registered voters in the precinct and the election boards at those precincts
28 shall require that a prospective elector execute an affidavit stating that
29 the elector is also a qualified elector of the district. For formation
30 elections and elections held pursuant to subsection G of this section, a
31 prospective elector shall execute an affidavit stating that the elector is
32 the owner of land in the proposed district and is a qualified elector of this
33 state or otherwise qualified to vote pursuant to section 48-3043 and stating
34 the area of land in acres owned by the elector. Election board members may
35 administer oaths or take all affirmations for these purposes. A community
36 facilities district election held pursuant to this article is not subject to
37 title 16, chapter 2, article 3.

38 C. Except as otherwise provided by this article, the election shall
39 comply with the general election laws of this state, except that the words to
40 appear on the ballots shall be for a formation election "district, yes" and
41 "district, no", for a bond election "bonds, yes" and "bonds, no", for a tax
42 election if no tax is in place "tax, yes" and "tax, no" and for a tax
43 election to change an existing maximum or eliminate an existing tax "tax
44 change, yes" and "tax change, no". The returns of election shall be made to
45 the governing body or, if after formation, to the district board.

1 D. Within fourteen days after an election, the governing body, or if
 2 after formation, the district board, shall meet and canvass the returns, and
 3 if a majority of the votes cast at the election is in favor of formation,
 4 issuing the bonds, imposing the tax or changing the tax, the governing body
 5 or the district board, as appropriate, shall enter that fact on its minutes.
 6 The canvass may be continued from time to time. Failure of a majority to
 7 vote in favor of the matter submitted does not prejudice the submission of
 8 the same or similar matters at a later election.

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

14 F. Notwithstanding any other provision of this article, if a petition
 15 for formation is signed by owners of all of the land in the district
 16 described in the petition and is approved by the municipality or county, the
 17 municipality or county may waive any or all requirements of posting,
 18 publication, mailing, notice, hearing and landowner election. On receipt of
 19 such a petition, and after approval by an election of resident electors, if
 20 any, the municipality or county shall declare the district formed without
 21 being required to comply with the provisions of this article for posting,
 22 publication, mailing, notice, hearing or landowner election.

23 G. Notwithstanding any other provision of this article, if no person
 24 has registered to vote within the district within fifty days immediately
 25 preceding any scheduled election date, any election required to be held
 26 pursuant to this article shall be held with the vote by the owners of land
 27 within the district who are qualified electors of this state and other
 28 landowners according to section 48-3043. Each owner has the number of votes
 29 or portion of votes equal to the number of acres or portion of acres rounded
 30 upward to the nearest one-fifth of an acre owned in the district by that
 31 person.

32 H. For a district that is proposed to be formed by a county, a
 33 district may be formed only if a petition for formation is signed by the
 34 owners of all of the land in the district that is described in the petition
 35 and if it is approved by the county. If the district is proposed to be
 36 formed in a county island, as defined in section 11-251.12, in existence on
 37 ~~the effective date of this amendment to this section~~ SEPTEMBER 21, 2006, the
 38 petition must be signed by the owners of all of the land in the district that
 39 is described in the petition and the district must be approved by the county
 40 and by the municipality or all municipalities that form the county island.
 41 If the petition is signed by the owners of all of the land in the district,
 42 the county may waive any or all requirements of posting, publication,
 43 mailing, notice, hearing and landowner election. On receipt of such a
 44 petition, and after approval by an election of one hundred per cent of the
 45 resident electors, if any, the county shall declare the district formed

1 without being required to comply with the provisions of this article for
2 posting.

3 Sec. 273. Section 48-715, Arizona Revised Statutes, is amended to
4 read:

5 48-715. Project approval

6 Before constructing or acquiring any public infrastructure, the
7 district board shall cause a study of the feasibility and benefits of the
8 project to be prepared by engineers and other qualified persons, which shall
9 include a description of the public infrastructure to be constructed or
10 acquired and all other information useful to understand the project, a map
11 showing, in general, the location of the project, an estimate of the cost to
12 construct, acquire, operate and maintain the project, an estimated schedule
13 for completion of the project, a map or description of the area to be
14 benefited by the project, and a plan for financing the project. The board
15 shall hold a public hearing on the report and provide notice of the hearing
16 by publication not less than ten days in advance ~~in the official newspaper of~~
17 ~~the municipality or county or, if none in the municipality, a newspaper of~~
18 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and by mail to
19 the governing body of the municipality. After the hearing the district board
20 may reject, amend or approve the report. If the report is amended
21 substantially a new hearing shall be held before approval. If the report is
22 approved, the district board shall adopt a resolution of intent which
23 identifies the public infrastructure of the project, the areas benefited, the
24 expected method of financing and an appropriate system of providing revenues
25 to operate and maintain the project.

26 Sec. 274. Section 48-805, Arizona Revised Statutes, is amended to
27 read:

28 48-805. Fire district; powers and duties

29 A. A fire district, through its board or elected chief and
30 secretary-treasurer, shall:

31 1. Hold public meetings at least once each calendar month.

32 2. Prepare an annual budget that contains detailed estimated
33 expenditures for each fiscal year and that clearly shows salaries payable to
34 employees of the district, including the appointed chief. For a fire
35 district governed by an elected chief and elected secretary-treasurer, and
36 beginning on July 29, 2010, the amount of any salary for the chief and the
37 secretary-treasurer shall remain unchanged for the remainder of the term of
38 office. The budget shall be posted in three public places and published ~~in a~~
39 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district
40 twenty days before a public hearing at a meeting called by the board or
41 elected chief to adopt the budget and if the fire district maintains a
42 publicly viewable website, the budget shall be posted for the public on the
43 website at least twenty days before the public hearing. Copies of the budget
44 shall also be available to members of the public on written request to the

1 district. Following the public hearing, the district board or elected chief
2 and secretary-treasurer shall adopt a budget.

3 3. Determine the compensation payable to district personnel.

4 4. Require probationary employees in a paid sworn firefighter
5 position, a reserve firefighter position or a volunteer firefighter position
6 to submit a full set of fingerprints to the fire district. The fire district
7 shall submit the fingerprints to the department of public safety for the
8 purpose of obtaining a state and federal criminal records check pursuant to
9 section 41-1750 and Public Law 92-544. The department of public safety may
10 exchange this fingerprint data with the federal bureau of investigation.

11 B. A fire district, through its board or elected fire chief and
12 secretary-treasurer, may:

13 1. Employ any personnel and provide services deemed necessary for fire
14 protection, for preservation of life and for carrying out its other powers
15 and duties, including providing ambulance transportation services when
16 authorized to do so pursuant to title 36, chapter 21.1, article 2, but a
17 member of a district board shall not be an employee of the district. The
18 merger of two or more fire districts pursuant to section 48-820 or the
19 consolidation with one or more fire districts pursuant to section 48-822
20 shall not expand the boundaries of an existing certificate of necessity
21 unless authorized pursuant to title 36, chapter 21.1, article 2.

22 2. Construct, purchase, lease, lease-purchase or otherwise acquire the
23 following or any interest therein and, in connection with such construction
24 or other acquisition, purchase, lease, lease-purchase or grant a lien on any
25 or all of its present or future property, including:

26 (a) Apparatus, water and rescue equipment, including ambulances and
27 equipment related to any of the foregoing.

28 (b) Land, buildings, equipment and furnishings to house equipment and
29 personnel necessary or appropriate to carry out its purposes.

30 3. Finance the acquisition of property as provided in this section and
31 costs incurred in connection with the issuance of bonds as provided in
32 section 48-806. Bonds shall not be issued without the consent of a majority
33 of the electors of the district voting at an election held for that purpose.
34 For the purposes of an election held under this paragraph, all persons who
35 are eligible to vote in fire district elections under section 48-802 are
36 eligible to vote.

37 4. Enforce the fire code adopted by the district, if any, and assist
38 the state fire marshal in the enforcement of fire protection standards of
39 this state within the fire district including enforcement of a nationally
40 recognized fire code when expressly authorized by the state fire marshal.

41 5. After the approval of the qualified electors of the fire district
42 voting at a regular district election or at a special election called for
43 such purpose by the district board or the elected chief and
44 secretary-treasurer, as appropriate, or at any election held in the county
45 which encompasses the fire district, adopt the _____ fire code, which is

1 a nationally recognized fire code approved by the state fire marshal. The
2 words appearing on the ballots shall be "should _____ fire district
3 adopt the _____ fire code, which is a nationally recognized fire
4 code approved by the state fire marshal--yes", "should _____ fire
5 district adopt the _____ fire code, which is a nationally recognized
6 fire code approved by the state fire marshal--no". Such code shall be
7 enforced by the county attorney in the same manner as any other law or
8 ordinance of the county. Any inspection or enforcement costs are the
9 responsibility of the fire district involved. The district shall keep on
10 file such code, which shall be open to public inspection for a period of
11 thirty days prior to any election for the purpose of adopting a fire code.
12 Copies of the order of election shall be posted in three public places in the
13 district not less than twenty days before the date of the election, and ~~if a~~
14 ~~newspaper is published in the county having a general circulation in the~~
15 ~~district,~~ the order shall be published ~~in the newspaper~~ ON A PUBLIC MEDIUM
16 not less than once a week during each of the three calendar weeks preceding
17 the calendar week of the election.

18 6. Amend or revise the adopted fire code, including replacement of the
19 adopted fire code with an alternative nationally recognized fire code, with
20 the approval of the state fire marshal and after a hearing held pursuant to
21 posted and published notice as prescribed by subsection A, paragraph 2 of
22 this section. The district shall keep three copies of the adopted code,
23 amendments and revisions on file for public inspection.

24 7. Enter into an agreement procuring the services of an organized
25 private fire protection company or a fire department of a neighboring city,
26 town, district or settlement without impairing the fire district's powers.

27 8. Contract with a city or town for fire protection services for all
28 or part of the city or town area until the city or town elects to provide
29 regular fire department services to the area.

30 9. Retain a certified public accountant to perform an annual audit of
31 district books.

32 10. Retain private legal counsel.

33 11. Accept gifts, contributions, bequests and grants and comply with
34 any requirements of such gifts, contributions, bequests and grants not
35 inconsistent with this article.

36 12. Appropriate and expend annually such monies as are necessary for
37 the purpose of fire districts belonging to and paying dues in the Arizona
38 fire district association and other professional affiliations or entities.

39 13. Adopt resolutions establishing fee schedules both within and
40 outside of the jurisdictional boundaries of the district for providing fire
41 protection services and services for the preservation of life, including
42 emergency fire and emergency medical services, plan reviews, standby charges,
43 fire cause determination, users' fees, facilities benefit assessments or any
44 other fee schedule that may be required.

1 14. Adopt resolutions for a schedule for financial reimbursement to
2 taxpayers for installation of certain fire protection systems such as
3 sprinklers and monitored alarms. Any resolution to offer reimbursements
4 shall include all of the following:

5 (a) A nationally recognized analysis of the cost savings to the
6 district by using the fire protection systems.

7 (b) The specifications of all qualifying systems.

8 (c) The requirements for claiming reimbursement. The amount of
9 reimbursement offered shall bear a reasonable relationship to the cost
10 savings that accrue to the district as a result of the installation of
11 qualifying systems.

12 (d) The requirement that the resolution to offer reimbursements
13 expires one year after its adoption unless specifically readopted by the
14 governing board. A resolution to readopt a schedule for financial
15 reimbursement shall additionally include a statement as to the program's
16 effectiveness. The statement shall include the amount of reimbursements paid
17 to each taxpayer for the installation of the fire protection system.

18 15. With the approval of two of the three members of a three member
19 board, four of the five members of a five member board or five of the seven
20 members of a seven member board, change the district's name and on so doing
21 shall give written notice to the board of supervisors of the change. The
22 governing board of a fire district may place a question on the general
23 election ballot as to whether the fire district shall change its name.

24 16. Require all employees to submit a full set of fingerprints as
25 prescribed by subsection A, paragraph 4 of this section.

26 17. Enter into intergovernmental agreements or contracts as follows:

27 (a) Enter into an intergovernmental agreement with another political
28 subdivision for technical or administrative services or to provide fire
29 services to the property owned by the political subdivision, including
30 property that is outside the district boundary.

31 (b) Enter into a contract with individuals to provide technical or
32 administrative services.

33 (c) Enter into a contract with individuals to provide fire protection
34 services or emergency medical services, or both, to the extent not regulated
35 by title 36, chapter 21.1 to property owned by the individual located outside
36 the district boundaries if the individual's property is not located in a
37 county island as defined in section 11-251.12 and at least one of the
38 following apply:

39 (i) The existing fire service provider where the individual's property
40 is located has issued a notice to the individual that the provider plans to
41 discontinue service.

42 (ii) Fire service is not available to the individual's property.

43 (iii) Fire service is offered pursuant to a contract or subscription
44 and the individual has not obtained service for a period of twenty-four
45 months before the date of the contract with the district.

1 (d) Enter into a contract with individuals to provide fire services to
2 property owned by the individual located outside the district boundaries,
3 where the individual's property is located in a county island as defined in
4 section 11-251.12, if both of the following apply:

5 (i) The existing fire service provider where the individual's property
6 is located has issued a notice to the residents of the county island and the
7 individual that the provider plans to discontinue or substantially reduce
8 service.

9 (ii) The district offers contracts to all residents and property
10 owners of the county island who will be affected by the discontinuance or
11 substantial reduction in service by the current fire service provider.

12 (e) For the purposes of subdivision (a), (b), (c) or (d) of this
13 paragraph, a district may contract with any public or private fire service
14 provider to provide some or all of the contractual services the district is
15 contracting to deliver.

16 (f) Any contract entered into pursuant to subdivisions (b), (c) and
17 (d) of this paragraph shall include a provision setting forth the cost of
18 service and performance criteria.

19 C. The chairman and clerk of the district board or their respective
20 designees or the elected chief and secretary-treasurer, as applicable, shall
21 draw warrants on the county treasurer for money required to operate the
22 district in accordance with the budget and, as so drawn, the warrants shall
23 be sufficient to authorize the county treasurer to pay from the fire district
24 fund.

25 D. The district shall not incur any debt or liability in excess of
26 taxes levied and to be collected and the money actually available and
27 unencumbered at the time in the fund, except as provided in subsection B,
28 paragraph 2 of this section and in sections 48-806 and 48-807.

29 E. The district board may assess and levy a secondary property tax
30 pursuant to this article to pay for the costs of fire protection services or
31 emergency medical services except for services regulated pursuant to title
32 36, chapter 21.1.

33 F. The county attorney may advise and represent the district when in
34 the county attorney's judgment such advice and representation are appropriate
35 and not in conflict with the county attorney's duties under section 11-532.
36 If the county attorney is unable to advise and represent the district due to
37 a conflict of interest, the district may retain private legal counsel or may
38 request the attorney general to represent it, or both.

39 Sec. 275. Section 48-806, Arizona Revised Statutes, is amended to
40 read:

41 48-806. Bond election; issuance and sale of bonds

42 A. Except for a district formed pursuant to section 48-851, the
43 district board or the elected chief and secretary-treasurer may order an
44 election by the qualified electors of the district to be held pursuant to
45 title 16, chapter 2, article 1 to determine whether bonds shall be issued on

1 behalf of the district. The order shall specify the maximum principal amount
2 of bonds to be issued, the maximum number of years bonds of any issue or
3 series may run from their date not exceeding thirty years, the purpose for
4 which the bonds are to be issued, the maximum rate of interest which the
5 bonds are to bear, the date and hours of the election and the location of the
6 polling places. Copies of the order shall be posted in three public places
7 within the district not less than twenty days ~~prior to~~ BEFORE the date of the
8 election, and ~~if a newspaper is published within the county having a general~~
9 ~~circulation within the district,~~ the order shall be published ~~in the~~
10 ~~newspaper not less than once a week during each of the three calendar weeks~~
11 ~~preceding the calendar week of the election~~ ON A PUBLIC MEDIUM.

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

14 C. Instead of publishing the notice described in subsection A of this
15 section, the board of directors may mail a notice of election to each
16 household containing a qualified elector of the district. The notice shall
17 contain the same information described in subsection A of this section except
18 that the notice shall not contain the location of all the polling places for
19 that election. The notice shall contain the location of the polling place
20 for that household's qualified electors. The notice shall be mailed at least
21 thirty-five days before the election.

22 D. At the election the ballot shall contain the phrases "for the
23 bonds" and "against the bonds". There shall be placed a square or other
24 designated marking space in the same manner as used for candidates on
25 ballots. The voter shall indicate a vote "for the bonds" or "against the
26 bonds". No other question, word or figure need be printed on the ballot.
27 The ballot need not be any particular size, nor need sample ballots be
28 printed, posted or distributed but ballots shall comply with standards
29 otherwise provided by law including requirements for electronic voting, if
30 applicable.

31 E. If a majority of the qualified electors of the district voting at
32 the election approves the issuance of bonds, the district board or the
33 elected chief and secretary-treasurer, as appropriate, may issue bonds in an
34 aggregate principal amount not exceeding the lesser of six per cent of the
35 value of the taxable property in the district as shown on the last property
36 tax assessment roll before issuing the bonds or the maximum amount specified
37 in the election order.

38 F. Bonds may be in such denominations, may be in registered or bearer
39 form either as to principal or interest, or both, may mature at such times
40 not exceeding the maximum maturity specified in the election order and may be
41 subject to redemption prior to maturity, all as specified by the district
42 board or elected chief and secretary-treasurer, as appropriate, as provided
43 in subsection E of this section. The district may engage the services of a
44 depository to administer a book entry system for the bonds. The costs and
45 expenses of such depository and any registrar or paying agent for the bonds

1 shall be deemed to be interest expenses that may also be paid from the tax
2 levy made pursuant to subsection I of this section.

3 G. Bonds shall be executed by the manual or facsimile signatures of
4 the chairman and clerk of the district board or elected chief and
5 secretary-treasurer of the district. Coupons attached to the bonds shall
6 bear the facsimile signature of the chairman of the district board or the
7 elected chief of the district, as appropriate.

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

16 I. After the bonds are issued, the district board or elected chief and
17 secretary-treasurer, as appropriate, shall enter on the district's minutes a
18 record of the bonds sold and shall annually determine the amount of the tax
19 levy to pay the bonds and certify such amount to the board of supervisors of
20 the county. The board of supervisors shall annually cause to be levied and
21 collected a tax, at the same time and in the same manner as other taxes are
22 levied and collected upon all taxable property in the district, sufficient to
23 pay principal of and interest on the bonds as they become due and payable.
24 Monies derived from the levy of the tax when collected shall be deposited in
25 the debt service fund and shall be applied only to payment of the principal
26 of and interest on the bonds. On payment of the outstanding bonded
27 indebtedness of the district, any monies remaining in the debt service fund
28 shall be used to reduce the district's property tax levy in the next fiscal
29 year.

30 Sec. 276. Section 48-815.01, Arizona Revised Statutes, is amended to
31 read:

32 48-815.01. District dissolution; procedures; notice; hearing;
33 determinations; petitions

34 A. A fire district may be dissolved by the following procedures:

35 1. Any adult person desiring to dissolve a fire district shall prepare
36 and submit a dissolution statement to the board of supervisors of the county
37 in which the district is located. The dissolution statement shall contain at
38 least the following information:

39 (a) A legal description of the boundaries of the district and a
40 detailed, accurate map of the district.

41 (b) A list and explanation of benefits that will result from the
42 proposed dissolution of the district.

43 (c) A list and explanation of the injuries that will result from the
44 proposed dissolution of the district.

1 2. On receipt of the dissolution statement, the board of supervisors
 2 shall set a day, not fewer than thirty nor more than sixty days from that
 3 date, for a hearing on the dissolution statement. The board of supervisors,
 4 at any time ~~prior to~~ BEFORE making a determination pursuant to paragraph 4 of
 5 this subsection, may require that the dissolution statement be amended to
 6 include any information that the board of supervisors deems to be relevant
 7 and necessary.

8 3. On receipt of the dissolution statement, the clerk of the board of
 9 supervisors shall mail, by first class mail, written notice of the statement,
 10 its purpose and notice of the day, hour and place of the hearing on the
 11 proposed dissolution of the district to each owner of taxable property within
 12 the boundaries of the district. The clerk of the board of supervisors shall
 13 post the notice in at least three conspicuous public places in the area of
 14 the district and shall publish twice ~~in a daily newspaper of general~~
 15 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the district, at
 16 least ten days before the hearing, or, if no ~~daily newspaper of general~~
 17 ~~circulation~~ PUBLIC MEDIUM exists in the area of the district, at least twice
 18 at any time before the date of the hearing, a notice setting forth the
 19 purpose of the dissolution statement, the description of the area of the
 20 district and the day, hour and place of the hearing.

21 4. At the hearing called pursuant to paragraph 2 of this subsection,
 22 the board of supervisors shall hear those who appear for and against the
 23 proposed dissolution of the district and shall determine whether the
 24 dissolution of the district will promote public health, comfort, convenience,
 25 necessity or welfare. If the board of supervisors determines that the public
 26 health, comfort, convenience, necessity or welfare will be promoted, it shall
 27 approve the dissolution statement and authorize the persons proposing the
 28 dissolution of the district to circulate petitions as provided in this
 29 subsection. The order of the board of supervisors shall be final, but if the
 30 request to circulate petitions is denied, a subsequent request for a similar
 31 district dissolution may be refiled with the board of supervisors after six
 32 months from the date of such denial.

33 5. Within fifteen days after receiving the approval of the board of
 34 supervisors as prescribed by paragraph 4 of this subsection, the clerk of the
 35 board shall determine the minimum number of signatures required for
 36 compliance with paragraph 7 of this subsection. After making that
 37 determination, that number of signatures shall remain fixed.

38 6. After receiving the approval of the board of supervisors as
 39 provided in paragraph 4 of this subsection, any adult person may circulate
 40 and present petitions for the dissolution of the district to the board of
 41 supervisors of the county in which the district is located. All petitions
 42 circulated shall be returned to the board of supervisors within one year from
 43 the date of the approval of the board of supervisors pursuant to paragraph 4
 44 of this subsection. Any petition that is returned more than one year from
 45 that date is void.

1 7. The petitions presented pursuant to paragraph 6 of this subsection
2 shall comply with section 48-815.02 and shall at all times, ~~—~~ contain a legal
3 description of the boundaries of the district and a detailed, accurate map of
4 the district. Petitions shall be signed by more than one-half of the
5 property owners in the area of the district and be signed by persons owning
6 collectively more than one-half of the assessed valuation of the property in
7 the area of the district.

8 8. On receipt of the petitions, the board of supervisors shall set a
9 day, not fewer than ten nor more than thirty days from that date, for a
10 hearing on the petition.

11 9. Prior to the hearing called pursuant to paragraph 8 of this
12 subsection, the board of supervisors shall determine the validity of the
13 petitions presented.

14 10. At the hearing called pursuant to paragraph 8 of this subsection,
15 the board of supervisors, if the petitions are valid, shall order the
16 dissolution of the district. The board of supervisors shall enter its order
17 setting forth its determination in the minutes of the meeting, not later than
18 ten days from the day of the hearing, and a copy of the order shall be filed
19 in the county recorder's office. The order of the board of supervisors shall
20 be final, and the district shall be dissolved thirty days after the board of
21 supervisors votes. A decision of the board of supervisors under this section
22 is subject to judicial review under title 12, chapter 7, article 6.

23 11. On the recording of the order prescribed in paragraph 10 of this
24 subsection, all money remaining in the fire district fund after the payment
25 of all valid claims against the district shall be transferred to the general
26 fund of the county in which the fire district is located, but if all of the
27 fire district has been included within the corporate limits of a city or
28 town, then on dissolution as provided by this section, the equipment, assets
29 and liabilities of the district shall be transferred to that city or town. If
30 the district was an employer covered by the Arizona state retirement system,
31 the clerk of the county board of supervisors shall notify the director of the
32 Arizona state retirement system of the dissolution of the district.

33 12. Taxes shall continue to be levied as provided in section 48-806,
34 subsection I on all the taxable property within the ~~formal~~ FORMER boundaries
35 of the district to pay the principal or any interest on outstanding bonds of
36 the district.

37 B. For the purpose of determining the validity of the petitions
38 presented pursuant to subsection A, paragraph 6 of this section:

39 1. Property held in multiple ownership shall be treated as if it had
40 only one property owner, so that the signature of only one of the owners of
41 property held in multiple ownership is required on the formation petition.

42 2. The value of property shall be determined as follows:

43 (a) In the case of property assessed by the county assessor, values
44 shall be the same as those shown on the last assessment roll of the county
45 containing such property.

1 (b) In the case of property valued by the department of revenue, the
2 values shall be those determined by the department in the manner provided by
3 law, for municipal assessment purposes. The county assessor and the
4 department of revenue, respectively, shall furnish to the board of
5 supervisors, within twenty days after such a request, a statement in writing
6 showing the owner, the address of each owner and the appraisal or assessment
7 value of properties contained within the boundaries of the proposed district
8 as described in subsection A of this section.

9 C. For the purposes of this section assessed valuation does not
10 include the assessed valuation of property that is owned by a county, this
11 state or the United States government and in the case of multiple ownership
12 of a single parcel of property, any one property owner constitutes the entire
13 ownership interest.

14 D. The board of supervisors may require of the person desiring to
15 dissolve a district pursuant to subsection A, paragraph 1 of this section a
16 reasonable bond to be filed with the board at the start of proceedings under
17 this section. The bond shall be in an amount sufficient to cover costs
18 incurred by the county if the district is not finally dissolved. County
19 costs covered by the bond include any expense incurred from completion of the
20 dissolution statement, mailing of the notice of hearing to district property
21 owners, publication of the notice of hearing and other expenses reasonably
22 incurred as a result of any requirements of this section.

23 E. If a district is dissolved pursuant to this section, the cost of
24 publication of the notice of hearing, ~~AND~~ the mailing of notices to property
25 owners and all other costs incurred by the county as a result of this section
26 shall be a valid charge against the district.

27 Sec. 277. Section 48-820, Arizona Revised Statutes, is amended to
28 read:

29 48-820. Election to merge fire districts; notice; hearing;
30 approval; joint meeting; merged district board

31 A. Except as provided in subsection J of this section, the board of
32 supervisors shall make an order calling for an election to decide whether to
33 merge fire districts when a resolution for merger from each district is
34 submitted to the board. The board of supervisors shall not make an order
35 calling for an election to merge fire districts more frequently than once
36 every two years. Whether or not the districts are merged, the fire districts
37 shall reimburse the counties for the expenses of the election, including the
38 cost of mailing any notices required pursuant to this section. If the
39 proposed district is located in more than one county, the resolutions shall
40 be submitted to the board of supervisors of the county in which the majority
41 of the assessed valuation of the proposed district is located. The words
42 appearing on the ballot shall be "(insert fire districts' names) merge as a
43 fire district--yes" and "(insert fire districts' names) merge as fire
44 district--no."

1 B. Within fourteen days after the election, the board of supervisors
2 shall meet and canvass the returns, and if it is determined that a majority
3 of the votes cast at the election in each of the affected districts is in
4 favor of merging the fire districts, the board shall enter that fact on its
5 minutes.

6 C. Except as prescribed in subsection D of this section, two or more
7 fire districts may merge if the governing body of each affected fire
8 district, by a majority vote of the members of each governing body, adopts a
9 resolution declaring that a merger be considered and a public hearing be held
10 to determine if a merger would be in the best interests of the district and
11 would promote public health, comfort, convenience, necessity or welfare.
12 After each district adopts such a resolution, the governing body by first
13 class mail shall send written notice of the resolution, its purpose and
14 notice of the day, hour and place of a hearing on the proposed merger to each
15 owner of taxable property within the boundaries of the district. The notice
16 shall contain the name and description of the boundaries of each district
17 proposed to be merged and a detailed, accurate map of the area to be included
18 in the merger. The notice also shall contain an estimate of the assessed
19 value of the merged district, the estimated change in property tax liability
20 for a typical resident of the proposed merged district and a list of the
21 benefits and injuries that may result from the proposed merged district. No
22 new territory may be included as a result of the merger.

23 D. A noncontiguous county island fire district formed pursuant to
24 section 48-851 shall not merge with a fire district formed pursuant to
25 section 48-261.

26 E. The clerk of the governing body shall post notice in at least three
27 conspicuous public places in the district and shall also publish notice ~~twice~~
28 ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
29 in the county in which the district is located, at least ten days before the
30 public hearing. The clerk of each governing body affected by the proposed
31 merger shall also mail notice and a copy of the resolution in support of
32 considering the merger to the chairman of the board of supervisors of the
33 county or counties in which the affected districts are located. The chairman
34 of the board of supervisors shall order a review of the proposed merger and
35 shall submit written comments to the governing body of each fire district
36 located in that county within ten days after receipt of the notice.

37 F. At the hearing, each governing body of the district shall consider
38 the comments of the board of supervisors, hear those persons who appear for
39 or against the proposed merger and determine whether the proposed merger will
40 promote public health, comfort, convenience, necessity or welfare. If, after
41 the public hearing each of the governing bodies of the districts affected by
42 the proposed merger adopt a resolution by a majority vote that the merger
43 will promote public health, comfort, convenience, necessity or welfare, each
44 of the governing bodies of the districts affected by the proposed merger

1 shall submit to the board of supervisors the resolutions that call for an
2 election.

3 G. Before considering any resolution of merger pursuant to this
4 section, a governing body shall obtain written consent to the merger from any
5 single taxpayer residing within each of the affected districts who owns
6 thirty per cent or more of the net assessed valuation of the total net
7 assessed valuation of the district. If written consent contemplated by this
8 subsection is not obtained, subsections A and B **OF THIS SECTION** apply, and
9 the merger may only be accomplished by election.

10 H. If the merger is approved as provided by subsection B or J of this
11 section, the governing body of the affected district with the largest
12 population within thirty days shall call a joint meeting of the governing
13 bodies of all of the affected districts. At the joint meeting, a majority of
14 the members of the governing body of each affected district constitutes a
15 quorum for the purpose of transacting business. The members of the governing
16 body shall appoint a total of five persons from those currently serving on
17 the governing bodies who shall complete their regular terms of office, except
18 that no more than three of the persons appointed may serve terms that end in
19 the same year. No more than three members shall be appointed from the same
20 fire district board. Subsequent terms of office for district board members
21 shall be filled by election of board members who shall be qualified electors
22 of the merged district.

23 I. The appointed governing body shall immediately meet and organize
24 itself and elect from its members a chairman and a clerk. The appointed
25 board by resolution shall declare the districts merged and each affected
26 district joined. The governing board by resolution shall declare the name of
27 the newly merged fire district. The resolution and the names of the new
28 board members for the newly organized district shall be sent to the board of
29 supervisors, and the districts are merged effective thirty days after the
30 adoption of the resolution.

31 J. If the requirements of subsection G of this section are met and
32 each of the governing body votes required by subsections C and F of this
33 section are unanimous, the following apply:

34 1. The governing bodies of each district may choose to merge by
35 unanimous resolution without an election and subsections A and B of this
36 section do not apply.

37 2. The governing bodies of each district may choose to hold an
38 election on the question of merger and subsections A and B of this section
39 apply.

40 Sec. 278. Section 48-822, Arizona Revised Statutes, is amended to
41 read:

42 48-822. Election to consolidate fire districts; resolution;
43 hearing

44 A. Except as provided in subsection E of this section, the board of
45 supervisors shall make an order calling for an election to decide whether to

1 consolidate fire districts when a resolution for consolidation of fire
 2 districts from each district is submitted to the board of supervisors. The
 3 board of supervisors shall not make an order calling for an election to
 4 consolidate fire districts more frequently than once every two years.
 5 Whether or not the districts are consolidated, the fire districts shall
 6 reimburse the counties for the expenses of the election, including the cost
 7 of mailing any notices. If the proposed district is located in more than one
 8 county, the resolutions shall be submitted to the board of supervisors of the
 9 county in which the majority of the assessed valuation of the proposed
 10 district is located. The words appearing on the ballot shall be "(insert
 11 fire districts' names) consolidate as a fire district--yes" and "(insert fire
 12 districts' names) consolidate as fire district--no."

13 B. Within fourteen days after the election, the board of supervisors
 14 shall meet and canvass the returns, and if it is determined that a majority
 15 of the votes cast at the election in each of the affected districts is in
 16 favor of consolidating the fire districts, the board shall enter that fact on
 17 its minutes.

18 C. Except as proscribed by subsection D of this section, a fire
 19 district may consolidate with one or more other fire districts formed
 20 pursuant to section 48-261 as follows:

21 1. A resolution requesting the consolidation of a fire district is
 22 passed by a majority vote of the governing body requesting consolidation into
 23 another fire district. The requesting district shall send by first class
 24 mail the notice of request to consolidate districts to the fire district in
 25 which the consolidation is requested.

26 2. On receipt of the resolution requesting consolidation, and on
 27 approval by majority vote of the governing body receiving the request, two or
 28 more fire districts may consolidate if the governing body of each affected
 29 fire district by a majority vote of the members of each governing body adopts
 30 a resolution declaring that a consolidation be considered and a public
 31 hearing be held to determine if a consolidation would be in the best interest
 32 of the districts and would promote the public health, comfort, convenience,
 33 necessity or welfare. After each district adopts such a resolution, the
 34 governing body by first class mail shall send written notice of the
 35 resolution, its purpose and notice of the day, hour and place of a hearing on
 36 the proposed consolidation to each owner of taxable property within the
 37 boundaries of the district. The notice shall contain the name and
 38 description of the boundaries of each district that is proposed to be
 39 consolidated and a detailed, accurate map of the area to be included in the
 40 consolidation. The notice also shall contain an estimate of the assessed
 41 value of the consolidated district, the estimated change in the property tax
 42 liability for a typical resident of the proposed consolidated district and a
 43 list of the benefits and injuries that may result from the proposed
 44 consolidated district. No new territory may be included as a result of the
 45 consolidation.

1 3. The clerk of the governing body of the fire districts affected by
2 the proposed consolidation shall post notice in at least three conspicuous
3 public places in the district and also shall publish notice twice ~~in a daily~~
4 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county
5 in which the district is located at least ten days before the public hearing.
6 The clerk of each governing body affected by the proposed consolidation shall
7 also mail notice and a copy of the resolution in support of considering
8 consolidation to the chairman of the board of supervisors of the county or
9 counties in which the affected districts are located. The chairman of the
10 board of supervisors shall order a review of the proposed consolidation and
11 shall submit written comments to the governing body of each fire district
12 located in the county within ten days after receipt of the notice.

13 4. At the hearing, the governing body of the district shall consider
14 the comments of the board of supervisors, hear those persons who appear for
15 or against the proposed consolidation and determine whether the proposed
16 consolidation will promote the public health, comfort, convenience, necessity
17 or welfare. If, after the public hearing, each of the governing bodies of
18 the districts affected by the proposed consolidation adopt a resolution by a
19 majority vote that the consolidation will promote the public health, comfort,
20 convenience, necessity or welfare, each of the governing bodies of the
21 districts affected by the proposed consolidation shall submit the resolutions
22 calling for an election to the board of supervisors.

23 5. If the proposal for consolidation is approved as provided in
24 subsections A and B of this section, the governing body of the district into
25 which consolidation was requested shall by resolution declare the district
26 consolidated and each affected district joined. Those persons currently
27 serving as the governing body of the district into which consolidation was
28 requested shall serve as the governing body of the newly consolidated
29 district and complete their regular terms of office. The newly consolidated
30 district governing body shall consist of at least five members.

31 6. If the consolidation results in a new district population that is
32 greater than fifty thousand persons, the new governing board may appoint an
33 additional two members to serve until the next general election at which time
34 the newly elected member with the highest number of votes serves a four year
35 term and the other member serves a two year term. Thereafter, the term of
36 office for these two new members is four years.

37 7. The governing body by resolution shall declare the name of the
38 newly consolidated fire district.

39 8. If a proposed consolidated district would include property located
40 in an incorporated city or town, in addition to the other requirements of
41 this section, the governing body of the district shall approve the creation
42 of the consolidated district only if the governing body of the city or town
43 endorses the creation by ordinance or resolution.

44 9. Before considering any resolution of consolidation pursuant to this
45 section, a governing body shall obtain written consent to the consolidation

1 from any single taxpayer residing within each of the affected districts who
2 owns thirty per cent or more of the net assessed valuation of the total net
3 assessed valuation of the district.

4 D. A noncontiguous county island fire district formed pursuant to
5 section 48-851 shall not consolidate with a fire district formed pursuant to
6 section 48-261.

7 E. If the requirements of subsection C, paragraph 9 of this section
8 are met and each of the governing body votes required by this section are
9 unanimous, the following apply:

10 1. The governing bodies of each district may choose to consolidate by
11 unanimous resolution without an election and subsections A and B of this
12 section do not apply.

13 2. The governing bodies of each district may choose to hold an
14 election on the question of consolidation and subsections A and B of this
15 section apply.

16 Sec. 279. Section 48-851, Arizona Revised Statutes, is amended to
17 read:

18 48-851. Noncontiguous county island fire district; formation;
19 definition

20 A. A noncontiguous county island fire district shall be formed by the
21 following procedures:

22 1. One or more persons who wish to petition for a noncontiguous county
23 island fire district shall request and the county assessor shall provide a
24 map and a detailed list of all property parcels that includes the assessed
25 values of all of the county island areas that are contained within the
26 municipal planning area of a city or other unincorporated area as prescribed
27 in subsection E, paragraph 2 of this section.

28 2. Within sixty days after receiving a map from the county assessor,
29 the person shall submit a revised map that indicates those county island
30 areas that are proposed to be included in the noncontiguous county island
31 fire district and shall submit a district impact statement that shall contain
32 at least the following:

33 (a) A general description of the boundaries of the proposed district,
34 a map of the area to be included in the district and a list of the parcels to
35 be included in the district by assessor parcel number.

36 (b) An estimate of the assessed valuation within the proposed
37 district.

38 (c) An estimate of the change in the property tax liability, as a
39 result of the proposed district, of a typical resident of the proposed
40 district.

41 (d) A list and explanation of benefits that will result from the
42 proposed district.

43 (e) A list and explanation of the injuries that will result from the
44 proposed district.

1 (f) The names, addresses and occupations of the three proposed members
2 of the district's organizing board of directors.

3 (g) A description of the scope of services to be provided by the
4 district during its first five years of operation.

5 3. On receipt of the revised map and the impact statement, the board
6 of supervisors shall set a day for a hearing on the proposed district
7 formation not more than sixty days from the date the map and impact statement
8 are received.

9 4. The clerk of the board of supervisors shall mail, by first class
10 mail, written notice of the day, hour and place of the hearing on the
11 proposed district to each owner of taxable property within the boundaries of
12 the proposed district. The written notice shall state the purpose of the
13 hearing and shall state where a copy of the impact statement may be viewed or
14 requested. The clerk of the board of supervisors shall post the notice in at
15 least three conspicuous public places in the area of the proposed district
16 and shall publish twice ~~in a daily newspaper of general circulation~~ ON A
17 PUBLIC MEDIUM PUBLISHED in the area of the proposed district, at least ten
18 days before the hearing, or, if no ~~daily newspaper of general circulation~~
19 PUBLIC MEDIUM exists in the area of the proposed district, at least twice at
20 any time before the date of the hearing, a notice setting forth the purpose
21 of the proposed district formation, the description of the area of the
22 proposed district and the day, hour and place of the hearing.

23 5. At the hearing called pursuant to paragraph 3 of this subsection,
24 the board of supervisors shall hear those who appear for and against the
25 proposed district and shall determine whether the creation of the district
26 will promote public health, comfort, convenience, necessity or welfare. If
27 the board of supervisors determines that the public health, comfort,
28 convenience, necessity or welfare will be promoted, it shall authorize the
29 persons proposing the district to circulate petitions as provided in this
30 subsection. The order of the board of supervisors shall be final, but if the
31 request to circulate petitions is denied, a subsequent request for a similar
32 district may be refiled with the board of supervisors after six months from
33 the date of the denial.

34 6. Within fifteen days after receiving the approval of the board of
35 supervisors as prescribed by paragraph 5 of this subsection, the clerk of the
36 board shall:

37 (a) Determine the minimum number of signatures required for compliance
38 with paragraph 8, subdivision (b) of this subsection. After making that
39 determination, that number of signatures shall remain fixed.

40 (b) Certify whether the petition form to be used is valid and in
41 compliance with section 48-266.

42 7. After receiving the approval of the board of supervisors as
43 provided in paragraph 5 of this subsection, any adult person may circulate
44 and present petitions to the board of supervisors of the county in which the
45 district is located. All petitions circulated shall be returned to the board

1 of supervisors within one year from the date of the approval of the board of
2 supervisors pursuant to paragraph 5 of this subsection. Any petition that is
3 returned more than one year from that date is void. On authorization of the
4 board of supervisors to circulate petitions, the organizing board of the
5 district established pursuant to this subsection may enter into written
6 agreements with third parties to provide services related to the formation of
7 the district that may include the cost of circulating petitions and
8 associated expenses, but in no event may the cost of reimbursable expenses
9 exceed fifteen dollars per parcel. The district shall reimburse third
10 parties subject to the successful formation of the district and on receipt of
11 secondary property tax revenues by the district.

12 8. The petitions presented pursuant to paragraph 7 of this subsection
13 shall comply with the provisions regarding verification in section 48-266 and
14 shall:

15 (a) At all times, contain a general description of the boundaries of
16 the proposed district, the assessor's map of the proposed district and the
17 names, addresses and occupations of the proposed members of the district's
18 organizing board of directors. No alteration of the proposed district shall
19 be made after receiving the approval of the board of supervisors as provided
20 in paragraph 5 of this subsection.

21 (b) Be signed by more than one-half of the aggregate number of
22 property owners in the county island areas contained in the proposed
23 district.

24 9. On receipt of the petitions, the board of supervisors shall set a
25 day, not more than thirty days from that date, for a hearing on the petition.

26 10. Before the hearing called pursuant to paragraph 9 of this
27 subsection, the board of supervisors shall determine the validity of the
28 petition signatures presented. At the hearing called pursuant to paragraph 9
29 of this subsection, the board of supervisors, if the petitions are valid,
30 shall order the formation of the district. The board of supervisors shall
31 enter its order setting forth its determination in the minutes of the
32 meeting, not later than ten days from the day of the hearing, and a copy of
33 the order shall be filed in the county recorder's office. The order of the
34 board of supervisors shall be final, and the proposed district is formed
35 thirty days after the board of supervisors votes to form the district. A
36 decision of the board of supervisors under this subsection is subject to
37 judicial review under title 12, chapter 7, article 6.

38 B. For the purpose of determining the validity of the petitions
39 presented pursuant to subsection A, paragraph 7 of this section property held
40 in multiple ownership shall be treated as if it had only one property owner,
41 so that the signature of only one of the owners of property held in multiple
42 ownership is required on the formation petition.

43 C. If a district is formed pursuant to this section, the cost of
44 publication of the notice of hearing and the mailing of notices to electors

1 and property owners and all other costs incurred by the county as a result of
2 this section shall be a charge against the district.

3 D. A district organized pursuant to this section shall have an
4 organizing board of directors to administer the affairs of the district until
5 a duly constituted board of directors is elected as provided in this title.
6 The organizing board shall have all the powers, duties and responsibilities
7 of an elected board. The organizing board shall consist of the three
8 individuals named in the petitions presented pursuant to subsection A of this
9 section. If a vacancy occurs on the organizing board, the remaining board
10 members shall fill the vacancy by appointing an interim member. Members of
11 the organizing board shall serve without compensation but may be reimbursed
12 for actual expenses incurred in performing their duties. The organizing
13 board shall elect from its members a chairperson and a clerk. For any
14 challenge to the formation of the district, the district board is a proper
15 party to the challenge and any petition circulators are not proper parties.

16 E. For the purposes of this article, "noncontiguous county island fire
17 district" means a district that is formed pursuant to this section and for
18 which either of the following applies:

19 1. The district consists of only noncontiguous county islands in a
20 geographic boundary area that is contained in a municipal planning area and:

21 (a) Is within the boundaries of an automatic aid or mutual aid
22 consortium.

23 (b) Fire protection services are not funded pursuant to section 48-807
24 at the time of the district's formation.

25 (c) There is only one fire district within the geographic area of the
26 municipal planning area for any one city or town.

27 2. The district consists of only one or more noncontiguous county
28 islands that are not contained in a municipal planning area in which the
29 geographic boundary area of the district is surrounded by any combination of
30 federal, state, county, municipal or fire district jurisdictional boundaries
31 and:

32 (a) The area is currently served by a private fire protection service
33 provider.

34 (b) Fire protection services are not funded pursuant to section 48-807
35 at the time of the district's formation.

36 Sec. 280. Section 48-853, Arizona Revised Statutes, is amended to
37 read:

38 48-853. District board; powers and duties; intergovernmental
39 agreements; contract; administration; definition

40 A. A fire district formed pursuant to this article, through its board
41 shall:

42 1. Hold public meetings as necessary to carry out its powers and
43 duties but at least once every ninety days.

44 2. Prepare an annual budget that contains detailed estimated
45 expenditures for each fiscal year and that clearly shows expenses of the

1 district. The budget shall be posted in three public places and published ~~in~~
2 ~~a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the
3 district twenty days before a public hearing at a meeting called by the board
4 to adopt the budget. The budget shall be posted in a prominent location on
5 the official website no later than seven business days after the estimates of
6 revenues and expenses are tentatively adopted. A complete copy of the
7 approved estimates of revenues and expenses shall be posted in a prominent
8 location on the official website no later than seven business days after
9 final adoption. Copies of the budget shall also be available to members of
10 the public on written request to the district. Following the public hearing,
11 the district board shall adopt a budget. Both the tentatively adopted
12 estimates of revenues and expenses and the budget finally adopted under this
13 section shall be retained and accessible in a prominent location on the
14 official website for at least sixty months.

15 3. Maintain a website for the purpose of providing access to public
16 records. The district shall post permanent public records to its website.

17 4. Maintain and store all permanent public records in an electronic
18 media or digital imaging format according to standards for the storage of
19 permanent public records established by the director of the Arizona state
20 library, archives and public records. The director of the Arizona state
21 library, archives and public records shall approve an acceptable electronic
22 media or digital imaging format for the district. The county in which the
23 district is located shall maintain an official copy of the permanent public
24 records of the district. The copy of the permanent public records shall be
25 provided to the county by the district annually no later than ninety days
26 after the end of the fiscal year.

27 5. Appoint the fire chief of the fire service provider selected
28 pursuant to paragraph 9 of this subsection, either public or private, as the
29 fire chief for the district.

30 6. Adopt the fire code of the municipality whose municipal planning
31 area includes the district except that the fire district's authority to
32 conduct inspections shall apply only to commercial and industrial properties
33 and shall not apply to residential properties.

34 7. Keep three copies of the applicable fire code, amendments and
35 revisions on file for public inspection.

36 8. Notify the county board of supervisors of the cost of providing
37 fire protection service and emergency medical service for each household or
38 other structure in the district if the district provides service pursuant to
39 paragraph 9, subdivision (a) or (c) of this subsection.

40 9. Act within sixty days after the formation of the district to do any
41 of the following:

42 (a) If the district is formed pursuant to section 48-851,
43 subsection E, paragraph 1, enter into an intergovernmental agreement with a
44 municipal provider for fire protection services for the district. A
45 municipal provider seeking to enter into an agreement with the district

1 formed pursuant to section 48-851, subsection E, paragraph 1 shall make a
2 formal expression of intent to enter into an agreement with the district
3 within twenty-one days of district formation.

4 (b) If the district is formed pursuant to section 48-851,
5 subsection E, paragraph 2, enter into a contract with a private fire
6 protection service provider for the district. The private fire protection
7 service provider seeking to enter into a contract with the district shall
8 make a formal expression of intent within twenty-one days of district
9 formation to enter into the contract with the district. If the private fire
10 protection service provider makes a formal expression of intent to enter into
11 a contract with the district, the provider shall have a right of first
12 refusal to contract with the district on terms established by the district
13 pursuant to subdivision (c) of this paragraph.

14 (c) Issue a request for proposals for nonmunicipal private providers
15 of fire protection services for the district if the current private provider
16 fails to notify the district of its intention to enter into a contract with
17 the district or for any contract to be awarded pursuant to subdivision (b) of
18 this paragraph. Notwithstanding any other law, municipal annexation shall
19 not be undertaken during the term of any contract entered into between the
20 district and a private fire service provider, except that in the one hundred
21 eighty day period before the end of the contract, the municipality shall
22 notify the residents of the opportunity to annex into the municipality. A
23 resident shall notify the district and the municipality within ninety days
24 before the end of the contract that the resident is annexing into the
25 municipality and shall complete the annexation within ten days after the
26 completion of the contract. If no district residents notify the municipality
27 that the resident is annexing, the district may renew the contract
28 automatically. If a resident proposes to annex into the municipality, the
29 district shall issue a request for proposals again as prescribed in this
30 subdivision.

31 (d) Before applying this subdivision, request an independent review by
32 the county attorney of the negotiations, if any, that were conducted as
33 prescribed in subdivision (a) of this paragraph and the request for proposals
34 and resulting bids. After the independent review, the county attorney shall
35 certify whether the negotiations and proposals were based on commercially
36 reasonable assumptions. If the county attorney certifies that any one or
37 more of the provisions are not commercially reasonable, the district and the
38 other party to the negotiations have ten days to cure and continue
39 negotiations before resubmitting information on the negotiations and
40 proposals to the county attorney for certification. Notwithstanding any
41 other law, the county attorney shall have access to sealed bids for purposes
42 of this subdivision. The county attorney shall review and issue a
43 certification pursuant to this subdivision within thirty days after the
44 information and documents regarding negotiations and proposals are submitted
45 to the county attorney. If a fire district as defined in section 48-851,

1 subsection E, paragraph 1 does not enter into an intergovernmental agreement
2 pursuant to subdivision (a) of this paragraph or enter into a contract
3 pursuant to subdivision (c) of this paragraph, the surrounding municipality
4 shall provide fire protection and emergency medical services except for
5 services regulated pursuant to title 36, chapter 21.1 in the district
6 immediately on request by the district, following final certification by the
7 county attorney. The municipality shall be compensated by the district as
8 follows:

9 (i) A three person board shall set the secondary property tax rate for
10 the district. The district shall appoint one person to the board, the
11 surrounding municipality shall appoint one person to the board, and the two
12 appointees shall agree on a third person for the board. If the two
13 appointees cannot agree on a third appointee within five days after the two
14 persons are appointed, the county board of supervisors shall appoint the
15 third person to the board.

16 (ii) The three person board shall meet and set the tax rate within
17 thirty days after the third person is appointed to the board.

18 (iii) The district shall levy the tax at the rate as determined by the
19 three person board and the tax shall be collected as other property taxes are
20 collected. On receipt of monies from the property tax levied, the district
21 shall reimburse the county for the costs associated with the formation of the
22 district, including administrative expenses.

23 (e) On formation and subject to the availability of funds, reimburse
24 third parties for services rendered pursuant to section 48-851, subsection A,
25 paragraph 7.

26 10. Require that any intergovernmental agreement or contract between
27 the district and a provider of fire protection services include:

28 (a) A term of duration between three and five years.

29 (b) A provision setting forth the cost of service and performance
30 criteria.

31 (c) An acknowledgment of the right of the municipality to determine
32 the location of future infrastructure if the district is in the
33 municipality's planning area at the time of the execution of the contract.

34 11. If necessary, issue a request for proposals for providers of
35 emergency medical services and enter into an intergovernmental agreement or
36 contract with a provider of emergency medical services except for those
37 services regulated by title 36, chapter 21.1.

38 12. Assess and levy a secondary property tax to pay for the costs of
39 the fire protection service or emergency medical service except for those
40 services regulated by title 36, chapter 21.1. A secondary property tax
41 assessed pursuant to this section is not subject to the levy limitation
42 prescribed by section 48-807.

43 13. Defend, indemnify and hold harmless a municipal provider or any
44 other provider of fire protection from and against any claims or expenses to
45 which it may be subjected by reason of injury or death of any person or loss

1 or damage to any property directly attributable to the provision of the
2 services unless the services were provided in a grossly negligent manner.
3 The fire district shall secure insurance sufficient to cover liability
4 exposure.

5 B. A fire district formed pursuant to this article, through its board,
6 may:

7 1. Contract for administrative staff services, if any, deemed
8 necessary or appropriate to carry out its powers and duties, but a member of
9 a district board shall not be an employee of the district.

10 2. Retain a certified public accountant to perform an annual audit of
11 district books.

12 3. Retain private legal counsel.

13 4. Sue and be sued.

14 5. Accept gifts, contributions, bequests and grants and comply with
15 any requirements of such gifts, contributions, bequests and grants not
16 inconsistent with this article.

17 6. Appropriate and expend annually such monies as are necessary for
18 the purpose of fire districts belonging to and paying dues in the Arizona
19 fire district association and other professional affiliations or entities.

20 7. Expand its boundaries pursuant to the requirements of section
21 48-262 to include unincorporated parcels within a ~~city~~ CITY'S or a town's
22 municipal planning area with the permission of the city or town.

23 C. The county attorney may advise and represent the district when in
24 the county attorney's judgment such advice and representation are appropriate
25 and not in conflict with the county attorney's duties under section 11-532.
26 If the county attorney is unable to advise and represent the district due to
27 a conflict of interest, the district may retain private legal counsel or may
28 request the attorney general to represent it, or both.

29 D. The chairperson and clerk of the district board or their respective
30 designees, as applicable, shall draw warrants on the county treasurer for
31 money required to operate the district in accordance with the budget and, as
32 so drawn, the warrants shall be sufficient to authorize the county treasurer
33 to pay from the fire district fund.

34 E. The district shall not incur any debt or liability in excess of
35 taxes levied and to be collected and the money actually available and
36 unencumbered at the time in the fund, except as provided in section 48-807.

37 F. If a district formed under section 48-851 agrees to provide fire
38 and emergency medical services in a county island where a private provider of
39 fire or emergency services has facilities and provides fire service, or where
40 the private provider is the closest responding fire service provider, the
41 district and the private provider shall enter into an agreement covering the
42 roles and relationships regarding mutual aid or backup and any services for
43 which the district wishes to contract. The agreement shall include an
44 allocation of the district's property tax revenues to the municipal
45 contractor ~~and~~ or the private provider, **OR BOTH**, based on the proportionate

1 share of the fire services each contractor will provide to the district. The
2 agreement shall be executed before the district begins providing service in
3 the county island. If an agreement is not reached within ninety days after
4 the district requests the private provider to establish a plan, either party
5 may request that the matter be arbitrated pursuant to title 12, chapter 21.

6 G. This section does not require a fire district or a city or town to
7 provide fire protection or emergency medical services to an area of the
8 county that is receiving services from a private provider, except as provided
9 by a mutual aid or backup agreement pursuant to this section.

10 H. For the purposes of this article, "fire service" and "fire
11 protection" include fire prevention, emergency medical services and
12 inspection of commercial or industrial property.

13 Sec. 281. Section 48-905, Arizona Revised Statutes, is amended to
14 read:

15 48-905. Hearing on petition; summary establishment; notice

16 A. Except as provided in subsection C of this section, ~~upon~~ ON receipt
17 of a petition for the establishment of a district, or for an addition to an
18 existing district, the board of supervisors shall set a date for a hearing on
19 the petition not later than forty days after presentation of the petition.
20 At the hearing all interested property owners may appear and be heard on any
21 matter relating to the establishment of the proposed improvement district, or
22 addition to an existing district. Any person wishing to object to the
23 establishment of the district or addition may file, before the date set for
24 the hearing, the person's objections with the clerk of the board of
25 supervisors.

26 B. Notice announcing the hearing and stating the boundaries of the
27 proposed district or addition shall be published twice ~~in a newspaper of~~
28 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which
29 the proposed district or addition is located. The publications shall be one
30 week apart, and the first publication shall be not less than ten days ~~prior~~
31 ~~to~~ BEFORE the date of the hearing. The notice shall also be mailed by first
32 class mail at least twenty days before the hearing to:

33 1. The owners of the real property within the area of the proposed
34 district according to the names and addresses that appear on the most recent
35 property tax assessment roll.

36 2. The corporation commission, if the petition requests the
37 establishment of a district or an addition to an existing district for the
38 purposes described in section 48-909, subsection A, paragraph 5 or 6 and the
39 boundaries of the proposed district or addition are wholly or partially
40 within either of the following:

41 (a) The boundaries of the existing service territory of a public
42 service corporation that provides domestic water or wastewater services as
43 defined by a certificate of convenience and necessity issued by the
44 corporation commission.

1 (b) The boundaries of the proposed service territory of a public
2 service corporation that provides domestic water or wastewater services as
3 defined in an application for a certificate of convenience and necessity that
4 is pending before the corporation commission or that has been considered by
5 the commission within one year before the date the petition for an
6 improvement district is filed with the clerk of the board.

7 C. Except as provided in subsection G of this section, if the petition
8 is signed by the owners of all of the real property in the proposed district
9 and if the petitioners provide a copy of a record search that shows the names
10 of the owners of all the property in the proposed district, the board of
11 supervisors may summarily order the formation of the district and a hearing
12 is not required.

13 D. The clerk shall retain all notices that are mailed pursuant to
14 subsection B of this section and that are returned to the clerk as
15 undeliverable or that indicate that the address is incorrect. The clerk
16 shall prepare a list of the names and addresses on the returned notices and
17 shall deliver that list to the county recorder or a searcher of records.

18 E. The county recorder or a searcher of records shall determine from
19 the records in the office of the county recorder whether the listed owner has
20 another address or whether a different person is shown as the owner of the
21 parcel. The county recorder or a searcher of records shall provide to the
22 clerk the new information on the owners and the addresses as shown in the
23 records. The new information shall be used by the clerk for purposes of
24 sections 48-916, 48-917, 48-924 and 48-928 until a new assessment roll is
25 approved by the board of supervisors of the county. The recorder may charge
26 up to three dollars for each record search. The charges of the recorder or
27 of a searcher of records are incidental expenses pursuant to section 48-927.

28 F. A district may be formed or its boundaries may be changed without
29 mailing notice to new owners or new addresses that are provided to the clerk
30 pursuant to subsection E of this section.

31 G. The board of supervisors shall hold a hearing pursuant to
32 subsection A of this section if the petition requests the establishment of a
33 district or an addition to an existing district for the purposes described in
34 section 48-909, subsection A, paragraph 5 or 6 and the boundaries of the
35 proposed district or addition are wholly or partially within the service area
36 or proposed service area of a public service corporation as prescribed in
37 section 48-903, subsection D.

38 Sec. 282. Section 48-906, Arizona Revised Statutes, is amended to
39 read:

40 48-906. Establishment of district; dismissal of proceedings;
41 costs; addition or elimination of certain areas

42 A. ~~Upon~~ **ON** the hearing, if it appears after consideration of all
43 objections that the petition is signed by the requisite number of owners of
44 real property, and that the public convenience, necessity or welfare will be
45 promoted by the establishment of the district, the board of supervisors by

1 formal order shall declare its findings, establish the boundaries and declare
2 the improvement district organized under a corporate name by which it shall
3 be known in all proceedings. Thereafter the district shall be a body
4 corporate with the powers of a municipal corporation for the purposes of
5 carrying out this article.

6 B. If the board finds that the territory set out in the petition
7 should not be incorporated into an improvement district, it shall dismiss the
8 proceedings and tax the costs against the signers of the petition, and may
9 collect the costs on the bond of the petitioners. If the district is
10 established, certified bills covering the costs of the board of supervisors
11 and the disbursements of the petitioners shall be presented to the board of
12 directors of the district and paid from the funds of the district.

13 C. If it appears to the board of supervisors at the hearing that
14 territory not included in the petition should be included within the
15 improvement district, the real property owners in the additional territory
16 shall be notified in like manner as provided in connection with the original
17 hearing, and a subsequent hearing shall be held on the question of including
18 the additional territory. In establishing the improvement district, the
19 board shall eliminate any territory described in the petition which it finds
20 will not be benefited by the establishment of the district.

21 D. Additions to and alterations of an improvement district shall be
22 made as follows:

23 1. A petition addressed to the district governing board requesting the
24 addition or alteration may be filed with the clerk of the governing body, if
25 signed by a majority of the persons owning property and by the owners of
26 fifty-one per cent or more of the assessed valuation of the property within
27 the limits of the proposed addition or alteration.

28 2. A petition with the required number of signatures shall not be
29 declared void on account of any alleged defect, but the governing body shall
30 allow the petition to be amended in form and substance to conform to the
31 requirements of this article. One or more similar petitions, or copies of
32 the same petition with additional signatures, for the addition to or
33 alteration of the improvement district may be filed before the time of the
34 hearing on the first petition, and shall be considered as though filed with
35 the first petition. The petition shall be presumed to contain the signatures
36 of the persons whose signatures appear on the petition, unless the contrary
37 is proved.

38 3. The petition shall set forth:

39 (a) The name of the improvement district to which the addition or
40 alteration is proposed.

41 (b) The necessity for the proposed addition or alteration.

42 (c) That the public convenience, necessity or welfare will be promoted
43 by the addition or alteration of the district and that the property to be
44 included in the district will be benefited.

45 (d) The boundaries of the proposed addition or alteration.

1 4. Each copy of the petition shall be verified by one of the
2 petitioners and shall be accompanied by a plat or sketch indicating the
3 approximate area and boundaries of the district.

4 5. On receipt of a petition for an addition or alteration of a
5 district, the governing body shall set a date for a hearing on the petition
6 not later than forty days after presentation of the petition. At the hearing
7 all interested property owners may appear and be heard on any matter relating
8 to the addition to or alteration of the district. Any person wishing to
9 object to the addition or alteration may file, before the date set for the
10 hearing, the person's objections with the clerk of the governing body.

11 6. Notice announcing the hearing and stating the boundaries of the
12 proposed addition or alteration shall be published twice ~~in a newspaper of~~
13 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which
14 the district is located. The publications shall be one week apart, and the
15 first publication shall be not less than ten days before the date of the
16 hearing. The notice shall also be mailed by first class mail at least twenty
17 days before the hearing to the property owners within the area of the
18 proposed addition or alteration according to the names and addresses that
19 appear on the most recent property tax assessment roll.

20 7. Notice announcing the hearing and stating boundaries of the
21 proposed addition or alteration shall be mailed by first class mail at least
22 twenty days before the hearing to the corporation commission, if the petition
23 requests an addition or alteration of a district for the purposes described
24 in section 48-909, subsection A, paragraph 5 or 6 and the boundaries of the
25 proposed addition or alteration to a district are wholly or partially within
26 either of the following:

27 (a) The boundaries of the existing service territory of a public
28 service corporation that provides domestic water or wastewater services as
29 defined by a certificate of convenience and necessity issued by the
30 corporation commission.

31 (b) The boundaries of the proposed service territory of a public
32 service corporation that provides domestic water or wastewater services as
33 defined in an application for a certificate of convenience and necessity that
34 is pending before the corporation commission or that has been considered by
35 the commission within one year before the date the petition for an addition
36 or alteration of a district is filed with the clerk of the governing board.

37 8. At the hearing, if it appears after consideration of all objections
38 that the petition is signed by the requisite number of property owners, and
39 that the public convenience, necessity or welfare will be promoted by the
40 addition to or alteration of the district, the governing body by formal order
41 shall declare its findings and order the addition to or alteration of the
42 district.

43 9. If the governing board finds that the public convenience, necessity
44 or welfare will not be promoted by the addition to or alteration of the
45 district, the governing body by formal order shall declare its findings.

1 E. Notwithstanding subsection D of this section, any property owner
2 whose land is within a county that contains an improvement district and whose
3 land is adjacent to the boundaries of the improvement district may request in
4 writing that the governing body of the district amend the district boundaries
5 to include that property owner's land. If the governing body determines that
6 the inclusion of that property will benefit the district and the property
7 owner, the boundary change may be made by order of the governing body and is
8 final on the recording of the governing body's order that includes a legal
9 description of the property that is added to the district. A petition is not
10 required for an amendment to an improvement district's boundaries made
11 pursuant to this subsection.

12 F. On approval of any boundary change of the district, the district
13 board may order the successful petitioners or requester to pay all of the
14 costs of the boundary change.

15 Sec. 283. Section 48-910, Arizona Revised Statutes, is amended to
16 read:

17 48-910. Domestic water and domestic wastewater services;
18 authority to set fees; liens; foreclosure

19 A. The board of directors of a domestic water improvement district, a
20 domestic wastewater improvement district or a county improvement district
21 that provides or is established for the purpose of providing water or
22 wastewater services shall have the authority to set fees for the district
23 following a public hearing. Fees may include any of the following:

24 1. User fees that are proportionate shares of the cost of operation,
25 maintenance and replacement of a water delivery system, a water disposal
26 system or a wastewater treatment and disposal system or any combination of
27 those systems, including a system for the treatment and use of effluent, and
28 may include the cost of administrators, surveyors, sanitation experts,
29 engineers, legal counsel and other persons as are reasonably necessary for
30 the operation, maintenance and replacement of the systems. The fees may also
31 include any contractual amounts required to meet covenants relating to bonds
32 or other obligations of the district secured by a pledge of, or promise to
33 pay from, the district's fees.

34 2. Hookup fees for connection to the district water or wastewater
35 system, not including the cost of the actual physical connection.

36 3. Lateral fees for the cost of constructing a water or wastewater
37 lateral from the property line of the user to the middle of the easement or
38 right-of-way in which the water system or wastewater system is located.

39 4. For a domestic wastewater improvement district or a county
40 improvement district that provides or is established for the purpose of
41 providing wastewater systems or services, either of the following:

42 (a) A capacity fee based on the cost of developing the wastewater
43 collection, treatment and disposal facilities that are required to treat the
44 flows into the system from a particular wastewater connection.

1 (b) An availability fee that is charged on all property in the
2 district that is not connected to the existing wastewater treatment system
3 but that is adjacent to a wastewater line and that is based on the cost of
4 having the wastewater line and treatment facility capacity to accommodate
5 that property if it is developed. An availability fee is limited to fifty
6 per cent of the user fee.

7 B. Notice announcing the hearing shall be posted in not less than
8 three places within the district for not less than ten days before the date
9 of the hearing and shall be published twice ~~in a newspaper of general~~
10 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the district. The ~~newspaper~~
11 publications shall be not less than one week apart, and the first publication
12 shall be not less than ten days before the date of the hearing. The district
13 may also mail notice of the hearing to all district customers. The notice
14 may be included in the district's regular billings and shall be mailed at
15 least ten days before the date of the hearing.

16 C. The board of supervisors shall be notified by mail of the hearing
17 not less than ten days before the date of the hearing. The board of
18 supervisors may be represented at the hearing and may advise the board of
19 directors.

20 D. At the hearing all interested district property owners and
21 customers may appear and be heard on any matter relating to the establishment
22 of the proposed fees. Any person wishing to object to the establishment of
23 the proposed fees, before the date set for the hearing, may file objections
24 with the chairman or the clerk of the board of directors.

25 E. A domestic water improvement district, A domestic wastewater
26 improvement district or a county improvement district that provides or is
27 established for the purpose of providing water or wastewater systems or
28 services may file a lien on property for the nonpayment of user fees for
29 services provided to the property if the fees are delinquent for more than
30 ninety days. At least thirty days before filing the lien, the district shall
31 provide written notice to the owner of the property and shall include notice
32 of an opportunity for a hearing before a designated officer of the district.
33 The notice of lien shall be personally served on the property owner or mailed
34 by certified mail to the property owner's last known address or to the
35 address to which the most recent property tax assessment was mailed. If the
36 property owner does not reside on the property, the notice shall be mailed by
37 certified mail to the owner's last known address.

38 F. The unpaid user fees are a lien on the property from the date of
39 recording in the office of the county recorder in the county in which the
40 property is located until the fees and all costs are paid. The lien is
41 subject and inferior to the lien for general taxes and to all prior recorded
42 mortgages and encumbrances of record. A sale of the property to satisfy a
43 lien assessed pursuant to this section shall be made on a judgment of
44 foreclosure and order of sale. A domestic water or domestic wastewater
45 improvement district or a county improvement district that provides or is

1 established for the purpose of providing water or wastewater systems or
2 services may bring an action to foreclose the lien in the superior court in
3 the county in which the property is located any time after recording.
4 Failure to foreclose the lien does not affect its validity. The recorded
5 unpaid user fees are prima facie evidence of the truth of all matters recited
6 in the recording and of the regularity of all proceedings before the
7 recording.

8 G. Unpaid user fees pursuant to this section accrue interest at the
9 rate prescribed by section 44-1201.

10 H. The district shall add all costs incurred by the district,
11 including interest, attorney fees and costs in filing and enforcing the lien,
12 to the unpaid user fees, and the costs are a liability of the property owner
13 payable from the proceeds of the sale.

14 I. A prior assessment of unpaid user fees pursuant to this section
15 does not bar a subsequent assessment pursuant to this section, and any number
16 of liens on the same parcel of property may be enforced in the same action.

17 J. A district shall not file a lien for unpaid user fees against a
18 residential property that is occupied by a lessee and at which the lessee is
19 responsible for payment of the user fees. The district shall determine the
20 status of leased residential property before filing the lien.

21 Sec. 284. Section 48-918, Arizona Revised Statutes, is amended to
22 read:

23 48-918. Procedure for making and hearing protests and
24 objections

25 A. In determining protests and objections, the board of directors
26 shall be guided by these rules:

27 1. Each paper containing signatures shall have attached thereto the
28 affidavit of an owner to be assessed, stating that each signature was affixed
29 in his presence and is the signer's genuine signature.

30 2. The protest or objection shall be counted only for the property
31 described as belonging to the signer, and a signature without the description
32 shall not be counted.

33 3. The signature of one cotenant or, if community property, the
34 signature of either spouse, is sufficient for a protest if no objection to
35 the signature is made by the other cotenant or spouse. If such an objection
36 is made, the protest shall be counted only to the extent of the signer's
37 interest in the property.

38 4. A protest or objection signed by a guardian, conservator, personal
39 representative, administrator or trustee is valid without an order of court
40 therefor.

41 5. A protest or objection by a person in possession under contract of
42 purchase is valid.

43 6. When several persons have a claim to or an interest in property,
44 the signature of any of them is sufficient unless questioned by another
45 having such claim or interest, whereupon the wishes of the person legally

1 entitled to possession of the property at the date of the protest shall
2 control.

3 7. A protest or objection signed by an agent or attorney in fact shall
4 be disregarded unless the authority of the agent has been recorded with the
5 county recorder, or written or telegraphic authority is attached to the
6 protest or objection before expiration of the time for filing the protest or
7 objection.

8 8. A signature may be withdrawn from a protest or objection by filing
9 the withdrawal with the clerk in his office at or before five o'clock p.m. of
10 the last day set for the filing of protests.

11 9. An objection to the signature of a cotenant, spouse, claimant or
12 person interested may be filed, and the authority of an agent or attorney in
13 fact questioned, at any time before the board of directors finally passes
14 upon the sufficiency of the protest, but an agency or authority may not be
15 revoked as to the signature after the expiration of the protest period.

16 B. The board of directors may fix a date for a hearing ~~upon~~ ON the
17 sufficiency of a protest, which shall be within thirty days from the
18 expiration of the protest period, and shall give notice of the hearing by
19 publication twice ~~in a daily, or once in a weekly or semiweekly paper~~
20 ~~published or circulated~~ ON A PUBLIC MEDIUM PUBLISHED in the district or
21 county, and by mailing the notice to each protestant at his address of
22 record.

23 C. The notice shall require all persons signing the protest or their
24 agents or attorneys to appear and show cause why the protest should not be
25 overruled.

26 D. At the hearing the board of directors may disregard all signatures
27 of which the right to sign does not appear ~~upon~~ ON the records of the county
28 recorder, and which are not supported by evidence at the hearing.

29 Sec. 285. Section 48-919, Arizona Revised Statutes, is amended to
30 read:

31 48-919. Resolution ordering improvement; notice; bids

32 A. When no protests against the proposed work or no objections as to
33 the extent of the proposed assessment district have been filed within the
34 time specified, or when a protest is found by the board of directors to be
35 insufficient, or when the objections to the extent of the proposed district
36 have been heard and denied, the board of directors may order, by resolution,
37 the proposed improvements described in the resolution of intention.

38 B. The resolution need not fully describe the improvement nor the
39 extent of the assessment district, but may refer to the resolution of
40 intention for such description.

41 C. The superintendent shall then publish a notice of the passage of
42 the resolution ordering the work, and inviting sealed bids for making the
43 improvement therein ordered, twice ~~in one or more daily newspapers or once in~~
44 ~~a weekly or semiweekly newspaper, published and circulated~~ ON A PUBLIC MEDIUM
45 PUBLISHED in the county in which the district is located, and shall post a

1 copy of the notice for five days on or near the door of the meeting place of
2 the board of directors. The notice shall state the time within which
3 proposals may be filed with the clerk, which shall not be less than ten days
4 from the date of the first publication of the notice.

5 D. When in the resolution of intention the board of directors has
6 provided for alternative plans and specifications, the invitation for bids
7 for making the improvement may require separate bids according to each of the
8 several alternative plans and specifications.

9 Sec. 286. Section 48-923, Arizona Revised Statutes, is amended to
10 read:

11 48-923. Notice of award; objection to proceedings; entering
12 into contract; liability on bond

13 A. Notice of the award of contract shall be published twice ~~in a daily~~
14 ~~newspaper or once in a weekly or semiweekly newspaper, published and of~~
15 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which
16 the district is located.

17 B. At any time within fifteen days from the date of the first
18 publication, any person having an interest in a lot liable to assessment,
19 claiming that any of the previous acts or proceedings relating to the
20 improvement are irregular, illegal or faulty, may file with the clerk a
21 written notice specifying in what respect the acts and proceedings are
22 irregular, illegal or faulty, and all objections to any act or proceeding
23 which are not made ~~prior to~~ BEFORE the notice of award shall be waived,
24 except as to matters directly affecting the authority of the board of
25 directors. If the board of directors finds any objection well taken, it may
26 abandon the proceedings, or correct or modify any portion thereof, and
27 proceed as in the first instance.

28 C. Within twenty days after the date of the first publication, if no
29 objections have been filed, the successful bidder shall enter into a contract
30 to make the improvement according to his bid. If objections are filed but
31 are rejected by the board of directors, the contract shall be entered into
32 within five days after receiving notice from the clerk of such rejection. If
33 the bidder fails to enter into the contract within such period, then the
34 board of directors without further proceedings shall again advertise for bids
35 as in the first instance, and the bidder shall be liable ~~upon~~ ON his bond
36 accompanying the bid for all costs and damages incurred and sustained by
37 reason of the failure to enter into the contract.

38 Sec. 287. Section 48-928, Arizona Revised Statutes, is amended to
39 read:

40 48-928. Delivery of warrant and assessment to contractor or
41 treasurer; demand for payment; release of
42 assessments; review of assessment; hearing

43 A. After the assessment and warrant, if applicable, are recorded, they
44 shall be delivered to the contractor or to the treasurer of the district if
45 the district charges itself with the duty of making demands for the payment

1 of the several assessments, together with one of the diagrams, and by virtue
 2 of the warrant, the contractor or treasurer is authorized to demand and
 3 receive the amount of the several assessments.

4 B. The contractor or district shall call ~~upon~~ ON the owner of the lot
 5 assessed either in person or by mail, if the owner can conveniently be found,
 6 and demand payment, and if paid shall give a receipt therefor. The receipt,
 7 when presented to the superintendent, shall authorize or be an order to the
 8 superintendent to release the assessment.

9 C. The contractor or the responsible person acting for the district
 10 shall promptly notify the superintendent of all payments made to him,
 11 whereupon the superintendent shall release assessments which have been fully
 12 paid. When the name of the owner of the lot is stated as "unknown" on the
 13 assessment, the contractor or treasurer shall demand payment of a person in
 14 possession. If a person is in possession, such demand may be made either by
 15 mail if a mailing address for the person in possession can be determined or
 16 in person. If the premises are unoccupied or the person in possession cannot
 17 be found, such demand is unnecessary. The district may appoint a bank,
 18 savings and loan association or trust company as its depository for
 19 collection of the cash demands. Fees and expenses for such services may be
 20 included in the incidental expenses.

21 D. The warrant shall be returned to the superintendent within forty
 22 days after its date with a "return" endorsed on the warrant, signed by the
 23 contractor or treasurer, verified ~~upon~~ ON oath stating the nature and
 24 character of the demand, and whether any assessments remain unpaid in whole
 25 or in part, and the amount thereof. In the absence of fraud or bad faith,
 26 the verified statement of the person making the return is conclusive proof
 27 that the demand for payment was made ~~upon~~ ON each owner, person in possession
 28 or each parcel of property as required by this section. The superintendent
 29 shall record the return so made in the margin of the record of the warrant
 30 and assessment. After return of the assessment and warrant all amounts
 31 remaining due shall draw interest at the rate of eight per cent per annum
 32 until paid or, on the issuance of bonds, at the rate specified in the bonds,
 33 payable for the semiannual period specified in the bonds notwithstanding the
 34 fact that the installments of assessments may be due at dates earlier than
 35 installments of interest are payable on the bonds.

36 E. ~~Upon~~ ON recording the assessment and warrant, the superintendent
 37 shall notify the board of directors of the recording, and the board shall fix
 38 a time when it will hear and pass ~~upon~~ ON the assessment and the proceedings
 39 theretofore had and taken, which shall not be less than twenty days from the
 40 date of the recording. The board shall cause notice of the hearing to be
 41 given by publication for five days ~~in a daily newspaper or two times in a~~
 42 ~~semiweekly or weekly newspaper published and of general circulation~~ ON A
 43 PUBLIC MEDIUM PUBLISHED in the county within which the district is located,
 44 the first publication of which shall be at least ten days ~~prior to~~ BEFORE the
 45 hearing, and by mailing a copy of the notice showing the amount of proposed

1 assessment by first class mail, at least twenty days before the hearing date,
 2 to all persons owning real property affected by the assessments as the names
 3 and addresses appear on the last equalized certified property tax roll. If
 4 no address appears for any person on the last equalized certified tax roll,
 5 then no notice need be mailed to such person. The street superintendent shall
 6 make an affidavit of the mailing and shall recite in the affidavit that the
 7 persons to whom notices were mailed constitute all persons whose names and
 8 addresses appear on the tax roll as owning property within the area to be
 9 assessed. The affidavit is conclusive proof that notice was mailed to each
 10 person to whom notice is required to be mailed. Failure to receive notice
 11 does not constitute any jurisdictional defect invalidating an improvement
 12 district, any proceeding or assessment if notice has been sent pursuant to
 13 this section.

14 F. The owners and all other persons directly interested in the work or
 15 in the assessment who have any objection to the legality of the assessment or
 16 to any of the previous proceedings connected therewith ~~may, prior to,~~ BEFORE
 17 the time fixed for the hearing, MAY file a written notice briefly specifying
 18 the grounds of their objections. At the time fixed for the hearing or at any
 19 time not later than ten days thereafter to which the hearing may be
 20 postponed, the board of directors shall hear and pass ~~upon~~ ON the objections.
 21 The decision of the board of directors shall be final and conclusive ~~upon~~ ON
 22 all persons entitled to object as to all errors, informalities and
 23 irregularities ~~which~~ THAT the board of directors might have remedied or
 24 avoided at any time during the progress of the proceedings.

25 G. After the hearing, if the board of directors finds that the
 26 assessment has not been fairly apportioned, it shall modify the amounts of
 27 the several assessments and may order that the assessment be recomputed if it
 28 finds that the benefits to any lots do not equal the amount of such lots'
 29 assessment. When recomputing the assessment, the superintendent of streets
 30 shall levy the reassessments according to the benefits derived, as instructed
 31 by the board of directors, notwithstanding the fact that the reduction of any
 32 assessment may cause a corresponding increase in other assessments; except
 33 that without the written consent of the owner of land to be assessed, no
 34 assessment or assessments may be increased in such a manner which causes the
 35 total assessment for all work and expenses to exceed the stated total amount
 36 set forth on the engineer's official estimate.

37 H. At any time within one year from the date the superintendent of
 38 streets files the certificate of completion as provided in section 48-935,
 39 subsection G, the superintendent of streets, any member of the board of
 40 directors, any owner or any person claiming an interest in any lot which
 41 received an assessment may file a written notice with the clerk stating that
 42 the work has not been performed substantially in accordance with the
 43 resolution of intention, the plans, specifications and estimate. The notice
 44 shall state in particular the contractor's failure to perform and may also
 45 state, if applicable, any requested reduction in the assessment of any one or

1 more parcels due solely to the failure of such performance. The notice shall
2 state the name and address of the person filing the notice and shall describe
3 such person's interest in land subject to assessment, if applicable.

4 I. On receipt of such a notice, the board of directors shall set a
5 date for a hearing on the notice. The board of directors shall give notice
6 of the hearing to the contractor and the contractor's surety, the
7 superintendent of streets, the person appointed to take charge of and
8 superintend the work and all persons whose names and addresses appear in the
9 notice. In addition, the clerk shall cause a notice of the hearing to be
10 published twice ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
11 PUBLISHED in the county.

12 J. At the hearing, the board shall determine whether the work was
13 completed in accordance with the resolution of intention, the plans and
14 specifications and any corrections or alterations of such plans deemed
15 necessary by the superintendent. If the board of directors determines that
16 the work has not been so completed, it shall order the contractor to complete
17 the work and shall set a reasonable time for such completion and shall recess
18 the hearing until the date set for completion. If at the date set to
19 reconvene the hearing, the evidence shows that the work is then completed,
20 the board of directors shall enter such findings on its minutes. If the
21 board determines that the contractor is making a good faith attempt to
22 complete the work, it may continue the completion date and recess the hearing
23 to a later date. If, at the hearing or at any recessed hearing, the board of
24 directors finds that the contractor refuses to complete or is incapable of
25 completing the work, it shall order and the county attorney shall bring an
26 action against the contractor and its surety to collect such amounts or cause
27 such performance as is necessary to complete the work.

28 K. If the board determines that for any reason the work cannot be
29 completed and no recovery can be made against the contractor or the
30 contractor's surety, the board may then order the superintendent of streets
31 to recalculate the assessment, taking into consideration the effect the
32 contractor's failure to perform may have had on the actual benefits derived
33 from the improvement and to reduce some or all assessments to reflect the
34 reduced benefits. If the assessments are reduced, the district shall assume
35 as a contingent liability any difference between the amounts thereafter
36 received on the semiannual assessment payments and the amounts of principal
37 and interest thereafter due on the bonds. The assumption of such amount
38 becomes a general obligation of the district.

39 L. All decisions made concerning any notice filed under authority of
40 this section are final and conclusive as to the persons filing the notice,
41 the contractor and the contractor's surety and as to the alleged defect in
42 the work. After a ruling on any alleged defect in the work, the board shall
43 not entertain or hear a later notice concerning the same defect, whether or
44 not filed by a person other than the person filing the original notice.

1 M. After the work is completed, the superintendent shall file with the
2 clerk a recalculated assessment based on the actual quantities determined by
3 the engineer to have been constructed or installed, or the actual cost of the
4 acquisition, as the case may be, together with the known incidental expenses
5 expended to that date and the itemized estimated incidental expenses
6 remaining to be expended. The engineer need not recompute each individual
7 assessment but shall determine the amount of the increase or decrease to be
8 assessed and shall file a supplemental statement with the clerk setting forth
9 the ratio of the difference between the contractor's bid and the
10 recapitulated amount and ordering that each assessment be increased or
11 decreased, as the case may be, by such ratio. If the total assessment is
12 decreased, the treasurer shall return to the owner, if the owner can be
13 located, that portion of each assessment previously paid in cash which
14 represents an excess payment.

15 Sec. 288. Section 48-948, Arizona Revised Statutes, is amended to
16 read:

17 48-948. Failure to meet and adjourn scheduled hearing;
18 provision for subsequent hearing

19 When the time and place for a hearing is fixed by the board of
20 directors under this article, and for any reason the hearing is not then and
21 there held or regularly adjourned to a time and place fixed, the authority of
22 the board shall not thereby be divested or lost, but it may thereafter fix a
23 time and place for the hearing and cause notice thereof to be given by
24 publication ~~by at least one insertion in a newspaper published and of general~~
25 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which the
26 district is located and designated by the board. The publication shall be
27 run at least five days before the date of the hearing, and thereupon the
28 board of directors may act as in the first instance.

29 Sec. 289. Section 48-950, Arizona Revised Statutes, is amended to
30 read:

31 48-950. Proof of notice; definition

32 A. Unless otherwise provided by this article, proof of mailing, of
33 publication, or of posting resolutions or notices shall be made by affidavit
34 of the person required to make the mailing or publication or do the posting.
35 The affidavit shall state the manner of mailing, publication or posting, and
36 the dates thereof, shall have attached thereto a copy of the publication or
37 notice that was mailed or posted, and shall be filed in the office of the
38 clerk.

39 B. An affidavit prepared pursuant to this section is prima facie proof
40 of the posting, publication or mailing described. The failure of any person
41 to receive a mailed notice does not affect the validity of any notice that
42 was mailed as prescribed by this article. The failure to mail a notice to
43 one or more persons does not affect any notices mailed to other persons. An
44 error or informality in a notice does not invalidate other portions of a
45 notice.

1 C. The costs of mailing and publishing provided in this section shall
2 be a valid incidental expense pursuant to section 48-927, subsection E.

3 D. In addition to any notice required to be mailed, the board of
4 directors, at its sole option, may also publish the notice ~~in a newspaper of~~
5 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area in which the
6 district is located.

7 E. If any state lands are included in the district all notices shall
8 be mailed to the state land commissioner.

9 F. For THE purposes of this section, ~~the terms~~ "mail", "mailed" or
10 "mailing" means deposit of the notice or document with the United States
11 postal service BY first class MAIL postage prepaid.

12 Sec. 290. Section 48-986, Arizona Revised Statutes, is amended to
13 read:

14 48-986. Advancing maturity of bonds

15 A. When the treasurer determines that, by reason of the prepayment of
16 an assessment or assessments as provided in section 48-985, a bond or bonds
17 may be called, proceedings shall be had as provided in this section.

18 B. The treasurer shall advance the maturity of bonds in the amount
19 determined at the time of the prepayment of the assessments, to any interest
20 payment date. The bonds shall be called for par and a premium equal to five
21 per cent of the principal amount of the bonds called, together with interest
22 to the redemption date.

23 C. In selecting a bond for retirement, the lowest numbered bond of the
24 annual series midway to the end of the bond term shall be chosen. Successive
25 bonds shall be chosen from the lowest number of each annual series on either
26 side thereof, so that bonds called shall be a pro rata part of each annual
27 series after the one for which a levy has been posted to the county roll.
28 The relationship of unpaid assessments to bonds outstanding shall be
29 disturbed as little as possible by the call of bonds. The decision of the
30 treasurer shall be final and conclusive.

31 D. The district treasurer shall give written notice of advanced
32 maturity, entitled "to whom it may concern," to the holder or owner of each
33 bond that is called, at least fourteen days ~~prior to~~ BEFORE the day of call.
34 The notice may be given by personal service, by registered mail addressed to
35 the last known address of the holder or owner, or by one publication ~~in a~~
36 ~~newspaper having circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district or
37 in a financial paper in the United States. When given by publication, it
38 shall also be mailed to the last known address of the holder or owner and if
39 not known then to the original purchaser of the bonds.

40 E. If notice of advanced maturity is given, the bond shall mature and
41 become payable on the date fixed for maturity in the notice. The holder or
42 owner of the bond may surrender it prior to the date of advanced maturity and
43 receive the principal and interest thereon to the date of payment.

44 F. If the bond has not been sooner surrendered, on the date fixed for
45 advanced maturity the district treasurer shall set aside to the credit of the

1 owner of the bond the amount of principal and accrued interest then due on
2 the bond, and the bond shall then be deemed to have matured and interest
3 shall cease to accrue on the bond. The amount so set aside ~~shall, upon, ON~~
4 demand and ~~upon ON~~ the surrender and cancellation of the bond and all unpaid
5 coupons thereof, SHALL be paid to the holder or owner thereof.

6 G. The cost of serving or publishing the notice of advanced maturity
7 shall be paid from the redemption fund.

8 H. More than one bond may be included in a single notice of advanced
9 maturity. All bonds called and redeemed shall be canceled and destroyed.

10 I. ~~Prior to~~ BEFORE the surrender of any bond or the setting aside of
11 any funds, the treasurer may waive and vacate any notice of advanced maturity
12 ~~upon ON~~ being tendered for cancellation some other bond or bonds of an
13 equivalent amount and of a maturity not earlier than that notice, if ten
14 days' notice of his intention so to do is first given by mail or otherwise to
15 the holder or owner of the bond noticed for advanced maturity and such holder
16 or owner has not objected to such action.

17 Sec. 291. Section 48-1014, Arizona Revised Statutes, is amended to
18 read:

19 48-1014. Powers and duties of an elected or appointed board of
20 directors

21 A. The board of directors of a domestic water improvement district or
22 domestic wastewater improvement district elected or appointed pursuant to
23 this article shall have all the powers and duties of the board of supervisors
24 sitting as the board of directors of a county improvement district formed for
25 the purposes prescribed in section 48-909, subsection A, paragraph 1, 2, 3,
26 4, 5 or 6, including the related powers and duties prescribed in section
27 48-909, subsection B and section 48-910, and that are not in conflict with
28 this article. A single district may be formed for or converted to a
29 combination of water and wastewater purposes.

30 B. Additions to and alterations of the district shall be made as
31 follows:

32 1. A petition addressed to the district governing board requesting the
33 addition or alteration may be filed with the clerk of the governing body, if
34 signed by a majority of the persons owning property and by the owners of
35 fifty-one per cent or more of the assessed valuation of the property within
36 the limits of the proposed addition or alteration.

37 2. A petition with the required number of signatures shall not be
38 declared void on account of any alleged defect, but the governing body shall
39 allow the petition to be amended in form and substance to conform to the
40 requirements of this article. One or more similar petitions, or copies of
41 the same petition with additional signatures, for the addition to or
42 alteration of the improvement district may be filed before the time of the
43 hearing on the first petition, and shall be considered as though filed with
44 the first petition. The petition shall be presumed to contain the signatures

1 of the persons whose signatures appear on the petition, unless the contrary
2 is proved.

3 3. The petition shall set forth:

4 (a) The name of the improvement district to which the addition or
5 alteration is proposed.

6 (b) The necessity for the proposed addition or alteration.

7 (c) That the public convenience, necessity or welfare will be promoted
8 by the addition or alteration of the district and that the property to be
9 included in the district will be benefited.

10 (d) The boundaries of the proposed addition or alteration.

11 4. Each copy of the petition shall be verified by one of the
12 petitioners and shall be accompanied by a plat or sketch indicating the
13 approximate area and boundaries of the district.

14 5. On receipt of a petition for an addition or alteration of a
15 district, the governing body shall set a date for a hearing on the petition
16 not later than forty days after presentation of the petition. At the hearing
17 all interested property owners may appear and be heard on any matter relating
18 to the addition to or alteration of the district. Any person wishing to
19 object to the addition or alteration may file, before the date set for the
20 hearing, the person's objections with the clerk of the governing body.

21 6. Notice announcing the hearing and stating the boundaries of the
22 proposed addition or alteration shall be published twice ~~in a newspaper of~~
23 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county within which
24 the district is located. The publications shall be one week apart, and the
25 first publication shall be not less than ten days before the date of the
26 hearing. The notice shall also be mailed by first class mail at least twenty
27 days before the hearing to the property owners within the area of the
28 proposed addition or alteration according to the names and addresses that
29 appear on the most recent property tax assessment roll.

30 7. At the hearing, if it appears after consideration of all objections
31 that the petition is signed by the requisite number of property owners, and
32 that the public convenience, necessity or welfare will be promoted by the
33 addition to or alteration of the district, the governing body by formal order
34 shall declare its findings and order the addition to or alteration of the
35 district.

36 8. If the governing board finds that the public convenience, necessity
37 or welfare will not be promoted by the addition to or alteration of the
38 district, the governing body by formal order shall declare its findings.

39 C. Notwithstanding subsection B of this section, any property owner
40 whose land is within a county that contains an improvement district and whose
41 land is adjacent to the boundaries of the improvement district may request in
42 writing that the governing body of the district amend the district boundaries
43 to include that property owner's land. If the governing body determines that
44 the inclusion of that property will benefit the district and the property
45 owner, the boundary change may be made by order of the governing body and is

1 final on the recording of the governing body's order that includes a legal
2 description of the property that is added to the district. A petition is not
3 required for an amendment to an improvement district's boundaries made
4 pursuant to this subsection.

5 D. On approval of any boundary change of the district, the district
6 board may order the successful petitioners or requesters to pay all of the
7 costs of the boundary change.

8 Sec. 292. Section 48-1033, Arizona Revised Statutes, is amended to
9 read:

10 48-1033. Notice

11 A. The clerk shall execute a notice ~~which~~ THAT shall read
12 substantially as follows:

13 To whom it may concern:

14 The board of supervisors of _____ county, on
15 _____ (date) _____, adopted the attached resolution declaring its
16 intention to form a tax levying rural road improvement district.
17 A hearing on formation will be held on _____ (date) _____, at
18 _____ (time) _____ at _____ (location) _____. All persons owning or
19 claiming an interest in property in the proposed district who
20 object to the inclusion of their land in the district, to the
21 formation of the district or to the proposed improvements must
22 file a written objection with the undersigned at the following
23 address before the time set for the hearing.

24
25 (Date) _____

26 _____

27 Clerk

28 _____

29 Address

30 _____

31 County

32 B. A copy of the resolution declaring the INTENTION OF THE board of
33 ~~supervisor's intention~~ SUPERVISORS to form the district shall be attached to
34 the notice, and the clerk shall cause a copy to be mailed to the owners of
35 real property in the proposed district as shown on the most recently
36 certified property tax assessment roll and to all other persons claiming an
37 interest in the property who have requested a copy of the notice. The clerk
38 shall also publish a copy of the notice and resolution at least once ~~in a~~
39 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.
40 The mailing and publication shall be completed at least twenty days before
41 the date set for hearing. The clerk shall execute an affidavit of mailing
42 stating the date of mailing and the names and addresses of the persons to
43 whom the notices and copies of the resolutions were mailed. The clerk shall
44 obtain an affidavit from the publisher of the ~~newspaper in~~ PUBLIC MEDIUM ON
45 which the publication was made. The clerk shall cause both affidavits to be

1 placed in the official records of the county. The affidavits are conclusive
2 evidence of the mailing and publishing of notice. Notice shall not be held
3 invalid for failure of delivery to the addressee.

4 C. If the clerk is informed that the person listed on the assessment
5 roll is no longer the owner and the name and address of the successor owner
6 become known, the clerk shall cause a copy of the notice and resolution to be
7 mailed to the successor owner as soon as practicable after learning of the
8 change of ownership.

9 Sec. 293. Section 48-1037, Arizona Revised Statutes, is amended to
10 read:

11 48-1037. Notice and conduct of elections; waiver

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

18 1. The place of holding the election.

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

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

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

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

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

43 D. Except as otherwise provided by this article, the election shall
44 comply with the general election laws of this state, except that the words to
45 appear on the ballots shall be for a formation election "district, yes" and

1 "district, no" or for a bond election "bonds, yes" and "bonds, no". The
2 returns of election shall be made to the district board.

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

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

16 Sec. 294. Section 48-1062, Arizona Revised Statutes, is amended to
17 read:

18 48-1062. Authorization and issuance of bonds; election

19 A. The district may, pursuant to this article:

20 1. Issue its bonds in the principal amount as set forth in AN action
21 by the board of directors, as necessary to:

22 (a) Provide sufficient monies for any authorized purpose.

23 (b) Establish reserves to secure the bonds.

24 (c) Pay the necessary costs of issuing, selling, enhancing the credit
25 of and redeeming the bonds.

26 (d) Pay all other costs and bond related expenses incidental to and
27 necessary and convenient to carry out those purposes.

28 2. Issue refunding bonds if the board of directors deems refunding
29 expedient. The board of directors may provide for investing and holding the
30 proceeds of the refunding bonds in trust for the benefit of the holders of
31 the bonds or other obligations being refunded.

32 3. Refund any bonds or other obligations issued by the district
33 without regard to whether the refunded bonds or obligations are secured from
34 the same revenues or source of revenues as the bonds authorized in this
35 article, by issuing new bonds, whether the bonds or obligations to be
36 refunded have or have not matured.

37 4. Issue bonds for any two or more purposes described ~~above~~ IN
38 PARAGRAPHS 1, 2 AND 3 OF THIS SUBSECTION, consistent with this article.

39 5. Covenant and agree to maintain revenues sufficient to provide for
40 the timely payment of principal, interest and other charges with respect to
41 bonds of the district together with other obligations and expenses of the
42 district.

43 B. On determining the amount of money necessary to be raised for any
44 purposes stated in subsection A OF THIS SECTION, the board of directors shall
45 immediately call a special election and shall submit to the electors of the

1 district the question of whether or not revenue bonds should be issued in the
2 amount so determined. No election need be called or held with respect to
3 bonds issued solely for refunding and related purposes.

4 C. The district shall issue a public notice of the election that
5 specifies the date of the election, the amount of the bonds of each series
6 proposed to be issued, the maximum rate of interest for each series of the
7 bonds and the denominations of the series of the bonds. The notice shall be:

8 1. Posted in three public places in each election precinct of the
9 district for at least twenty days before the election.

10 2. Published ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
11 PUBLISHED in the county in which the district is located once a week for at
12 least two consecutive weeks.

13 D. The election shall be held and the results determined as nearly as
14 practicable pursuant to the general election laws of this state, except as
15 otherwise provided by this article. An informality in conducting the
16 election does not invalidate the election if the election was otherwise
17 conducted fairly.

18 E. At the election the ballots shall identify and describe generally
19 the amount and purpose for which each series of bonds is proposed to be
20 issued and contain the words "bonds--yes" and "bonds--no". If a majority of
21 the votes cast at the election approves the bonds or any series thereof, the
22 board of directors shall cause the bonds or the series approved at the
23 election to be issued at the terms and time the board of directors deems
24 appropriate pursuant to this article. If a majority of the votes cast at the
25 election disapproves the bonds or any series thereof, the board of directors
26 shall declare and enter the result of the election on its record, and if at
27 any time thereafter one-fourth of the qualified electors of the district
28 petition the district, or if the board of directors so directs, the district
29 shall resubmit the question to the electors of the district in the manner
30 prescribed by this section. Disapproval by the electors of the issuance of
31 any bonds or series of bonds shall not bar subsequent submission of the issue
32 to electors of the district.

33 F. The board of directors shall authorize the bonds by resolution.
34 The resolution shall prescribe as to each series of bonds authorized:

35 1. The amount and principal purpose of the bonds.

36 2. The rate or rates of interest, which may be fixed or variable, and
37 the denominations of the bonds.

38 3. The date or dates of the bonds, of the maturity thereof and any
39 requirement for periodic deposits into any sinking or similar fund.

40 4. The coupon or registered form of the bonds.

41 5. The manner of executing the bonds.

42 6. The medium and place of payment.

43 7. The terms of mandatory or optional redemption, which may include a
44 premium for early redemption.

45 8. The security for and source of payment of the bonds.

1 G. The district shall publish a notice of its intention to issue bonds
2 under this article for at least five consecutive days ~~in a newspaper of~~
3 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The last day
4 of publication must be at least ten days before the board of directors
5 authorizes issuance of the bonds. The notice shall state the amount of the
6 bonds to be sold and the intended date of issuance.

7 H. The bonds shall be sold at public or private sale at the price and
8 on the terms as the board of directors determines pursuant to this article.
9 Bonds to fund or refund other bonds may be either sold or exchanged with the
10 holders of bonds being funded or refunded on terms as determined by the board
11 of directors. All proceeds from issuing the bonds shall be deposited in and
12 disbursed from a segregated fund as determined by the board of directors.

13 I. The district, out of any available monies, may purchase bonds or
14 other obligations of the district, which may thereupon be cancelled, at a
15 price not exceeding the following:

16 1. If the bonds or obligations are then redeemable, the applicable
17 redemption price plus accrued interest to the next payment date.

18 2. If the bonds or obligations are not then redeemable, the redemption
19 price applicable on the first date after purchase on which the bonds become
20 subject to redemption plus accrued interest to that date.

21 J. Neither the members of the board of directors nor any person
22 executing the bonds is personally liable for the payment of the bonds.

23 K. Title 35, chapter 3, article 7 applies to the district and to bonds
24 issued under this article.

25 Sec. 295. Section 48-1084, Arizona Revised Statutes, is amended to
26 read:

27 48-1084. Powers and duties of an elected or appointed board of
28 directors

29 A. The board of directors of a road improvement and maintenance
30 district elected or appointed pursuant to this article shall have all the
31 powers and duties of the board of supervisors sitting as the board of
32 directors of a county improvement district formed for the purposes prescribed
33 in section 48-909, subsection A, paragraph 1, 2, 3 or 4, including the
34 related powers and duties prescribed in section 48-909, subsection B that are
35 not in conflict with this article.

36 B. The board shall appoint a clerk and employ a superintendent. The
37 board shall establish and make known an office and mailing address for the
38 clerk and superintendent.

39 C. Additions to and alterations of the district shall be made in the
40 manner provided for the establishment of the district, except that
41 notification shall be published ~~in a newspaper of general circulation~~ ON A
42 PUBLIC MEDIUM PUBLISHED within the district, petitions shall be filed with
43 the district board and all actions related to a proposed boundary change are
44 the responsibility of the district board.

1 D. Notwithstanding section 48-906, subsection D, on approval of any
2 boundary change of the district, the district board may order the successful
3 petitioners to pay all of the costs of the boundary change.

4 Sec. 296. Section 48-1094, Arizona Revised Statutes, is amended to
5 read:

6 48-1094. Powers and duties of an elected or appointed board of
7 directors

8 A. The board of directors of a road enhancement improvement district
9 elected or appointed pursuant to this article shall have all the powers and
10 duties of the board of supervisors sitting as the board of directors of a
11 county improvement district formed for the purposes prescribed in section
12 48-909, subsection A, paragraph 1, 2, 3 or 4, including the related powers
13 and duties prescribed in section 48-909, subsection B that are not in
14 conflict with this article.

15 B. The board shall appoint a clerk and employ a superintendent. The
16 board shall establish and make known an office and mailing address for the
17 clerk and superintendent.

18 C. Additions to and alterations of the district shall be made in the
19 manner provided for the establishment of the district, except that
20 notification shall be published ~~in a newspaper of general circulation~~ ON A
21 PUBLIC MEDIUM PUBLISHED within the district, petitions shall be filed with
22 the district board and all actions related to a proposed boundary change are
23 the responsibility of the district board.

24 D. Notwithstanding section 48-906, subsection D, on approval of any
25 boundary change of the district, the district board may order the successful
26 petitioners to pay all of the costs of the boundary change.

27 Sec. 297. Section 48-1102, Arizona Revised Statutes, is amended to
28 read:

29 48-1102. Procedure for formation of district

30 A. The board of supervisors of a county ~~which~~ THAT qualifies under
31 section 48-1101 ~~may~~, on its own initiative, MAY adopt a resolution setting
32 forth:

33 1. The name of the proposed television improvement district.

34 2. The boundaries of the proposed district, which shall be coterminous
35 with the boundaries of the county.

36 3. The necessity for the district, including a statement that the
37 public interest, convenience and necessity will be promoted by establishing
38 the district.

39 4. A general statement of the television translator and relay
40 facilities ~~which~~ THAT are proposed to be operated and services to be provided
41 by the district.

42 5. Such other matters as the board may deem necessary.

43 B. The resolution shall set a date for a hearing on the resolution,
44 not less than twenty-one nor more than forty days from the date of the
45 resolution. The notice of the hearing shall contain substantially all the

1 information contained in the resolution, ~~and~~ shall be published once each
2 week for at least three consecutive weeks before the hearing ~~in a newspaper~~
3 ~~of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and shall
4 be posted at least three weeks before the hearing in at least three public
5 places in the county. The board shall meet at the time and place fixed for
6 the hearing. At the hearing the board shall hear all persons who wish to
7 appear in favor of or against establishment of the district.

8 C. If, after the hearing, it appears to the board that the public
9 interest, convenience and necessity will be served by establishing the
10 district, the board shall declare its findings and order the formation of the
11 television improvement district under the designated corporate name. The
12 board shall file a certified copy of the proceedings with the county
13 recorder.

14 D. Any party aggrieved by the action of the board under this section
15 may bring an action in the superior court in the county in which the district
16 is located to set aside the action of the board. The action must be
17 instituted not more than thirty-five days after entry of the order forming
18 the district and shall be heard in a trial de novo.

19 E. The board of supervisors may pay the necessary costs incurred in
20 connection with the formation of the district from any funds available for
21 such purpose.

22 Sec. 298. Section 48-1408, Arizona Revised Statutes, is amended to
23 read:

24 48-1408. Notice of election

25 A. The election shall be called by posting notices signed by the board
26 in three public places in the district for not less than twenty days before
27 the election. If there is a ~~newspaper~~ PUBLIC MEDIUM published in the county,
28 notice shall also be given by publishing the notice therein for not less than
29 once a week for two successive weeks ~~prior to~~ BEFORE election.

30 B. The notice shall contain:

- 31 1. The name and place of holding the election.
- 32 2. The names of three judges to conduct the election.
- 33 3. The hours during the day, not less than six, in which the polls
34 shall be open.
- 35 4. The amount and denomination of the bonds and the maximum rate of
36 interest to be borne on the bonds.
- 37 5. The terms of the bonds, not exceeding twenty years.

38 Sec. 299. Section 48-1416, Arizona Revised Statutes, is amended to
39 read:

40 48-1416. Formation of overlay district; hearing; procedures;
41 election

42 A. On request of the board of trustees of two or more contiguous
43 special road districts, or two or more contiguous special road districts
44 which comprise a joint special road district, the board of supervisors shall
45 set a hearing on the creation of a new special road district overlaying the

1 requesting districts. The proposed overlay district shall have boundaries
2 coextensive with the exterior boundaries of the contiguous districts
3 regardless of their shape or dimension, including any portion within any
4 incorporated city or town.

5 B. Notice of the hearing shall be given by posting in four public
6 places within the proposed district and by publication two times ~~in a~~
7 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the proposed
8 district.

9 C. Interested parties may file written objections with the clerk of
10 the board of supervisors no later than five days before the date set for the
11 hearing.

12 D. At the hearing, written and oral objections shall be heard and the
13 board of supervisors shall rule on the objections. The hearing may be
14 continued from time to time. If the board determines that the land within
15 the districts will be benefited by the formation of the new district, it
16 shall order an election to be held in the proposed district. The
17 determination of the board is final and conclusive.

18 E. The election shall be called and conducted, notice shall be given
19 and the results shall be canvassed as provided in title 16, except that
20 sections 16-226 and 16-227 do not apply. The election may be held on any
21 date set by the board of supervisors ~~which~~ THAT is not less than thirty days
22 after the date the board of supervisors adopts the order, except that if the
23 election is combined with an election on the sale of bonds as provided by
24 subsection I of this section, the election must be held on the first Tuesday
25 following the first Monday in November as prescribed by section 16-204,
26 subsection B, paragraph 1, subdivision (d).

27 F. If a majority of the qualified electors of the proposed district
28 voting at the election favors formation of an overlay district, the board of
29 supervisors shall order the formation of the overlay district.

30 G. If the formation of the overlay district is ordered the existing
31 districts shall be dissolved and cease to exist, except that all real
32 property and mobile homes within the dissolved districts remain subject to
33 taxation for all the bonds, debts or obligations outstanding at the time of
34 dissolution. All taxes levied and monies collected before dissolution shall
35 be credited to the overlay district except for those levied or collected to
36 pay bonds, debts and obligations of the dissolved districts outstanding at
37 the date of dissolution. The dissolved districts shall transfer to the
38 overlay district all other assets, including all other monies and the roads
39 and rights-of-way, of the dissolved districts, and the overlay district shall
40 assume the combined budget, operations and maintenance of the dissolved
41 districts.

42 H. The initial board of trustees of the overlay district shall be
43 comprised of the trustees of the dissolved districts who shall continue to
44 serve only until their respective existing terms are completed. At the first
45 annual trustee election after formation of the overlay district, only one

1 trustee shall be elected at large from the overlay district for a three year
2 term to replace all former trustees whose terms are expiring. At each of the
3 second and third annual trustee elections after formation, two trustees shall
4 be elected at large for three year terms to replace all former trustees whose
5 terms are expiring. Thereafter the district board shall consist of five
6 trustees, elected at large, serving staggered three year terms.

7 I. If requested by the boards of trustees of the districts requesting
8 the overlay district, the board of supervisors shall call, conduct and
9 canvass, on behalf of the overlay district, an election on the sale of bonds
10 by the overlay district to be held in conjunction with the election on
11 formation and as provided in subsection E of this section.

12 J. The formation of the overlay district and dissolution of the
13 previous districts become effective on a date set by the board of supervisors
14 which is no earlier than thirty days after the canvass of the formation
15 election.

16 K. A special road district formed pursuant to this section is subject
17 to this article as a special road district.

18 Sec. 300. Section 48-1502, Arizona Revised Statutes, is amended to
19 read:

20 48-1502. Petition for organization; publication; notice;
21 qualification of petitioners

22 A. When five or more holders of title, or evidence of title, as
23 provided by this section, to agricultural lands which are susceptible of
24 cultivation by the same general system, or by individual system of works,
25 desire to provide for the cultivation of such lands, they may propose the
26 organization of a power district under the provisions of this chapter.

27 B. In order to propose the organization of a power district, a
28 petition shall be presented to the board of supervisors of the county in
29 which the lands within the proposed district, or the greater portion thereof,
30 are located, signed by the required number of holders of title, or evidence
31 of title, to the land within the proposed district.

32 C. The petition shall set forth and particularly describe the proposed
33 boundaries of the district and shall pray that the lands therein be organized
34 as a power district under the provisions of this chapter. The petitioners
35 shall accompany the petition with a good and sufficient bond to be approved
36 by the board of supervisors in the amount of the probable cost necessary to
37 be incurred by the board of supervisors in organizing the district,
38 conditioned that the obligors will pay all costs if the organization is not
39 effected.

40 D. The petition shall be presented at a regular meeting of the board
41 of supervisors after having been published for at least three weeks ~~prior to~~
42 ~~BEFORE~~ presentation ~~in some newspaper printed and~~ ON A PUBLIC MEDIUM
43 published in the county in which the petition is presented, together with a
44 notice stating the date of the meeting of the board at which the petition
45 will be presented.

1 E. If any portion of the proposed district lies within another county
2 or counties, the petition and notice shall be likewise published ~~in a~~
3 ~~newspaper printed and~~ ON A PUBLIC MEDIUM published in each of the counties.

4 F. Proof that the petition was signed by the persons whose names
5 appear thereon and that notice of hearing was given by publication and
6 posting may be made by the affidavits of persons having knowledge of the
7 facts, which shall be filed with the board, and when so made and filed, shall
8 be prima facie evidence that the petitioners are entitled to the hearing
9 prayed for in the petition and of the truth of all matters set forth in the
10 petition.

11 G. The county equalized assessment roll adopted next preceding
12 presentation of the petition for organization of the district shall be
13 sufficient evidence of title for the purposes of this chapter, but no person
14 who has received or acquired title to land within the proposed district for
15 the purpose of enabling such person to join in the petition, or to become an
16 elector of the district, shall be allowed to sign the petition or to vote at
17 any election to be held in the district.

18 H. The illegal signing of a petition shall not invalidate the petition
19 when a sufficient number of other legal petitioners join in signing the
20 petition.

21 Sec. 301. Section 48-1507, Arizona Revised Statutes, is amended to
22 read:

23 48-1507. Notice of election

24 A. The board of supervisors shall cause a notice embodying in
25 substance the order provided by section 48-1506, signed by the chairman and
26 clerk of the board, to be issued and published, giving public notice of the
27 election, the time and THE polling places, and specifying the matters to be
28 submitted to the vote of the electors of the proposed district. The notice
29 shall be published once a week for at least three weeks ~~prior to~~ BEFORE the
30 election ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
31 in the county.

32 B. If any portion of the proposed district lies within any other
33 county or counties, the order and notice shall be published ~~in a newspaper of~~
34 ~~general circulation~~ ON A PUBLIC MEDIUM published in each of the counties. A
35 copy of the notice shall be posted in at least one conspicuous place in each
36 of the divisions of the proposed district for at least two weeks ~~prior to~~
37 BEFORE the election.

38 Sec. 302. Section 48-1518, Arizona Revised Statutes, is amended to
39 read:

40 48-1518. Notice of hearing on inclusion or exclusion of lands;
41 objections; failure to object

42 A. ~~Upon~~ ON filing the petitions provided by section 48-1517, and
43 payment of estimated expenses, the secretary shall cause notice to be given
44 and published once each week for three successive weeks ~~in a newspaper~~ ON A
45 PUBLIC MEDIUM published in the county where the office of the district is

1 located, giving notice of filing of the petitions, the names of the
2 petitioners, a description of the land, the prayer of the petitioners and the
3 time and place of hearing the petitions, and requiring any person objecting
4 for any cause to allowance of the petitions to file the objections in writing
5 in the district office on or before the time fixed for the hearing and appear
6 at such time in support of the objections.

7 B. At the time and place mentioned in the notice, or at such time or
8 times to which the hearing is adjourned, the board of directors shall proceed
9 to hear the petitions and all objections filed thereto in writing by
10 interested persons. Failure of any person to file objections in writing
11 shall be deemed a consent to granting the petitions.

12 Sec. 303. Section 48-1554, Arizona Revised Statutes, is amended to
13 read:

14 48-1554. Plans and specifications for construction;
15 advertisement for bids; bid deposit; awarding
16 contract; performance bond

17 A. When plans and specifications for any construction, repair,
18 alteration, extension, improvement or other district purpose have been
19 adopted by the board of directors and ratified by the electors when the
20 probable amount involved requires ratification, the directors shall give
21 notice of the proposed work by publication of an advertisement for bids for
22 at least two weeks ~~in a weekly or daily newspaper~~ ON A PUBLIC MEDIUM
23 published in each county in which portions of the district are located, ~~and~~
24 ~~in such additional newspapers as the board deems advisable.~~

25 B. The advertisement for bids shall set forth:

26 1. A general description of the proposed work.

27 2. That the plans and specifications may be seen at the office of the
28 district.

29 3. The date and hour up to which the board will receive sealed
30 proposals.

31 4. That the contract may be let to the lowest responsible bidder.

32 5. That the right will be reserved to reject any and all bids.

33 6. The time and place for opening bids.

34 7. That each bid shall be accompanied by a bid bond, deposit or
35 certified check equal to ten per cent of the total bid.

36 8. That the bids will be opened in public.

37 9. That as soon as convenient thereafter the board may let the
38 contract for the work, either in part or as a whole, to the lowest
39 responsible bidder.

40 C. At the time and place specified in the advertisement the board
41 shall meet and consider the bids and shall within a reasonable time
42 thereafter accept or reject all or any portion of any bid or may reject all
43 bids, and shall return the deposits of unsuccessful bidders. The board may
44 thereafter proceed to readvertise for the portions of the proposed project as

1 to which no bids are accepted, or the board may proceed to perform the work
2 so advertised under its direction and supervision.

3 D. The board shall enter into contracts according to the accepted
4 bids, and shall require from each person with whom such a contract is made to
5 give such bond or bonds as are required under the provisions of title 34,
6 chapter 2, article 2. ~~Upon~~ ON the bond being given and approved, prior
7 deposits of the principal on the bond shall be returned.

8 Sec. 304. Section 48-1555, Arizona Revised Statutes, is amended to
9 read:

10 48-1555. Conveyance or transfer to United States of irrigable
11 lands within district included within federal
12 reclamation project; election; terms of transfer

13 A. When irrigable lands within a power district have been included
14 within any federal reclamation project, or subdivision thereof, authorized
15 for construction under the federal reclamation laws, and the appropriate
16 authority of the United States government certifies that funds are available
17 for commencing the construction of works in connection with the reclamation
18 project, or subdivision thereof, the board of directors of the power district
19 may convey, transfer and assign to the United States, such lands, interests
20 in lands and other property of the district, including electric power lines
21 and other facilities, as the secretary of the interior deems appropriate for
22 the protection, development or improvement of the reclamation project.

23 B. The power of conveyance accorded by this section shall not be
24 exercised unless the conveyance has first been approved by a majority of the
25 votes cast at a special election held in the district for the purpose of
26 submitting the question of conveyance to the qualified electors of the
27 district. The election shall be called by the board of directors of the
28 district, and notice thereof shall be given by posting notices in three
29 public places in each division of the district for at least twenty days ~~prior~~
30 ~~to~~ BEFORE the date of the election and by publication of notice ~~in a~~
31 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county
32 in which the office of the board of directors is located, once a week for at
33 least two successive weeks ~~prior to~~ BEFORE the election. The notice shall
34 specify the time and place of holding the election, and shall contain a
35 general description of the character of the proposed property to be conveyed,
36 transferred and assigned and a general statement of the reasons therefor. At
37 the election the ballot shall contain the words "Shall the proposed
38 conveyance, transfer and assignment of the district property to the United
39 States be made?", "Yes", "No", or other words equivalent thereto. The
40 election shall be conducted and canvassed in all respects as nearly as
41 practicable in conformity with the provisions of law providing for the
42 election of the governing body of the district. No informalities in
43 conducting the election shall invalidate it if the election has been
44 otherwise fairly conducted.

1 C. If at the election the proposed conveyance, transfer and assignment
2 is approved by a majority of the electors voting, the board of directors may
3 convey, transfer and assign all or any part of the property referred to in
4 the notice of election ~~upon~~ ON such terms and conditions as the board of
5 directors in their discretion deem for the best interests of the district.

6 Sec. 305. Section 48-1599, Arizona Revised Statutes, is amended to
7 read:

8 48-1599. Remittance of collections to district treasurer;
9 division of collections into funds; disbursements;
10 treasurer's report

11 A. The county treasurer of each county containing a portion of any
12 district, except the county treasurer of the county in which the office of
13 the district is located, on or before the fifteenth day of each month shall
14 remit to the district treasurer all monies, warrants, coupons or bonds
15 collected or received by him on account of the district.

16 B. The district treasurer by computations based ~~upon~~ ON certified
17 estimates as returned to the board of supervisors shall divide the money
18 received from taxation on the lands of the district, or from other sources,
19 into district funds corresponding with the purposes therein specified or for
20 which they were paid. The monies received shall be divided as follows:

21 1. Money received on account of interest on the bonded indebtedness of
22 a district shall be kept in an interest fund.

23 2. Money received on account of principal of bonded indebtedness of a
24 district shall be kept in a bond fund.

25 3. Money received on account of the release and discharge of lands in
26 the district from the lien of the bonded indebtedness of the district shall
27 be kept in a call or prepayment fund.

28 4. Money received on account of maintenance, operation and current
29 expenses for the district shall be kept in a maintenance, operation and
30 current expense fund.

31 5. Money received on account of the levy for outstanding or deficiency
32 warrants shall be kept in a deficiency fund.

33 6. Money received from any levy made for payment on completion of the
34 power works of the district shall be kept in a completion fund.

35 7. If a levy is made or money received from any other source or for
36 any other purpose, the money shall be kept in a separate fund so designated
37 as to identify the purpose for which the money was levied or received.

38 C. The district treasurer shall pay from the bond fund the principal
39 of bonds of the district at the time and place specified in the bonds, and
40 shall pay from the interest fund the interest on the bonds of the district at
41 the time and place specified therein. The district treasurer shall pay from
42 all of the other funds, except the call or prepayment fund, ~~upon~~ ON warrants
43 of the district signed by the president and countersigned by the secretary of
44 the district. The district treasurer shall not pay from the bond or interest
45 fund the principal or interest due upon any subsequent issue of bonds until

1 all matured bonds and interest of all prior issues have been paid, or a fund
2 has been created for their payment.

3 D. The district treasurer shall use the call or prepayment fund for
4 the payment of the highest numbered outstanding bond or bonds. At any time
5 there is one thousand dollars or more in the call or prepayment fund, the
6 district treasurer shall call in the highest numbered outstanding bonds equal
7 to the amount on hand, designating the numbers of the bonds called. The call
8 shall be given by notice ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the
9 county in which the office of the district is located for a period of two
10 weeks, or ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the place where the
11 bonds are payable for a period of ten days. The district treasurer shall
12 call the bonds only once, and shall, after such call, hold the money to pay
13 the bonds until they are presented for payment. The interest on bonds so
14 called shall cease sixty days after the date of the first publication of the
15 call.

16 E. On or before the fifteenth day of each month the district treasurer
17 shall report to the secretary of the district the amounts available to the
18 credit of the respective funds, the amount of warrants paid during the
19 previous month and the amount of registered unpaid warrants, if any.

20 Sec. 306. Section 48-1612, Arizona Revised Statutes, is amended to
21 read:

22 48-1612. Election to authorize issuance of bonds

23 A. ~~Upon~~ ON receiving the report from the engineer provided by section
24 48-1611, the board of directors shall proceed to determine the amount of
25 money necessary to be raised and the character and extent of contract
26 obligations to be undertaken to carry into effect the adopted plans and
27 purposes, and shall forthwith call an election at which shall be submitted to
28 the electors of the district possessing the qualifications prescribed by this
29 chapter the question of whether or not bonds of the district shall be issued
30 in the amount so determined. The election must be held on the first Tuesday
31 following the first Monday in November as prescribed by section 16-204,
32 subsection B, paragraph 1, subdivision (d).

33 B. Notice of the election shall be given by posting notices in three
34 public places in each election precinct in the district for at least twenty
35 days, and by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the
36 county where the office of the board of directors is maintained, once a week
37 for at least three consecutive weeks. The notice shall specify the time of
38 holding the election, the amount of bonds proposed to be issued and the
39 maximum rate of interest to be borne on the bonds.

40 C. The election shall be conducted and the results thereof determined
41 and declared in all respects as nearly as possible in conformity with article
42 3 of this chapter governing the election of directors. No informalities in
43 conducting the election shall invalidate the election if it has been
44 otherwise fairly conducted.

1 D. At the election the ballots shall contain the words "bonds - -yes"
2 and "bonds - -no". If the majority of the votes cast is "bonds - -yes," the
3 board of directors shall cause a series of bonds in the amount authorized to
4 be prepared. If the majority of the votes cast is "bonds - -no," the result
5 of the election shall be so declared and entered of record.

6 E. When the board thereafter deems it for the best interest of the
7 district to issue bonds for district purposes and that the question of the
8 issuance thereof be submitted to the electors, the board shall adopt
9 resolutions to that effect and record them in its minutes, and the board may
10 thereupon submit the question to the electors in the same manner and with
11 like effect as at the previous election.

12 Sec. 307. Section 48-1617, Arizona Revised Statutes, is amended to
13 read:

14 48-1617. Sale of bonds; notice

15 A. The board may sell the bonds from time to time in such quantities
16 as are necessary and most advantageous to raise money for the construction,
17 purchase or lease of power plants, power lines, generators, motors,
18 transformers, poles, wires and works, and otherwise to carry out the purposes
19 of this chapter. Before making any sale, the board shall by resolution
20 declare its intention to sell a specified amount of the bonds, shall fix the
21 day, hour and place of sale, and shall cause such resolution to be entered in
22 the minutes of the board.

23 B. Notice of the sale shall be given by publication thereof at least
24 twenty days ~~in a daily newspaper~~ ON A PUBLIC MEDIUM published in the state or
25 such other ~~newspaper~~ PUBLIC MEDIUM as the board directs. The notice shall
26 state that sealed bids will be received by the board at its office for the
27 purchase of bonds until the day and hour named in the resolution.

28 C. At the time appointed, the board shall open the bids and award the
29 sale of the bonds to the highest responsible bidder. The board may reject
30 all bids, but the board shall in no event sell any of the bonds for less than
31 ninety per cent of the face value thereof. If no bid is made and accepted,
32 the board is authorized to sell any or all of the bonds at private sale, or
33 to use the bonds for the purchase or lease of power lines, power plants,
34 generating or distributing systems, for the construction of any power plants,
35 power lines, generating or distributing systems, the purchase or construction
36 of which was authorized in the resolution entered in the records of the
37 district setting forth the purposes for which the bonds were issued, but the
38 bonds shall not be disposed of at less than ninety per cent of the face value
39 thereof.

40 Sec. 308. Section 48-1704, Arizona Revised Statutes, is amended to
41 read:

42 48-1704. Notice of hearing on petition; publication;
43 continuance of hearing

44 A. The board of supervisors with which the petition is filed, at the
45 next regular or special meeting thereafter or at a special meeting called

1 sooner for that purpose, shall fix a date for hearing the petition, which
2 shall be recorded in the minutes of the board. The place of hearing shall be
3 at the office of the board of supervisors unless the board determines for
4 convenience of the parties to hold the hearing elsewhere in the county.

5 B. Notice of the hearing shall be ordered by the board of supervisors
6 and signed by the chairman and shall be addressed to all owners of lands or
7 interests in lands, and to all persons interested in or in any manner
8 affected by organization of the proposed district. The notice shall state
9 the time and place of hearing. It shall only be necessary to state
10 generally, but clearly and fully, the objects of the hearing.

11 C. The notice shall be published ~~in at least one daily or weekly paper~~
12 **ON A PUBLIC MEDIUM** published in each county in which any part of the proposed
13 district is located once a week for four consecutive weeks, and shall be
14 posted in one public place in each township or part of township of each range
15 or part of range, according to government survey, included in the proposed
16 district. In addition, not less than three notices shall be posted in
17 different public places in every county in which any part of the proposed
18 district is located. The board of supervisors shall appoint a suitable
19 person or persons to post the notices and cause ~~newspaper~~
20 notice as provided by this section. Proof of posting shall be by affidavit
21 of the person or persons posting the notices and proof of publication shall
22 be by affidavit of the publisher. Proof of posting and publication shall be
23 filed with the board at or before the hearing.

24 D. The hearing shall be held not less than ten days after publication
25 is completed, and not less than thirty-one days after the date of posting
26 notice.

27 E. The board of supervisors before whom the hearing is held may for
28 good and sufficient reason adjourn the hearing from time to time, but notice
29 of adjournment need not be given, except that the day and hour to which
30 adjournment is ordered shall be spread on the minutes or set forth in the
31 resolution of the board.

32 Sec. 309. Section 48-1723, Arizona Revised Statutes, is amended to
33 read:

34 **48-1723. Notice of hearing on petition for exclusion of lands;**
35 **hearing**

36 A. ~~Upon~~ **ON** the filing of the petition and payment of estimated
37 expenses as provided by section 48-1722, the secretary of the board shall
38 cause notice to be given and published once each week for three successive
39 weeks ~~in a newspaper~~ **ON A PUBLIC MEDIUM** published in the county in which the
40 office of the district is located, giving notice of the filing of the
41 petition, the names of the petitioners, a description of the lands, the
42 request of the petitioners and the time and place of hearing the petition,
43 and requiring any person objecting to allowance of the petition to file such
44 objections in writing in the district office on or before the time fixed for
45 hearing in the notice and appear at such time in support of the objections.

1 B. At the time and place designated in the notice, or at such time or
2 times to which the hearing is adjourned, the board of directors shall proceed
3 to hear the petitions and all objections filed thereto in writing by
4 interested persons.

5 Sec. 310. Section 48-1794, Arizona Revised Statutes, is amended to
6 read:

7 48-1794. Notice of election; publication; appointment of
8 election officers

9 A. Notice of the election to vote ~~upon~~ ON the issuance of the bonds
10 shall contain a general statement of the findings of the board of directors
11 preliminary thereto and shall set forth the date of the election, the hours
12 during which the polls will be open, which shall not be less than eight
13 hours, the place or places of voting, the maximum amount of bonds sought to
14 be authorized, the maximum rate of interest to be borne on the bonds, and
15 such other matters as will give the electors and other interested parties a
16 fair understanding of the proposition to be submitted and voted ~~upon~~ ON.

17 B. Notices of the election shall be posted at one public place in each
18 township or part of township of each range or part of range, according to the
19 government survey of the lands in the district and, in addition, at least
20 three notices shall be posted at different public places in each county in
21 which any part of the district is located. Notice of the election shall also
22 be published ~~in one newspaper~~ ON A PUBLIC MEDIUM PUBLISHED in each county in
23 which any part of the district is located once a week for two weeks. The
24 election shall be held not less than fifteen nor more than thirty days after
25 posting the notices and not less than fifteen nor more than thirty days after
26 commencement of the publications.

27 C. The board of directors shall name the election officers in
28 conformity with the general election laws, and shall provide an official
29 ballot and other supplies for the election officers. If the election
30 officers fail to appear for the performance of their duties thirty minutes
31 before the hour of opening the polls, the electors present may elect other
32 qualified electors to fill such vacancies, and it shall be the duty of such
33 electors to do so if the appointed officers do not appear at the time set for
34 opening the polls.

35 Sec. 311. Section 48-1799, Arizona Revised Statutes, is amended to
36 read:

37 48-1799. Issuance of refunding bonds; terms of bonds

38 A. The board of directors of a district organized under this chapter
39 may authorize and issue refunding bonds to refund the bonded indebtedness of
40 the district when it deems it expedient to issue such bonds.

41 B. The board shall adopt a resolution, and enter it ~~upon~~ ON its
42 minutes, stating briefly the principal facts for determining the necessity
43 and advisability of issuing refunding bonds, the amount of bonds to be
44 issued, the rate of interest on the bonds, which shall not exceed the rate of
45 interest on the original issue, the date of the bonds, the denomination

1 thereof, the maturity date, which shall not be more than thirty years after
2 the date on which the refunded issue matures, and the places of payment,
3 within or without the state, of the principal and interest.

4 C. The board may provide that the bonds be serial bonds payable in
5 annual or periodical installments and may reserve the right to call for
6 payment any part or all of the bonds on any interest payment date, and if
7 optional maturity is reserved by the board, it shall be sufficient notice of
8 the exercise of the option if the board enters on the minutes, not less than
9 thirty days before any interest paying date, its determination to call
10 specific bonds, and publish notice thereof, describing by number the bonds to
11 be called, ~~in one issue of a daily or weekly newspaper~~ ON A PUBLIC MEDIUM
12 published in the county in which the greater part of the district lies. The
13 publication shall be completed at least thirty days before the call date and
14 thereafter the bonds called shall cease to bear interest.

15 Sec. 312. Section 48-1902, Arizona Revised Statutes, is amended to
16 read:

17 48-1902. Publication of notices

18 A. When a notice is required by this article to be published ~~in a~~
19 ~~newspaper~~, such notice shall be published ~~in a newspaper of general~~
20 ~~circulation~~ ON A PUBLIC MEDIUM published within the district concerned. ~~If~~
21 ~~none is published within the district, then the notice shall be published in~~
22 ~~a newspaper of general circulation published within the county in which the~~
23 ~~district is located.~~

24 B. When a district is located in more than one county, notices shall
25 be published ~~in newspapers published~~ ON A PUBLIC MEDIUM PUBLISHED within each
26 county in which part of the district is located, as provided by subsection A
27 OF THIS SECTION.

28 Sec. 313. Section 48-1911, Arizona Revised Statutes, is amended to
29 read:

30 48-1911. Leases of hospital or urgent care center and
31 equipment; provisions; cancellation for failure to
32 pay rent; re-lease; auction; notice

33 A. A lease of the hospital or urgent care center and its equipment, as
34 required under section 48-1910 for districts with bonded indebtedness,
35 executed by the board of directors of the district, shall:

36 1. Contain terms and provisions necessary to assure compliance by the
37 district with the provisions of the federal act and any amendments thereto.

38 2. Extend for a term to be determined by the board, but not less than
39 five nor more than ten years.

40 3. Be executed to a corporation not for pecuniary profit, duly
41 organized under the laws of this state for the purpose of conducting a
42 hospital, urgent care center, combined hospital and ambulance service or
43 combined urgent care center and ambulance service.

44 4. Provide for a rental ~~upon~~ ON terms and in an amount ~~which~~ THAT will
45 provide a fair return to the district on its investment, be sufficient to

1 meet the payments of principal and interest of bonds issued under this
2 article, and provide amounts necessary to meet the expenses of the district.

3 B. If a lessee of the hospital or urgent care center and its equipment
4 fails to make the payment of rental required by the lease, the board of
5 directors of the district, at its option, may cancel the lease for such
6 failure. If the lease is cancelled and if the board is then unable to
7 re-lease the hospital or urgent care center and its equipment to a lessee
8 qualified under the provisions of this article at a rental sufficient to meet
9 the payments of principal and interest on any bonds issued by the district
10 and to provide the amounts necessary to meet expenses of the district, the
11 board shall, at public auction, offer to lease the hospital or urgent care
12 center and its equipment to the highest responsible and qualified bidder for
13 such term as the board prescribes, and shall lease the hospital and its
14 equipment to the bidder who bids the highest rental for the prescribed
15 period.

16 C. Notice of the auction shall be given ~~in a newspaper~~ ON A PUBLIC
17 MEDIUM as provided by section 48-1902 at least once each week for four weeks
18 immediately preceding the auction.

19 Sec. 314. Section 48-2001, Arizona Revised Statutes, is amended to
20 read:

21 48-2001. Establishment of sanitary district; territory;
22 purposes; change of name

23 A. Notwithstanding the provisions of section 48-261 or 48-262, a
24 sanitary district shall not include territory located within an incorporated
25 city or town at the time the district is established and the territory
26 included in a sanitary district is required to be contiguous except as
27 provided in section 48-2002.

28 B. In addition to the requirements set forth in section 48-261, a
29 sanitary district may be formed only for:

30 1. The purposes of regulating, purchasing, establishing, constructing
31 and operating a sewerage system or a sewage sludge or by-product processing
32 and disposal system ~~which~~ THAT is owned by the district or any person and
33 ~~which~~ THAT provides for sewage collection, treatment and disposal in the
34 district. The system may include the collection, transportation, pumping,
35 treatment and disposal of sewage, ~~AND THE~~ processing, treating and disposing
36 of sewage sludge and other by-products of sewage treatment.

37 2. Purchasing, establishing, constructing and operating a garbage
38 disposal and treatment system. The garbage system shall be limited to the
39 disposal and treatment of garbage, rubbish, trash and waste materials and
40 shall not include collection.

41 C. In addition to the requirements set forth in sections 48-261 and
42 48-262, no territory ~~which~~ THAT lies within an urbanized area, as defined in
43 section 9-101.01, shall be included in or annexed to a sanitary district
44 unless the city or town shall have approved the inclusion or annexation of
45 said territory into the sanitary district, or, ~~upon~~ ON request of the parties

1 seeking annexation or inclusion of territory within the sanitary district,
2 the city or town has failed to act ~~upon~~ ON such request and either approve or
3 deny the request within one hundred twenty days of its presentation to the
4 city or town.

5 D. A sanitary district established under this chapter is a body
6 corporate with the powers, privileges and immunities generally granted to
7 municipal corporations by the constitution and laws of this state for the
8 purposes prescribed by this chapter.

9 E. A sanitary district may change its name by resolution unanimously
10 adopted by its board of directors. Before adopting a resolution to change
11 the name of the district, the board shall give notice to all residents and
12 property owners within the district by publication of the notice at least
13 twenty days before the date of the hearing of the board at which the name
14 change will be considered. The notice shall be ~~placed in a newspaper of~~
15 ~~general circulation within~~ PUBLISHED ON A PUBLIC MEDIUM PUBLISHED IN the
16 district. The district shall also mail to each customer of the district
17 within the district a notice of name change at least thirty days before the
18 hearing on the change of name. At the hearing the customers and landowners
19 shall be entitled to be heard as to why the name should or should not be
20 changed. Following the hearing the board shall act on the resolution
21 changing the name of the district.

22 Sec. 315. Section 48-2010, Arizona Revised Statutes, is amended to
23 read:

24 48-2010. Board of directors; qualifications; term; appointment;
25 election; conversion; reorganization; compensation;
26 expenses

27 A. A sanitary district having an area of one hundred sixty acres or
28 more shall be governed by a board of directors with not less than three
29 members. Members of the board of directors shall be qualified electors of
30 the district. Immediately after the first regular election held subsequent
31 to the enactment of this section by a sanitary district organized and
32 existing ~~prior to~~ BEFORE such enactment, the directors shall meet and divide
33 themselves by lot into two classes as nearly equal in number as possible.
34 Directors of the first class shall serve for a term of four years, and
35 directors of the second class for a term of two years, and until the
36 directors' successors are elected and qualified. Thereafter at each regular
37 election one director for each expired term shall be elected, and shall hold
38 office for a term of four years, and until the director's successor is
39 elected and qualified. The dates of elections and of expiration of terms of
40 the initial directors shall be specified in the petition for establishment of
41 the district. Except for an election to reorganize a sanitary district,
42 candidates for directors shall file nominating petitions with the board of
43 supervisors as prescribed by title 16, chapter 3. If only one person files
44 or no person files a nominating petition for an election to fill a district
45 office, the board of supervisors may cancel the election for the position and

1 appoint the person who filed the nominating petition to fill the position.
 2 If no person files a nominating petition for an election to fill a district
 3 office, the board of supervisors may cancel the election for that office and
 4 that office is deemed vacant and shall be filled as otherwise provided by
 5 law. A person who is appointed pursuant to this section is fully vested with
 6 the powers and duties of the office as if elected to that office.

7 B. A director who resides in an area ~~which~~ THAT is deleted from the
 8 sanitary district during the director's term of office shall continue to
 9 serve until the next regular election, and until the director's successor is
 10 elected and qualified. If the director's term does not expire at that time,
 11 a new qualified director shall be elected to serve out the unexpired portion.

12 C. A sanitary district having an area of less than one hundred sixty
 13 acres shall be governed by the board of supervisors of the county in which
 14 the district is located, and the board of supervisors shall be the board of
 15 directors of the district. On receipt of a petition that contains the
 16 signatures of twenty-five per cent or more of the qualified electors residing
 17 in the district that are verified by the county recorder and that requests
 18 that the district be converted and administered by its own board of
 19 directors, the board of supervisors shall call an election on the conversion
 20 of the sanitary district. The election may be held on any consolidated
 21 election date as prescribed in section 16-204. The sanitary district shall
 22 reimburse the county for the expenses of the sanitary district election. The
 23 petition for the conversion of the district shall specify either three or
 24 five as the number of directors for the converted sanitary district. The
 25 board of supervisors shall give notice of the election by posting copies of
 26 the order of election in three public places within the district not less
 27 than twenty days ~~prior to~~ BEFORE the date of the election, and ~~if a newspaper~~
 28 ~~is published within the county having a general circulation within the~~
 29 ~~district,~~ the order shall be published ~~in the newspaper~~ ON A PUBLIC MEDIUM
 30 not less than once a week during each of the three calendar weeks preceding
 31 the calendar week of the election. The ballot for the election shall state
 32 "convert from a sanitary district administered by the county board of
 33 supervisors to a sanitary district administered by a local board of directors
 34 consisting of (insert three members or five members, as appropriate) - yes",
 35 "convert from a sanitary district administered by the county board of
 36 supervisors to a sanitary district administered by a local board of directors
 37 consisting of (insert three or five members, as appropriate) - no". The
 38 ballot shall also allow each elector to indicate the elector's choice for
 39 board members in the event of conversion. Within twenty days after the
 40 election, the board of supervisors shall meet and canvass the returns, and if
 41 it is determined that a majority of the votes cast at the election were in
 42 favor of converting the sanitary district, the board shall enter that fact on
 43 its minutes, declare the district duly converted and announce the names of
 44 those elected to the district board.

1 D. The board of supervisors shall make an order calling an election to
 2 decide whether to reorganize a sanitary district that has a board consisting
 3 of three members as a sanitary district that has a board consisting of five
 4 members when a petition containing the signatures of twenty-five per cent of
 5 the qualified electors residing within the district and requesting that the
 6 district be reorganized is filed with the board except the board of
 7 supervisors shall not call for a reorganization election to expand the number
 8 of directors on the district board more frequently than once every two years.
 9 The election may be held on any consolidated election date as prescribed in
 10 section 16-204. The sanitary district shall reimburse the county for the
 11 expenses of the sanitary district election. The board of supervisors shall
 12 give notice of the election by posting copies of the order of election in
 13 three public places within the district not less than twenty days ~~prior to~~
 14 ~~BEFORE~~ the date of the election, and ~~if a newspaper is published within the~~
 15 ~~county having a general circulation within the district,~~ the order shall be
 16 published ~~in the newspaper~~ ON A PUBLIC MEDIUM not less than once a week
 17 during each of the three calendar weeks preceding the calendar week of the
 18 election. The ballot for the election shall state "shall the current three
 19 member sanitary district board be reorganized to a five member board - yes or
 20 no". The ballot shall also allow each elector to indicate the elector's
 21 choice for two additional board members in the event of reorganization.
 22 Within twenty days after the election, the board of supervisors shall meet
 23 and canvass the returns, and if it is determined that a majority of the votes
 24 cast at the election were in favor of reorganizing the sanitary district as a
 25 district with a five member board, the board shall enter that fact on its
 26 minutes, declare the district duly reorganized and announce the names of
 27 those elected to the district board.

28 E. Each director of a sanitary district shall receive not more than
 29 one hundred fifty dollars per month or a lesser amount as set by the board of
 30 directors of the district plus necessary traveling expenses, but members of
 31 the board of supervisors when serving as directors of a sanitary district
 32 shall receive no compensation for attending meetings but shall be reimbursed
 33 for their necessary expenses. No director shall receive compensation, other
 34 than expenses, for attending more than four meetings of the board during a
 35 calendar month.

36 F. For a district that is not governed by the board of supervisors, if
 37 a vacancy occurs on the district board due to death, disability, resignation
 38 or any other cause, the board of directors of the sanitary district shall
 39 appoint a qualified elector of the district to fill the office for the
 40 remaining portion of that term, except that if the remaining directors do not
 41 constitute a quorum, the county board of supervisors shall make the
 42 appointment to fill the vacancy.

1 Sec. 316. Section 48-2016, Arizona Revised Statutes, is amended to
2 read:

3 48-2016. Sanitation survey report; hearings; approval

4 A. When the survey or plan and report prepared under section 48-2015
5 are filed, the board of directors may reject the report and direct that a new
6 report be prepared or that changes be made. If the report complies with the
7 provisions of section 48-2015 and is satisfactory to the board, the board
8 shall hold a hearing on any objections to the report or to the performance of
9 the proposed work. Notice of the hearing shall be given by publication five
10 times ~~in a daily or twice in a weekly newspaper of general circulation~~ ON A
11 PUBLIC MEDIUM PUBLISHED in the sanitary district.

12 B. At the conclusion of the hearing the board shall order the report
13 to be changed, or shall approve it as made. If changes are ordered, further
14 hearings shall be held thereon until the board approves the report. ~~Upon~~ ON
15 approval by the board, the report or a resume thereof shall be published for
16 distribution to the public.

17 Sec. 317. Section 48-2018, Arizona Revised Statutes, is amended to
18 read:

19 48-2018. Performance of work; methods; calls for bids;
20 modification of specifications

21 A. The board of directors shall employ qualified water or sanitation
22 engineers necessary to superintend the performance of work specified in the
23 approved report of the survey or plan. The work or any portion thereof may
24 be performed, under the direction of the engineers employed for that purpose,
25 in any of the following ways, as ordered by the board of directors:

- 26 1. By purchasing the material and performing the work.
- 27 2. By purchasing the material and letting a contract for performance
28 of the work.
- 29 3. By purchasing a portion or none of the material and letting a
30 contract for furnishing the balance or all of the material and performance of
31 the work.

32 B. A contract for performance of work or for furnishing material shall
33 be let to the lowest responsible bidder submitting a sealed bid in response
34 to a call for bids published once each week for two consecutive weeks ~~in a~~
35 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.
36 The call for bids shall include detailed plans and specifications covering
37 the work to be done and the materials to be furnished. If materials to be
38 purchased without the letting of a contract cost ten thousand dollars or
39 more, they shall be purchased from the lowest responsible bidder after
40 publication of a call for bids as provided by this subsection.

41 C. All work recommended in the approved report shall be performed in
42 conformity with the plans and specifications contained in the report unless
43 the board of directors by a two-thirds vote adopts a resolution declaring
44 that the interest of the district requires a modification of or departure
45 from the report, and specifying the modification or departure.

1 Sec. 318. Section 48-2026, Arizona Revised Statutes, is amended to
2 read:

3 48-2026. Tax levy for current expenses

4 A. The board of directors of a sanitary district may at the time of
5 certifying the amount required for payment of principal of and interest on
6 bonds, certify to the board of supervisors the amount necessary to maintain,
7 operate, extend and repair the sewerage system and the garbage disposal and
8 treatment plants of the district during the ensuing year, and to defray all
9 other expenses incidental to the exercise of powers granted by this article,
10 together with an estimate of the revenue which will be received from rentals
11 and service charges. In that event, the board of supervisors ~~shall~~, at the
12 time of levying general county taxes, **SHALL** levy and cause to be collected in
13 the manner prescribed by law for county taxes, a tax on real property and
14 mobile homes within the sanitary district based on the current assessment
15 roll, sufficient to pay the amount certified, less the amount estimated to be
16 received from rentals and service charges.

17 B. The tax, when collected, shall be paid into the county treasury to
18 the credit of the operating fund of the sanitary district, and the board of
19 directors may order expenditure of the fund for the purposes for which
20 levied. Payments from the operating fund shall be made ~~upon~~ **ON** claims
21 allowed by the board of directors, prepared, presented and audited in the
22 same manner as claims against the county.

23 C. Not less than twenty nor more than thirty days ~~prior to~~ **BEFORE**
24 making the certification to the board of supervisors provided by subsection A
25 **OF THIS SECTION**, the board of directors shall publish ~~in a newspaper of~~
26 ~~general circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the district, an
27 itemized statement of the amounts proposed to be certified, and the statement
28 shall contain notice of a meeting to be held by the board of directors ~~prior~~
29 ~~to~~ **BEFORE** the time for the certification. At that meeting, any owner of real
30 property or a mobile home within the district may appear and present
31 objections to any item of the amount proposed to be certified.

32 Sec. 319. Section 48-2033, Arizona Revised Statutes, is amended to
33 read:

34 48-2033. Standards for adoption of moratorium; extensions;
35 limitations; definitions

36 A. A sanitary district shall provide continuous service and shall not
37 adopt a moratorium on construction or land development unless the board of
38 directors of the district first:

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

43 2. Makes written findings justifying the need for the moratorium as
44 provided for in subsection B of this section.

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

3 B. A moratorium may only be justified by demonstration of a need to
4 prevent a shortage of essential public facilities that would otherwise occur
5 during the effective period of the moratorium. This demonstration shall be
6 based on reasonably available information and shall include at least the
7 following findings:

8 1. The actual capacity of the existing essential public facilities
9 based on current use.

10 2. The extent of need beyond the estimated capacity of existing
11 essential public facilities expected to result from construction or new land
12 development, including identification of any essential public facilities
13 currently operating beyond capacity and the portion of this capacity already
14 committed to development.

15 3. The moratorium is reasonably limited to those areas of the sanitary
16 district where a shortage of essential public facilities would otherwise
17 occur and on property that has not received development approvals based on
18 the sufficiency of existing essential public facilities.

19 4. The housing and economic development needs of the area affected
20 have been accommodated as much as possible in any program for allocating any
21 remaining essential public facility capacity.

22 C. A moratorium adopted pursuant to this section:

23 1. Does not affect any express provision in a development agreement
24 entered into pursuant to section 11-1101 governing the rate, timing and
25 sequencing of development.

26 2. Does not affect rights acquired pursuant to a vested development
27 right.

28 3. Shall provide a procedure for an individual landowner to apply for
29 a waiver of the moratorium's applicability to the landowner's property by
30 claiming rights obtained pursuant to a development agreement, a protected
31 development right or any vested right, or by providing the public facilities
32 that are the subject of the moratorium at the landowner's cost.

33 D. A moratorium shall not remain in effect for more than one hundred
34 twenty days, except that a moratorium may be extended for additional periods
35 of not more than one hundred twenty days if the sanitary district adopting
36 the moratorium holds a public hearing on the proposed extension. The
37 district shall provide notice to the general public published once ~~in a~~
38 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the
39 community at least thirty days before the hearing on the proposed extension.
40 After the hearing, the district may extend the moratorium if it makes written
41 findings that:

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

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

1 3. Set a specific duration for the ~~renewal~~ EXTENSION of the
2 moratorium.

3 E. This section does not prevent a sanitary district from complying
4 with any state or federal law, regulation or order issued in writing by an
5 authorized governmental entity.

6 F. A landowner aggrieved by a sanitary district's adoption of a
7 moratorium pursuant to this section may file, at any time within thirty days
8 after the moratorium is adopted, a complaint for a trial de novo in the
9 superior court on the facts and the law regarding the moratorium. All
10 matters presented to the superior court pursuant to this section have
11 preference on the court calendar on the same basis as condemnation matters
12 and the court shall further have the authority to award reasonable attorney
13 fees incurred in the appeal and trial pursuant to this section to the
14 prevailing party.

15 G. For the purposes of this section:

16 1. "Essential public facilities" means sewer improvements to the
17 extent that these improvements provide service to the sanitary district.

18 2. "Moratorium on construction or land development":

19 (a) Means engaging in a pattern or practice of delaying or stopping
20 issuance of permits, authorizations or approvals necessary for a subdivision
21 and partitioning of, construction on, or provision of sewer service to, any
22 land in the district.

23 (b) Does not include denial or delay of permits or authorizations
24 because they are inconsistent with applicable statutes, rules or ordinances.

25 3. "Vested right" means a right to develop property established by the
26 expenditure of substantial sums of money pursuant to a permit or approval
27 granted by the county or sanitary district.

28 Sec. 320. Section 48-2046, Arizona Revised Statutes, is amended to
29 read:

30 48-2046. Publication of resolution of intention; posting notice
31 of resolution; mailing notice

32 A. The resolution of intention shall be published five times ~~in~~
33 ~~consecutive issues of a daily newspaper or two times in a weekly or~~
34 ~~semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in
35 the sanitary district. The board shall also cause to be conspicuously posted
36 along the location of the proposed improvement, at not more than three
37 hundred feet apart, notices of the passage of the resolution. The notice
38 shall be headed "notice of proposed improvement", in letters at least one
39 inch in height, and shall state the fact of the passage of the resolution of
40 intention and briefly describe the improvement proposed.

41 B. The board shall cause to be sent to each property owner whose
42 property may be assessed a notice of the passage of the resolution, which
43 contains a brief description of the proposed improvement. The notices shall
44 be sent by United States mail to each name on the most recent equalized
45 property tax roll.

1 C. The notice shall require all persons signing the protest or their
2 agents or attorneys to appear and show cause why the protest should not be
3 overruled.

4 D. At the hearing the board may disregard all signatures of persons
5 for whom the right to sign does not appear in the records of the county
6 recorder or is not supported by evidence at the hearing.

7 Sec. 322. Section 48-2049, Arizona Revised Statutes, is amended to
8 read:

9 48-2049. Resolution ordering improvement; notice; bids

10 A. The board may order, by resolution, the proposed improvements
11 described in the resolution of intention if EITHER:

12 1. No protests against the work or no objections as to the extent of
13 the proposed assessment district have been filed within the prescribed time.

14 2. The board finds a protest to be insufficient in that it does not
15 contain the signatures required or the objections to the extent of the
16 proposed district have been heard and denied and no action requesting review
17 of the board's decision on protests against the proposed improvements is
18 pending or all actions for review of the board's decision have been finally
19 resolved in favor of the board's decision.

20 B. The resolution ordering the improvement need not fully describe the
21 improvement or the extent of the assessment district but may refer to the
22 resolution of intention for the description.

23 C. The board shall publish a notice of the passage of the resolution
24 ordering the improvement and inviting sealed bids from persons interested in
25 constructing the improvement twice ~~in one or more daily newspapers or once in~~
26 ~~a weekly or semiweekly newspaper of general circulation~~ ON A PUBLIC MEDIUM
27 PUBLISHED in the sanitary district. The board shall post a copy of the
28 notice for five days on or near the door of the meeting place of the board.
29 The notice shall state the time within which bid proposals may be filed with
30 the clerk, which shall not be fewer than ten days from the date of the first
31 publication of the notice.

32 D. If the resolution of intention provides for alternative plans and
33 specifications, the invitation for bids for making the improvements may
34 require separate bids according to each of the several alternative plans and
35 specifications.

36 Sec. 323. Section 48-2052, Arizona Revised Statutes, is amended to
37 read:

38 48-2052. Bids; bond; award of contract; entering into contract;
39 liability on bond

40 A. Bids shall be submitted accompanied by a bond payable to the
41 sanitary district for an amount not less than ten per cent of the aggregate
42 bid. Alternative bids may be accompanied by one bond at least equal to ten
43 per cent of the amount of the highest proposal submitted.

1 B. The board ~~shall~~, in open session, **SHALL** examine and publicly
 2 declare the bids. The board may reject any bids if deemed for the public
 3 good and shall reject all bids other than the lowest and best bid of a
 4 responsible bidder. The board may award the contract for the improvement to
 5 the lowest and best responsible bidder at the price named in his bid on a
 6 motion, noted in its minutes, approved by a majority vote of its members.

7 C. If the resolution of intention to make the improvement and the
 8 resolution ordering the work have provided for alternative plans and
 9 specifications and the notice has invited separate bids pursuant to the
 10 alternative plans and specifications, the board shall not award the contract
 11 for the improvement until fifteen days after the bids have been opened,
 12 examined and declared. If, within such period, the owners of a majority of
 13 the property fronting on the proposed improvement, or if the cost of the
 14 improvement is made chargeable on a district, the owners of a majority of the
 15 frontage of the property in the assessment district, in writing, require that
 16 the proposed improvement be constructed according to one of the alternative
 17 plans and specifications, the board shall so determine and require and shall
 18 award the contract to the lowest and best responsible bidder. If no such
 19 written requirement is filed, the board shall determine which of the
 20 alternative plans and specifications to adopt, considering cost and
 21 efficiency, and shall award the contract accordingly.

22 D. Notice of the award of the contract shall be published twice ~~in a~~
 23 ~~daily newspaper or once in a weekly or semiweekly newspaper of general~~
 24 ~~circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the county.

25 E. At any time within fifteen days from the date of the first
 26 publication, a person having an interest in a lot liable for an assessment
 27 who claims that any of the previous acts or proceedings relating to the
 28 improvement are irregular, illegal or faulty may file with the board a
 29 written notice specifying in what respect the acts and proceedings are
 30 irregular, illegal or faulty. All objections to any act or proceeding ~~which~~
 31 **THAT** are not made before the notice of the award are deemed to be waived,
 32 except as to matters directly affecting the authority of the board. If the
 33 board finds any objection to be valid, it may abandon the proceedings,
 34 correct or modify any portion of the proceedings or proceed as in the first
 35 instance.

36 F. Within twenty days after the date of the first publication, if no
 37 objections have been filed, the successful bidder shall enter into a contract
 38 to make the improvement according to his bid. If objections are filed but
 39 are rejected by the board, the contract shall be entered into within five
 40 days after receiving notice from the board of such rejection. If the bidder
 41 fails to enter into the contract within that period, the board, without
 42 further proceedings, shall advertise for bids in the same manner as for the
 43 initial bids. A bidder who fails to enter into the contract is liable on his
 44 bond accompanying the bid for all costs and damages incurred and sustained by
 45 reason of the failure to enter into the contract.

1 Sec. 324. Section 48-2058, Arizona Revised Statutes, is amended to
2 read:

3 48-2058. Delivery of warrant and assessment to contractor;
4 demand for payment; release of assessments; review
5 of assessment

6 A. After the warrant and assessment are recorded, they shall be
7 delivered to the contractor, or to the sanitary district if it charges itself
8 with the duty of making demands for the payment, together with one of the
9 diagrams. By virtue of the warrant, the contractor or the district, as the
10 case may be, may demand and receive the amount of the several assessments.

11 B. The contractor, treasurer or other person nominated by the board,
12 as the case may be, shall call on the person assessed, either in person or by
13 mail if the person can conveniently be found, and demand payment, and if paid
14 the contractor or treasurer or other person nominated by the board shall
15 provide a receipt. The receipt, when presented to the district, constitutes
16 an order to it to release the assessment.

17 C. The contractor, treasurer or other person nominated by the board
18 shall promptly notify the district of all payments made to him, whereupon the
19 district shall release assessments which have been fully paid. If the name
20 of the owner of the lot is stated as "unknown" on the assessment, the
21 contractor or treasurer or other person nominated by the board shall demand
22 payment of a person in possession of the lot. If someone is in possession,
23 the demand may be made either by mail, if a mailing address for the person in
24 possession can be determined, or in person. If the premises are unoccupied
25 or the person in possession cannot be found, the demand is unnecessary.

26 D. The warrant shall be returned to the board within thirty days after
27 its date endorsed with "return", signed by the contractor or treasurer or
28 other person nominated by the board, as the case may be, verified on oath and
29 stating the nature and character of the demand, and whether any assessments
30 remain wholly or partially unpaid, and the amount of the unpaid assessment.
31 In the absence of fraud or bad faith, the verified statement of the person
32 making the return is conclusive proof that the demand for payment was made on
33 each owner, each person in possession or each parcel of property as required
34 by this section. The board shall record the return so made in the margin of
35 the record of the warrant and assessment. After return of the assessment and
36 warrant all amounts remaining due draw interest at the rate of eight per cent
37 a year until paid or, on the issuance of bonds, at the rate specified in the
38 bonds payable for the semiannual period specified in the bonds
39 notwithstanding that the installments of assessments may be due at dates
40 earlier than installments of interest are payable on the bonds.

41 E. On recording the assessment and warrant, the board shall fix a time
42 when it will hear and pass on the assessment and the proceedings taken, which
43 shall not be fewer than twenty days from the date of the recording. The
44 board shall cause notice of the hearing to be published for five days ~~in a~~
45 ~~daily newspaper, or two times in a weekly or semiweekly newspaper, of general~~

1 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the sanitary district and shall
2 cause notices of the time and place of the hearing to be mailed by first
3 class mail, at least twenty days before the hearing date, to all persons
4 owning real property affected by the assessments as their names and addresses
5 appear on the last certified property tax roll. If no address appears for a
6 person on the last certified tax roll, no notice need be mailed to that
7 person. The chairman of the board shall make an affidavit of the mailing and
8 shall state that the persons to whom notices were mailed constitute all
9 persons whose names and addresses appear on the tax roll as owning property
10 in the improvement area. The affidavit is conclusive proof that notice was
11 mailed to each person to whom notice is required to be mailed. The failure
12 to receive notice does not constitute any jurisdictional defect invalidating
13 a district proceeding or assessment if notice has been sent pursuant to this
14 section.

15 F. The owners, contractor and all other persons directly interested in
16 the work or in the assessment, who have any objection to the amount or
17 legality of the assessment or to any of the previous proceedings or who claim
18 that the work has not been performed according to the contract, ~~may~~, before
19 the time fixed for the hearing, MAY file a written notice briefly specifying
20 the grounds of their objections. At the time fixed for the hearing or at any
21 time not later than ten days thereafter, to which the hearing may be
22 postponed, the board shall hear and pass on their objections. The decision
23 of the board is final and conclusive on all persons entitled to object as to
24 all errors, informalities and irregularities ~~which~~ THAT the board may have
25 remedied or avoided at any time during the progress of the proceedings.

26 G. After the hearing, if the board of directors finds that the
27 assessment has not yet been fairly apportioned, it shall modify the amounts
28 of the several assessments and may order that the assessment be recomputed if
29 it finds that the benefits to any lots do not equal the amount of the lots'
30 assessments. When recomputing the assessment, the board shall levy the
31 reassessments according to the benefits derived, notwithstanding the fact
32 that the reduction of any assessment may cause a corresponding increase in
33 other assessments, except that without the written consent of the owner of
34 land to be assessed, no assessment or assessments may be increased in a
35 manner ~~which~~ THAT causes the total assessment for all work and expenses to
36 exceed the total amount stated on the engineer's official estimate.

37 H. At any time within one year after the date the district files the
38 certificate of completion as provided in section 48-2065, subsection G, any
39 member of the board of directors, any owner or any person claiming an
40 interest in any lot ~~which~~ THAT received an assessment may file a written
41 notice with the clerk stating that the work has not been performed
42 substantially according to the resolution of intention or the plans,
43 specifications and estimate. The notice shall state in particular the
44 contractor's failure to perform and may also state, if applicable, any
45 requested reduction in the assessment of any one or more parcels due solely

1 to the failure of such performance. The notice shall state the name and
2 address of the person filing the notice and shall describe the person's
3 interest in land subject to assessment, if applicable.

4 I. On receipt of such a notice, the board of directors shall set a
5 date for a hearing on the notice. The board of directors shall give notice
6 of the hearing to the contractor, the contractor's surety, the person
7 appointed to take charge of and superintend the work and all persons whose
8 names and addresses appear in the notice. In addition, the clerk shall cause
9 a notice of the hearing to be published twice ~~in a newspaper of general~~
10 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

11 J. At the hearing, the board shall determine whether the work was
12 completed according to the resolution of intention, the plans and
13 specifications and any corrections or alterations of the plans deemed
14 necessary. If the board determines that the work has not been so completed,
15 it shall order the contractor to complete the work and shall set a reasonable
16 time for completion and recess the hearing until the date set for completion.
17 If, at the date set to reconvene the hearing, the evidence shows that the
18 work is then completed, the board shall enter such findings on its minutes.
19 If the board determines that the contractor is making a good faith attempt to
20 complete the work, it may continue the completion date and recess the hearing
21 to a later date. If, at the hearing or at any recessed hearing, the board of
22 directors finds that the contractor refuses to complete or is incapable of
23 completing the work, it shall order and the district's attorney shall bring
24 an action against the contractor and its surety to collect such amounts or
25 cause such performance as is necessary to complete the work.

26 K. If the board determines that for any reason the work cannot be
27 completed and no recovery can be made against the contractor or the
28 contractor's surety, the board may recompute the assessment, taking into
29 consideration the effect the contractor's failure to perform may have had on
30 the actual benefits derived from the improvement and reduce some or all
31 assessments to reflect the reduced benefits. If the assessments are reduced,
32 the district shall assume as a contingent liability any difference between
33 the amounts thereafter received on the semiannual assessment payments and the
34 amounts of principal and interest thereafter due on the bonds. The
35 assumption of such amount becomes a general obligation of the district.

36 L. All decisions made concerning any notice filed pursuant to this
37 section are final and conclusive as to the persons filing the notice, the
38 contractor and the contractor's surety and as to the alleged defect in the
39 work. After a ruling on any alleged defect in the work, the board shall not
40 entertain or hear a later notice concerning the same defect, whether or not
41 filed by a person other than the person filing the original notice.

42 M. After the work is completed, the district shall file a recomputed
43 assessment based on the actual quantities determined by the engineer to have
44 been constructed or installed, or the actual cost of the acquisition, as the
45 case may be, together with the known incidental expenses paid to that date

1 and the itemized estimated incidental expenses remaining to be paid. The
2 engineer need not recompute each individual assessment but shall determine
3 the amount of the increase or decrease to be assessed and shall file a
4 supplemental statement with the clerk stating the ratio of the difference
5 between the contractor's bid and the recapitulated amount and ordering that
6 each assessment be increased or decreased, as the case may be, by that ratio.
7 If the total assessment is decreased, the treasurer shall credit the amount
8 of the decrease proportionately on the assessments remaining unpaid and
9 return to the owner, if the owner can be located, that portion of each
10 assessment previously paid in cash which represents an excess payment.

11 N. At the hearing provided pursuant to subsection E of this section
12 the board shall receive and consider applications from individual lot or
13 parcel owners for financial assistance in paying assessments. The
14 application shall be in a form approved by the board and the applicant shall
15 provide reasonable evidence that the applicant lacks the financial capability
16 to pay the full assessment or the annual assessment installments. The board
17 shall appropriate monies from any source to provide assistance for any person
18 by having the sanitary district pay the individual assessment and have the
19 applicant provide an instrument, secured by an encumbrance on the applicant's
20 property, which provides for repayment to the sanitary district on less
21 burdensome terms than the assessment or the annual assessment installments of
22 the monies paid by the district. This subsection applies only to applicants
23 who own fewer than three parcels or lots within the area to be assessed.

24 Sec. 325. Section 48-2068, Arizona Revised Statutes, is amended to
25 read:

26 48-2068. Collection of assessment installments; notice;
27 delinquent installments

28 A. All assessments not certified remain collectible by the contractor
29 or district pursuant to this article. The district shall promptly collect
30 all installments of principal and interest on the assessments so certified.
31 The district ~~shall~~, thirty days before any installment of principal or
32 interest becomes due, unless the board has provided for collecting the
33 assessments pursuant to section 48-2076, **SHALL** notify by mail every
34 interested person who has filed his name and address with the district, and
35 by publication in not smaller than eighteen-point type at least two times ~~in~~
36 ~~a daily newspaper or at least two successive insertions in a weekly or~~
37 ~~semiweekly newspaper of general circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in
38 the district.

39 B. The notice shall serve for all assessments in the sanitary district
40 due on the date specified in the notice and shall be substantially in the
41 following form:

42 Notice of special assessments
43 due on improvements

44 All persons owning property heretofore assessed for improvements will
45 take notice that an installment of _____ becomes due and payable

1 on or before the _____ day of _____, ~~19~~ 20____, and if
2 not so paid on or before such date the same will become delinquent and a ten
3 per cent penalty will be added to the amount thereof.

4 C. The board may publish a more detailed notice, in smaller type, but
5 the heading of the notice prescribed in subsection B OF THIS SECTION shall
6 not be printed in smaller type than eighteen-point. The first publication of
7 notice shall be at least thirty days before the installment is payable. The
8 method of publication of notice provided for in this section applies to all
9 bonds and assessments issued and levied and all notices of special
10 assessments due on improvements.

11 D. When an installment is paid, the district shall note in its records
12 the date of the payment and the name of the person by or for whom it is paid
13 and ~~shall~~, if requested, SHALL give a receipt.

14 E. On the days following the date on which the installment becomes
15 due, all unpaid installments become delinquent. The district shall certify
16 this fact on its records, mark each installment delinquent and add five per
17 cent to the amount of each installment.

18 Sec. 326. Section 48-2069, Arizona Revised Statutes, is amended to
19 read:

20 48-2069. List of delinquent installments; publication of
21 notice; sale of delinquent property

22 A. The board, within twenty days from the date of the delinquency,
23 shall begin the publication of the list of the assessments on which any
24 installment is delinquent. The list shall contain a description of each
25 parcel of property and, opposite each description, the name of the owner as
26 stated in the assessment or, if no name is stated in the assessment, the word
27 "unknown" and the amount of the installment delinquent, together with the
28 penalty and costs due, including the cost of advertising.

29 B. The board shall attach to and publish with the list a notice that
30 unless each delinquent installment, and the penalty and costs on the
31 installment, is paid, the whole amount of the assessment will be declared due
32 and the property on which the assessment is a lien will be sold at public
33 auction at a time and place to be specified in the notice. The publication
34 shall be ~~circulated~~ PUBLISHED in the sanitary district for a period of ten
35 days ON A PUBLIC MEDIUM. ~~in a daily newspaper, or for two weeks in a weekly~~
36 ~~newspaper so published and circulated. If published in a daily newspaper,~~
37 ~~publication shall be made in two issues for the paper, and eight days shall~~
38 ~~intervene between the first and last publication.~~

39 C. Before the date fixed for the sale or before the date to which the
40 sale has been postponed, the district board shall obtain a record search that
41 shows the names and addresses of record of all lien claimants on, and other
42 persons with an interest in, all lots or parcels on which an installment of
43 the assessment is delinquent. The cost of a record search may be added to
44 the assessment and is deemed to be a portion of the delinquent installment.

1 D. At least ten days before the sale date or the date to which the
2 sale has been postponed, the district shall cause to be mailed a notice of
3 the date and place of the sale or postponed sale to the owner and to each of
4 the lien claimants and other persons with an interest as shown by the search
5 of records. The notice shall state the date of the sale, the amount of the
6 delinquent installments including penalties, costs of advertisement and costs
7 of the record search, shall state either that the whole amount of the
8 assessment and costs and penalties or, if the district has provided for the
9 sale of the amount of the delinquent assessment, that the amount then
10 delinquent plus interest, penalties and costs are due at the time of the sale
11 and shall state that, unless redeemed within the time allowed by law, the
12 district's deed will be delivered to the purchaser and the district's deed
13 shall convey title to the lands described therein free and clear of all
14 interests and liens except liens for general property taxes and prior special
15 assessments.

16 E. A final sale may not be held unless the district has provided
17 notice by mail as prescribed by this section to all lien claimants and others
18 with an interest discovered in the search of records. The mailing may occur
19 either before the date originally set for the sale or before the date of any
20 postponed sale, and only one mailing and one record search are required.

21 F. The time of the sale shall not be fewer than five days after the
22 last publication. The place of sale shall be in or in front of the office of
23 the district or in or in front of the usual place of meeting of the board.
24 The sale may be postponed.

25 Sec. 327. Section 48-2078, Arizona Revised Statutes, is amended to
26 read:

27 48-2078. Failure to hold or adjourn scheduled hearing;
28 provision for subsequent hearing

29 If the time and place for a hearing are fixed by the board under this
30 article, and for any reason the hearing is not held or regularly adjourned to
31 a specified time and place, the authority of the board is not divested or
32 lost. The board may thereafter fix a time and place for the hearing and
33 cause notice to be given by publication ~~by at least one insertion in a~~
34 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district
35 as designated by the board. The publication shall be at least five days
36 before the date of the hearing.

37 Sec. 328. Section 48-2203, Arizona Revised Statutes, is amended to
38 read:

39 48-2203. Formation of district; district impact statement;
40 petition; hearing; notice

41 A. Any person proposing to create a district shall prepare a district
42 impact statement and submit the statement, with the petition prescribed in
43 subsection B of this section, to the board of supervisors of the county in
44 which the district is to be located. If a proposed district is located in
45 more than one county, the impact statement shall be submitted to the board of

1 supervisors of the county in which the majority of the assessed valuation of
2 the property within the area of the proposed district is located. The boards
3 of supervisors of any other counties in which a portion of the district is
4 located shall provide information and assistance to the responsible board of
5 supervisors. If the person proposing to create a district pursuant to this
6 section is unable to complete the district impact statement, the board of
7 supervisors may assist in the completion of the impact statement if requested
8 to do so, provided the bond required in section 48-2204 is in an amount
9 sufficient to cover any additional cost to the county. The district impact
10 statement shall contain at least the following information:

11 1. A description of the boundaries of the proposed district and a
12 detailed, accurate map of the area to be included in the district.

13 2. An estimate of the assessed valuation within the proposed district.

14 3. An estimate of the change in the property tax liability, as a
15 result of the proposed district, of a typical resident of the proposed
16 district.

17 4. A list and explanation of benefits that will result from the
18 proposed district.

19 5. A list and explanation of the injuries that will result from the
20 proposed district.

21 B. A petition requesting that a health service district be established
22 by the board of supervisors in the county in which the district is to be
23 located shall be filed with the clerk of the board if signed by ten per cent
24 of the qualified electors within the proposed district and signed by persons
25 owning collectively more than ten per cent of the assessed valuation of the
26 property in the area of the proposed district. The petition shall be
27 verified by one of the petitioners and shall be accompanied by a plat or
28 sketch indicating the approximate areas and boundaries of the district.

29 C. The petition shall set forth:

30 1. The name of the proposed district.

31 2. That the public health, comfort, convenience, necessity or welfare
32 will be promoted by the establishment of the district.

33 3. The boundaries of the district.

34 4. A general outline of the facilities and services to be offered by
35 the district.

36 5. Other matters as required by this article.

37 D. Additional petitions with additional signatures may be filed before
38 the hearing on the original petition and shall be considered as having been
39 filed with the original petition.

40 E. A petition with the required number of signatures shall not be
41 declared void on account of alleged defect, but the board of supervisors
42 shall permit a petition to be amended in form and substance to conform to the
43 facts and requirements of this section.

1 F. The clerk of each county shall maintain a list of property owners
2 in the county who want to be notified of any proposed health service district
3 affecting their current tax structure.

4 G. The petition shall be presented to the board of supervisors, and
5 the board shall enter an order setting the time, at least three but not more
6 than five weeks from the date of the order, at which time a hearing on the
7 petition shall be held by the board, and directing that notice of the hearing
8 shall be published once a week for at least two consecutive weeks before the
9 date of the hearing ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
10 PUBLISHED in the proposed district.

11 H. The clerk shall notify all property owners on the list regarding
12 the pending hearing at least two but not more than three weeks from the date
13 the board of supervisors ordered the hearing.

14 I. For THE purposes of this section, ~~"assessed valuation"~~ does not
15 include the assessed valuation of property that is owned by a county.

16 Sec. 329. Section 48-2206, Arizona Revised Statutes, is amended to
17 read:

18 48-2206. Election to determine organization of district; notice
19 of election; qualifications of voters

20 A. Notwithstanding the provisions in sections 16-225 and 16-226, the
21 board of supervisors may order formation of a health service district~~,~~. The
22 board shall give notice as prescribed by this section of an election to be
23 held within the proposed district for the purpose of determining whether the
24 district shall be organized. The board shall set the date of the election.

25 B. The notice shall:

26 1. Designate a name for the proposed district.

27 2. Describe the boundaries of the district.

28 3. Designate the polling places to be established within the district
29 for the election.

30 4. Be published once a week for at least two consecutive weeks
31 immediately preceding the election ~~in a newspaper of general circulation~~ ON A
32 PUBLIC MEDIUM PUBLISHED in the proposed district.

33 C. Notwithstanding the provisions in sections 16-225 and 16-226, the
34 election shall be conducted as nearly as practicable in accordance with the
35 general election laws of this state. The notice and time periods prescribed
36 by this article apply instead of title 16, chapter 2, article 3.

37 D. Election ballots shall contain the words "health service
38 district -- yes" and "health service district -- no".

39 E. Eligibility to vote in the election shall be determined by section
40 16-120.

41 F. The county recorder or elections director shall be designated the
42 person in charge of the election and shall supply all election materials,
43 ballots and election officers.

1 Sec. 330. Section 48-2211, Arizona Revised Statutes, is amended to
2 read:

3 48-2211. Health services survey report; hearings; approval

4 A. When the health services survey report is filed, the board of
5 directors may reject such report and direct that a new report be prepared or
6 that changes be made. If the report complies with the provisions of section
7 48-2210 and is satisfactory to the board, the board of directors shall hold a
8 hearing on any objections to the report or to the performance of the proposed
9 work. Notice of the hearing shall be given by publication five times ~~in a~~
10 ~~daily or twice in a weekly newspaper of general circulation~~ ON A PUBLIC
11 MEDIUM PUBLISHED in the health service district.

12 B. The department shall be notified by the board of directors of the
13 date of the hearing within five days after the date is set and at least ten
14 days ~~prior to~~ BEFORE the hearing date. The department shall be represented
15 at the hearing and shall advise the board.

16 C. At the conclusion of the hearing the board of directors shall order
17 the report to be changed, or shall approve it as made. If changes are
18 ordered, further hearings shall be held thereon until the board of directors
19 approves the report. ~~Upon~~ ON approval by the board of directors, the report
20 or a summary thereof shall be published for distribution to the public.

21 Sec. 331. Section 48-2212, Arizona Revised Statutes, is amended to
22 read:

23 48-2212. Construction of facilities; provision of services;
24 methods; contracting for services

25 A. The board of directors shall superintend the construction of
26 medical facilities and the delivery of ambulatory medical services and
27 ambulance service, if any, as specified in the approved report of the health
28 services survey.

29 B. The construction of medical facilities or any portion thereof may
30 be performed under the direction of the board of directors in consultation
31 with the department and in any of the following ways, as ordered by the board
32 of directors:

33 1. By purchasing the material and performing the work.

34 2. By purchasing the material and letting a contract for performance
35 of the work.

36 3. By purchasing a portion or none of the material and letting a
37 contract for furnishing the balance or all of the material and performance of
38 the work.

39 C. Services authorized pursuant to subsection A **OF THIS SECTION** may be
40 performed, as ordered by the board, in any of the following ways, either
41 singly or in combination:

42 1. By providing the facility and performing the services.

43 2. By supplying all, none or a portion of the facilities and letting a
44 contract for the balance of the facilities, and providing the services.

1 3. By supplying the facility and providing all, none, or a portion of
2 the services and letting a contract for the balance of the services.

3 D. All contracts shall be let to the lowest responsible bidder
4 submitting a sealed bid in response to a call for bids published once each
5 week for two consecutive weeks ~~in a newspaper of general circulation~~ ON A
6 PUBLIC MEDIUM PUBLISHED in the county. The call for bids shall include a
7 detailed description of the services required. If materials to be purchased
8 without the letting of a contract cost one thousand dollars or more, they
9 shall be purchased from the lowest responsible bidder after publication of a
10 call for bids as provided by this subsection.

11 E. All work recommended in the approved report shall be performed in
12 conformity with the plans and specifications contained in the report unless
13 the board of directors by a two-thirds vote adopts a resolution declaring
14 that the interest of the district requires a modification of or departure
15 from the report, and specifying the modification or departure.

16 F. Contracts for direct health services provided by physicians,
17 professional nurses, or physician assistants licensed or certified pursuant
18 to title 32 shall be exempt from the bidding requirements prescribed by
19 subsection D OF THIS SECTION.

20 G. Among the medical services provided at such medical clinics, there
21 shall be no drug, surgical procedure or other service provision administered
22 or prescribed for the purpose of causing, directly or indirectly, an abortion
23 of an unborn embryo or fetus at any stage of development. Neither shall such
24 service be contracted to any other medical or paramedical group to be
25 performed.

26 Sec. 332. Section 48-2214, Arizona Revised Statutes, is amended to
27 read:

28 48-2214. Bond election; subsequent bond election

29 A. After approval of the health service survey report the board of
30 directors of the district shall submit to the qualified electors of the
31 district the proposition of incurring bonded indebtedness to obtain funds
32 with which to acquire the property and perform the work set forth by the
33 report. Elections under this subsection must be held on the first Tuesday
34 following the first Monday in November as prescribed by section 16-204,
35 subsection B, paragraph 1, subdivision (d). The resolution calling the
36 election shall set forth:

- 37 1. The purposes of the proposed indebtedness.
- 38 2. A reference to the report for particulars.
- 39 3. The amount of the proposed indebtedness.
- 40 4. The maximum numbers of years for which the bonds may be
41 outstanding.
- 42 5. The maximum rate of interest to be paid.
- 43 6. The date of the election.
- 44 7. The election precincts and polling places.

1 B. The resolution shall be published once each week for three
2 successive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
3 PUBLISHED in the district.

4 C. If the proposition of issuing bonds fails to receive a majority of
5 the votes cast at the election to authorize issuance of the bonds, the board
6 of directors, not less than six months after that election, may call another
7 election on the question of issuing bonds under the terms of this article,
8 either for the same purposes or for any lawful purpose of the district.

9 D. No bond election shall take place until the board of directors has
10 demonstrated to the department that contractual arrangements have been made
11 for staff and a coordinating medical provider, as defined in section 36-2351,
12 and the department has certified to the board of directors and to the
13 organizing board that the above arrangements are sufficient to ensure that
14 ambulatory care services will be available to the district for a period of at
15 least one year of medical clinic operation.

16 Sec. 333. Section 48-2222, Arizona Revised Statutes, is amended to
17 read:

18 48-2222. Leases of medical clinic and equipment; provisions;
19 cancellation for failure to pay rent; release;
20 auction; notice

21 A. A lease of a district-owned medical clinic and its equipment
22 executed by the board of directors of the district, shall:

23 1. Extend for a term to be determined by the board, but not less than
24 five nor more than ten years.

25 2. Be executed for the purpose of providing ambulatory medical
26 services.

27 3. Provide for a rental ~~upon~~ ON terms and in an amount ~~which~~ THAT will
28 provide a fair return to the district on its investment and be sufficient to
29 meet part or all of the payments of principal and interest of bonds issued
30 under this article.

31 B. If a lessee of the medical clinic and its equipment fails to make
32 the payment of rental immediately required by the lease, the board of
33 directors of the district shall cancel the lease for such failure. If then
34 unable to lease the medical clinic and its equipment to a lessee qualified
35 under the provisions of this article at a rental sufficient to provide a fair
36 return to the district and meet part or all of the payments of principal and
37 interest on any bonds issued by the district, the board ~~may~~, at public
38 auction, MAY offer to lease the medical clinic and its equipment to the
39 highest responsible qualified bidder for such terms as the board prescribes,
40 and shall lease the medical clinic and its equipment to the bidder who bids
41 the highest rental for the prescribed period and who also agrees to provide
42 the services required by this article. The board of directors ~~may~~, at any
43 time, MAY implement a plan to provide ambulatory medical services on its own
44 accord.

1 C. If the board of directors determines that an auction should be
2 held, notice of the auction shall be given ~~in a newspaper of general~~
3 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED within the district at least once
4 each week for four weeks immediately preceding the auction.

5 Sec. 334. Section 48-2223, Arizona Revised Statutes, is amended to
6 read:

7 48-2223. Tax levy for current expenses

8 A. The board of directors of a health service district, at the time of
9 certifying the amount required for payment of principal and interest on
10 bonds, may certify to the board of supervisors the amount necessary to
11 maintain and operate the health service system of the district during the
12 ensuing year, and to defray all other expenses incidental to the exercise of
13 powers granted by this article, together with an estimate of the revenue
14 ~~which~~ THAT will be received from rentals and service charges. In that event,
15 the board of supervisors, at the time of levying county taxes, shall levy and
16 cause to be collected in the manner prescribed by law for county taxes, a tax
17 on real property within the health service district based on the current
18 assessment roll, sufficient to pay the amount certified, less the amount
19 estimated to be received from rentals and service charges. The levy for
20 operational purposes shall not exceed seventy-five cents per one hundred
21 dollars of assessed valuation except for a district that provides for
22 ambulance service or a combined medical clinic and ambulance service as
23 prescribed by section 48-2209.

24 B. The board of directors of a health service district may certify to
25 the board of supervisors an amount to levy on all taxable property within the
26 district for the purpose of funding the operation and maintenance of
27 ambulance service or combined medical clinic and ambulance service that is
28 owned or operated by the district or to pay the cost of an ambulance service
29 contract entered into pursuant to section 48-2209. The amount of the levy
30 necessary for the operation and maintenance of the ambulance service, if any,
31 shall be separately stated in the levy. Before the initial imposition of
32 such a tax, a majority of the qualified electors voting in an election
33 conducted in the same manner provided in section 48-2213 must approve the
34 initial imposition. The election must be held on the first Tuesday following
35 the first Monday in November as prescribed by section 16-204, subsection B,
36 paragraph 1, subdivision (d). The levy under this subsection for operation
37 of ambulance service pursuant to this subsection shall not exceed
38 seventy-five cents per one hundred dollars of assessed valuation, or one
39 hundred thousand dollars, whichever is less. The one hundred thousand dollar
40 limit in this subsection shall be adjusted annually from a 1991 base year
41 according to the health services component of the metropolitan Phoenix
42 consumer price index published by the bureau of business and economic
43 research, college of business administration, Arizona state university or its
44 successor.

1 C. The tax, when collected, shall be paid into the county treasury to
2 the credit of the operating fund of the district, and the board of directors
3 may order expenditure of the fund for the purposes for which levied.
4 Payments from the operating fund shall be made ~~upon~~ ON claims allowed by the
5 board of directors AND prepared, presented and audited in the same manner as
6 claims against the county.

7 D. Not less than twenty nor more than thirty days ~~prior to~~ BEFORE
8 making the certification to the board of supervisors provided by subsections
9 A and B of this section, the board of directors shall publish ~~in a newspaper~~
10 ~~of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district an
11 itemized statement of the amounts proposed to be certified, and the statement
12 shall contain notice of a meeting to be held by the board of directors ~~prior~~
13 ~~to~~ BEFORE the time for the certification. At that meeting, any owner of real
14 property within the district may appear and present objections to any item of
15 the amount proposed to be certified.

16 E. If a district lies in more than one county the amount necessary to
17 maintain and operate the health service system of the district during the
18 ensuing year shall be apportioned and the tax levied and collected in the
19 same manner as established in section 48-2220, subsection E.

20 Sec. 335. Section 48-2227, Arizona Revised Statutes, is amended to
21 read:

22 48-2227. Incorporated area in the district; withdrawal

23 A. The district may be established or the boundaries changed pursuant
24 to section 48-262 to include incorporated cities or towns as well as
25 unincorporated areas.

26 B. Notwithstanding section 48-262, the governing body of an
27 incorporated city or town that desires to withdraw from the district shall
28 notify the board of directors and publish a notice once each week for three
29 consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
30 PUBLISHED in the district. The municipal governing body shall hold at least
31 one hearing on the issue of withdrawing from the district and shall receive
32 all written and oral comments presented at the hearing. The municipal
33 governing body shall vote on the issue at the conclusion of the hearing, and
34 if the vote is to withdraw from the district, the withdrawal is effective
35 ninety days after the hearing.

36 C. On withdrawal, property located in the city or town is subject to
37 section 48-262, subsection F and the incorporated area of the city or town is
38 not entitled to health service district services.

39 Sec. 336. Section 48-2304, Arizona Revised Statutes, is amended to
40 read:

41 48-2304. Petition for organization; notice; bond

42 A. In order to propose the organization of an agricultural improvement
43 district, a petition shall be presented to the board of supervisors of the
44 county in which the lands within the proposed district, or the greater

1 portion thereof, are located, signed by the required number of holders of
2 title or evidence of title to the lands within such proposed district.

3 B. The petition shall set forth and particularly describe the proposed
4 boundaries of such district, or if the lands proposed to be included in the
5 district are not contiguous, may set forth the description by legal
6 subdivisions of the several tracts of land proposed to be included in the
7 district, and shall pray that the lands be organized as an agricultural
8 improvement district under the provisions of this chapter, under such name as
9 the petition designates. The petitioners shall accompany the petition with a
10 good and sufficient bond to be approved by the board of supervisors in the
11 amount of the probable cost necessary to be incurred by the board of
12 supervisors in organizing the district, conditioned that the obligors will
13 pay all such costs if the organization is not effected.

14 C. The petition shall be presented at a regular or special meeting of
15 the board of supervisors and the board shall thereupon enter an order fixing
16 a time, not less than three nor more than six weeks after the date of the
17 order, at which a hearing on the petition will be held by the board, and
18 directing that the petition, together with the notice of hearing be published
19 not less than two nor more than four weeks ~~prior to~~ BEFORE the date of the
20 hearing ~~in a newspaper~~ ON A PUBLIC MEDIUM designated by the board, published
21 in the county. If any portion of the proposed district lies within another
22 county or counties, the order shall further direct that the petition and
23 notice ~~shall~~ be likewise published ~~in a newspaper~~ ON A PUBLIC MEDIUM
24 designated in the order, ~~printed and published~~ in each of such counties.

25 D. The place for the hearing on the petition shall be at the office of
26 the board of supervisors to which the petition is presented.

27 Sec. 337. Section 48-2308, Arizona Revised Statutes, is amended to
28 read:

29 48-2308. Election on question of organization; notice

30 A. ~~Upon~~ ON entry of the order of the board of supervisors, it shall
31 give notice of an election to be held in the proposed district for the
32 purpose of determining whether or not it shall be organized under the
33 provisions of this chapter. The notice shall designate the name for the
34 proposed district, describe the boundaries thereof, and shall set forth the
35 boundaries of the precincts established therein, when there is more than one,
36 together with the designation of the polling place and a board of election
37 for each precinct.

38 B. The notice shall be published for at least two weeks ~~prior to~~
39 BEFORE the election ~~in a newspaper~~ ON A PUBLIC MEDIUM published within the
40 county in which the petition for the organization of the proposed district
41 was presented. If any portion of the proposed district is within another
42 county or counties, the notice shall be published for the same length of time
43 ~~in a newspaper~~ ON A PUBLIC MEDIUM published in each of the counties.

1 Sec. 338. Section 48-2331, Arizona Revised Statutes, is amended to
2 read:

3 48-2331. Organization of board; term of office; location of
4 district office

5 A. On the third Tuesday in October following a regular district
6 election, the directors elected at the regular October election and whose
7 terms have not then expired shall meet and organize the board, elect a
8 president and appoint a secretary who shall hold office during the pleasure
9 of the board. The term of office of directors, except those who have drawn
10 an initial shorter term as provided in section 48-2315, shall be four years.

11 B. The office of the board of directors of the district may be
12 established by the board at the county seat or at some other convenient
13 place, either within or without the district but within the county in which
14 the district is organized. After the office is established it shall not be
15 changed without giving notice thereof by posting in three public places in
16 the district and by publishing a similar notice for at least one week ~~in a~~
17 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county
18 where the district is organized.

19 Sec. 339. Section 48-2334, Arizona Revised Statutes, is amended to
20 read:

21 48-2334. Definitions; procedures for participation by
22 interested persons in proposed changes in electric
23 rates

24 A. In this section, unless the context otherwise requires:

25 1. "Change in the standard electric rate schedule" means an increase
26 or decrease or other modification of the rate blocks in, or a change in the
27 method of calculating an escalation provision of, a standard electric rate
28 schedule or the implementation of any new standard rate schedule.

29 2. "Interested persons" means either electors as set forth in section
30 48-2309 or purchasers of power from the district under standard electric rate
31 schedules.

32 3. "Public notice" means one publication ~~in one or more newspapers of~~
33 ~~general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the district's
34 electric service area and by a direct mailing to its standard electric rate
35 schedule customers of record and to the governing body of each city, town or
36 county lying in whole or in part within the boundaries of the district.

37 4. "Secretary" means the secretary or assistant secretary of the
38 district.

39 5. "Standard electric rate schedule" means the district's published
40 electric rate schedules for standard contract customers including, but not
41 limited to, residential, industrial and commercial and agricultural
42 irrigation customers.

43 B. The district shall provide public notice of proposed changes to
44 standard electric rate schedules, stating:

1 1. That the district is considering making changes in the standard
2 electric rate schedule.

3 2. That the data described in subsection C of this section is
4 available for inspection.

5 3. That the board of directors will hold a special meeting as required
6 by subsection D of this section and stating the date, time and place of the
7 meeting.

8 C. For a period beginning with the public notice and until ten days
9 after the close of the board meeting prescribed in subsection D of this
10 section, the district shall make available to interested persons, at its main
11 office, pertinent information, including:

12 1. Management's recommendation for proposed changes in the standard
13 electric rate schedule.

14 2. Pertinent financial and planning information, including data from
15 long-range plans and budgets.

16 3. Current and proposed rate schedules.

17 4. Reports of consultants, if any.

18 D. Interested persons may file written comments with the secretary at
19 any time during the period prescribed in subsection C of this section. A
20 meeting of the board of directors of the district shall be held no sooner
21 than thirty days and no later than sixty days after the public notice
22 referred to in subsection B of this section. At the meeting, the board of
23 directors shall:

24 1. Afford representatives of management of the district an opportunity
25 to explain the proposed changes in the standard electric rate schedule, the
26 criteria for such rates and answer questions.

27 2. Afford any consultants retained by the board an opportunity to
28 comment upon the proposed changes in the proposed rate schedule and criteria
29 for such rates.

30 3. Afford interested persons a reasonable opportunity to submit
31 written comments or make oral presentations of views, questions and comments.

32 E. Following review of the information and comments gathered in the
33 course of the procedures described in subsection D of this section the board
34 of directors shall make its decision on the proposed changes in the proposed
35 standard electric rate schedules.

36 F. The board of directors shall establish and enforce rules and
37 regulations to carry out the purposes of this section.

38 Sec. 340. Section 48-2384, Arizona Revised Statutes, is amended to
39 read:

40 48-2384. Designation of election precincts and voting places;
41 notice of election; election officers; polling
42 places

43 A. The board shall on or before October 1st of each year preceding the
44 year of an election, by an order, establish a convenient number of election
45 precincts in each division, and define the boundaries thereof.

1 B. Fifteen days before an election held under this article, the
2 secretary of the board shall cause a notice to be posted in a public place in
3 each election precinct of the time and place of holding the election, and
4 shall post a similar notice thereof in a conspicuous place at the office of
5 the board, specifying the polling places of each precinct and the names of
6 the members of the board of election for each precinct. Notice of the
7 election shall also be given by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM
8 published in the county in which the office of the board of directors of the
9 district is located, once a week for at least two successive weeks. The
10 notice shall specify the time of the holding of the election, the boundaries
11 of the precincts, and the location of the polling places.

12 C. ~~Prior to~~ BEFORE the time for posting the notices the board shall
13 appoint for each precinct from the electors thereof one inspector, one judge
14 and one clerk, who shall constitute a board of election for the precinct. If
15 the board fails to appoint a board of election, or if the persons appointed,
16 or any of them, do not attend at the opening of the polls on the morning of
17 the election, the electors of the precinct present at that hour may appoint
18 the election board or fill the places of the absent members thereof.

19 D. The board of directors shall in its order appointing the board of
20 election designate the place in each precinct where the election shall be
21 held.

22 Sec. 341. Section 48-2384.01, Arizona Revised Statutes, is amended to
23 read:

24 48-2384.01. Alternative election process

25 Notwithstanding any other law, as an alternative to the election
26 process prescribed in section 48-2384, the board may choose to conduct voting
27 in any election exclusively under the following alternative election process:

28 1. Beginning ninety days next preceding the Saturday before any
29 election, the secretary of the board shall cause notice of the election to be
30 given by publication ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the
31 county in which the office of the board of directors of the district is
32 located, once a week for at least two successive weeks. The notice shall
33 provide that the election shall be conducted by the alternative election
34 process and shall describe the procedures for obtaining and submitting a
35 ballot and the applicable times and dates. In addition, the notice shall be
36 posted in one public place in each division and in a conspicuous place at the
37 office of the board.

38 2. Ballots may be requested in person at the office of the secretary
39 of the board, or may be requested by mail, telephone, the internet or other
40 electronic means consistent with procedures to be established by the
41 secretary. Ballots may also be requested and voted at an on-site early
42 voting location, which shall remain open until 7:00 p.m. on the day of the
43 election. The process and time frames for requesting and voting ballots
44 shall generally comply with the process established for early voting by
45 section 16-542, to the extent not inconsistent with this article.

1 3. Ballots may be returned by mail and must be received by the
2 secretary of the board no later than 7:00 p.m. on the day of the election.

3 4. Ballots may also be returned in person at the office of the
4 secretary of the board and at other locations as may be established at the
5 discretion of the board no later than 7:00 p.m. on the day of the election.

6 5. For purposes of elections conducted pursuant to this section, there
7 shall be a single board of election consisting of one inspector, one judge
8 and one clerk, all of whom are appointed by the board of directors.

9 6. Elections conducted pursuant to this section are exempt from title
10 16, chapter 4, article 8.1.

11 Sec. 342. Section 48-2423, Arizona Revised Statutes, is amended to
12 read:

13 48-2423. Annual financial report by board of directors

14 The board of directors ~~shall~~, on the first Tuesday in March each year,
15 **SHALL** make and immediately thereafter publish a verified statement of the
16 financial condition of the district, showing particularly the receipts and
17 disbursements of the preceding year, together with the source of the receipts
18 and purpose of the disbursements. The publication shall be made ~~in at least~~
19 ~~one issue of a newspaper~~ **ON A PUBLIC MEDIUM** published in the county in which
20 the office of the board of directors is located.

21 Sec. 343. Section 48-2442, Arizona Revised Statutes, is amended to
22 read:

23 48-2442. Bond election; results

24 A. ~~Upon~~ **ON** determining the amount of money necessary to be raised for
25 any or all of the purposes set forth in section 48-2441, the board of
26 directors shall immediately call an election at which shall be submitted to
27 the electors of the district the question of whether or not the bonds of the
28 district shall be issued in the amount so determined. The election must be
29 held on the first Tuesday after the first Monday in November as prescribed by
30 section 16-204, subsection B, paragraph 1, subdivision (d).

31 B. Notice of the election shall be given by posting notice thereof in
32 three public places in each election precinct of the district, or if the
33 district is not divided into divisions, in three public places in the
34 district, for at least twenty days, and by publication of the notice ~~in a~~
35 ~~newspaper~~ **ON A PUBLIC MEDIUM** published in the county in which the office of
36 the board of directors of the district is located, once a week for at least
37 two successive weeks. The notice shall specify the time of holding the
38 election, the amount of bonds proposed to be issued, the maximum rate of
39 interest to be borne on the bonds and the denominations thereof.

40 C. Except as otherwise provided, the election shall be held and the
41 results thereof determined and declared in all respects as nearly as
42 practicable in conformity with the provisions of article 4 of this chapter
43 governing the election of directors. No informality in conducting the
44 election shall invalidate the election if it has been otherwise fairly
45 conducted.

1 D. At the election the ballots shall contain the words "bonds - -yes"
2 and "bonds - -no." If a majority of the votes cast at the election is
3 "bonds - -yes", the board of directors shall cause the bonds to be issued.
4 If a majority of the votes cast is "bonds - -no," the result of the election
5 shall be declared by the board of directors and entered on its record, and at
6 any time thereafter when a petition signed by one-fourth or more of the
7 qualified electors of the district is presented to the board of directors,
8 the board shall record such presentation in its minutes, and shall thereupon
9 again submit such question to the electors of the district in the same manner
10 and with like effect as at the previous election.

11 Sec. 344. Section 48-2444, Arizona Revised Statutes, is amended to
12 read:

13 48-2444. Sale of bonds; notice

14 A. The board of directors may sell the bonds from time to time in such
15 amounts as may be necessary and most advantageous to raise the money to carry
16 out the purposes specified in section 48-2441, or to carry out any of the
17 objects and provisions of this chapter. Before making any sale the board
18 shall declare by resolution its intention to sell a specified amount of the
19 bonds, shall fix the day, hour and place of sale, and shall cause the
20 resolution to be entered in the minutes of the board.

21 B. Notice of the sale shall be given by publication thereof for at
22 least ten days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in
23 which the office of the board of directors is located, ~~and in such other~~
24 ~~newspaper as the board directs~~. The notice shall state that sealed bids will
25 be received by the board at its office for the purchase of the bonds until
26 the day and hour named in the resolution.

27 C. At the time appointed the board shall meet and open the bids and
28 award the purchase of the bonds to the highest responsible bidder. The board
29 may, by the resolution and notice, require a deposit or certified check as an
30 evidence of good faith to accompany each bid for the bonds. The board ~~may~~,
31 in its discretion, MAY reject any and all bids. None of the bonds shall be
32 sold for less than ninety-five per cent of the par value thereof.

33 Sec. 345. Section 48-2470, Arizona Revised Statutes, is amended to
34 read:

35 48-2470. Sale of bonds

36 A. Bonds shall be sold at public or private sale, as the board of
37 directors may determine.

38 B. If the board of directors determines to sell such bonds at public
39 sale, notice of the sale shall be given by publication thereof for at least
40 three days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in which
41 the office of the board of directors is located, ~~and in such other newspaper~~
42 ~~as the board directs~~. The notice shall state that sealed bids will be
43 received by the board at its office for the purchase of the bonds until the
44 day and hour named in the resolution.

1 C. At the time appointed, the board shall meet and open the bids and
2 award the purchase of the bonds or reject any or all bids. The board ~~may~~, by
3 the resolution and notice, **MAY** require a deposit or certified check as an
4 evidence of good faith to accompany each bid for the bonds. The bonds may be
5 sold at such price or prices as the board may determine.

6 D. If the board of directors determines to sell such bonds at private
7 sale, such sale shall be subject to prior approval by a majority of the
8 members of the council.

9 E. The secretary of the district shall keep a record of the bonds
10 sold, their number, the date of sale, the price received and the name of the
11 purchaser or purchasers.

12 Sec. 346. Section 48-2603, Arizona Revised Statutes, is amended to
13 read:

14 **48-2603. Petition for organization; notice; bond**

15 A. In order to propose the organization of a drainage district, a
16 petition shall be presented to the board of supervisors of the county in
17 which the lands within the proposed district, or the greater portion thereof,
18 are located, signed by the required number of holders of title or evidence of
19 title to the lands within the proposed district.

20 B. The petition shall set forth and particularly describe the proposed
21 boundaries of the district and shall pray that the lands therein be organized
22 as a drainage district under the provisions of this chapter. The petitioners
23 shall accompany the petition with a good and sufficient bond to be approved
24 by the board of supervisors in the amount of the probable cost necessary to
25 be incurred by the board of supervisors in organizing the district,
26 conditioned that the obligors will pay all costs if the organization is not
27 effected.

28 C. The petition shall be presented at a regular or special meeting of
29 the board of supervisors. If the board of supervisors determines that the
30 organization of the drainage district is necessary and feasible, the board
31 shall enter an order fixing a time and place for hearing the petition and
32 directing that the petition, together with a notice of the hearing, be
33 published for not less than six weeks ~~in a newspaper~~ **ON A PUBLIC MEDIUM**
34 published in the county, or if any portion of the proposed district lies
35 within another county or counties, that the petition and notice be likewise
36 published ~~in a newspaper~~ **ON A PUBLIC MEDIUM** published in each of such
37 counties. ~~When more than one newspaper is published in any such county, the~~
38 ~~order shall require publication to be made in a newspaper which in the~~
39 ~~judgment of the board will reach the greatest number of persons residing~~
40 ~~within the boundaries of the proposed district.~~

41 Sec. 347. Section 48-2608, Arizona Revised Statutes, is amended to
42 read:

43 **48-2608. Election upon question of organization; notice**

44 A. ~~Upon~~ **ON** entry of the order of the board of supervisors, it shall
45 give notice of an election to be held in the proposed district for the

1 purpose of determining whether or not the district shall be organized under
 2 the provisions of this chapter. The notice shall designate a name for the
 3 proposed district and describe the boundaries thereof, and shall set forth
 4 the boundaries of the precincts established therein, when there is more than
 5 one, together with the designation of the polling place and a board of
 6 election for each precinct.

7 B. The notice shall be published for at least two weeks ~~previous to~~
 8 ~~BEFORE~~ the election ~~in a newspaper~~ ON A PUBLIC MEDIUM published within the
 9 county in which the petition for organization of the proposed district was
 10 presented. If any portion of the proposed district is within another county
 11 or counties, the notice shall be published for the same length of time ~~in a~~
 12 ~~newspaper~~ ON A PUBLIC MEDIUM published in each of the other counties.

13 Sec. 348. Section 48-2641, Arizona Revised Statutes, is amended to
 14 read:

15 48-2641. Dissolution of district

16 A. The board of directors of the district, or any landowner whose land
 17 is included within the boundaries of the district, may file with the board of
 18 supervisors of the county in which the lands included within the boundaries
 19 of the district, or the major portion thereof, are located, a verified
 20 petition for dissolution of the district, showing:

- 21 1. The date of organization of the district.
- 22 2. That all indebtedness of the district has been paid, and that there
 23 remains outstanding no unpaid warrants, bonds or other obligations of the
 24 district.
- 25 3. The amount of money of the district remaining undisposed of in the
 26 district treasury.

27 B. The petition shall also set forth any of the following:

- 28 1. That all lands of the district are being adequately drained by
 29 works constructed by the district, or other persons or organizations, and the
 30 works are being operated and maintained by persons or organizations other
 31 than the district.
- 32 2. That all or substantially all of the lands of the district, since
 33 its organization, have been included in an irrigation district vested with
 34 the power of drainage.
- 35 3. That satisfactory provision for drainage of all lands of the
 36 district has been made, and that the continuance of the drainage district is
 37 no longer required.

38 C. ~~Upon~~ ON filing of the petition the board of supervisors shall fix a
 39 date for hearing the petition, and the clerk of the board of supervisors
 40 shall give notice of the hearing by publication for three weeks ~~in a~~
 41 ~~newspaper published and circulated~~ ON A PUBLIC MEDIUM PUBLISHED in each
 42 county in which any of the lands within the district are located. The date
 43 of the first publication of the notice shall not be less than twenty-one days
 44 before the date of the hearing.

1 D. All persons desiring to oppose dissolution of the district may file
2 written objections thereto at or before the time of the hearing.

3 E. The board of supervisors shall hear the evidence offered in support
4 of the petition and in opposition thereto. If the board finds the petition
5 complies with the requirements of this section, and finds that the
6 allegations thereof are sustained by the evidence, the board shall enter ~~upon~~
7 **ON** its records an order declaring the district dissolved. If the board finds
8 that the petition does not comply with this section, or that any of the
9 necessary allegations thereof are not sustained by the evidence, the board
10 shall dismiss the petition. If an order of dissolution is entered it shall
11 terminate all the legal powers and functions of the district.

12 F. Any funds remaining in the district treasury ~~upon~~ **ON** dissolution
13 shall be disposed of either by being paid over to a drainage district or
14 irrigation district with power of drainage that has been formed to replace
15 such drainage district, or paid back pro rata to the taxpayers who paid in
16 such funds, as is provided by the order of dissolution.

17 Sec. 349. Section 48-2661, Arizona Revised Statutes, is amended to
18 read:

19 **48-2661. Organization of board of directors; term; district**
20 **office**

21 A. On the third Tuesday in October following a regular district
22 election, the directors elected at the regular October election and whose
23 terms have not then expired shall meet and organize the board, elect a
24 president and appoint a secretary who shall hold office during the pleasure
25 of the board.

26 B. The term of office of directors, except those who have drawn an
27 initial shorter term as provided in section 48-2615, shall be four years.

28 C. The office of the board of directors of the district may be
29 established by the board at the county seat or at some other convenient place
30 within the district. After the office is established it shall not be changed
31 without giving notice thereof by posting in three public places in the
32 district and by publishing a similar notice for at least one week ~~in a~~
33 ~~newspaper of general circulation~~ **ON A PUBLIC MEDIUM** published in the county
34 where the district is organized.

35 Sec. 350. Section 48-2665, Arizona Revised Statutes, is amended to
36 read:

37 **48-2665. Plan for construction of works; notice; bids; award of**
38 **contract; bond**

39 A. The board of directors shall adopt a plan for the construction of
40 the works authorized by section 48-2664.

41 B. The board shall give notice by publication thereof for not less
42 than fifteen days ~~in a newspaper~~ **ON A PUBLIC MEDIUM** published in each of the
43 counties in which lands within the district are located, ~~and in such other~~
44 ~~newspapers as the board deems advisable,~~ calling for bids for the
45 construction of the works contemplated in such plan, or any portion thereof.

1 If less than the whole work is advertised then the portion so advertised
2 shall be particularly described in the notice. The notice shall set forth
3 that plans and specifications can be seen at the office of the board, that
4 the board will receive bids for such work, and that the contract will be let
5 to the lowest responsible bidder and shall state the time and place for
6 opening bids. Any person to whom a contract is awarded shall provide such
7 bond or bonds as required under the provisions of title 34, chapter 2,
8 article 2.

9 C. The bids shall be opened in public at the time and place specified
10 in the notice. As soon as convenient thereafter the board shall let the work
11 in portions, or in whole, to the lowest responsible bidder, or it may reject
12 any and all bids and readvertise for bids, or may proceed to construct the
13 works under supervision of the board.

14 D. Contracts for the purchase of materials shall be awarded to the
15 lowest responsible bidder. Any person or persons to whom a contract is
16 awarded shall provide a performance bond as required under provisions of
17 title 34, chapter 2, article 2. The work shall be performed under the
18 direction and to the satisfaction of the engineer and shall be approved by
19 the board of directors.

20 Sec. 351. Section 48-2709, Arizona Revised Statutes, is amended to
21 read:

22 48-2709. Levy of assessments for completion of drainage works;
23 election

24 A. If the money raised by the sale of bonds issued pursuant to this
25 chapter is insufficient, or if the bonds are unavailable for completion of
26 the plans for drainage and works adopted and additional bonds are not voted,
27 the board of directors shall provide for the completion of the plans by the
28 levy of assessments therefor, but such levy shall not be made except as
29 provided by this section, and the question as to whether or not an assessment
30 shall be made, levied and collected shall first be submitted to a vote of the
31 electors of the district.

32 B. Before the question is submitted the order of submission shall be
33 entered in the minutes of the board of directors, stating the amount to be
34 levied and the purpose thereof, and if submitted at an election shall in
35 addition fix the day of election as prescribed by section 16-204, subsection
36 B, paragraph 1, subdivision (d).

37 C. Notice of the election shall be given by posting notices thereof in
38 three public places in each election precinct in the district for at least
39 fifteen days, and by publication of the notice ~~in a newspaper~~ ON A PUBLIC
40 MEDIUM published in the county in which the office of the board of directors
41 is located for two successive weeks. The notice shall specify the time of
42 holding the election and the amount of the assessment proposed to be levied.

43 D. The election shall be held and the result declared in all respects
44 as nearly as practicable in conformity with the provisions of article 4 of
45 this chapter. No informalities in conducting the election shall invalidate

1 it if the election has been otherwise fairly conducted. The ballots at the
2 election shall contain the words, "assessment - -yes" and "assessment - -no."

3 E. If a majority of the votes cast is "assessment - -yes," the board
4 shall proceed in the same manner as nearly as practicable as prescribed by
5 this article for raising funds for annual expenditures of the district. If a
6 majority of the votes cast is "assessment - -no," the result of the election
7 shall be declared and entered of record on the minutes of the board of
8 directors.

9 Sec. 352. Section 48-2716, Arizona Revised Statutes, is amended to
10 read:

11 48-2716. Annual financial report by board of directors

12 The board of directors ~~shall~~, on the first Tuesday in March each year,
13 SHALL make and publish a verified statement of the financial condition of the
14 district, showing particularly the receipts and disbursements of the
15 preceding year, together with the source of such receipts and the purpose of
16 the disbursements. Publication shall be made ~~in at least one issue of a~~
17 ~~newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of
18 the board of directors is located.

19 Sec. 353. Section 48-2751, Arizona Revised Statutes, is amended to
20 read:

21 48-2751. Bond election; results

22 A. For the purpose of constructing the necessary conduits, drains,
23 sluices, water-gates, pumps, pumping plants, embankments and any and all
24 other works and appliances necessary for the drainage of the lands of the
25 district, acquiring the necessary property and rights therefor and otherwise
26 carrying out this chapter, the board of directors of the district ~~shall~~, as
27 soon after the district has been organized as is practicable, and thereafter
28 when the construction fund has been exhausted and it is necessary to raise
29 additional money for such purposes, SHALL estimate and determine the amount
30 of money necessary to be raised therefor.

31 B. The board shall immediately call an election at which shall be
32 submitted to the electors of the district the question of whether or not the
33 bonds of the district shall be issued in the amount so determined. The
34 election shall be held on the first Tuesday following the first Monday in
35 November as prescribed by section 16-204, subsection B, paragraph 1,
36 subdivision (d).

37 C. Notice of the election shall be given by posting notice thereof in
38 three public places in each election precinct of the district, or if the
39 district is not divided into divisions, in three public places in the
40 district, for at least twenty days, and by publication of the notice ~~in a~~
41 ~~newspaper~~ ON A PUBLIC MEDIUM published in the county in which the office of
42 the board of directors is located, once a week for at least two successive
43 weeks. The notice shall specify the time of holding the election, the amount
44 of bonds proposed to be issued, the denominations thereof and the maximum
45 rate of interest ~~which~~ THAT the bonds shall bear.

1 D. The election shall be held and the results thereof determined and
2 declared in all respects as nearly as practicable in conformity with article
3 4 of this chapter governing the election of directors. No informality in
4 conducting the election shall invalidate it if the election has been
5 otherwise fairly conducted.

6 E. At the election the ballots shall contain the words, "bonds - -yes"
7 and "bonds - -no." If a majority of the votes cast at the election is
8 "bonds - -yes," the board of directors shall cause the bonds to be issued.
9 If a majority of the votes cast at the election is "bonds - -no," the result
10 of the election shall be declared by the board of directors and entered on
11 its record, and at any time thereafter when a petition signed by one fourth
12 or more of the qualified electors of the district is presented to the board
13 of directors, the board shall record such presentation in its minutes and
14 shall thereupon again submit such question to the electors of the district in
15 the same manner and with like effect as at the previous election.

16 Sec. 354. Section 48-2752, Arizona Revised Statutes, is amended to
17 read:

18 48-2752. Action to determine validity of bonds; appeal

19 A. The board of directors ~~shall~~, within thirty days after entry of the
20 order directing the issuance of any bonds, **SHALL** commence an action in the
21 superior court of the county in which the office of the board is located, to
22 determine the validity of the bonds.

23 B. The action shall be in the nature of a proceeding in rem, and
24 jurisdiction of all parties interested may be acquired by publication of
25 summons for at least once a week for three weeks ~~in a newspaper of general~~
26 ~~circulation designated by the court and~~ **ON A PUBLIC MEDIUM** published in the
27 county where the action is pending. Service of summons shall be complete
28 thirty days after the first publication thereof.

29 C. Any person interested may, at any time before expiration of such
30 thirty days, appear and contest the validity of the bonds. The action shall
31 be speedily tried and judgment rendered declaring the contested bonds valid
32 or invalid.

33 D. Either party may appeal to the supreme court within thirty days
34 after entry of judgment. The appeal shall be heard and determined within
35 three months from the time of taking the appeal.

36 Sec. 355. Section 48-2753, Arizona Revised Statutes, is amended to
37 read:

38 48-2753. Action to test validity of bonds on failure of board
39 to commence action

40 A. If no action is commenced by the board of directors as provided by
41 section 48-2752, then within not less than thirty nor more than ninety days
42 after the issuance of any bonds under this chapter, any person whose lands
43 within the district are subject to assessment by the district may bring an
44 action in the superior court in the county in which the office of the board
45 of directors is located, to determine the validity of the bonds.

1 B. The board of directors shall be made parties defendant, and service
 2 of summons shall be made on the members of the board personally if they can
 3 be found within the state, or if not, then by publication of the summons for
 4 three weeks ~~in a newspaper designated by the court of general circulation~~
 5 ~~within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the office of the
 6 board of directors is located. Before publication is commenced an affidavit
 7 shall be made in the manner provided for the service of summons by
 8 publication. In addition to serving the members of the board with summons
 9 either by personal service or by publication, summons in the action shall
 10 also be published in the same manner for the same time, for the same purposes
 11 and with like effect as prescribed under section 48-2752.

12 C. The board shall have the right to appear and contest the action.
 13 Any person whose lands within the district are subject to assessment by the
 14 district, or any other interested person, may appear and defend the action,
 15 and thereafter the same proceedings shall be had in the action as provided in
 16 section 48-2752, and the same matters determined and adjudicated by the court
 17 therein.

18 D. The action shall be speedily tried with either party having right
 19 of appeal in the manner provided by section 48-2752. The appeal shall be
 20 heard and determined within three months from the time of the entry of the
 21 judgment appealed from.

22 Sec. 356. Section 48-2757, Arizona Revised Statutes, is amended to
 23 read:

24 48-2757. Sale of bonds; notice

25 A. The board of directors may sell the bonds from time to time in such
 26 quantities as may be necessary and most advantageous to raise money for the
 27 purposes specified in section 48-2751, and otherwise to carry out the objects
 28 and purposes of this chapter. Before making any sale the board shall declare
 29 by resolution its intention to sell a specified amount of the bonds, and
 30 shall fix the day, hour and place of sale, and shall cause the resolution to
 31 be entered in the minutes of the board.

32 B. Notice of the sale shall be given by publication thereof for at
 33 least ten days ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in
 34 which the office of the board of directors is located, ~~and in such other~~
 35 ~~newspapers as the board directs~~. The notice shall state that sealed bids
 36 will be received by the board at its office for the purchase of the bonds
 37 until the day and hour named in the resolution.

38 C. At the time appointed the board shall meet and open the bids and
 39 award the purchase of the bonds to the highest responsible bidder. The board
 40 ~~may~~, by the resolution and notice, MAY require such deposit or certified
 41 check as an evidence of good faith to accompany each bid for the bonds. The
 42 board ~~may~~, in its discretion, MAY reject any and all bids. None of the bonds
 43 shall be sold for less than ninety-five per cent of their par value.

1 Sec. 357. Section 48-2773, Arizona Revised Statutes, is amended to
2 read:

3 48-2773. Election to authorize issuance of refunding bonds

4 A. Immediately after entering the petition on its minutes, the board
5 shall call an election at which shall be submitted to the qualified electors
6 of the district the question of whether or not the bonds of the district, in
7 the amount set forth in the petition, shall be issued. The election must be
8 held on the first Tuesday after the first Monday in November as prescribed by
9 section 16-204, subsection B, paragraph 1, subdivision (d).

10 B. Notice of the election shall be given by posting notice thereof in
11 three public places in each election precinct in the district for at least
12 twenty days, and by publication of the notice ~~in a newspaper~~ ON A PUBLIC
13 MEDIUM published in the county in which the office of the board of directors
14 is located, once a week for at least two consecutive weeks before the
15 election. The amount of refunding bonds proposed to be issued and the amount
16 of bonds, coupons or other evidences of indebtedness proposed to be refunded,
17 together with a general description thereof, and the time of holding the
18 election, shall be specified in the notice.

19 C. The election shall be held, and the results thereof determined and
20 declared, in all respects as nearly as practicable in conformity with the
21 provisions of article 4 of this chapter. No informalities in conducting the
22 election shall invalidate it if the election has been otherwise fairly
23 conducted. The ballots at the election shall contain the words, "Bonds—Yes"
24 and "Bonds—No". If two thirds of the votes cast is "Bonds—Yes", the board
25 of directors shall issue the refunding bonds. If more than one third of the
26 votes cast at the election is "Bonds—No", the result of the election shall
27 be so declared. The result in either event shall be entered of record in the
28 minutes of the board of directors.

29 Sec. 358. Section 48-2838, Arizona Revised Statutes, is amended to
30 read:

31 48-2838. Resolution ordering improvement; notice; proposals;
32 alternative procurement methods

33 A. The board may order by resolution the construction or acquisition
34 of the proposed flood protection facility described in the resolution of
35 intention if:

36 1. No objections as to the extent of the proposed assessment district
37 have been filed within the prescribed time.

38 2. ~~If~~ Any objections to the extent of the proposed assessment district
39 have been heard and denied, ~~—~~ AND the board finds that no action requesting
40 review of the board's decision is pending or all actions for review of the
41 board's decision have been finally resolved in favor of the board's decision.

42 B. The resolution ordering the construction or acquisition of the
43 proposed flood protection facility described in the resolution of intention
44 need not fully describe the improvement or the extent of the assessment
45 district but may refer to the resolution of intention for the description.

1 C. If the board determines that sealed proposals should be invited for
2 the construction or acquisition of the proposed flood protection facility
3 described in the resolution of intention, the board shall publish twice ~~in~~
4 ~~one or more daily newspapers or once in a weekly or semiweekly newspaper of~~
5 ~~general circulation~~ ON A PUBLIC MEDIUM in the flood protection district a
6 notice of the passage of the resolution ordering the improvement and inviting
7 sealed proposals from persons interested in constructing the improvement.
8 The board shall post a copy of the notice for five days on or near the door
9 of the meeting place of the board. The notice shall state the time within
10 which bid proposals may be filed with the clerk, which shall be at least ten
11 days after the date of the first publication of the notice.

12 D. If the board determines that it is in the best interests of the
13 district to procure construction services through any method described in
14 section 34-602, section 48-2841 does not apply, and the board shall procure
15 such construction services as prescribed in title 34, chapter 6, article 1.
16 If the board determines that the contracting services should be procured as
17 prescribed in title 34, chapter 6, article 1, it shall publish a notice of
18 the passage of the resolution ordering the improvement and stating that the
19 contracting services will be procured as prescribed in title 34, chapter 6,
20 article 1.

21 Sec. 359. Section 48-2841, Arizona Revised Statutes, is amended to
22 read:

23 48-2841. Proposals; bond; award of contract; entering into
24 contract; liability on bond

25 A. If the board invites proposals for construction of the flood
26 protection facility, written and signed proposals shall be submitted
27 accompanied by a bond payable to the flood protection district in an amount
28 of at least ten per cent of the aggregate proposal.

29 B. The board, in open session, shall examine and publicly declare the
30 proposals. The board may reject any proposals if deemed for the public good
31 and shall reject all proposals other than the lowest and best proposal of a
32 responsible bidder. The board may award the contract for the improvement to
33 the lowest and best responsible bidder at the price named in that bidder's
34 proposal on a motion, noted in its minutes, approved by a majority vote of
35 its members.

36 C. Notice of the award of the contract shall be published twice ~~in a~~
37 ~~daily newspaper or once in a weekly or semiweekly newspaper of general~~
38 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

39 D. At any time within fifteen days after the date of the first
40 publication, a person having an interest in a lot, acre or parcel liable for
41 an assessment who claims that any of the previous acts or proceedings
42 relating to the improvement are irregular, illegal or faulty may file with
43 the board a written notice specifying in what respect the acts and
44 proceedings are irregular, illegal or faulty. All objections to any act or
45 proceeding that are taken before the first publication of the notice of the

1 award are deemed to be waived, except as to matters directly affecting the
2 authority of the board. If the board finds any objection to be valid, it may
3 abandon the proceedings, correct or modify any portion of the proceedings or
4 proceed as in the first instance.

5 E. Within twenty days after the date of the first publication, if no
6 objections have been filed, the successful bidder shall enter into a contract
7 to make the improvement according to its bid. If objections are filed but
8 are rejected by the board, the contract shall be entered into within five
9 days after receiving notice from the board of that rejection. If the bidder
10 fails to enter into the contract within that period, the board, without
11 further proceedings, shall advertise for proposals in the same manner as for
12 the initial proposals. A bidder who fails to enter into the contract is
13 liable on the bidder's bond accompanying the proposal for all costs and
14 damages incurred and sustained by reason of the failure to enter into the
15 contract.

16 F. If the board determines that contracting services for construction
17 of the flood protection facility should be procured pursuant to title 34,
18 chapter 6, article 1, before executing the contract pursuant to section
19 34-609, the board shall formally approve the form of contract and award the
20 contract to the selected person or firm on a motion, noted in its minutes and
21 approved by a majority vote of its members.

22 G. Notice of the award of the contract shall be published twice ~~in a~~
23 ~~daily newspaper or once in a weekly or semiweekly newspaper of general~~
24 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county. The notice of award
25 shall specifically state the type of contract and that the contract was
26 procured pursuant to title 34, chapter 6, article 1 without competitive
27 bidding.

28 H. At any time within fifteen days after the date of the first
29 publication, any person or entity that participated in the procurement
30 process that selected the person or entity to whom such contract was awarded,
31 or a person having an interest in a lot, acre or parcel liable for an
32 assessment who claims that any of the previous acts or proceedings relating
33 to the improvement or the procurement of contracting services are irregular,
34 illegal or faulty, may file with the board a written notice specifying in
35 what respect the acts and proceedings are irregular, illegal or faulty. All
36 objections to any act or proceeding that are not made before the notice of
37 the award are deemed to be waived, except as to matters directly affecting
38 the authority of the board. If the board finds any objection to be valid, it
39 may abandon the proceedings, correct or modify any portion of the proceedings
40 or proceed as in the first instance.

41 I. Within twenty days after the date of the first publication, if no
42 objections have been filed, the person or entity to whom contracting services
43 have been awarded shall enter into a contract to construct the flood
44 protection facility according to its proposal. If objections are filed but
45 are rejected by the board, the contract shall be entered into within five

1 days after receiving notice from the board of the rejection. If the person
2 or entity to whom contracting services have been awarded fails to enter into
3 the contract within that period, the board without further proceedings shall
4 either advertise for proposals, negotiate a contract with one of the other
5 persons or entities that participated in the procurement process or
6 reinstate the process for procurement of contracting services pursuant to
7 title 34, chapter 6, article 1. The person or entity that failed to enter
8 into the contract is liable for all costs and damages incurred and sustained
9 by reason of that failure.

10 Sec. 360. Section 48-2845, Arizona Revised Statutes, is amended to
11 read:

12 48-2845. Delivery of warrant and assessment to contractor;
13 demand for payment; release of assessments; review
14 of assessment

15 A. After the warrant and assessment are recorded pursuant to section
16 48-2844, they shall be delivered to the person charged by the board with the
17 duty of making demands for the payment, together with one of the diagrams.
18 By virtue of the warrant, that person may demand and receive the amount of
19 the several assessments.

20 B. The person charged by the board shall call on the person assessed,
21 either in person or by mail if the person can conveniently be found, and
22 demand payment, and if paid the person nominated by the board shall provide a
23 receipt. The receipt, when presented to the district, constitutes an order
24 to it to release the assessment. A copy of the receipt shall be kept on file
25 at the district office.

26 C. The person nominated by the board shall promptly notify the
27 district of all payments received, and the district shall release all
28 assessments that have been fully paid. If the name of the owner of the lot,
29 acre or parcel is stated on the assessment as "unknown", the person nominated
30 by the board shall demand payment of a person in possession of the lot, acre
31 or parcel. If someone is in possession, the demand may be made either by
32 mail, if a mailing address for the person in possession can be determined, or
33 in person. If the premises are unoccupied or the person in possession cannot
34 be found, the demand is unnecessary.

35 D. The warrant shall be returned to the board within thirty days after
36 its date endorsed with "return", signed by the person nominated by the board,
37 verified on oath and stating the nature and character of the demand, whether
38 any assessments remain wholly or partially unpaid and the amount of any
39 unpaid assessments. In the absence of fraud or bad faith, the verified
40 statement of the person making the return is conclusive proof that the demand
41 for payment was made on each owner or each person in possession of each lot,
42 acre or parcel of property as required by this section. The board shall
43 record the return in the margin of the record of the warrant and assessment.
44 After return of the assessment and warrant, all amounts remaining due shall
45 draw interest at the maximum rate specified in the resolution of intention

1 until paid or, on the issuance of bonds, at the rate specified in the bonds
 2 payable for the semiannual periods specified in the bonds, notwithstanding
 3 that the installments of assessments may be due at dates earlier than the
 4 dates installments of principal or interest are payable on the bonds.

5 E. On recording the assessment and warrant, the board shall fix a time
 6 when it will hear and consider the assessment and the proceedings taken,
 7 which shall be at least twenty days after the date of the recording. The
 8 board shall publish notice of the hearing for five days ~~in a daily newspaper~~
 9 ~~or two times in a weekly or semiweekly newspaper of general circulation~~ ON A
 10 PUBLIC MEDIUM PUBLISHED in the flood protection district. The board shall
 11 send notices of the time and place of the hearing by first class mail at
 12 least twenty days before the hearing date to the contractor at the address
 13 shown in the contract, and to all persons owning real property affected by
 14 the assessments as their names and addresses appear on the last certified
 15 property tax roll. On request of the district, the county assessor shall
 16 provide the names and addresses as shown on the last certified tax roll. If
 17 no address appears for a person on the last certified tax roll, no notice
 18 need be mailed to that person. The chairperson of the board shall make an
 19 affidavit of the mailing and shall state that the persons to whom notices
 20 were mailed constitute all persons whose names and addresses appear on the
 21 tax roll as owning property in the area assessed or the assessment district,
 22 as applicable. The affidavit is conclusive proof that notice was mailed to
 23 each person to whom notice is required to be mailed. The failure to receive
 24 notice does not constitute any jurisdictional defect invalidating a district
 25 proceeding or assessment if notice has been given pursuant to this
 26 subsection.

27 F. Before the time fixed for the hearing, any owner, contractor or
 28 other person directly interested in the work or in the assessment who has any
 29 objection to the amount or legality of the assessment or to any of the
 30 previous proceedings, or who claims that the work has not been performed
 31 according to the contract, may file a written notice briefly specifying the
 32 grounds of the objection. At the time fixed for the hearing or at any time
 33 within ten days after the original hearing date, during which the hearing may
 34 be postponed, the board shall hear and consider all such objections. The
 35 decision of the board is final and conclusive on all persons entitled to
 36 object as to all errors, informalities and irregularities that the board may
 37 have remedied or avoided at any time during the proceedings.

38 G. After the hearing, if the board of directors finds that the
 39 assessment has not yet been fairly apportioned, it shall modify the amounts
 40 of the several assessments and may order that the assessment be recomputed if
 41 it finds that the benefits to any lots, acres or parcels do not equal the
 42 amount assessed against the lot, acre or parcel. When recomputing the
 43 assessment, the board shall levy the reassessments according to the benefits
 44 derived, notwithstanding that the reduction of any assessment may cause a
 45 corresponding increase in other assessments.

1 H. At any time within one year after the date the district files the
 2 certificate of substantial completion as provided in section 48-2851,
 3 subsection G, any member of the board of directors, any owner or any person
 4 claiming an interest in any assessed lot, acre or parcel may file a written
 5 notice with the clerk stating that the work has not been performed
 6 substantially according to the resolution of intention or the plans,
 7 specifications and contract for construction of the flood protection
 8 facility. The notice shall state in particular the contractor's failure to
 9 perform and may also state, if applicable, any requested reduction in the
 10 assessment of any one or more parcels due solely to the failure of such
 11 performance. The notice shall state the name and address of the person
 12 filing the notice and shall describe the person's interest in land subject to
 13 assessment, if applicable.

14 I. On receipt of a notice pursuant to subsection H of this section,
 15 the board of directors shall set a date for a hearing on the notice. The
 16 board of directors shall give notice of the hearing to the contractor, the
 17 contractor's surety, the person appointed to take charge of and direct the
 18 work and all persons whose names and addresses appear in the notice. The
 19 clerk shall publish a notice of the hearing twice ~~in a newspaper of general~~
 20 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.

21 J. At the hearing, the board shall determine whether the work was
 22 completed according to the resolution of intention, the plans, specifications
 23 and contract for construction of the flood protection facility and any
 24 corrections or alterations of the plans deemed necessary. If the board
 25 determines that the work has not been so completed, it shall order the
 26 contractor to complete the work, set a reasonable time for completion and
 27 recess the hearing until the date set for completion. If, at the date set to
 28 reconvene the hearing, the evidence shows that the work is then completed,
 29 the board shall enter those findings on its minutes. If the board determines
 30 that the contractor is making a good faith attempt to complete the work, it
 31 may continue the completion date and recess the hearing to a later date. If,
 32 at the hearing or at any recessed hearing, the board of directors finds that
 33 the contractor refuses to complete or is incapable of completing the work,
 34 the board shall order and the district's attorney shall bring an action
 35 against the contractor and its surety to collect such amounts or cause such
 36 performance as is necessary to complete the work.

37 K. If the board determines that for any reason the work cannot be
 38 completed and no recovery can be made against the contractor or the
 39 contractor's surety, the board may recompute the assessment, taking into
 40 consideration the effect the contractor's failure to perform may have had on
 41 the actual benefits derived from the improvement, and reduce some or all
 42 assessments to reflect the reduced benefits. If the assessments are reduced,
 43 the district shall assume as a contingent liability any difference between
 44 the amounts thereafter received on the semiannual assessment payments and the
 45 amounts of principal and interest thereafter due on the bonds. The

1 assumption of that amount shall be a contingent general obligation of the
2 district.

3 L. All decisions made concerning any notice filed pursuant to this
4 section are final and conclusive as to the persons filing the notice, the
5 contractor and the contractor's surety and as to the alleged defect, or
6 defects, in the work. After a ruling on any alleged defect, or defects, in
7 the work, the board shall not consider or hear a later notice concerning the
8 same defect, whether or not filed by a person other than the person filing
9 the original notice.

10 M. After the work is completed, the district shall file a recomputed
11 assessment based on the actual quantities determined by the engineer to have
12 been constructed or installed, or the actual cost of the acquisition,
13 together with the known incidental expenses paid to that date and the
14 itemized estimated incidental expenses remaining to be paid. The engineer
15 need not recompute each individual assessment but shall determine the amount
16 of the increase or decrease to be assessed and shall file a supplemental
17 statement with the clerk stating the ratio of the difference between the
18 contractor's bid and the recapitulated amount and ordering that each
19 assessment be increased or decreased by that ratio. If the total assessment
20 is decreased, the treasurer shall credit the amount of the decrease
21 proportionately on the assessments remaining unpaid and return to the owner,
22 if the owner can be located, that portion of each assessment previously paid
23 in cash that represents an excess payment.

24 Sec. 361. Section 48-2856, Arizona Revised Statutes, is amended to
25 read:

26 48-2856. Failure to hold or adjourn scheduled hearing;
27 subsequent hearing

28 If the time and place for a hearing are fixed by the board under this
29 article, and for any reason the hearing is not held or is regularly adjourned
30 to a specified time and place, the authority of the board is not divested or
31 lost. The board may thereafter fix a time and place for the hearing and give
32 notice by publication ~~by at least one insertion in a newspaper of general~~
33 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district as designated by the
34 board. The publication shall be at least five days before the date of the
35 hearing.

36 Sec. 362. Section 48-2907, Arizona Revised Statutes, is amended to
37 read:

38 48-2907. Time of hearing petition; notice of hearing

39 When the petition has been filed with the board of supervisors and the
40 bond approved, the board shall fix a time for hearing the petition, which
41 shall be not less than three nor more than seven weeks after the date of
42 filing the petition. The board of supervisors shall cause the petition,
43 together with a notice signed by the clerk of the board of supervisors giving
44 the time and place of hearing the petition, to be published for at least two
45 weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county, ~~or if no~~

1 ~~newspaper is published in the county, in a newspaper published in an~~
2 ~~adjoining county,~~ and by posting copies of the petition and notice in three
3 or more conspicuous places in the proposed district at least two weeks before
4 the date set for hearing.

5 Sec. 363. Section 48-2916, Arizona Revised Statutes, is amended to
6 read:

7 48-2916. Notice of election

8 The board of supervisors shall cause a notice embodying the order in
9 substance, signed by the chairman and clerk of the board, to be issued and
10 published, giving public notice of the organizational election, the time and
11 polling places, and specifying the matters to be submitted to the vote of the
12 electors of the proposed district. The notice and order shall be published
13 once a week for at least three weeks ~~prior to~~ BEFORE the election ~~in a~~
14 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county.
15 ~~If any portion of the proposed district lies within any other county or~~
16 ~~counties, the notice and order shall be published in a newspaper of general~~
17 ~~circulation published in each of such counties.~~ A copy of the notice and
18 order shall be posted in at least one conspicuous place in each of the
19 divisions of the proposed district for at least two weeks ~~prior to~~ BEFORE the
20 date of the election.

21 Sec. 364. Section 48-2941, Arizona Revised Statutes, is amended to
22 read:

23 48-2941. Petition for inclusion of lands; notice of hearing;
24 payment of expenses of publishing notice

25 A. The holder or holders of title or evidence of title representing a
26 majority of the acreage of any body of land adjacent to the boundary of an
27 irrigation district, may file with the board of directors of the district a
28 petition in writing requesting that such lands be included in the district.

29 B. The petition shall describe the parcels of land proposed to be
30 included. The filing of the petition shall be deemed consent of the
31 petitioners to the inclusion in the district of the lands owned by them, and
32 the petition shall be acknowledged by one or more of the signers thereof. If
33 state lands are embraced in the petition the state land commissioner may sign
34 on behalf of the state, and no state lands shall be included in a district
35 nor be subject to irrigation district laws unless the petition is filed by
36 the state land commissioner, and in no event shall state lands become
37 encumbered for any debt, obligation or liability of any irrigation district.

38 C. The secretary of the board shall cause notice of filing of the
39 petitions to be given by publishing the notice once each week for three
40 successive weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in
41 which the office of the district is located. The notice shall state that a
42 petition for inclusion of lands adjacent to the boundaries of the irrigation
43 district has been filed, and shall give the names of the petitioners, a
44 description of the lands included in the petition and the request of the
45 petitioners, and shall notify all persons interested to appear at the office

1 of the board at a time named in the notice and show cause why the petition
2 should not be granted. The time specified in the notice for showing cause
3 shall be the next regular meeting of the board after expiration of the period
4 for publication of notice.

5 D. The petitioner or petitioners ~~shall~~, if required by the board of
6 directors, **SHALL** advance to the secretary sufficient money to pay the
7 estimated cost of the publication of such notice before the secretary shall
8 be required to give such notice.

9 Sec. 365. Section 48-2946, Arizona Revised Statutes, is amended to
10 read:

11 **48-2946. Notice of hearing on petition for exclusion of lands;**
12 **hearing**

13 A. ~~Upon~~ **ON** the filing of the petition and payment of estimated
14 expenses as provided by section 48-2945, the secretary of the board shall
15 cause notice to be given and published once each week for three successive
16 weeks ~~in a newspaper~~ **ON A PUBLIC MEDIUM** published in the county in which the
17 office of the district is located, giving notice of the filing of the
18 petition, the names of the petitioners, a description of the lands, the
19 request of the petitioners and the time and place of hearing the petition,
20 and requiring any person objecting to allowance of the petition to file such
21 objections in writing in the district office on or before the time fixed for
22 hearing in the notice and appear at such time in support of the objections.

23 B. At the time and place designated in the notice, or at such time or
24 times to which the hearing is adjourned, the board of directors shall proceed
25 to hear the petitions and all objections filed thereto in writing by
26 interested persons. Failure of any person to file objections in writing
27 shall be deemed a consent to granting the petition.

28 Sec. 366. Section 48-2949, Arizona Revised Statutes, is amended to
29 read:

30 **48-2949. Exclusion of unproductive lands from district by**
31 **resolution; notice**

32 A. When the board of directors of an irrigation district finds that
33 lands within the district are alkaline, slick, unsusceptible of economic
34 leveling, water-logged, caliche, hard pan or otherwise unproductive or
35 incapable of carrying their proportionate district liabilities and
36 obligations without recurring delinquencies, or are uncleared or unreclaimed
37 for five years after inclusion within the district, for which irrigation
38 water is available, and that the major portion of such lands has been
39 unfarmed and delinquent in payment of district taxes for the last two years
40 or more, it may exclude such lands as provided by this section and sections
41 48-2950 through 48-2952.

42 B. The board shall adopt a resolution stating its findings and
43 declaring its intention to exclude such lands for one or more reasons set
44 forth in subsection A of this section, and shall require the record owner or
45 any persons actually resident upon such land to show cause why the lands

1 should not be excluded from the district. A copy of the resolution shall be
2 served ~~upon~~ ON the record owners and actual residents, if any, ~~upon~~ ON the
3 lands, personally if residents of the county in which the district office is
4 located, or if not, by registered mail addressed to such persons at their
5 last known post office address, and by publication of the resolution at least
6 once a week for three successive weeks ~~in a newspaper of general circulation~~
7 ~~within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the district
8 office is located.

9 Sec. 367. Section 48-2976, Arizona Revised Statutes, is amended to
10 read:

11 48-2976. Publication of minutes; effective date of by-laws,
12 rules, regulations and resolutions

13 A. The minutes of proceedings of the board of directors or an abstract
14 thereof may be published when the board by resolution entered ~~upon~~ ON its
15 minutes so direct.

16 B. All ~~by-laws~~ BYLAWS, rules, regulations or resolutions of a general
17 nature governing drainage ditches, laterals, canals and the use and
18 distribution of irrigation water or other commodities shall be posted at
19 least five days in not less than two public places in each division of the
20 district, or published twice ~~in a newspaper~~ ON A PUBLIC MEDIUM published
21 within the county in which the office of the district is located, as the
22 board may order. ~~By-laws~~ BYLAWS, rules, regulations and resolutions of the
23 board shall become effective at the time designated by the board, or in the
24 absence of such designation, ~~upon~~ ON adoption thereof.

25 Sec. 368. Section 48-2985, Arizona Revised Statutes, is amended to
26 read:

27 48-2985. Plans and specifications for construction:
28 advertisement for bids

29 A. When plans and specifications for any construction, repair,
30 alteration, extension, improvement or other district purpose, have been
31 adopted by the board of directors as provided by this chapter, the board of
32 directors shall give notice of the proposed work by publication of an
33 advertisement for bids for at least two weeks ~~in a weekly or daily newspaper~~
34 ON A PUBLIC MEDIUM published in each county in which portions of the district
35 are located, ~~and in such additional newspapers as the board deems advisable.~~

36 B. The advertisement for bids shall set forth:

- 37 1. A general description of the proposed work.
- 38 2. That the plans and specifications may be seen at the office of the
39 district.
- 40 3. The date and hour up to which the board will receive sealed bids.
- 41 4. That the contract may be let to the lowest responsible bidder.
- 42 5. That the right will be reserved to reject any and all bids.
- 43 6. The time and place for opening bids.

1 7. That each bid shall be accompanied by a deposit or certified check
2 equal to ten per cent of the total bid.

3 8. That the bids will be opened in public.

4 9. That as soon as convenient thereafter the board may let the
5 contract for the work either in part or as a whole to the lowest responsible
6 bidder.

7 Sec. 369. Section 48-2994, Arizona Revised Statutes, is amended to
8 read:

9 48-2994. Conveyance or transfer to United States of irrigable
10 lands within district included within federal
11 reclamation project; election; terms of transfer

12 A. When irrigable lands within an irrigation district have been
13 included within any federal reclamation project, or subdivision thereof,
14 authorized for construction under the federal reclamation laws, and the
15 appropriate authority of the United States government certifies that funds
16 are available for commencing the construction of works in connection with the
17 reclamation project, or subdivision thereof, the board of directors of the
18 irrigation district may convey, transfer and assign to the United States,
19 such lands, interests in lands and other property of the district, including
20 electric power lines and other facilities, as the secretary of the interior
21 deems appropriate for the protection, development or improvement of the
22 reclamation project.

23 B. The power of conveyance accorded by this section shall not be
24 exercised unless the conveyance has first been approved by a majority of the
25 votes cast at a special election held in the district for the purpose of
26 submitting the question of conveyance to the qualified electors of the
27 district. The election shall be called by the board of directors of the
28 district, and notice thereof shall be given by posting notices in three
29 public places in each division of the district for at least twenty days ~~prior~~
30 ~~to~~ BEFORE the date of the election and by publication of notice ~~in a~~
31 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county
32 in which the office of the board of directors is located, once a week for at
33 least two successive weeks ~~prior to~~ BEFORE the election. The notice shall
34 specify the time and place of holding the election, and shall contain a
35 general description of the character of the proposed property to be conveyed,
36 transferred and assigned and a general statement of the reasons therefor. At
37 the election the ballot shall contain the words "Shall the proposed
38 conveyance, transfer and assignment of the district property to the United
39 States be made?" "yes", "no", or other words equivalent thereto. The
40 election shall be conducted and canvassed in all respects as nearly as
41 practicable in conformity with the provisions of law covering the election of
42 the governing body of the district. No informalities in conducting the
43 election shall invalidate it if the election has been otherwise fairly
44 conducted.

1 C. If at the election the proposed conveyance, transfer and assignment
2 is approved by a majority of the electors voting, the board of directors may
3 convey, transfer and assign all or any part of the property referred to in
4 the notice of election upon such terms and conditions as the board of
5 directors in their discretion deem for the best interests of the district.

6 Sec. 370. Section 48-3124, Arizona Revised Statutes, is amended to
7 read:

8 48-3124. Remittance of collections to district treasurer;
9 division of collections into funds; disbursements

10 A. The county treasurer of each county containing a portion of an
11 irrigation district, except the county treasurer of the county in which the
12 office of the district is located, on the fifteenth day of each month shall
13 remit to the district treasurer all monies, warrants, coupons or bonds
14 collected or received by him on account of the district.

15 B. The district treasurer, by computations based ~~upon~~ ON certified
16 estimates as returned to the board of supervisors, shall divide the money
17 received from taxation on the lands of the district, or from other sources,
18 into district funds corresponding with the purposes therein specified or for
19 which they were paid. The monies received shall be divided as follows:

20 1. Money received on account of interest on the bonded indebtedness of
21 a district shall be kept in an interest fund.

22 2. Money received on account of principal of bonded indebtedness of a
23 district shall be kept in a bond fund.

24 3. Money received on account of the release and discharge of lands in
25 the district from the lien of the bonded indebtedness of the district shall
26 be kept in a call or prepayment fund.

27 4. Money received on account of maintenance, operation and current
28 expenses for the district shall be kept in a maintenance, operation and
29 current expense fund.

30 5. Money received on account of the levy for outstanding or deficiency
31 warrants shall be kept in a deficiency fund.

32 6. Money received from any levy made for payment on completion of the
33 irrigation works of the district shall be kept in a completion fund.

34 7. If a levy is made or money is received from any other source or for
35 any other purpose, the money shall be kept in a separate fund so designated
36 as to identify the purpose for which the money was levied or received.

37 C. The district treasurer shall pay from the bond fund the principal
38 of bonds of the district at the time and place specified therein and shall
39 pay from the interest fund the interest on bonds of the district at the time
40 and place specified therein. The district treasurer shall pay from all of
41 the other funds, except the call and prepayment fund, ~~upon~~ ON warrants of the
42 district signed by the president and countersigned by the secretary of the
43 district.

1 D. When the call and prepayment fund contains one thousand dollars or
2 more, the district treasurer shall call in the highest numbered outstanding
3 bonds equal to the amount on hand, designating the numbers of the bonds
4 called. The call shall be given by notice ~~in a newspaper~~ ON A PUBLIC MEDIUM
5 published in the county in which the office of the district is located for
6 two weeks, or ~~in a newspaper~~ ON A PUBLIC MEDIUM published in any other place
7 where the bonds are payable for ten days. After completion of publication of
8 the notice, the money to pay the bonds shall be held in the call and
9 prepayment fund until the bonds are presented for payment, and the interest
10 on bonds so called shall cease sixty days after the date of first publication
11 of the call.

12 Sec. 371. Section 48-3153, Arizona Revised Statutes, is amended to
13 read:

14 48-3153. Limitation on amount of assessment; special election
15 on assessment in excess of limitation

16 A. No assessment equal to more than two dollars fifty cents per acre
17 per year or in excess of an aggregate of five dollars per acre shall become
18 effective until approved by a majority vote of the qualified electors of the
19 district.

20 B. If the board deems it necessary or advisable to levy an assessment
21 in excess of two dollars fifty cents per acre payable in any one year, or in
22 excess of an aggregate of five dollars per acre, the question of the proposed
23 levy shall be submitted to a vote of the qualified electors of the district
24 at a regular or special election. Notice of the election shall be given by
25 posting notices thereof in three public places in each division of the
26 district for at least twenty days ~~prior to~~ BEFORE the date of the election,
27 and by publication of notice ~~in a newspaper of general circulation~~ ON A
28 PUBLIC MEDIUM published in the county in which the office of the board of
29 directors is located, once a week for at least two successive weeks ~~prior to~~
30 BEFORE the election. The notice shall specify the time of holding the
31 election and shall briefly state the same matters as are required by section
32 48-3151 to be set forth in the resolution of the board of directors levying
33 the assessment.

34 C. The election and the results thereof shall be determined and
35 declared in all respects as nearly as practicable in conformity with the
36 provisions governing the election of directors. No informalities in
37 conducting the election shall invalidate it if the election was otherwise
38 fairly conducted.

39 Sec. 372. Section 48-3155, Arizona Revised Statutes, is amended to
40 read:

41 48-3155. Notice of sale of lands for failure to pay installment
42 or assessment

43 A. The district secretary ~~shall~~, after the date of maturity of an
44 assessment or installment thereof, on unanimous vote of the board of
45 directors in districts having a board composed of three members, or on a

1 two-thirds vote of the directors in districts having a board of nine members,
 2 SHALL prepare a list of the lands ~~upon~~ ON which the assessment or installment
 3 thereof is unpaid and delinquent, describing the lands as they appear ~~upon~~ ON
 4 the district records and the names of the owners thereof respectively, and
 5 stating that so much of each parcel of land as deemed necessary by the
 6 secretary for the purpose ~~will~~, on the date specified, WILL be sold by him at
 7 public auction to the highest and best bidder for cash, at the office of the
 8 district, for the assessment or installment thereof then due and unpaid and
 9 penalties, interest and charges thereon.

10 B. The secretary shall mail the owner of each parcel of land, if the
 11 owner is known, at his last known address as it appears ~~upon~~ ON the district
 12 records, a copy of the notice of the proposed sale. The notice shall be
 13 mailed not less than thirty days ~~prior to~~ BEFORE the date therein fixed for
 14 the sale, and the secretary shall cause the list and notice to be published
 15 at least once a week for two consecutive weeks ~~in a newspaper of general~~
 16 ~~circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the
 17 district office is located, the first of which publications shall be not less
 18 than thirty days ~~prior to~~ BEFORE the date of the sales prescribed therein.

19 Sec. 373. Section 48-3161, Arizona Revised Statutes, is amended to
 20 read:

21 48-3161. Order of conversion; notice to landowners

22 A. The board of directors may order such conversion by a resolution
 23 prescribing the aggregate amount of the lien per acre and the terms,
 24 conditions and procedure for accomplishing the conversion, the times, manner
 25 and method of payment and satisfaction of the converted lien, including the
 26 rate of interest which the converted lien shall bear and the times of payment
 27 thereof, but such interest shall not exceed seven per cent per annum.

28 B. The district secretary shall mail to the owner of each parcel of
 29 land within the district, at his last known address as it appears on the
 30 records of the district, a copy of the resolution, accompanied by a notice
 31 demanding that the landowner, within twenty days after the date of mailing
 32 the notice, execute a good and sufficient note or notes evidencing the amount
 33 of the converted lien, and a mortgage upon the lands of the owner located
 34 within the district and subject to the lien as security for payment of the
 35 note.

36 C. A copy of the resolution and notice shall be published at least
 37 once a week for two consecutive weeks ~~in a newspaper of general circulation~~
 38 ~~within~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in which the district
 39 office is located, the first of which shall be not less than twenty days
 40 ~~prior to~~ BEFORE the date fixed by the notice for execution of the notes,
 41 mortgages or contracts therein mentioned. Publication of the resolution and
 42 notice shall be equivalent to service by mail ~~upon~~ ON any landowner whose
 43 address is unknown.

44 D. The form and contents of the notes and mortgages shall be
 45 prescribed by the board of directors.

1 Sec. 374. Section 48-3182, Arizona Revised Statutes, is amended to
2 read:

3 48-3182. Filing of maps and lists by board of directors prior
4 to bond issue, construction contract or assessment;
5 notice; submission of maps and lists to state
6 certification board

7 Before a bond issue is voted ~~upon~~ ON, a construction contract entered
8 into, or an assessment levied or toll or charge imposed for such major
9 purposes, and when any new general plan is adopted, the board of directors
10 shall:

11 1. File with the board of supervisors and county recorder of the
12 county in which the major part of the lands proposed to be irrigated from
13 district works are located a map or maps certified by the engineer or
14 engineers and by the secretary of the district. The maps shall accurately
15 delineate the boundaries of the district, the proposed location of storage
16 reservoirs, diversion dams, power plants, irrigation canals, principal
17 laterals and the parcels of lands proposed to be irrigated thereby.

18 2. At the time of filing the map or plat, file with the board of
19 supervisors an accurate list certified by its engineer and the secretary of
20 the parcels of land proposed to be irrigated from and to be charged with the
21 cost of the construction.

22 3. After filing the map and list, publish once each week for a period
23 of four weeks ~~in at least one newspaper of general circulation~~ ON A PUBLIC
24 MEDIUM PUBLISHED in each county in which any part of the land is located a
25 notice of filing the map and list. The notice shall contain a description of
26 all lands described in the list and shall direct all persons to appear at a
27 time not later than sixty days from the date of first publication of the
28 notice and show cause before such board of supervisors why the parcels of
29 land so listed, delineated and described should not be finally included
30 within the district subjected to the cost and burdens of the proposed works.
31 The notice shall further direct any and all persons to appear at the same
32 time and place, and show cause why lands within the district omitted from the
33 list should not be excluded from the district. The cost of publication of
34 the notice shall be paid by the district.

35 4. Submit to the state certification board a certified copy of the
36 engineer's report, which shall embrace the map and list together with:

37 (a) All plats, profiles, general drawings, specifications and the
38 engineer's calculations and cost estimates based thereon.

39 (b) A certified statement of the water analysis and data as compiled
40 by the engineer with his calculations and deductions therefrom.

41 (c) A written estimate of the board of directors determining the
42 amount of money necessary to be raised and the character and extent of the
43 obligations to be undertaken to effect the adopted plans and purposes,
44 including the payment of interest for not less than the first two years on
45 the first bond issue.

1 Sec. 375. Section 48-3186, Arizona Revised Statutes, is amended to
2 read:

3 48-3186. Sale of lands under resolution of exclusion;
4 disposition of proceeds; execution of mortgage by
5 entrymen or lessees of state lands

6 A. The lands conveyed to the district pursuant to section 48-3185
7 shall be sold by the district at public sale when irrigation water is
8 available for the lands and after the district obtains title thereto. The
9 proceeds of the sale shall be paid into the district treasury. When the
10 lands so conveyed are improved, the board of directors shall appraise the
11 value which the improvements add to the land, and ~~upon~~ ON sale of the land
12 the district shall pay to the landowner the appraised value of the
13 improvements.

14 B. All sales of land made by the district under the resolution of
15 exclusion shall be held at the door of the courthouse of the county in which
16 the major part of the lands within the district is located. The notice of
17 sale shall be published twenty-four consecutive times ~~in a daily newspaper,~~
18 ~~or five consecutive times in a weekly newspaper, of general circulation~~ ON A
19 PUBLIC MEDIUM PUBLISHED in the county in which the sale is held, and by
20 similar publication in the county in which the land to be sold is located if
21 such lands are in a county other than the county where the sale is held.

22 C. As soon as practicable after any of the lands are sold the proceeds
23 of the sale, less the necessary expenses of sale, and an amount equivalent to
24 the district taxes per acre, plus six per cent per annum, which has been
25 levied on other lands in the district between the date of the resolution of
26 exclusion and the sale of the lands by the district, shall be divided among
27 the owners of record at the date or dates of sale of the lands excluded from
28 the district in proportion to the acreage of each as set forth in the
29 resolution of exclusion adopted by the board of supervisors.

30 D. No owner of such excluded lands shall be paid such money until in
31 consideration of the payment thereof he conveys to the district a good and
32 marketable title, free of all taxes and encumbrances, to his excluded land,
33 or if the land is held under a desert or homestead entry or under contract
34 with the state, a mortgage is executed. Such mortgage shall be governed by
35 the same provisions as mortgages executed by similar landowners on included
36 land.

37 E. An owner of lands excluded from the district who is a successful
38 bidder at the sale of any of the parcels of land sold by the district may be
39 credited upon the purchase price the proportionate amount due him by reason
40 of the conveyance to the district of his excluded land and the sale thereof.

41 Sec. 376. Section 48-3190, Arizona Revised Statutes, is amended to
42 read:

43 48-3190. Election to authorize issuance of bonds

44 A. Notice of election shall be given by posting notices in three
45 public places in the district for at least twenty days ~~prior to~~ BEFORE the

1 date of the election and by publication thereof ~~in a newspaper~~ ON A PUBLIC
2 MEDIUM published in the county in which the office of the board of directors
3 is located, once a week for at least three successive weeks ~~prior to~~ BEFORE
4 the election. The notice shall specify the time of holding the election, the
5 maximum principal amount of bonds proposed to be issued, the purpose for
6 which the bonds are to be issued and the maximum rate of interest which the
7 bonds are to bear and the location of the polling places.

8 B. Except as otherwise provided, the election shall be held and the
9 result thereof determined and declared in all respects as nearly as
10 practicable in conformity with article 4 of this chapter governing the
11 election of directors. No informalities in conducting the election shall
12 invalidate the election if it has been otherwise fairly conducted.

13 C. At the election the ballot shall contain the words: "Bonds--Yes,—" ~~and~~
14 and "Bonds--No,—" . To the right of and opposite each phrase shall be placed
15 a square approximately the size of the squares placed opposite the names of
16 candidates on ballots. The voter shall indicate his vote "Bonds--Yes" or
17 "Bonds--No" by inserting the mark "X" in the square opposite such phrase. No
18 other question, word or figure need be printed on the ballot. The ballot
19 need not be of any particular size, and sample ballots are not required to be
20 printed, posted or distributed. If the majority of the votes cast is
21 "Bonds--Yes,—" the bonds shall be sold at such times and in such amounts as
22 the board of directors deems advisable.

23 D. When thereafter the board deems it for the best interest of the
24 district that bonds be issued for district purposes and that the question of
25 issuance thereof be submitted to the electors, the board shall adopt a
26 resolution to that effect and record it in its minutes, and the board may
27 thereupon submit the questions to the electors in the same manner and with
28 like effect as at the previous election.

29 Sec. 377. Section 48-3198, Arizona Revised Statutes, is amended to
30 read:

31 48-3198. Sale of bonds; notice; minimum price; use of unsold
32 bonds

33 A. The board may sell bonds from time to time in such quantities as
34 may be necessary and most advantageous to raise money for the purposes for
35 which they were authorized. Before making any sale the board shall by
36 resolution entered in the records of the board declare its intention to sell
37 the whole or such portion of the bonds as the board deems advisable and fix
38 the day, hour and place of sale.

39 B. Notice of the sale shall be given by publication thereof at least
40 three weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the county in
41 which the office of the district is located ~~and in such other newspaper or~~
42 ~~newspapers as the board of directors directs~~. The notice shall state that
43 sealed proposals will be received by the board at its office for the purchase
44 of bonds until the day and hour named in the resolution and that the right to
45 accept or reject any or all bids is reserved.

1 C. At the time appointed the board shall open the bids and may award
2 the purchase of the bonds to the highest responsible bidder or may reject any
3 or all bids, but no bid shall be accepted ~~which~~ THAT is not accompanied by a
4 certified check for at least five per cent of the amount of bid to apply on
5 the purchase price of the bonds. The check shall be forfeited if after the
6 acceptance of the bid the bidder refuses to accept the bonds and complete the
7 purchase thereof on the conditions stated in the bid. The board in no event
8 shall sell any of the bonds for less than eighty-five per cent of the face
9 value thereof.

10 D. If no award is made, the board thereafter may either readvertise
11 the bonds or any part thereof for sale, or sell them or any part thereof at
12 private sale for not less than eighty-five per cent of the face value
13 thereof.

14 E. The board may use any bonds ~~which~~ THAT have been offered for sale
15 at public sale ~~which~~ AND THAT are unsold in payment for the construction of
16 works of the district without calling for bids for such construction, and may
17 enter into contracts providing for the payment of the construction in bonds.
18 Such contracts may provide for payment of a fixed contract price, or the cost
19 of construction plus a fixed percentage thereof, or the cost of construction
20 plus a fixed amount, in the discretion of the board, but eighty-five per cent
21 of the par value is the minimum price at which such bonds may be used in
22 payment for construction, and such use of bonds and any such contract shall
23 be approved by the state certification board.

24 Sec. 378. Section 48-3219.01, Arizona Revised Statutes, is amended to
25 read:

26 48-3219.01. Sale of bonds

27 A. Bonds shall be sold at public or private sale, as the board of
28 directors may determine.

29 B. If the board of directors determines to sell such bonds at public
30 sale, notice of the sale shall be given by publication for at least three
31 days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in
32 the county in which the office of the board of directors is located, ~~and in~~
33 ~~such other newspaper as the board directs~~. The notice shall state that
34 sealed bids will be received by the board at its office for the purchase of
35 the bonds until the day and hour named in the resolution.

36 C. At the time appointed, the board shall meet and open the bids and
37 award the purchase of the bonds or reject any or all bids. The board, by the
38 resolution and notice, may require a deposit or certified check as an
39 evidence of good faith to accompany each bid for the bonds. The bonds may be
40 sold at such price or prices as the board may determine.

41 D. The district secretary shall keep a record of the bonds sold, their
42 number, the date of sale, the price received and the name of the purchaser or
43 purchasers.

1 Sec. 379. Section 48-3226, Arizona Revised Statutes, is amended to
2 read:

3 48-3226. Payment of matured refunding bonds or coupons:
4 cancellation of redeemed bonds

5 A. When any refunding bonds mature the district treasurer shall give
6 notice for four weeks ~~in a newspaper~~ ON A PUBLIC MEDIUM published in the
7 county in which the district is located of the intention to redeem such
8 bonds, stating the amount thereof. The redemption shall thereupon be made
9 and all such bonds shall cease to draw interest at the expiration of four
10 weeks after the date of notice. If the bonds called for redemption are not
11 presented within three months from the date of notice, the treasurer shall
12 apply the money to the redemption of bonds next in the order of the number of
13 their issue.

14 B. The interest coupons when due and payable shall be delivered to the
15 treasurer who shall pay the interest and write the word "cancelled" across
16 the face thereof, which shall be the treasurer's receipt for their payment.
17 When any bonds are redeemed the treasurer shall in like manner mark them
18 "cancelled" on the face thereof, over his signature, and deliver them to the
19 secretary of the district, taking his receipt therefor, and the secretary
20 shall file them in his office and report that they have been filed to the
21 directors.

22 Sec. 380. Section 48-3241, Arizona Revised Statutes, is amended to
23 read:

24 48-3241. Petition for hearing where district in default on
25 financial obligations; notice of hearing

26 A. An irrigation district in default or about to default in the
27 discharge of its financial obligations in respect to any issued and
28 outstanding bonds or the holder of a bond in respect to which an irrigation
29 district may then be in default may petition the state certification board to
30 call a meeting of the holders of all the outstanding bonds for the purposes
31 and with the powers provided by this article.

32 B. The petition on behalf of the irrigation district shall be by
33 resolution of its board of directors, signed by the president and attested by
34 the secretary of the district, setting forth the difficulties and the
35 problems of the district and the relief sought. The petition on behalf of
36 the holder of the bond shall be subscribed and sworn to by the holder, shall
37 describe the nature of the obligation of the district in respect to which
38 default exists and shall be attached thereto the certificate of the county
39 treasurer by or through whom the obligation is due to be paid that such
40 obligation is the obligation of the district, is outstanding and unpaid and
41 that such district is in default in respect thereto.

42 C. ~~Upon~~ ON the filing of the petition, the chairman of the state
43 certification board shall fix a date for hearing the petition by the state
44 certification board, and shall call a meeting thereof for such purpose and
45 give written notice of the time, place and purpose thereof, which shall be

1 served ~~upon~~ ON the secretary of the district not less than ten or more than
 2 thirty days ~~prior to~~ BEFORE the date of such meeting, and published for at
 3 least ten days ~~prior to~~ BEFORE the date of the meeting ~~in a newspaper of~~
 4 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the
 5 principal office of the district is located.

6 D. At the time and place designated or such continuations thereof as
 7 may be ordered, the state certification board shall hear evidence in support
 8 of and against the granting of the petition. If the state certification
 9 board is satisfied that a petition filed on behalf of a district is duly
 10 authorized and executed, or that a petition filed by the holder of a bond is
 11 in the form prescribed by subsection B OF THIS SECTION and that the district
 12 is in default in respect to the obligation described therein, the petition
 13 shall be granted forthwith, and the state certification board shall
 14 immediately by resolution call a meeting of the holders of all the issued and
 15 outstanding bonds of the district, to be held at the state capitol on a date
 16 fixed ~~which~~ THAT shall be not less than sixty nor more than ninety days from
 17 the date of adoption of the resolution. The state certification board shall
 18 cause notice of the time, place and purpose of the meeting to be given to all
 19 concerned by publishing such notice for at least two weeks immediately
 20 preceding the date of the meeting ~~in a daily newspaper~~ ON A PUBLIC MEDIUM
 21 published in the city of Phoenix ~~and of general circulation in the state~~ and
 22 in at least two issues immediately preceding the date of such meeting of at
 23 least one financial journal of national circulation published in the city of
 24 New York.

25 Sec. 381. Section 48-3245, Arizona Revised Statutes, is amended to
 26 read:

27 48-3245. Publication of bondholders' agreement: filing of
 28 dissents to agreement

29 A. ~~Upon~~ ON presentation of the petition to the judge of the superior
 30 court, either in open court or in chambers, the judge shall direct the
 31 district to publish, and the district shall cause to be published, as nearly
 32 concurrently as practicable, for at least four consecutive weeks ~~in a~~
 33 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM published in the county
 34 in which the office of the district is located and in one financial journal
 35 of national circulation published in the city of New York, designated by the
 36 court, a notice describing in substance the terms of the bondholders'
 37 agreement under which the outstanding bonds of the district are to be
 38 surrendered, refunded, satisfied, compromised, exchanged or discharged. A
 39 certified copy of the notice and petition shall forthwith be served ~~upon~~ ON
 40 the state certification board and on the state treasurer.

41 B. The notice shall contain a general description of the bonds to be
 42 refunded or retired and the amount thereof, and a general description of the
 43 refunding bonds, if any, to be issued under the terms of the bondholders'
 44 agreement, and shall require all holders of outstanding bonds to be retired
 45 or refunded to file in such superior court their written dissent from or

1 objection to the proposed plan of settlement described in the notice. If the
2 dissent in writing is not filed within ninety days after the first
3 publication of notice in the financial journal, the owners and holders of
4 outstanding bonds failing to file a dissent or objection shall be deemed to
5 have consented to the terms and provisions of the bondholders' agreement and
6 the provisions of this article.

7 Sec. 382. Section 48-3423, Arizona Revised Statutes, is amended to
8 read:

9 48-3423. Notice of hearing; bond for expenses of organization

10 A. When the petition is filed with the board of supervisors, the board
11 shall examine it and investigate the signatures thereon. If the board finds
12 that the petition conforms to the provisions of this chapter, it shall fix
13 the amount of probable expenses which will be incurred in the organization of
14 the district. The committee named in the petition shall thereupon give a
15 bond, subject to approval by the board, for not less than twice the amount so
16 fixed, guaranteeing repayment to the county of such expenses. The expenses
17 of organization shall be paid from county funds, but if the district is not
18 organized, the county shall be reimbursed by the principals and sureties on
19 the bond. If the district is organized, the expenses shall become a charge
20 against the district and paid as soon as funds are available.

21 B. ~~Upon~~ ON approval of the bond the board shall set the petition for
22 hearing at a time not less than twenty nor more than forty days thereafter,
23 and shall publish the petition, together with notice of the date fixed for
24 hearing thereof, not less than twice, the last publication to be not less
25 than ten days before the hearing, ~~in a daily or weekly newspaper~~ ON A PUBLIC
26 MEDIUM published in the county. The board shall post not less than five
27 copies of the petition, together with notice of the date of the hearing, for
28 every one hundred acres or fraction thereof within the proposed district, not
29 less than fifteen days before the hearing at conspicuous places within the
30 proposed district.

31 Sec. 383. Section 48-3604, Arizona Revised Statutes, is amended to
32 read:

33 48-3604. Establishing zones in the district

34 A. The board may divide the area of jurisdiction into two or more
35 zones, the boundaries of which shall be described in a resolution adopted at
36 a hearing held pursuant to subsection C OF THIS SECTION.

37 B. The board may alter the boundary lines of any previously
38 established zone or zones pursuant to subsection C OF THIS SECTION.

39 C. Before establishing zones or altering their boundary lines, the
40 board shall fix a date for a hearing, which shall be not less than twenty-one
41 days nor more than forty days from the date of the resolution. Any
42 interested citizen may appear at the hearing and be heard on any matter
43 relating to the reasonableness of establishing the zones. Notice of the
44 hearing shall be published once a week for three consecutive weeks ~~in a~~
45 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of

1 jurisdiction and zone and shall be posted in not less than thirty public
2 places in the zone. The posting and the first date of the publications shall
3 be not less than three weeks before the date of the hearing.

4 D. The board shall meet at the time and place fixed for the hearing
5 and may adjourn the hearing from time to time. At the hearing any interested
6 owner of real property in the proposed zone may appear and be heard on any
7 matter relating to the establishment of the zone and may allege that his real
8 property in the proposed zone will not be benefited by the proposed
9 improvements. If after the hearing it appears to the board that the
10 establishment of the zone is necessary and desirable to carry out the objects
11 and purposes of the district in the proposed zone and that all property in
12 the zone will benefit by the establishment of the zone, the board shall
13 establish the zone. If the board determines that any property in the
14 proposed zone is not benefited, it shall delete the property from the zone.
15 Thereupon the board shall adopt a resolution establishing the zone and shall
16 file with the county recorder, the county assessor and the department of
17 revenue a certified copy of the resolution and a map showing the zone and its
18 boundaries. The board shall publish a copy of the resolution once a week for
19 three consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
20 MEDIUM PUBLISHED in the area of jurisdiction and zone and shall post a copy
21 of the resolution in not less than thirty public places in the zone.

22 E. A party aggrieved by action of the board in establishing a zone may
23 bring an action in the superior court in the county in which the area of
24 jurisdiction is located to set aside the action of the board. The action
25 shall be heard in a trial de novo. The action must be instituted not more
26 than thirty-five days after the last publication or date of posting,
27 whichever is later, of the copy of the resolution establishing the zone.

28 Sec. 384. Section 48-3609, Arizona Revised Statutes, is amended to
29 read:

30 48-3609. Floodplain delineation; regulation of use; federal
31 requirements and definitions

32 A. Except as provided in section 48-3610, the board within its area of
33 jurisdiction shall delineate or may by rule require developers of land to
34 delineate for areas where development is ongoing or imminent, and thereafter
35 as development becomes imminent, floodplains consistent with the criteria
36 developed by the director of water resources.

37 B. Except as provided in section 48-3610, the board shall adopt and
38 enforce regulations governing floodplains and floodplain management in its
39 area of jurisdiction, which shall include the following:

40 1. Regulations for all development of land, construction of
41 residential, commercial or industrial structures or uses of any kind ~~which~~
42 THAT may divert, retard or obstruct floodwater and threaten public health or
43 safety or the general welfare.

44 2. Regulations ~~which~~ THAT establish minimum flood protection
45 elevations and flood damage prevention requirements for uses, structures and

1 facilities ~~which~~ THAT are vulnerable to flood damage. Regulations adopted
2 under this section shall comply with state and local land use plans and
3 ordinances, if any.

4 3. Regulations ~~which~~ THAT provide for coordination by the district
5 with all other interested and affected political subdivisions and state
6 agencies.

7 4. Regulations that require any residential structure built in a
8 floodplain to be constructed so as to place the lowest floor elevation of the
9 structure at or above the regulatory flood elevation, that require commercial
10 or industrial structures to be flood proofed or elevated to or above the
11 regulatory flood elevation and that prohibit any activity in a designated
12 floodway, including fill, that would increase the water surface elevation
13 during a base flood.

14 5. Regulations to allow a mobile home located in a floodplain on
15 August 3, 1984 to be replaced by another mobile home if:

16 (a) The mobile home to be replaced was not damaged by a flood to more
17 than fifty per cent of its value before the flood.

18 (b) The replacement mobile home is elevated so that the bottom of the
19 structural frame or the lowest point of any attached appliances, whichever is
20 lower, is at or above the regulatory flood elevation.

21 6. Regulations that require all new placement of mobile homes to be
22 anchored to prevent flotation, collapse or movement.

23 7. Variance procedures to permit variances from the regulations that
24 do not result in danger or damage to persons or property in floodplains in
25 the area of jurisdiction. Variances may be granted only if special
26 circumstances, such as size, shape, topography, location or surroundings of
27 the property, would cause the strict application of the regulations to
28 deprive the property of privileges enjoyed by similar property in the
29 floodplain. A variance is subject to conditions to ensure that the variance
30 does not constitute a grant of special privileges inconsistent with the
31 limitations on similar property in the floodplain.

32 C. Waste disposal systems shall not be installed wholly or partially
33 in a regulatory floodway.

34 D. Water supply, water treatment and sewage collection and disposal
35 systems built in a regulatory floodplain shall be designed to prevent or
36 minimize floodwater infiltrating the systems and to prevent or minimize
37 floodwater contamination during the base flood.

38 E. Floodplain regulations enacted pursuant to this article may only be
39 adopted after a public hearing at which parties in interest and other
40 citizens have an opportunity to be heard. At least thirty days before the
41 hearing, a notice of the time and place of the hearing shall be published ~~in~~
42 ~~a newspaper of general circulation within~~ ON A PUBLIC MEDIUM PUBLISHED IN the
43 county ~~or, if no newspaper of general circulation is regularly published, in~~
44 ~~a newspaper of general circulation nearest the area of jurisdiction.~~ A
45 notice of any hearing accompanied by a copy of each of the proposed

1 regulations shall be furnished to the director at least thirty days before
2 the date of the hearing. A copy of any regulation adopted by a district
3 pursuant to this article shall within five days thereafter be filed with the
4 director and with each political subdivision and municipal corporation in the
5 area of jurisdiction.

6 F. All development of land, construction of residential, commercial or
7 industrial structures or future development within delineated floodplain
8 areas is prohibited unless floodplain regulations have been adopted pursuant
9 to this article for such floodplain area and are in full force and effect.

10 G. Before adopting regulations the board may issue a special permit
11 authorizing construction or development if the board finds that construction
12 or development is not a danger to persons or property.

13 H. Unless expressly provided, this article and any regulations adopted
14 pursuant to this article do not affect:

15 1. Existing legal uses of property or the right to continuation of
16 such legal use. However, if a nonconforming use of land or a building or
17 structure is discontinued for twelve months or destroyed to the extent of
18 fifty per cent of its value, as determined by a competent appraiser, any
19 further use shall comply with this article and regulations of the district.

20 2. Reasonable repair or alteration of property for the purposes for
21 which the property was legally used on August 3, 1984 or on the date any
22 regulations affecting such property take effect, except that any alteration,
23 addition or repair to a nonconforming building or structure which would
24 result in increasing its flood damage potential by fifty per cent or more
25 shall be either flood proofed or elevated to or above the regulatory flood
26 elevation.

27 3. Reasonable repair of structures constructed with the written
28 authorization required by section 48-3613.

29 4. Facilities constructed or installed pursuant to a certificate of
30 environmental compatibility issued pursuant to title 40, chapter 2,
31 article 6.2.

32 I. Within one hundred twenty days after completion of construction of
33 any flood control protective works ~~which~~ THAT changes the rate of flow during
34 the flood or the configuration of the floodplain upstream or downstream from
35 or adjacent to the project, the person or agency responsible for installation
36 of the project shall provide to the governing bodies of all jurisdictions
37 affected by the project a new delineation of all floodplains affected by the
38 project. The new delineation shall be done according to the criteria adopted
39 by the director of water resources.

40 J. A flood control district or appropriate public agency ~~which~~ THAT
41 has failed to adopt or enforce floodplain regulations required by this
42 section shall not be eligible for disaster relief identified by section
43 35-192, subsection D, paragraphs 3 and 5. The director of water resources
44 shall advise the director of the division of emergency management within the
45 department of emergency and military affairs of such failure to comply.

1 K. A district and its agents may have reasonable access as provided by
2 written authorization issued pursuant to section 48-3613 or if no
3 authorization has been issued during business hours or in the case of an
4 emergency, at any time, to enter and inspect any development on real property
5 that is located in a floodplain in order to determine whether an owner is in
6 violation of this chapter. This subsection does not authorize the inspection
7 of any records or files on a site or the interior of any building. A
8 district shall attempt to provide written notice to the owner at least
9 forty-eight hours in advance that the real property is to be inspected and
10 that the owner or the owner's agent may accompany the district inspector on
11 the inspection. A district inspector shall comply with any safety
12 requirements that may be applicable to a particular site. The district shall
13 prepare a report of any inspections made pursuant to this subsection. The
14 report shall be made available in the records of the district and a copy sent
15 to the owner within thirty days after the inspection.

16 L. The floodplain regulations adopted by a district pursuant to this
17 chapter are intended to carry out the requirements of the national flood
18 insurance program and any term not otherwise defined in this chapter shall
19 have the meaning set forth in 44 Code of Federal Regulations parts 59 through
20 78, as effective on January 1, 2005.

21 Sec. 385. Section 48-3616, Arizona Revised Statutes, is amended to
22 read:

23 48-3616. Survey and report of flood control problems and
24 facilities; comprehensive program; adoption by
25 board; hearing

26 A. After a flood control district has been established in a county
27 having a population of over three hundred thousand persons according to the
28 latest federal decennial census, the board shall cause the chief engineer to
29 make or have made by the flood control engineer or by qualified private
30 engineers a survey of the flood control problems of the district and to
31 prepare a report describing existing flood control facilities in the area,
32 recommendations as to cooperation between the district and the owner or
33 owners of existing facilities, recommendations and a preliminary plan for the
34 construction or other acquisition of facilities to carry out the purpose of
35 the district, a description of the property proposed to be acquired or
36 damaged in performing the work, a program for carrying out the regulatory
37 functions, a map showing the district boundaries and location of the work
38 proposed to be done and property taken or damaged, an estimate of the cost of
39 the proposed work and such other things as the board of directors may
40 request. Before submission to the board of directors the report shall be
41 submitted to the citizens' advisory board if one is established for its
42 review and recommendations. The report shall be prepared at least every five
43 years beginning in 1985 and shall indicate the past efforts of the district
44 in eliminating or minimizing flood control problems and state the planned
45 future work of the district to eliminate or minimize flood control problems.

1 B. The chief engineer and his staff shall then prepare a comprehensive
2 program of flood hazard mitigation, taking into consideration the
3 recommendations submitted in the report. When a comprehensive program
4 satisfactory to the board is available, the board shall tentatively adopt and
5 schedule a public hearing on the program and the performance of the proposed
6 work. The comprehensive program shall be reviewed and modified as necessary
7 to reflect the past and future planned flood control works of the district.
8 Notice of the hearing shall be given by publication once a week for two
9 consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
10 PUBLISHED in the area of jurisdiction, the first of which shall be at least
11 ten days before the date fixed for the hearing.

12 C. The chief engineer and his staff shall prepare and submit to the
13 board a five year capital improvement program in a form approved by the
14 board. The program and annual extensions shall be submitted to the board at
15 least three months before the final date for submission of the annual budget.
16 The program shall separately identify capital improvements for engineering,
17 rights-of-way and land acquisition and construction with such supporting
18 explanations, cost estimates and completion schedules as the board may
19 require. The program shall be annually reviewed for endorsement by the
20 citizens' advisory board if one is established.

21 D. After a flood control district has been established in a county
22 with a population of fewer than three hundred thousand persons, the chief
23 engineer may conduct a survey of flood control problems, prepare a
24 comprehensive program for flood control and a five year capital improvement
25 program pursuant to this section. He shall at least make an assessment of
26 flood control problems in the area of jurisdiction and make an annual report
27 of his findings and recommendations for dealing with them to the board.

28 Sec. 386. Section 48-3618, Arizona Revised Statutes, is amended to
29 read:

30 48-3618. Resolution calling for bond election; notice; manner
31 of conducting election

32 A. After a county flood control district has been established pursuant
33 to this article, the board may order that facilities be acquired,
34 constructed, operated and maintained from available monies of the district.
35 If sufficient monies are not available, the board may call an election of the
36 electors of the district qualified to vote under article VII, section 13,
37 Constitution of Arizona, to obtain approval for incurring bonded indebtedness
38 of the district to obtain revenue to acquire by purchase, construction or
39 otherwise all or any portion of such facilities.

40 B. After authority has been acquired for instituting a project within
41 a zone or a joint project by two or more contiguous zones in a district
42 established under this article, the board may order that the facilities
43 approved in the project or joint project be acquired, constructed, operated
44 and maintained from the monies held by the district treasurer for expenditure
45 in the respective zone or zones. If sufficient monies are not available, the

1 board may call an election of the electors of the zone, or of the zones for
2 which a joint project has been authorized, who are qualified to vote under
3 article VII, section 13, Constitution of Arizona, to obtain approval for
4 incurring bonded indebtedness to obtain revenue to acquire by purchase,
5 construction or otherwise all or any portion of the facilities.

6 C. The board resolution shall set forth the purpose of the
7 indebtedness, the amount of the indebtedness, the maximum number of years for
8 which the indebtedness is to be incurred, the maximum rate of interest to be
9 paid and the date of the election and shall list the voting places to be used
10 at the election. The election must be held on the first Tuesday following
11 the first Monday in November as prescribed by section 16-204, subsection B,
12 paragraph 1, subdivision (d). The resolution constitutes a notice of the
13 election and shall be published once each week for three consecutive weeks ~~in~~
14 ~~a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area
15 of jurisdiction, or if there is no ~~such newspaper~~ PUBLIC MEDIUM, then notice
16 shall be posted in not less than three public places within the area of
17 jurisdiction, the first of which publications shall be not less than twenty
18 days before the date fixed for the election. ~~Publication on the same day of~~
19 ~~each week is sufficient whether or not a daily newspaper is used for the~~
20 ~~publication.~~

21 D. Except as otherwise expressly provided, the election shall be
22 called and held and the results canvassed in the manner provided by the laws
23 of this state for holding elections on the issuance of bonds by counties for
24 general county purposes. For purposes of the election the board may treat
25 the entire district as a single precinct or may divide the district into such
26 precincts and fix such polling places as it may see fit.

27 E. If a majority of the votes cast on the proposition is in favor of
28 incurring the bonded indebtedness proposed, the bonds so authorized may be
29 sold and issued by the board of directors either at one time or in blocks.

30 Sec. 387. Section 48-3619, Arizona Revised Statutes, is amended to
31 read:

32 48-3619. Form, issuance and sale of bonds; limitation on bonded
33 indebtedness; payment of bonds and interest

34 A. The bonds authorized pursuant to section 48-3618 shall be issued
35 for the general purpose or purposes provided in the voted proposition, which
36 may be the acquisition by purchase, construction or otherwise of any
37 facilities designed to further the objects or purposes of the district or for
38 improving and extending any such facilities, or any combination of such
39 purposes, and may include the payment of all legal, engineering and fiscal
40 expenses reasonably incurred in connection with the authorized purposes of
41 the bonds and with the authorization and issuance of the bonds as well as
42 expenses incurred in connection with the original organization of the
43 district. The bonds shall be fully negotiable for all purposes and shall
44 never be issued in an amount ~~which~~ THAT:

1 1. Together with all other existing bonded indebtedness of the
2 district then outstanding, exceeds in total principal amount five per cent of
3 the assessed valuation of taxable property in the district as computed from
4 the last assessment roll for county purposes completed before issuing the
5 bonds.

6 2. Together with all other existing bonded indebtedness of a zone then
7 outstanding for which the property of a zone is subject to tax under this
8 article, exceeds in total principal amount five per cent of the assessed
9 valuation of taxable real property in the zone as computed from the last
10 assessment roll for county purposes completed before issuing the bonds.

11 B. The limitation on bonded indebtedness does not apply in those
12 districts or zones ~~which~~ THAT embrace portions of two or more irrigation
13 districts ~~which~~ THAT have water delivery contracts with the United States
14 pursuant to federal reclamation laws.

15 C. The bonds are the general obligations of the district, zone or
16 zones and the full faith, credit and resources of the district, zone or zones
17 shall be pledged for their payment. The board shall certify to the board of
18 supervisors to levy annually on all taxable real property in the district,
19 zone or zones secondary property taxes fully sufficient without limitations
20 as to rate or amount to pay principal of and interest on such bonds as
21 principal and interest fall due.

22 D. The bonds shall mature at such time or times not more than forty
23 years from their date, shall bear interest at such rate or rates set by the
24 accepted bid, which shall not exceed the maximum rate of interest stated in
25 the resolution calling the election, shall be payable at such place or places
26 within or without this state and generally shall be issued in such manner and
27 with such details as may be provided in the resolution. The bonds may be
28 made callable on any interest payment date at a premium not to exceed three
29 per cent of their face amount. If the district has any source of revenues
30 other than from the proceeds of taxes, all or such part of the revenues as
31 the board of directors may deem advisable may, in the discretion of the
32 board, be pledged to the payment of the bonds.

33 E. The board may provide in the resolution authorizing bonds that the
34 bonds shall recite that they are issued under authority of this article.
35 Such recital conclusively imports full compliance with this article and all
36 bonds issued containing the recital are incontestable for any cause
37 whatsoever after their delivery for value.

38 F. The board may provide for the publication of any resolution or
39 other proceeding adopted by the board ~~in a newspaper of general circulation~~
40 ON A PUBLIC MEDIUM PUBLISHED in the area of jurisdiction. For a period of
41 thirty days after the date of publication any person in interest may contest
42 the legality of the resolution or proceedings of any bonds ~~which~~ THAT may be
43 authorized, or the provisions made for the security and payment of the bonds,
44 and after such time no person has any cause of action to contest the

1 regularity, formality, legality or source of payment for any cause
2 whatsoever.

3 G. Subject to this section, the board shall declare by resolution its
4 intention to sell such bonds and shall fix the date, hour and place of sale
5 and shall give notice of the sale of the bonds by publication for at least
6 ten days ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED
7 in the area of jurisdiction ~~and in any other newspaper as the board directs~~.
8 The notice shall state that sealed bids only will be received by the board
9 for the purchase of the bonds, and the bonds will be awarded to the highest
10 responsible bidder at a price of not less than par and accrued interest, and
11 that a good faith check equal to two per cent of the principal amount of
12 bonds to be sold must accompany all sealed bids. The board may reject any
13 and all bids. The bonds may be in denominations or multiples of one thousand
14 dollars and shall be signed by such officers of the board as are designated
15 by resolution adopted by the board. Any bonds bearing the signature of
16 officers in office at the date of signing are valid and binding for all
17 purposes, notwithstanding that before their delivery any such person whose
18 signature appears on the bonds may no longer be an officer.

19 H. Bonds may be issued by the district after the issuance of all of
20 the first bonds but must be issued pursuant to the making of a supplemental
21 engineer's program and a hearing as prescribed in this section.

22 I. Bonds issued under authority of this article do not enjoy a
23 priority over other bonds issued under this article by reason of time of
24 authorization or issuance. Bonds issued under this article are not taxable
25 by this state or by any county, city, town or other political subdivision of
26 this state.

27 J. All bonds issued under this article are legal investments for all
28 trust funds, including those under jurisdiction of this state, and for the
29 funds of all insurance companies, banks and trust companies, for the
30 investment of state monies and for all sinking funds under the control of
31 this state and political subdivisions of this state.

32 Sec. 388. Section 48-3620.02, Arizona Revised Statutes, is amended to
33 read:

34 48-3620.02. Authority for zone projects

35 A. For the purpose of acquiring authority to proceed with any project
36 of special benefit to a zone, as well as for the purpose of acquiring
37 authority to proceed with any joint project by any two or more contiguous
38 zones, as provided by section 48-3620.01, the board of directors shall adopt
39 a resolution stating its intention to undertake the zone project or joint
40 project, together with the engineering estimates of the project's cost to be
41 borne by any participating zones, ~~AND~~ fixing a time and place for a public
42 hearing on the resolution. NOTICE SHALL BE GIVEN once a week for two
43 consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
44 PUBLISHED in the affected zone or zones, the first of which publications
45 shall be at least ten days before the date fixed for the hearing or, if there

1 is no ~~such newspaper~~ PUBLIC MEDIUM, by posting the notice for two consecutive
2 weeks before the hearing in three public places in each of the affected
3 zones. The notice shall designate a public place in each of the zones where
4 a copy of the map or maps of any joint project may be seen by an interested
5 person.

6 B. At the time and place fixed for the hearing or at any time to which
7 the hearing may be continued, the board shall consider all written and oral
8 objections to the proposed project or joint project. On the conclusion of
9 the hearing, the board may abandon or proceed with the proposed project or
10 joint project unless written protests against the proposed project or joint
11 project, signed by a majority in number of the electors, as defined in
12 article VII, section 13, Constitution of Arizona, of the project zone or any
13 of the zones in a proposed joint project, are filed with the board of
14 directors before the conclusion of the hearing, in which event the project or
15 joint project shall be abandoned.

16 C. After a zone project or a joint project has been authorized and
17 adopted, the board may, without the necessity of any further hearing, make
18 such changes in the project as it may deem desirable to facilitate the
19 program, consistent with the objects, purposes and powers of the district
20 prescribed by section 48-3603.

21 Sec. 389. Section 48-3705, Arizona Revised Statutes, is amended to
22 read:

23 48-3705. Notice; hearing on petitions; transcript

24 A. ~~Upon~~ ON receipt of petitions from three or more counties, the
25 director shall set a date for hearing on the petitions not less than thirty
26 days nor more than sixty days after the date of filing of such petitions.
27 The director shall cause a signed notice giving the time and place of the
28 hearing on the petitions to be:

29 1. Mailed by certified mail to the board of supervisors of each county
30 in the state.

31 2. Published at least once each week for two consecutive weeks ~~in~~
32 ~~newspapers of general circulation~~ ON A PUBLIC MEDIUM published in each of the
33 counties of the state, ~~or, if no newspaper is published in a particular~~
34 ~~county, in a newspaper published in an adjoining county.~~

35 3. Posted in three or more conspicuous places in each county in the
36 state at least two weeks before the date set for hearing.

37 B. Any county not included in the petitions for which notice of the
38 hearing has been given may file with the director a petition to be included
39 in such district. Such petition may be filed at any time up to ten days
40 ~~prior to~~ BEFORE the date of the hearing on the original petitions and, if
41 filed, shall be considered as though filed with such petitions. The
42 petitioners so filing shall serve notice of such filing on the clerks of the
43 boards of supervisors of the original petitioning counties, and shall publish
44 a copy of such notice ~~in a newspaper of general circulation~~ ON A PUBLIC
45 MEDIUM PUBLISHED in the county which they represent not less than five days

1 ~~prior to~~ BEFORE the date of the hearing. No further notice of the inclusion
2 of additional counties shall be required.

3 C. At the hearing, any affected person may appear and be heard on any
4 matter relating to the establishment of the proposed district.

5 D. The director shall cause a transcript to be made of all
6 proceedings.

7 Sec. 390. Section 48-3732, Arizona Revised Statutes, is amended to
8 read:

9 48-3732. Time for hearing; notice; summons; parties; pleadings

10 A. ~~Upon~~ ON filing of the petition in the superior court, the court
11 shall fix a time for the hearing on the petition, which shall be not less
12 than sixty days from the date of filing the petition, and shall order the
13 clerk of the court to issue summons directed to all persons whose rights may
14 be affected by any judgment rendered in the proceeding. The court shall also
15 order the clerk to give notice of the filing of the petition and the date of
16 the hearing thereon by publishing the summons at least once a week for four
17 consecutive weeks ~~in a newspaper published or of general circulation~~ ON A
18 PUBLIC MEDIUM PUBLISHED in the county in which the office of the petitioner
19 is located, and such other counties as the court may order, the last of the
20 publications to be not less than fifteen days ~~prior to~~ BEFORE the date fixed
21 for the hearing.

22 B. The summons shall state the time and place fixed for hearing the
23 petition and that any person whose rights may be affected by any judgment
24 rendered may not less than ten days before the date fixed for hearing the
25 petition answer the petition and after such answer, may appear at the hearing
26 and contest the granting of the petition and the entry of any order of
27 confirmation or validation.

28 Sec. 391. Section 48-3780, Arizona Revised Statutes, is amended to
29 read:

30 48-3780. Qualification as a member service area; termination

31 A. The service area of a municipal provider qualifies as a member
32 service area only if all of the following apply:

33 1. The service area is located in an active management area in which a
34 part of the central Arizona project aqueduct is located.

35 2. The municipal provider is not a member of a groundwater
36 replenishment district established pursuant to chapter 27 of this title.

37 3. The service area of the municipal provider is not a water district
38 member service area under chapter 28 of this title.

39 4. If the municipal provider or its predecessor previously terminated
40 member service area status pursuant to subsection B of this section, the
41 service area or any portion of the service area has not been a member service
42 area for at least ten years. The district may waive this requirement if the
43 district and the director of water resources determine that previously
44 unforeseen circumstances necessitate requalification of the service area.

1 5. If the municipal provider or its predecessor previously terminated
2 member service area status pursuant to subsection B of this section, the
3 municipal provider agrees to pay to the district all charges that would have
4 otherwise been imposed by the district had the member service area status
5 remained in effect during the period since termination became effective.

6 6. If all or a portion of the service area has previously qualified as
7 a member service area, the municipal provider agrees to pay an amount equal
8 to the amount of the replenishment taxes assessed against its predecessor
9 that were not paid, plus interest calculated in accordance with section
10 48-3782, subsection A.

11 7. The conditions stated in section 45-576.01, subsection B,
12 paragraphs 2 and 3 are satisfied with respect to the district at the time of
13 the qualification.

14 8. The municipal provider publishes a resolution once each week for
15 two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
16 MEDIUM PUBLISHED in the county or counties where the service area is located
17 that:

18 (a) Has attached to it a current map of the municipal provider's
19 service area.

20 (b) Declares the intent of the municipal provider that the service
21 area qualify as a member service area under this chapter.

22 (c) Declares that, for the privilege of withdrawing and delivering
23 excess groundwater within its service area and to ensure the continued
24 exercise of that privilege, the municipal provider shall pay an annual
25 replenishment tax to be determined by the district.

26 (d) Contains a covenant, binding against the municipal provider, to
27 pay to the district an annual replenishment tax based on the service area
28 replenishment obligation in an amount determined by the district as necessary
29 to allow the district to perform the groundwater replenishment obligations.

30 (e) Authorizes the municipal provider to enter into a written
31 commitment with the district in the form and substance satisfactory to the
32 district regarding payment of the annual replenishment tax.

33 (f) Declares that the resolution applies to the service area of the
34 municipal provider as it currently exists and to all additions to and
35 extensions of the service area.

36 (g) Declares that the resolution is irrevocable for as long as the
37 district is obligated to perform the groundwater replenishment obligations.

38 B. A service area previously accepted as a member service area
39 pursuant to subsection A of this section terminates its member service area
40 status only if all of the following apply:

41 1. The municipal provider for the member service area has submitted an
42 application to the district requesting termination of member service area
43 status.

44 2. The municipal provider for the member service area has submitted an
45 application to the director of water resources requesting modification of the

1 municipal provider's assured water supply designation under section 45-576
2 that eliminates the municipal provider's reliance on member service area
3 status.

4 3. The applications provide evidence satisfactory to the director of
5 water resources that the municipal provider has obtained a substitute supply
6 of water, other than groundwater, that is determined by the director of water
7 resources to be consistent with assured water supply requirements pursuant to
8 section 45-576 and that is sufficient to eliminate the municipal provider's
9 reliance on member service area status.

10 4. The director of water resources has approved the municipal
11 provider's application to modify its assured water supply designation based
12 on the addition of the substitute water supply.

13 5. The municipal provider publishes a resolution once each week for
14 two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
15 MEDIUM PUBLISHED in the county or counties where the service area is located
16 that:

17 (a) Has attached to it a current map of the municipal provider's
18 service area.

19 (b) Declares the intent of the municipal provider to terminate the
20 service area's member service area status.

21 (c) Declares that the district is no longer obligated to perform the
22 groundwater replenishment obligations on behalf of the service area.

23 (d) Revokes the resolution for the member service area provided for in
24 subsection A, paragraph 7 of this section.

25 6. All amounts owed by the water provider on behalf of the member
26 service area to the district have been paid.

27 7. The municipal provider has paid or made arrangements suitable to
28 the district for repayment of any capital costs incurred by the district
29 specifically on behalf of the member service area.

30 Sec. 392. Section 48-3905, Arizona Revised Statutes, is amended to
31 read:

32 48-3905. Dissolution of district

33 A. After a county free library district has been established, it may
34 be dissolved in the same manner it was established.

35 B. At least once each week for three consecutive weeks ~~prior to~~ BEFORE
36 taking such action, the board of directors shall publish ~~in a newspaper~~
37 ~~designated by them and~~ ON A PUBLIC MEDIUM published in the county notice of
38 the contemplated action, stating the date and time of the meeting at which
39 the contemplated action is proposed to be taken.

40 Sec. 393. Section 48-4001, Arizona Revised Statutes, is amended to
41 read:

42 48-4001. Establishment of district

43 A. The board of supervisors of a county may adopt a resolution to
44 establish a county jail district in the county for the purpose of acquiring,
45 constructing, operating, maintaining and financing county jails and jail

1 systems and juvenile detention facilities, but only if the inclusion of
2 juvenile detention facilities is jointly requested by the sheriff and the
3 presiding judge of the juvenile court and the board of supervisors finds that
4 the public interest, convenience and necessity will be served by including
5 juvenile detention facilities, as provided by this chapter. The district
6 shall be established on voter approval of a property tax or excise tax
7 pursuant to section 48-4021.

8 B. The resolution shall set a date for a hearing on the resolution,
9 not less than twenty-one nor more than forty days from the date of the
10 resolution. The notice of the hearing shall be published once each week for
11 at least three consecutive weeks before the hearing ~~in a newspaper of general~~
12 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and shall be posted at
13 least three weeks before the hearing in at least three public places in the
14 county. The board shall meet at the time and place fixed for the hearing.
15 At the hearing the board shall hear all persons who wish to appear in favor
16 of or against establishment of the district.

17 C. If, after the hearing, it appears to the board that the public
18 interest, convenience and necessity will be served by establishing the
19 district, the board shall declare its findings and order the formation of the
20 county jail district under a designated corporate name contingent on approval
21 of a property tax or excise tax pursuant to section 48-4021. The board shall
22 file a certified copy of the proceedings with the county recorder.

23 D. The board of supervisors may pay the necessary costs incurred in
24 connection with the formation of the district from any monies available for
25 that purpose.

26 E. The district includes the incorporated and unincorporated areas of
27 the county.

28 Sec. 394. Section 48-4004, Arizona Revised Statutes, is amended to
29 read:

30 48-4004. Juvenile detention facilities

31 A. If a county jail district was established before August 6, 1999 or
32 if approved pursuant to section 48-4023.01, the board of supervisors may
33 adopt a resolution authorizing the district to acquire, construct, operate,
34 maintain and finance juvenile detention facilities.

35 B. The resolution shall set a date for a hearing on the resolution, no
36 less than twenty-one or more than forty days from the date of the resolution.
37 The notice of the hearing shall be published once each week for at least
38 three consecutive weeks before the hearing ~~in a newspaper of general~~
39 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county and shall be posted at
40 least three weeks before the hearing in at least three public places in the
41 county. The board shall meet at the time and place fixed for the hearing.
42 At the hearing, the board shall hear all persons who wish to appear in favor
43 of or against the resolution.

44 C. If, after the hearing, it appears to the board that the public
45 interest, convenience and necessity will be served by authorizing the

1 district to acquire, construct, operate, maintain and finance juvenile
2 detention facilities, the board shall declare its findings and either call a
3 district-wide special election or place the issue on the ballot of a regular
4 general election held in the district. The board shall specify on the
5 ballot:

- 6 1. A summary of the board's findings under this section.
- 7 2. A summary of the projected costs of the facility over the first
8 five years of acquisition, construction and operation.
- 9 3. The amount of additional tax revenues that will be required to
10 finance the facility.

11 D. If approved by the qualified electors voting at the election, the
12 district may proceed to acquire, construct, operate, maintain and finance
13 juvenile detention facilities as provided in this chapter.

14 E. If the board of supervisors determines that there are insufficient
15 revenues to operate and maintain all facilities of the district, the board of
16 supervisors shall ensure that the adult jail facilities have priority for
17 district revenues. The county shall continue to have authority to fund
18 juvenile detention facilities.

19 Sec. 395. Section 48-4431, Arizona Revised Statutes, is amended to
20 read:

21 48-4431. Establishment; petitions; notice; hearing;
22 determination by county board of supervisors;
23 boundaries; preliminary expenses

24 A. A groundwater replenishment district may be established in an
25 active management area with a management goal of safe-yield that, as of the
26 date the petition is submitted, has at least three municipal water providers
27 each having a service area population exceeding one hundred fifty thousand
28 persons according to the most recent data compiled by the department of water
29 resources. The district shall be established by the following procedures:

30 1. A municipality that desires to propose the establishment of the
31 district shall prepare and submit a petition to the board of supervisors of
32 the county in which the district is to be located. Any number of
33 municipalities in an active management area satisfying the requirements of
34 ~~THIS~~ subsection ~~A~~ may collectively submit a petition. If a proposed
35 district will be located in more than one county, the petition shall be
36 submitted to the board of supervisors of the county in which the majority of
37 the assessed valuation of the proposed district is located. The boards of
38 supervisors of any other counties in which a portion of the district is
39 located shall provide information and assistance to the responsible board of
40 supervisors. The petition shall contain a statement including at least the
41 following information:

42 (a) A general description of the boundaries of the proposed district
43 and a map of the area to be included in the district. The district
44 boundaries shall be coterminous with the boundaries of the service areas of

1 the municipalities petitioning for the formation of the district and within
2 the boundaries of the active management area.

3 (b) An estimate of the assessed valuation in the proposed district.

4 (c) Certified copies of adopted resolutions approving the district's
5 formation by the governing bodies of the municipalities petitioning for the
6 formation of the district.

7 (d) The name of the proposed district.

8 (e) A request that the board of supervisors define and establish the
9 boundaries of the proposed district and schedule a hearing.

10 2. On receiving the petition:

11 (a) The board of supervisors shall set a day, at least sixty but not
12 more than ninety days after that date, for a hearing on the petition.

13 (b) The clerk of the board of supervisors shall publish a notice
14 stating the purpose of the petition, the description of the area of the
15 proposed district and the day, hour and place of the hearing twice ~~in a daily~~
16 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of
17 the proposed district at least twenty days before the hearing.

18 3. Before the date of the hearing, any person who wishes to object to
19 the establishment of the district may file the objections in writing with the
20 clerk of the board of supervisors.

21 4. At the hearing the board of supervisors shall:

22 (a) Hear those who appear for and against the proposed district and
23 shall determine whether the petition conforms to the requirements of this
24 section. If the board of supervisors determines that the petition conforms
25 to the requirements of this section, and that the water supply available to
26 the land in the district will be improved, it shall order the establishment
27 of the district. The district boundaries shall be coterminous with the
28 boundaries of the service areas of the municipalities petitioning for the
29 formation of the district and within the boundaries of the active management
30 area. The board of supervisors of each county in which the district is
31 located shall define and establish the actual boundaries of the district
32 based on the existing service area boundaries according to maps and surveys
33 adopted by the department of water resources. The board of supervisors may
34 conduct additional surveys and studies to ascertain and determine the
35 boundaries of the district.

36 (b) Enter in the minutes of the meeting its order stating its
37 determination.

38 5. Not later than ten days after the day of the hearing, a copy of the
39 order of the board of supervisors under paragraph 4, subdivision (b) of this
40 ~~section~~ SUBSECTION shall be filed in the county recorder's office. Not later
41 than thirty days after recording the order, the board of supervisors of any
42 other county in which a portion of the district is located shall enter a
43 conforming order acknowledging the formation of the district. The order of
44 the board of supervisors of the county in which the majority of the assessed
45 valuation of the district is located is final, and the proposed district is

1 established thirty days after the board of supervisors votes to establish the
2 district.

3 B. All preliminary expenses incurred in organizing the district,
4 including necessary engineering and legal expenses, and all necessary and
5 reasonable services rendered before the district is authorized to contract
6 for such services, materials or valuable things are lawful obligations of the
7 district. After the board of directors is organized and qualified, the
8 district shall pay all such amounts as the board allows.

9 C. The district's boundaries shall expand as follows:

10 1. If a district member expands its service area, the district's
11 boundaries shall automatically expand in order to remain coterminous with the
12 boundaries of the service area of its members subject to the following:

13 (a) The district's boundaries shall not expand outside the active
14 management area in which the district is located.

15 (b) If the expanded service area includes land in a county in which
16 the district has not previously been located, the district's boundaries shall
17 not expand to include that service area, unless the municipality petitions
18 for expansion under paragraph 2 of this subsection.

19 2. Any municipality located in an active management area in which a
20 district is located that did not petition to form the district may join the
21 district after it is formed by submitting a petition for expansion of the
22 district to the board of supervisors of the county in which the service area
23 of the municipality is located. The petition shall contain a statement
24 including at least the following information:

25 (a) A general description of the boundaries of the proposed expansion
26 and a map of the service area to be included in the district. The expanded
27 district boundaries shall be coterminous with the boundaries of the service
28 areas of the district's current members and of the municipalities petitioning
29 for the expansion of the district. The expanded district boundaries shall
30 remain within the boundaries of the active management area.

31 (b) Certified copies of adopted resolutions approving the inclusion
32 within the district of the municipalities filing the petition for expansion
33 of the district adopted by the governing bodies of the municipalities
34 petitioning for the expansion of the district.

35 (c) A request that the board of supervisors define and establish the
36 expanded boundaries of the district and schedule a hearing.

37 3. On receiving the petition:

38 (a) The board of supervisors shall set a day, at least sixty but not
39 more than ninety days after that date, for a hearing on the petition.

40 (b) The clerk of the board of supervisors shall publish a notice
41 stating the purpose of the petition, the description of the area of the
42 proposed expansion of the district and the day, hour and place of the hearing
43 twice ~~in a daily newspaper of general circulation~~ ON A PUBLIC MEDIUM
44 PUBLISHED in the area of the proposed expansion of the district at least
45 twenty days before the hearing.

1 4. Before the date of the hearing, any person who wishes to object to
2 the expansion of the district may file the objections in writing with the
3 clerk of the board of supervisors.

4 5. At the hearing the board of supervisors shall:

5 (a) Hear those who appear for and against the proposed expansion of
6 the district and shall determine whether the petition conforms to the
7 requirements of this section. If the board of supervisors determines that
8 the petition conforms to the requirements of this section and that the water
9 supply available to the land in the district will be improved, it shall order
10 the expansion of the district. The district boundaries shall be expanded to
11 be coterminous with the boundaries of the service area of the municipality
12 petitioning for the expansion of the district and within the boundaries of
13 the active management area. The board of supervisors shall define and
14 establish the expanded boundaries of the district based on the existing
15 service area boundaries according to maps and surveys adopted by the
16 department of water resources. The board of supervisors may conduct
17 additional surveys and studies to ascertain and determine the boundaries of
18 the district.

19 (b) Enter in the minutes of the meeting its order stating its
20 determination.

21 6. Not later than ten days after the day of the hearing, a copy of the
22 order of the board of supervisors under paragraph 5, subdivision (b) of this
23 subsection shall be filed in the county recorder's office. The order of the
24 board of supervisors is final, and the proposed expansion of the district is
25 effective thirty days after the board of supervisors votes to expand the
26 district.

27 Sec. 396. Section 48-4542, Arizona Revised Statutes, is amended to
28 read:

29 48-4542. Issuance of bonds

30 A. The board, subject to this article, may:

31 1. Issue its negotiable bonds in such principal amount as, in the
32 opinion of the board, is necessary to:

33 (a) Provide sufficient monies for any water replenishment purpose.

34 (b) Establish reserves to secure the bonds.

35 (c) Pay the necessary costs of issuing, selling and redeeming the
36 bonds.

37 (d) Pay all other costs and bond related expenses incidental to and
38 necessary and convenient to carry out such purposes.

39 2. Issue refunding bonds if the board deems refunding expedient. The
40 board may provide for investing and holding the proceeds of the refunding
41 bonds in trust for the benefit of the holders of the bonds being refunded.

42 3. Refund any bonds issued by the district if the bonds are secured
43 from the same source of revenues as the bonds authorized in this article by
44 issuing new bonds, whether the bonds to be refunded have or have not matured.

1 4. Issue bonds partly to refund outstanding bonds and partly for any
2 water replenishment purpose consistent with this article.

3 B. The board shall authorize the bonds by resolution. The resolution
4 shall prescribe:

5 1. The rate or rates of interest, which may be fixed or variable, and
6 the denominations of the bonds.

7 2. The date or dates of the bonds and maturity.

8 3. The coupon or registered form of the bonds.

9 4. The manner of executing the bonds.

10 5. The medium and place of payment.

11 6. The terms of redemption that may provide for a premium for early
12 redemption.

13 C. The board shall publish a notice of its intention to issue bonds
14 under this article for at least five consecutive days ~~in a newspaper of~~
15 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The last
16 day of publication must be at least ten days before issuing the bonds. The
17 notice shall state the amount of the bonds to be sold and the intended date
18 of issuance.

19 D. The bonds shall be sold at public or private sale at the price and
20 on the terms as the board determines. Bonds to fund or refund other bonds
21 may be either sold or exchanged with the holders of bonds being funded or
22 refunded on terms the board determines. All proceeds from issuing the bonds
23 shall be deposited in the bond fund.

24 E. The board, out of any available monies, may purchase bonds, which
25 may thereupon be canceled, at a price not exceeding the following:

26 1. If the bonds are then redeemable, the applicable redemption price
27 plus accrued interest to the next interest payment date.

28 2. If the bonds are not then redeemable, the redemption price
29 applicable on the first date after purchase on which the bonds become subject
30 to redemption plus accrued interest to that date.

31 F. Neither the members of the board nor any person executing the bonds
32 is personally liable for the payment of the bonds.

33 G. Title 35, chapter 3, article 7 applies to the district and to bonds
34 issued under this article.

35 Sec. 397. Section 48-4543, Arizona Revised Statutes, is amended to
36 read:

37 48-4543. General obligation bond election; results

38 A. On determining the amount of money that is necessary to be raised
39 for any of the purposes set forth in section 48-4542 and that may be subject
40 to repayment under section 48-4503, subsection B, paragraph 1, the board
41 shall immediately call an election to submit to the electors of the district
42 the question of whether the bonds of the district shall be issued in the
43 amount so determined. The election must be held on the first Tuesday
44 following the first Monday in November as prescribed by section 16-204,
45 subsection B, paragraph 1, subdivision (d).

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

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

13 D. At the election the ballots shall contain the words "bonds--yes"
14 and "bonds--no". If a majority of the votes cast at the election is
15 "bonds--yes", the board of directors shall cause the bonds to be issued. If
16 a majority of the votes cast is "bonds--no", the result of the election shall
17 be declared by the board of directors and entered on its record, and at any
18 time thereafter when a petition signed by one-fourth or more of the qualified
19 electors of the district is presented to the board of directors, the board
20 shall record such presentation in its minutes and shall again submit the
21 question to the electors of the district in the same manner and with similar
22 effect as at the previous election.

23 Sec. 398. Section 48-4802, Arizona Revised Statutes, is amended to
24 read:

25 48-4802. Formation

26 A. A water district may be organized in an active management area in
27 which all of the following conditions exist on the date the district is
28 organized:

29 1. The active management area:

30 (a) Has a management goal of safe-yield.

31 (b) Contains territory in at least three counties.

32 2. The population of the most populous city in the active management
33 area does not exceed seven hundred fifty thousand persons according to the
34 most recent United States decennial census.

35 B. The boundaries of the district shall be coterminous with the
36 boundaries of the active management area.

37 C. The district shall be organized on the adoption of a resolution
38 approving the district's formation approved by a majority vote of each of the
39 governing bodies of:

40 1. A majority of the counties in which the active management area is
41 located, one of which must be the most populous county in the active
42 management area.

43 2. The largest city by population in the active management area.

1 3. An irrigation district of more than one thousand acres in the
2 active management area that levies district assessments under chapter 19,
3 article 9 of this title.

4 D. When each of the entities required under subsection C of this
5 section has approved the formation of the district, the groundwater users
6 advisory council in the active management area shall:

7 1. Notify the governing bodies of each county, city, town and
8 irrigation district and each water company in the active management area that
9 the district is being organized and that the initial board of directors will
10 be appointed pursuant to section 48-4803.

11 2. Publish the notice once each week for two consecutive weeks ~~in a~~
12 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the active
13 management area.

14 Sec. 399. Section 48-4914, Arizona Revised Statutes, is amended to
15 read:

16 48-4914. Hearing; findings

17 A. The chairman of the board, at the earliest practical date, shall
18 fix a time and place for a hearing not less than twenty nor more than thirty
19 days after adopting the resolution. Notice of the time and place fixed for
20 the hearing shall be published twice ~~in a newspaper of general circulation~~ ON
21 A PUBLIC MEDIUM PUBLISHED in the active management area.

22 B. All pertinent records and documents shall be filed not less than
23 ten days before the date set for the hearing. Prehearings respecting any
24 particular document, feature or incidental matter or any separable part or
25 portion of any resolution may be held by the board on ten days' previous
26 written notice if the board deems that holding a prehearing is conducive to
27 expediting a final hearing, and a decision as to the issues presented may
28 thereupon be rendered.

29 C. At the time and place fixed for the hearing, the board shall
30 examine and determine the matters and questions involved. Hearings may be
31 recessed, adjourned or continued as the board may order.

32 D. Any person who holds an original agreement or proposal made with
33 the district relating to or concerning the handling, sale, control or
34 disposition of a proposed issue of bonds or who has previously made an offer
35 or bid in good faith to purchase the bonds pursuant to a published invitation
36 for bids by the district, and any operating unit holding contracts with the
37 district not less than ten days before the date fixed for the hearing, may
38 qualify to be heard.

39 E. If the board finds that all precedent requirements and conditions
40 have been fulfilled, it shall approve the bond issue in whole or in part, or
41 shall otherwise disapprove the bond issue as a whole or as to such features
42 or proposals as do not meet essential requirements. When the board has made
43 and entered its findings, it shall enter a decision accordingly.

1 F. The decision of the board based on findings of fact which are
2 supported by a preponderance of the evidence and which are not arbitrary or
3 unreasonable is final and conclusive.

4 Sec. 400. Section 48-4981, Arizona Revised Statutes, is amended to
5 read:

6 48-4981. Qualification as a water district member service area

7 The service area of a municipal provider shall qualify as a water
8 district member service area only if all of the following apply:

9 1. The service area is located in ~~an active management area in which~~
10 the district ~~is located~~.

11 2. The municipal provider is not a member of a groundwater
12 replenishment district established pursuant to chapter 27 of this title.

13 3. The service area of the municipal provider is not a member service
14 area under chapter 22 of this title.

15 4. The conditions stated in section 45-576.01, subsection B,
16 paragraphs 2 and 3 are satisfied with respect to the district at the time of
17 the qualification.

18 5. The municipal provider publishes a resolution once each week for
19 two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
20 MEDIUM PUBLISHED for the county or counties where the service area is located
21 that:

22 (a) Has attached to it a current map of the municipal provider's
23 service area.

24 (b) Declares the intent of the municipal provider that the service
25 area qualify as a water district member service area under this chapter.

26 (c) Declares that, for the privilege of withdrawing and delivering
27 excess groundwater within its service area and to ensure the continued
28 exercise of that privilege, the municipal provider shall pay an annual
29 replenishment tax to be determined by the district.

30 (d) Contains a covenant, binding against the municipal provider, to
31 pay to the district an annual replenishment tax based on the water district
32 service area replenishment obligation in an amount determined by the district
33 as necessary to allow the district to perform the water district groundwater
34 replenishment obligations.

35 (e) Authorizes the municipal provider to enter into a written
36 commitment with the district in form and substance satisfactory to the
37 district regarding the payment of the annual replenishment tax.

38 (f) Declares that the resolution applies to the service area of the
39 municipal provider as it currently exists and to all additions to and
40 extensions of the service area.

41 (g) Declares that the resolution is irrevocable for as long as the
42 district is obligated to perform the water district groundwater replenishment
43 obligations.

1 Sec. 401. Section 48-5304, Arizona Revised Statutes, is amended to
2 read:

3 48-5304. Board duties

4 The board shall:

5 1. Determine the exclusive public transportation systems to be
6 acquired and constructed, the means to finance the systems and whether to
7 operate the systems or to let contracts for their operation. In the
8 operation of the public transportation system the board may use public
9 transportation facilities used by a municipality, subject to section 48-5308,
10 subsection F.

11 2. Approve a request for an election to the board of supervisors for
12 submission of the following issues to the electorate:

13 (a) Approval of a transportation excise tax authorized by section
14 42-6106.

15 (b) Approval of elements of the regional transportation plan developed
16 pursuant to section 48-5309.

17 (c) Approval of changes in the regional transportation plan pursuant
18 to section 48-5309, subsection B.

19 3. Produce annually a five year transportation improvement program
20 that is consistent with the regional transportation plan elements and that
21 contains the following:

22 (a) Projects financed with monies from the regional transportation
23 fund.

24 (b) A description of each project, including a schedule of
25 expenditures and sources of funding for each project.

26 (c) The political subdivision with responsibility for project
27 implementation.

28 4. Assure that projects proposed for federal, state or local funding
29 appear in the authority's transportation improvement program and in the
30 transportation improvement program of the regional council of governments.

31 5. Not later than January 1 of each year for publication ~~in at least~~
32 ~~two newspapers of~~ ON A PUBLIC MEDIUM PUBLISHED IN the county in January,
33 assess and analyze the status and implications of the transportation
34 improvement program with respect to the occurrence of substantial change as
35 defined in section 48-5309 and with respect to the potential for or
36 occurrence of the following conditions:

37 (a) An actual project expenditure that exceeds the project budget
38 amount shown in the first year of the transportation improvement program by
39 five per cent or more.

40 (b) A project cost amount that exceeds by ten per cent or more the
41 project budget amount that appears in the first year of the transportation
42 improvement program.

43 (c) First year and five year cumulative projected expenditures for all
44 elements of the regional transportation plan in the five year transportation

1 improvement program that exceed revenue estimates for corresponding periods
2 by twenty per cent or more.

3 6. Develop supplements to the regional transportation plan that
4 encompass a period of time that is coterminous with the effective period of a
5 transportation excise tax approved pursuant to section 42-6106. A supplement
6 shall not be developed earlier than the fourth year and not later than the
7 second year before the expiration of the regional transportation plan.

8 7. Adopt an annual budget, hire employees and fix the compensation of
9 its employees.

10 8. Cause a postaudit of the financial transactions and records of the
11 authority to be made at least annually by a certified public accountant.

12 9. Adopt rules that are proper or necessary to regulate the use,
13 operation and maintenance of its property and facilities, including its
14 public transportation systems and related transportation facilities and
15 services operating in its area of jurisdiction, and to carry into effect the
16 powers granted to the board.

17 10. Provide opportunities for involvement in all aspects of the
18 planning and amendment process by all affected interested parties.

19 11. Appoint advisory committees as it deems necessary.

20 12. Have sole authority to implement the elements of the regional
21 transportation plan, including authority to contract for, absorb or acquire
22 existing public transportation services as it deems necessary.

23 13. Coordinate the implementation of the regional transportation plan
24 among the local jurisdictions.

25 14. Contract for financial, administrative, underwriting and trust
26 services necessary to issue bonds pursuant to sections 48-5341 through
27 48-5347 and administer the regional transportation fund pursuant to section
28 48-5307, subsection B.

29 15. Hire legal counsel to represent the authority in any legal
30 proceeding, accountants and other professional personnel as it deems
31 necessary.

32 16. Set the priorities of the plan and administer and facilitate the
33 distribution of monies in the regional transportation fund.

34 17. Delegate to the executive director any of the administrative
35 functions, powers or duties that the board believes the executive director
36 can competently, efficiently and properly perform.

37 18. Contract and enter into stipulations of any nature necessary and
38 convenient for the full exercise of the powers granted in this chapter.

39 19. Do all things necessary to carry out the purposes of this chapter.

40 Sec. 402. Section 48-5347, Arizona Revised Statutes, is amended to
41 read:

42 48-5347. Notice; bond issuance

43 A. The board shall publish a notice of its intention to issue bonds
44 under this article for at least five consecutive days ~~in a newspaper~~ ON A

1 PUBLIC MEDIUM published in this state. The last day of publication shall be
2 at least ten days before the issuance of the bonds.

3 B. The notice shall state the amount of the bonds to be sold and the
4 intended date of issuance.

5 Sec. 403. Section 48-5544, Arizona Revised Statutes, is amended to
6 read:

7 48-5544. Cancellation of lease for failure to pay rent;
8 authority to lease again; auction

9 A. If a lessee of the hospital, freestanding urgent care center,
10 medical clinic or nursing care institution and their equipment fails to make
11 the payment of rental required by the lease, the board of directors, at its
12 option, may cancel the lease for the failure.

13 B. If there is no lease or the lease is cancelled and the board of
14 directors is unable to again lease the hospital, freestanding urgent care
15 center, medical clinic or nursing care institution and their equipment to a
16 lessee qualified under this article at a rent that is sufficient to provide a
17 fair return to the district, the board of directors shall:

18 1. At least annually at public auction, offer to lease the hospital,
19 freestanding urgent care center, medical clinic or nursing care institution
20 and their equipment to the highest responsible and qualified bidder for such
21 term as the board of directors prescribes.

22 2. Lease the hospital, freestanding urgent care center, medical clinic
23 or nursing care institution and their equipment to the bidder who bids the
24 highest rental for the prescribed period.

25 C. Notice of the auction shall be given ~~in a newspaper of general~~
26 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district at least once each
27 week for four weeks immediately preceding the auction.

28 Sec. 404. Section 48-5703, Arizona Revised Statutes, is amended to
29 read:

30 48-5703. District establishment; procedures; notice; hearing;
31 determinations; petitions

32 A. An agriculture preservation district shall be established by the
33 following procedures:

34 1. Any person desiring to propose the establishment of a district and
35 who resides or owns real property in the proposed district shall prepare and
36 submit a district impact statement to the board of supervisors of the county
37 in which the district is to be located. If the person desiring to establish
38 a district pursuant to this section is unable to complete the district impact
39 statement, the board of supervisors may assist in the completion of the
40 impact statement if requested to do so, if the bond required in subsection C
41 OF THIS SECTION is in an amount sufficient to cover any additional cost to
42 the county. The district impact statement shall contain at least the
43 following information:

44 (a) A description of the boundaries of the proposed district and a
45 detailed, accurate map of the area to be included in the district. A

1 proposed district shall be located no more than ten miles from the outside
2 boundary of an existing military airport or a former military airport
3 decommissioned after January 1, 1991 that is being redeveloped and continues
4 to operate as an airport, as measured from the outside boundary of the
5 proposed district.

6 (b) An estimate of the assessed valuation within the proposed
7 district.

8 (c) The names, addresses and occupations of the proposed members of
9 the district's organizing board of directors.

10 (d) The projected cost of establishing the district.

11 2. On receipt of the district impact statement, the board of
12 supervisors shall set a date, at least thirty days but not more than sixty
13 days from that date, for a hearing on the impact statement. At any time
14 before making a determination pursuant to paragraph 4 **OF THIS SUBSECTION**, the
15 board of supervisors may require that the impact statement be amended to
16 include any information that the board of supervisors deems relevant and
17 necessary.

18 3. On receipt of the district impact statement, the clerk of the board
19 of supervisors shall mail, by first class mail, written notice of the
20 statement, ~~AND~~ its purpose and notice of the date, hour and place of the
21 hearing on the proposed district to each owner of taxable property and each
22 qualified elector within the boundaries of the proposed district. The clerk
23 of the board of supervisors shall post the notice in at least three
24 conspicuous public places in the area of the proposed district and shall
25 publish twice ~~in a daily newspaper of general circulation~~ **ON A PUBLIC MEDIUM**
26 **PUBLISHED** in the area of the proposed district, at least ten days before the
27 hearing, ~~or, if no daily newspaper of general circulation exists in the area~~
28 ~~of the proposed district, at least twice at any time before the date of the~~
29 ~~hearing,~~ a notice setting forth the purpose of the impact statement, the
30 description of the area of the proposed district and the date, hour and place
31 of the hearing.

32 4. At the hearing called pursuant to paragraph 2 **OF THIS SUBSECTION**,
33 the board of supervisors shall hear those persons who appear for and against
34 the proposed district and shall determine whether the establishment of the
35 district will promote the public health, comfort, convenience, necessity or
36 welfare. If the board of supervisors determines that the public health,
37 comfort, convenience, necessity or welfare will be promoted, it shall approve
38 the district impact statement and authorize the persons proposing the
39 district to circulate petitions as provided in this subsection. The order of
40 the board of supervisors is final, but if the request to circulate petitions
41 is denied, a subsequent request for a similar district may be refiled with
42 the board of supervisors after six months from the date of the denial.

43 5. After receiving the approval of the board of supervisors as
44 provided in paragraph 4 **OF THIS SUBSECTION**, the person proposing the district

1 may circulate the petitions for signatures and present petitions to the board
2 of supervisors of the county in which the district is located.

3 6. The petitions presented pursuant to paragraph 5 OF THIS SUBSECTION
4 shall:

5 (a) At all times, contain a description of the boundaries of the
6 proposed district, a detailed, accurate map of the proposed district and the
7 names, addresses and occupations of the proposed members of the district's
8 organizing board of directors. No alteration of the proposed district may be
9 made after receiving the approval of the board of supervisors as provided in
10 paragraph 4 OF THIS SUBSECTION.

11 (b) Be signed by at least the number of owners of taxable property who
12 own a majority of the acres of taxable property in the proposed district.

13 7. On receipt of the petitions, the board of supervisors shall set a
14 date, at least ten days but not more than thirty days from that date, for a
15 hearing on the petition.

16 8. Before the hearing called pursuant to paragraph 7 OF THIS
17 SUBSECTION, the board of supervisors shall determine the validity of the
18 petitions presented.

19 9. At the hearing called pursuant to paragraph 7 OF THIS SUBSECTION,
20 the board of supervisors, if the petitions are valid, shall order the
21 establishment of the district. The board of supervisors shall enter its
22 order setting forth its determination in the minutes of the meeting, not more
23 than ten days after the hearing, and shall file a copy of the order in the
24 county recorder's office. The order of the board of supervisors is final,
25 and the proposed district shall be established thirty days after the board of
26 supervisors votes to establish the district. A decision of the board of
27 supervisors under this subsection is subject to judicial review.

28 B. For the purpose of determining the validity of the petitions
29 presented pursuant to subsection A, paragraph 6 OF THIS SECTION, property
30 held in joint tenancy or other joint ownership shall be treated as if it had
31 only one property owner, so that the signature of only one of the owners of
32 property is required on the formation petition.

33 C. The board of supervisors may require a reasonable bond covering any
34 person who proposes the establishment of a district pursuant to subsection A,
35 paragraph 1 OF THIS SECTION. The person shall file the bond with the board
36 at the start of proceedings under this section. The bond shall be in an
37 amount sufficient to cover costs incurred by the county if the district is
38 not finally established. County costs covered by the bond include any
39 expense incurred from completion of the district impact statement, mailing
40 the notice of hearing to district owners of taxable property and qualified
41 electors as ~~defined pursuant to~~ PRESCRIBED IN section 16-121, ~~AND~~ publishing
42 the notice of hearing and other expenses reasonably incurred as a result of
43 any requirements of this section.

44 D. If a district is established pursuant to this section, the cost of
45 publishing the notice of hearing, ~~AND~~ the mailing of notices and all other

1 costs incurred by the county as a result of this section are a charge against
2 the district.

3 E. The area of a district established pursuant to this section shall
4 contain a minimum of six thousand four hundred acres of privately owned land
5 and may include two or more areas of noncontiguous land and land from more
6 than one county.

7 F. A district organized pursuant to this section shall have an
8 organizing board of directors to administer the affairs of the district until
9 a duly constituted board of directors is elected as provided in this title.
10 The organizing board has all of the powers, duties and responsibilities of an
11 elected board. The organizing board consists of the three individuals named
12 in the district impact statement and the petitions presented pursuant to
13 subsection A **OF THIS SECTION**. If a vacancy occurs on the organizing board,
14 the remaining board members shall fill the vacancy by appointing an interim
15 member. Members of the organizing board serve without compensation but may
16 be reimbursed for actual expenses incurred in performing their duties. The
17 organizing board shall elect from its members a chairman and a clerk.

18 Sec. 405. Section 48-5903, Arizona Revised Statutes, is amended to
19 read:

20 **48-5903. Resolution of intent; hearing**

21 A. On receipt of the preliminary general plan for the district, the
22 governing body of each municipal water provider shall consider a resolution
23 of intent to form the district and shall hold a hearing to consider whether
24 to call an election on the issue of formation of the district. If a
25 municipal water provider is a private water company, the private water
26 company and the governing body of each city, town or county in which any
27 participating portion of the service area of the private water company is
28 located shall each hold a hearing or a public meeting on whether to hold an
29 election to form the district.

30 B. A municipal water provider shall provide notice of the hearing to
31 consider whether to call an election by posting notice of the hearing in
32 three public places within the boundaries of the participating portion of the
33 municipal water provider's service area not less than twenty days before the
34 hearing. Notice shall also be published ~~in a newspaper of general~~
35 **circulation ON A PUBLIC MEDIUM PUBLISHED** in the county once a week for two
36 consecutive weeks before the hearing. The notice shall state:

- 37 1. The place of the hearing.
- 38 2. The time of the hearing.
- 39 3. The boundaries of the proposed district.
- 40 4. That a preliminary general plan is on file with the municipal water
41 provider.

42 C. The hearing on whether to hold an election on the formation of the
43 district shall be held at least twenty days but not more than forty-five days
44 after adoption of the resolution of intent to form the district. If an
45 election is approved, the election shall be held not earlier than six months

1 after the formal approval of the election by the requisite governing bodies
2 as prescribed by section 48-5904.

3 Sec. 406. Section 48-5905, Arizona Revised Statutes, is amended to
4 read:

5 48-5905. Election procedure; costs; ballot questions; qualified
6 electors

7 A. Any elections held pursuant to this chapter shall be administered
8 by the county and shall be held on a date prescribed by section 16-204. The
9 election date for all participating municipal water providers shall be on the
10 same date. The governing bodies of any participating municipal water
11 providers shall cooperate with the county board of supervisors, the county
12 recorder and the county officer in charge of elections in order to facilitate
13 the administration of any elections.

14 B. The costs of the elections shall be a county charge but if the
15 district is formed, the district shall reimburse the county for the costs of
16 the election. If the district is not formed, the participating municipal
17 providers shall reimburse the county for the costs of the election.

18 C. The question of formation of the district and the election of a
19 board of directors for the district shall be placed on the ballot at the same
20 election.

21 D. Any election called pursuant to this chapter shall be a nonpartisan
22 election called by posting notices in three public places within the
23 boundaries of the district not less than twenty days before the election.
24 Notice shall also be published ~~in a newspaper of general circulation~~ ON A
25 PUBLIC MEDIUM PUBLISHED in the county once a week for two consecutive weeks
26 before the election. The notice shall state:

- 27 1. The place of holding the election.
- 28 2. The hours during the day in which the polls will be open.
- 29 3. If it is a formation election, the boundaries of the proposed
30 district.
- 31 4. That a preliminary general plan is on file with the clerk.

32 E. Except as otherwise provided by this chapter, the election shall
33 comply with the general election laws of this state, except that the words to
34 appear on the ballots shall be for a formation election "district, yes" and
35 "district, no". The returns of the election shall be made to the governing
36 body of each participating municipal water provider or, if after formation,
37 to the district board.

38 F. All persons who reside within the proposed boundaries of the
39 district are eligible to vote on the question of district formation if they
40 are registered to vote as prescribed by title 16. A person who resides in
41 the district is qualified to register to vote in the district as prescribed
42 by section 16-101 and is eligible to vote in all elections called by or for
43 the district as prescribed by section 16-120.

1 Sec. 407. Section 48-5911, Arizona Revised Statutes, is amended to
2 read:

3 48-5911. Project approval; resolution of project intent

4 A. Before constructing, acquiring or financing any water related
5 facilities, the district board shall cause a report to be prepared on the
6 feasibility and benefits of the project. The study shall be prepared by
7 engineers and other qualified persons and shall include at least the
8 following:

9 1. A description of the water related facilities to be constructed or
10 acquired and all other information useful to understanding the project.

11 2. A map showing the general location of the project.

12 3. An estimate of the cost to construct, acquire, operate and maintain
13 the project.

14 4. An estimated schedule for completion of the project.

15 5. A map or description of the area to be benefited by the project.

16 6. A plan for financing the project, including a preliminary analysis
17 of how capital, operation and maintenance costs will affect landowners and
18 water rate payers.

19 B. The board shall hold a public hearing on the report prescribed in
20 subsection A **OF THIS SECTION** and shall provide notice of the hearing by
21 publication at least ten days in advance ~~in a newspaper of general~~
22 ~~circulation~~ **ON A PUBLIC MEDIUM PUBLISHED** in the county and by mail to the
23 governing board of the county.

24 C. If any of the municipal water providers participating in the
25 district is a private water company, the district board shall provide the
26 director of the utilities division of the corporation commission with the
27 report prepared pursuant to subsection A **OF THIS SECTION** and written notice
28 of the public hearing that the board shall hold pursuant to subsection B **OF**
29 **THIS SECTION**, at least ten days before the hearing.

30 D. After the hearing, the district board may reject, amend or approve
31 the report prescribed in subsection A **OF THIS SECTION**. If the report is
32 substantially amended, a new hearing shall be held before final approval of
33 the report by the board. A change in the scope of the project constitutes a
34 substantial amendment to the report. If the report is approved, the district
35 board shall adopt a resolution of project intent, which shall identify the
36 water related facilities in the project, the areas benefited, the expected
37 method of financing and an appropriate system for providing revenues to
38 operate and maintain the project.

39 Sec. 408. Section 48-6411, Arizona Revised Statutes, is amended to
40 read:

41 48-6411. Adequate water supply requirements; notice; objections

42 A. Except as provided in subsection C of this section and sections
43 48-6412 and 48-6413, a person who proposes to offer subdivided lands, as
44 defined in section 32-2101, for sale or lease in the district shall apply for
45 and obtain a determination of adequate water supply from the director

1 pursuant to sections 45-108 and 45-108.04 before presenting the plat for
2 approval to the city, town or county in which the land is located, if it is
3 required, and before filing with the state real estate commissioner a notice
4 of intention to offer the lands for sale or lease pursuant to section
5 32-2181, unless the subdivider has obtained a written commitment of water
6 service for the subdivision from a city, town or private water company
7 designated as having an adequate water supply pursuant to sections 45-108 and
8 45-108.04.

9 B. Except as provided in subsection C of this section and sections
10 48-6412 and 48-6413, the county and a city or town in the district shall not
11 approve a subdivision plat for a proposed subdivision in the district unless
12 one of the following applies:

13 1. The director of water resources has determined that there is an
14 adequate water supply for the subdivision pursuant to sections 45-108 and
15 45-108.04 and the subdivider has included the report with the plat.

16 2. The subdivider has obtained a written commitment of water service
17 for the subdivision from a city, town or private water company designated as
18 having an adequate water supply by the director of water resources pursuant
19 to sections 45-108 and 45-108.04.

20 C. Subsections A and B of this section do not apply to:

21 1. A proposed subdivision that the director has determined will have
22 an inadequate water supply pursuant to sections 45-108 and 45-108.04 if the
23 director grants an exemption for the subdivision pursuant to section 48-6412
24 and the exemption has not expired or the director grants an exemption
25 pursuant to section 48-6413.

26 2. A proposed subdivision that received final plat approval from a
27 city, town or county before the district is established if the plat has not
28 been materially changed since it received the final plat approval. If
29 changes were made to the plat after the plat received the final plat
30 approval, the director shall determine whether the changes are material
31 pursuant to the rules adopted by the director to implement section 45-108.
32 If a city, town or county approves a plat pursuant to this subsection and the
33 director of water resources has determined that there is an inadequate water
34 supply for the subdivision pursuant to sections 45-108 and 45-108.04, the
35 city, town or county shall note this on the face of the plat.

36 D. If the county or a city or town in the district approves a
37 subdivision plat pursuant to subsection B of this section, the platting
38 entity shall note on the face of the plat that the director of water
39 resources has reported that the subdivision has an adequate water supply or
40 that the subdivider has obtained a commitment of water service for the
41 proposed subdivision from a city, town or private water company designated as
42 having an adequate water supply pursuant to sections 45-108 and 45-108.04.

43 E. If the county or a city or town in the district approves a
44 subdivision plat pursuant to an exemption granted by the director of water

1 resources pursuant to section 48-6412 or 48-6413 the county, city or town
2 shall both:

3 1. Give written notice of the approval to the director of water
4 resources and the director of environmental quality.

5 2. Include on the face of the plat a statement that the director of
6 water resources has determined that the water supply for the subdivision is
7 inadequate and a statement describing the exemption under which the plat was
8 approved, including a statement that the director has determined that the
9 specific conditions of the exemption were met. If the director subsequently
10 informs the county, city or town that the subdivision is being served by a
11 water provider that has been designated by the director as having an adequate
12 water supply pursuant to sections 45-108 and 45-108.04, the county, city or
13 town shall record in the county recorder's office a statement disclosing that
14 fact.

15 F. A person who is required to file a notice of intention to subdivide
16 lands with the state real estate commissioner under section 32-2181 for
17 subdivided lands in the district shall include with the notice a report
18 issued by the director of water resources pursuant to section 45-108 stating
19 that the subdivision has an adequate water supply, unless one of the
20 following applies:

21 1. The subdivider submitted the report to a city, town or county
22 before approval of the plat by the city, town or county and this has been
23 noted on the face of the plat.

24 2. The subdivider has obtained a written commitment of water service
25 for the subdivision from a city, town or private water company designated as
26 having an adequate water supply by the director of water resources pursuant
27 to sections 45-108 and 45-108.04.

28 3. The plat was approved by the county or a city or town in the
29 district pursuant to an exemption granted by the director under section
30 48-6412 and the exemption has not expired or pursuant to an exemption granted
31 by the director under section 48-6413. If the plat was approved pursuant to
32 an authorized exemption, the state real estate commissioner shall require
33 that all promotional material and contracts for the sale of lots in the
34 subdivision adequately display the director's report or the developer's brief
35 summary of the report as approved by the commissioner on the proposed water
36 supply for the subdivision and a statement describing the exemption under
37 which the subdivision was approved, including the specific conditions of the
38 exemption that were met.

39 4. The subdivision received final plat approval from the city, town or
40 county before the district is established, and there have been no material
41 changes to the plat since the final plat approval. If changes were made to
42 the plat after the final plat approval, the director of water resources shall
43 determine whether the changes are material pursuant to the rules adopted by
44 the director to implement section 45-108. If this paragraph applies, the
45 state real estate commissioner shall require that all promotional materials

1 and contracts for the sale of lots in the subdivision adequately display the
2 director of water resources' report or the developer's brief summary of the
3 report as approved by the commissioner on the proposed water supply for the
4 subdivision.

5 G. The state real estate commissioner shall deny issuance of a public
6 report pursuant to section 32-2183 or 32-2197.08, whichever applies, or the
7 use of any exemption pursuant to section 32-2181.02, subsection B for
8 subdivided lands or timeshare property in the district unless one of the
9 following applies:

10 1. The director of water resources has reported pursuant to section
11 45-108 that the subdivision or timeshare property has an adequate water
12 supply.

13 2. The subdivider or timeshare property has obtained a written
14 commitment of water service for the subdivision from a city, town or private
15 water company designated as having an adequate water supply by the director
16 of water resources pursuant to sections 45-108 and 45-108.04.

17 3. The plat was approved pursuant to an exemption granted by the
18 director under section 48-6412 and the exemption has not expired or pursuant
19 to an exemption granted by the director under section 48-6413.

20 4. The subdivision received final plat approval from the city, town or
21 county before the district is established, and there have been no material
22 changes to the plat since the final plat approval. If changes were made to
23 the plat after the final plat approval, the director of water resources shall
24 determine whether the changes are material pursuant to the rules adopted by
25 the director to implement section 45-108.

26 H. On receipt of an application for a water report for a subdivision
27 in the district or an application by a city, town or private water company in
28 the district to be designated as having an adequate water supply under
29 sections 45-108 and 45-108.04, the director shall publish notice of the
30 application once each week for two consecutive weeks ~~in a newspaper of~~
31 ~~general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first
32 publication shall occur within fifteen days after the application is
33 determined or deemed to be administratively complete. If the application is
34 substantially modified after notice of the application is given pursuant to
35 this subsection, the director shall give notice of the application as
36 modified in the manner prescribed by this subsection. The first publication
37 of any subsequent notice shall occur within fifteen days after the modified
38 application is determined or deemed to be administratively complete.

39 I. Notice pursuant to subsection H of this section shall state that
40 written objections to the application may be filed with the director by
41 residents and landowners in the district within fifteen days after the last
42 publication of notice. An objection shall state the name and mailing address
43 of the objector and be signed by the objector, the objector's agent or the
44 objector's attorney. The grounds for objection are limited to whether the
45 application meets the criteria for determining an adequate water supply set

1 forth in sections 45-108 and 45-108.04. The objection shall clearly set
2 forth reasons why the application does not meet the criteria.

3 J. In appropriate cases, including cases in which a proper written
4 objection to the application has been filed, an administrative hearing may be
5 held before the director's decision on the application if the director deems
6 a hearing necessary. Thirty days before the date of the hearing, the
7 director shall give notice of the hearing to the applicant and to any person
8 who filed a proper written objection to the application. The hearing shall
9 be scheduled for at least sixty days but not more than ninety days after the
10 expiration of the time in which to file objections.

11 K. If the application is for a water report:

12 1. If the director determines that an adequate water supply exists for
13 the proposed use, the director shall issue a water report stating that the
14 water supply for the subdivision is adequate.

15 2. If the director determines that an adequate water supply does not
16 exist, the director shall issue a water report stating that the water supply
17 for the subdivision is inadequate.

18 L. If the application is for a designation of adequate water supply:

19 1. If the director determines that an adequate water supply exists for
20 the proposed use, the director shall approve the application.

21 2. If the director determines that an adequate water supply does not
22 exist, the director shall deny the application.

23 M. The applicant or a person who contested the application by filing a
24 proper objection pursuant to subsection I of this section may seek judicial
25 review of the final decision of the director as provided in section 45-114,
26 subsection B in the superior court.

27 N. Section 45-114, subsections A and B govern administrative
28 proceedings, rehearings or reviews and judicial reviews of final decisions of
29 the director under this section. If an administrative hearing is held, it
30 shall be conducted in the district.

31 O. The district may bring an enforcement action in superior court to
32 enforce this section.

33 Sec. 409. Section 48-6432, Arizona Revised Statutes, is amended to
34 read:

35 48-6432. Transaction privilege tax; administration; hearing;
36 notice

37 A. If approved by the voters pursuant to section 48-6406, the board
38 may levy a transaction privilege tax on the business of operating a municipal
39 water delivery system in the district pursuant to this section. The tax
40 shall not be levied at a rate of more than fifty cents per thousand gallons
41 of water delivered to customers in the district, except that water delivered
42 to a customer for resale is exempt from the tax. The district shall notify
43 the department of revenue of the amount of the tax levied pursuant to this
44 subsection.

1 B. The owner or operator of a municipal water delivery system shall
2 pay the tax levied pursuant to this section to the department of revenue at
3 the same time as paying the tax on potable water pursuant to section 42-5302.
4 If the system for any reason does not pay the transaction privilege tax, the
5 tax is due and payable to the department of revenue and is delinquent if not
6 paid as provided in section 42-5014, subsection A.

7 C. A tax imposed pursuant to this section is in addition to the tax on
8 potable water imposed by section 42-5302 and any county, city, town or other
9 local transaction privilege tax.

10 D. Unless the context otherwise requires, section 42-5303 governs the
11 administration, collection and enforcement of a tax imposed under this
12 section.

13 E. Each month the state treasurer shall remit to the district the net
14 revenues collected under this section during the preceding month. The
15 district shall deposit the monies in the district's general fund.

16 F. The board shall hold a public hearing before levying or increasing
17 a tax pursuant to this section. Any resident or municipal water delivery
18 system in the district may appear and be heard in favor of or against any
19 proposed tax levy or tax increase.

20 G. Except as provided in subsection H of this section, the board shall
21 publish a notice of a public hearing held pursuant to subsection F of this
22 section that meets the following requirements:

23 1. The notice shall be published twice ~~in a newspaper of general~~
24 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first
25 publication shall be at least fourteen but not more than twenty days before
26 the date of the hearing. The second publication shall be at least seven but
27 not more than ten days before the date of the hearing.

28 ~~2. The notice shall be published in a location other than the~~
29 ~~classified or legal advertising section of the newspaper in which it is~~
30 ~~published.~~

31 ~~3.~~ 2. The notice shall be at least one-fourth page in size and shall
32 be surrounded by a solid black border at least one-eighth inch in width.

33 ~~4.~~ 3. The notice shall be in the following form, with the "public
34 hearing notice of tax increase on municipal water delivery systems" headline
35 in at least eighteen-point type:

36 Public hearing notice of tax increase
37 on municipal water delivery systems

38 In compliance with section 48-6432, Arizona Revised
39 Statutes, the upper San Pedro water district ("District") is
40 notifying residents and municipal water delivery systems in the
41 district of its intention to (levy a) (increase the) transaction
42 privilege tax imposed on the business of operating a municipal
43 water delivery system in the district. The district is
44 proposing to (levy a tax of _____ cents per thousand gallons of
45 water delivered to customers in the district) (raise the tax by

1 _____ cents per thousand gallons of water delivered to customers
2 in the district or _____ %).

3 All interested persons are invited to attend the public
4 hearing on the tax (levy) (increase) that is scheduled to be
5 held _____ (date and time) at _____ (location).

6 H. Instead of publishing the notice prescribed by subsection G of this
7 section, the board may mail the notice described in subsection G, paragraph
8 ~~4~~ 3 of this section to all registered voters in the district at least ten
9 but not more than twenty days before the date of the hearing pursuant to
10 subsection F of this section.

11 I. In addition to publishing the public hearing on taxation notice
12 under subsection G of this section or mailing the notice under subsection H
13 of this section, the board shall issue a press release containing the public
14 hearing on taxation notice.

15 J. The board shall consider a motion to levy or increase a transaction
16 privilege tax by roll call vote.

17 Sec. 410. Section 48-6433, Arizona Revised Statutes, is amended to
18 read:

19 48-6433. Revenue bonds; issuance; hearing; notice

20 A. The board may authorize, issue and sell negotiable revenue bonds
21 for any lawful district purpose. The bonds may be in one or more series and
22 may be secured by revenues received pursuant to this article. The bonds may
23 have different dates, be payable in a medium and at different places, have
24 reserve or sinking funds, carry registration privileges, bear a rate or rates
25 of interest that may vary from time to time but shall not exceed twelve per
26 cent per year, and contain terms, covenants and conditions, be in a form, be
27 executed in a manner and be sold at prices as the board may prescribe. The
28 issuer may assign its interest in any or all revenues, contracts and reserve
29 or sinking funds securing any bonds to a bank or trust company doing business
30 in this state that acts as indenture trustee. The resolution of the board or
31 the trust indenture authorizing the issuance of the bonds may contain such
32 covenants, conditions and provisions as the board deems necessary to secure
33 the bonds. The board is also authorized to purchase credit or liquidity
34 enhancement and to spend bond proceeds or contract revenues to aid such
35 purchase. The board is authorized, in its discretion, to employ such
36 consultants, experts or agents and to spend bond proceeds or contract
37 revenues to pay any and all fees and expenses of bond issuance and
38 administration.

39 B. Bonds issued under this section shall be legal investments for all
40 banks, trust companies and insurance companies organized and operating under
41 the laws of this state. The bonds and interest on the bonds shall be paid
42 solely in accordance with their terms and shall not be obligations general,
43 special or otherwise of this state or any political subdivision of this state
44 other than the issuer. The issuer shall not be liable in any event for the
45 payment of the principal of or interest on the bonds from any source of

1 revenues other than those pledged for the payment of the bonds. The holder
2 of the bonds shall never have the right to compel any exercise of the taxing
3 power of this state, any political subdivision of this state or the issuer to
4 provide for payment of the bonds or to pay any claim arising of any nature
5 with respect to the issuance or sale of the bonds. The bonds shall never be
6 construed to constitute an indebtedness of the issuer within the meaning of
7 any constitutional or statutory debt or spending limitations.

8 C. The board shall hold a public hearing before issuing bonds pursuant
9 to this section. Any resident in the district may appear and be heard in
10 favor of or against any proposed bonds.

11 D. Except as provided in subsection E of this section, the board shall
12 publish a notice of a public hearing held pursuant to subsection C of this
13 section that meets the following requirements:

14 1. The notice shall be published twice ~~in a newspaper of general~~
15 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the district. The first
16 publication shall be at least fourteen but not more than twenty days before
17 the date of the hearing. The second publication shall be at least seven but
18 not more than ten days before the date of the hearing.

19 ~~2. The notice shall be published in a location other than the~~
20 ~~classified or legal advertising section of the newspaper in which it is~~
21 ~~published.~~

22 ~~3.~~ 2. The notice shall be at least one-fourth page in size and shall
23 be surrounded by a solid black border at least one-eighth inch in width.

24 ~~4.~~ 3. The notice shall be in the following form, with the "public
25 hearing notice of bond issuance" headline in at least eighteen-point type:

26 Public hearing notice of bond issuance

27 In compliance with section 48-6433, Arizona Revised
28 Statutes, the upper San Pedro water district ("District") is
29 notifying residents in the district of its intention to issue
30 bonds. The district is proposing to issue up to \$ _____
31 in bonds to be secured by revenue from _____ (source of
32 revenue).

33 All interested persons are invited to attend the public
34 hearing on the issuance of bonds that is scheduled to be held
35 _____ (date and time) at _____ (location).

36 E. Instead of publishing the notice prescribed by subsection D of this
37 section, the board may mail the notice described in subsection D, paragraph
38 ~~4~~ 3 of this section to all registered voters in the district at least ten
39 but not more than twenty days before the date of the hearing pursuant to
40 subsection C of this section.

41 F. In addition to publishing the public hearing notice under
42 subsection D of this section or mailing the notice under subsection E of this
43 section, the board shall issue a press release containing the public hearing
44 on bond issuance notice.

1 Sec. 411. Section 48-6602, Arizona Revised Statutes, is amended to
2 read:

3 48-6602. Formation of district

4 A. On the petition of owners of at least two hundred acres of real
5 property in the proposed district, the governing body of a city with a
6 population of more than ten thousand but less than twenty thousand persons
7 that is located in a county with a population of more than three hundred
8 thousand persons but less than four hundred thousand persons may establish a
9 regional attraction district located in the city as provided by this chapter.
10 For the purposes of this subsection, the population shall be determined
11 according to the most recent population estimate data produced by the
12 department of economic security at the time the district is established.

13 B. The proponents of the district must submit a petition to the
14 governing body of the city. The petition must be accompanied by a refundable
15 bond of fifty thousand dollars in cash. The petition shall include the
16 geographical boundaries of the district, which shall:

17 1. Include the site of the regional attraction venue under section
18 48-6631.

19 2. Include at least two hundred acres but not exceed nine hundred
20 fifty acres.

21 C. On receiving the petition, the governing body of the city shall
22 schedule a public hearing on the proposed district to be held at least sixty
23 but not more than ninety days after receiving the petition. The city clerk
24 shall publish a notice of the hearing stating the purpose of the petition,
25 the description of the area of the proposed district and the date, time and
26 place of the hearing twice ~~in a newspaper of general circulation~~ ON A PUBLIC
27 MEDIUM PUBLISHED in the city. At least one of the notices must be published
28 at least twenty days before the date of the hearing. At the hearing the
29 governing body shall hear those who appear for and against the proposed
30 district and shall determine whether the district would serve the public
31 interest, and if so, adopt a resolution establishing the district. The
32 minutes of the hearing must include the findings supporting the establishment
33 of the district.

34 D. A city may not establish more than one district under this chapter.

35 E. The district is a corporate and political body and, except as
36 otherwise limited, modified or provided by this chapter, has all of the
37 rights, powers and immunities of municipal corporations.

38 F. The district is considered to be a tax levying public improvement
39 district for the purposes of article XIII, section 7, Constitution of
40 Arizona.

41 Sec. 412. Section 48-6803, Arizona Revised Statutes, is amended to
42 read:

43 48-6803. Notice

44 A. The clerk shall execute a notice, which shall read substantially as
45 follows:

1 To whom it may concern:

2 The governing body of the city of _____, on
3 _____ (Date)_____, adopted the attached resolution declaring its
4 intention to form a tax levying revitalization district. A
5 hearing on formation will be held on _____ (Date)_____, at _____ (Time)
6 at _____ (Location)_____. All persons owning or claiming an interest
7 in property in the proposed district who object to the inclusion
8 of their land in the district, to the formation of the district
9 or to the contents of the general plan must file a written
10 objection with the undersigned at the following address before
11 the time set for the hearing.

12 (Date)_____

13 _____

14 Clerk

15 _____

16 Address

17 (Name of municipality or county)

18 B. A copy of the resolution declaring the governing body's intention
19 to form the district shall be attached to the notice, and the clerk shall
20 cause a copy to be mailed to the owners of real property in the district as
21 shown on the most recent property tax assessment roll and to all other
22 persons claiming an interest in such property who have filed a written
23 request for a copy of the notice within the six months preceding or at any
24 time following the adoption of the resolution of intent to form the district.
25 The clerk shall also publish a copy of the notice and resolution at least
26 once ~~in the official newspaper of the municipality, if there is one, or, if~~
27 ~~there is no official newspaper of the municipality, in a newspaper of general~~
28 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county in which the
29 municipality is located. The mailing and publication shall be completed at
30 least twenty days before the date set for hearing. The clerk shall execute
31 an affidavit of mailing stating the date of mailing and the names and
32 addresses of the persons to whom the notices and copies of the resolutions
33 were mailed. The clerk shall obtain an affidavit from the ~~newspaper~~ PUBLIC
34 MEDIUM in which the publication was made. The clerk shall cause both
35 affidavits to be placed in the official records of the municipality. The
36 affidavits are conclusive evidence of the mailing and publishing of notice.
37 Notice shall not be held invalid for failure of delivery to the addressee.

38 C. If the clerk is informed that the person listed on the assessment
39 roll is no longer the owner and the name and address of the successor owner
40 become known, the clerk shall cause a copy of the notice and resolution to be
41 mailed to the successor owner as soon as practicable after learning of the
42 change of ownership.

1 Sec. 413. Section 48-6818, Arizona Revised Statutes, is amended to
2 read:

3 48-6818. Notice and conduct of elections; eligible voters

4 A. Any election under this article shall be a nonpartisan election
5 called by posting notices in three public places within the boundaries of the
6 district not less than twenty days before the election. Any election may be
7 conducted as a mail ballot election in the manner prescribed in title 16,
8 chapter 4, article 8.1 as nearly as practicable. If the election notice is
9 not mailed to the property owners and, if applicable, to the qualified
10 electors, the notice shall also be published ~~in a newspaper of general~~
11 ~~circulation in the municipality or if there is no newspaper so circulated in~~
12 ~~the municipality in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
13 PUBLISHED in the county in which the municipality is located once a week for
14 two consecutive weeks before the election. The notice shall state:

- 15 1. The place of holding the election.
- 16 2. The hours during the day, not less than six, in which the polls
17 will be open.
- 18 3. If it is an assessment levy election, the maximum assessment rate
19 to be imposed, the purposes for which the monies raised will be used and the
20 existing maximum assessment rate, if any.
- 21 4. That a general plan is on file with the clerk.

22 B. The district board shall determine the date of the election and, if
23 applicable, the polling places for the election and may consolidate
24 precincts. The clerk of the district board shall prepare a list of eligible
25 voters in the election. A prospective landowner voter shall execute an
26 affidavit stating that the voter is the owner of land in the district and is
27 qualified to vote pursuant to this section and stating the parcel number
28 owned by the voter. Election board members may administer oaths or take all
29 affirmations for these purposes. An election held pursuant to this article
30 is not subject to title 16, chapter 2, article 3.

31 C. Only the owners of real property in the district are eligible to
32 vote in an election regarding an assessment to be levied against the real
33 property in the district, in an election for the board of directors of the
34 district and in an election for dissolution. Corporations, partnerships and
35 other business entities are eligible to vote as property owners, but only one
36 vote may be cast for each one-seventh of an acre of real property in the
37 district, except that any fraction of ownership of real property that is less
38 than one-seventh of an acre entitles the owner to cast one vote. A majority
39 of the acreage as represented by the votes cast at an election conducted
40 solely under the acreage system shall determine the result. An acreage
41 system election shall be conducted pursuant to the procedures prescribed in
42 sections 48-3042 through 48-3051 as nearly as practicable.

43 D. Except as otherwise provided by this article, the election shall
44 comply with the general election laws of this state, except that the words to
45 appear on the ballots shall be for an assessment levy election, "assessment,

1 yes" and "assessment, no". The returns of election shall be made to the
2 district board.

3 E. Within fourteen days after an election, the district board shall
4 meet and canvass the returns. In the case of an ad valorem tax election, if
5 a majority of the votes cast by qualified electors at the election is in
6 favor and the majority of acreage as represented by the votes cast at the
7 election is in favor of imposing the tax, the district board shall enter that
8 fact on its minutes. In the case of a landowner election only, the result of
9 the measure shall be determined by a majority of the acreage represented by
10 the votes cast at an election, and the district board shall enter that fact
11 on its minutes. The canvass may be continued from time to time. Failure of
12 a majority to vote in favor of the matter submitted does not prejudice the
13 submission of the same or similar matters at a later election.

14 F. If a person listed on the assessment roll is no longer the owner of
15 land in the district and the name of the successor owner becomes known and is
16 verified by recorded deed or other similar evidence of transfer of ownership,
17 the successor owner is deemed to be the owner for the purposes of this
18 article.

19 Sec. 414. Section 49-112, Arizona Revised Statutes, is amended to
20 read:

21 49-112. County regulation; standards

22 A. When authorized by law, a county may adopt a rule, ordinance or
23 other regulation that is more stringent than or in addition to a provision of
24 this title or rule adopted by the director or any board or commission
25 authorized to adopt rules pursuant to this title if all of the following
26 conditions are met:

27 1. The rule, ordinance or other regulation is necessary to address a
28 peculiar local condition.

29 2. There is credible evidence that the rule, ordinance or other
30 regulation is either:

31 (a) Necessary to prevent a significant threat to public health or the
32 environment that results from a peculiar local condition and is technically
33 and economically feasible.

34 (b) Required under a federal statute or regulation, or authorized
35 pursuant to an intergovernmental agreement with the federal government to
36 enforce federal statutes or regulations if the county rule, ordinance or
37 other regulation is equivalent to federal statutes or regulations.

38 3. Any fee or tax adopted under the rule, ordinance or other
39 regulation will not exceed the reasonable costs of the county to issue and
40 administer that permit or plan approval program.

41 B. When authorized by law, a county may adopt rules, ordinances or
42 other regulations in lieu of a state program that are as stringent as a
43 provision of this title or rule adopted by the director or any board or
44 commission authorized to adopt rules pursuant to this title if the county
45 demonstrates that the cost of obtaining permits or other approvals from the

1 county will approximately equal or be less than the fee or cost of obtaining
2 similar permits or approvals under this title or any rule adopted pursuant to
3 this title. If the state has not adopted a fee or tax for similar permits or
4 approvals, the county may adopt a fee when authorized by law in the rule,
5 ordinance or other regulation that does not exceed the reasonable costs of
6 the county to issue and administer that permit or plan approval program.

7 C. If a county has adopted rules, ordinances or other regulations
8 pursuant to subsection B of this section and at any time cannot comply with
9 subsection B of this section, the county shall give notice of noncompliance
10 to the director. The county shall file that notice with the secretary of
11 state for publication in the next issue of the Arizona administrative
12 register at no cost to the county. If the county does not comply with
13 subsection B of this section within one year after publication of the notice
14 in the Arizona administrative register, the director shall provide written
15 notice to and assert regulatory jurisdiction over those persons and entities
16 subject to the affected county rules, ordinances or other regulations.

17 D. Except as provided in chapter 3, article 3 of this title, before
18 adopting or enforcing any rule, ordinance or other regulation pursuant to
19 subsection A or B of this section, the county shall comply with all of the
20 following:

21 1. File with the secretary of state a written statement including a
22 summary of the proposed rule, ordinance or other regulation and a
23 demonstration of the grounds and evidence of compliance with subsection A or
24 B of this section. The summary shall provide the name of the person with the
25 county to contact with questions or comments. The secretary of state shall
26 publish the written statement in the next issue of the Arizona administrative
27 register at no cost to the county. The county shall publish notice of the
28 availability of the complete summary and the demonstration ~~in other~~
29 ~~newspapers~~ ON A PUBLIC MEDIUM as may be required by this title and shall make
30 the text of any proposed environmental rule, ordinance or other regulation
31 available to the public at the same time it files the written summary of the
32 environmental rule, ordinance or other regulation with the secretary of state
33 as provided in this paragraph.

34 2. Provide at least thirty days' opportunity for comment by the public
35 after publication of the summary as prescribed by paragraph 1 of this
36 subsection. The county shall accept written comments on the proposed rule,
37 ordinance or regulation and the written demonstration.

38 3. Respond in writing and make available to the public for a
39 reasonable cost the county's responses to the written comments submitted by
40 the public pursuant to paragraph 2 of this subsection.

41 4. Provide for a public hearing at the request of the authorized
42 county officer or if there is sufficient public interest. The county shall
43 publish the notice of any public hearing at least twenty days ~~prior to~~ BEFORE
44 the hearing. The county shall submit the notice of the public hearing to the
45 secretary of state for publication in the next issue of the Arizona

1 administrative register at no cost to the county. The county shall publish
2 notice of any public hearing required pursuant to this paragraph ~~in any~~
3 ~~newspaper~~ ON A PUBLIC MEDIUM as prescribed by this title or county ordinance.
4 The county shall select a time and location for the public hearing that
5 affords a reasonable opportunity for the public to participate.

6 E. A county is not required to comply with subsection D, paragraphs 2,
7 3 and 4 of this section before it adopts or enforces a rule, ordinance or
8 other regulation if the rule, ordinance or other regulation only adopts by
9 reference an existing state or federal rule or law that provides greater
10 regulatory flexibility for regulated parties and otherwise satisfies the
11 requirements prescribed in subsection B of this section.

12 F. Until June 30, 1995, a person may file with the clerk of the board
13 of supervisors for that county a petition challenging a county rule,
14 ordinance or other regulation adopted before July 15, 1994 for compliance
15 with the criteria set forth in subsection A or B of this section. The
16 petition shall contain the grounds for challenging the specific county rule,
17 ordinance or other regulation. Within one year after the petition is filed,
18 the board of supervisors shall review the challenged rule, ordinance or other
19 regulation and make a written demonstration of compliance with the criteria
20 set forth in subsection A or B of this section and challenged in the
21 petition. Any rules, ordinances or other regulations that have been
22 challenged and for which the board of supervisors has not made the written
23 demonstration within one year of the filing of the petition required by this
24 section become unenforceable as of that date. If a county has already made a
25 written demonstration under section 49-479, subsection C, for a rule,
26 ordinance or regulation, the person filing the petition shall state the
27 specific grounds in the petition why that demonstration does not meet the
28 requirements of this section.

29 G. A rule, ordinance or other regulation adopted pursuant to
30 subsection A of this section may not be invalidated subsequent to its
31 adoption on the grounds that the economic feasibility analysis is
32 insufficient or inaccurate if a county makes a good faith effort to comply
33 with the economic feasibility requirement of subsection A, paragraph 2,
34 subdivision (a),~~—~~ of this section and has explained in the written statement,
35 made public pursuant to subsection D of this section, the methodology used to
36 satisfy the economic feasibility requirement.

37 H. This section shall not apply to any rule, ordinance or other
38 regulation adopted by a county pursuant to:

- 39 1. Title 36 for which the state has similar statutory or rule making
40 authority in this title.
- 41 2. Section 49-391.
- 42 3. Chapter 3, article 8 of this title.
- 43 4. Chapter 4, article 3 of this title and section 49-765.
- 44 5. Nonsubstantive rules relating to the application process which have
45 a de minimis economic effect on regulated parties.

1 Sec. 415. Section 49-176, Arizona Revised Statutes, is amended to
2 read:

3 49-176. Community involvement requirements

4 A. A work plan submitted pursuant to section 49-175 shall include a
5 plan to provide to the public reasonable notice and information regarding the
6 remediation. A report submitted pursuant to section 49-181 shall describe
7 the activities previously undertaken to notify the public of the remediation.
8 Plans and activities undertaken after ~~the effective date of this article~~ JULY
9 18, 2000 to notify the public shall be consistent with the following
10 guidelines:

11 1. For remediation where the remediation levels and controls are
12 established in accordance with the rules adopted pursuant to section
13 49-282.06, community involvement shall be consistent with the requirements of
14 those rules.

15 2. For remediation where the remediation levels and controls are
16 established in accordance with section 49-175, subsection B, paragraph 1, 2,
17 3, or 4, community involvement activities shall be conducted appropriate to
18 the scope and schedule of the remediation, including, as applicable, all of
19 the following:

20 (a) For field work conducted to remove contaminants of concern or that
21 may result in noise, light, odor, dust and other adverse impacts off of the
22 site, provide general public notice. The general public notice shall be in
23 the form of visible signage and direct mailing, door hangings, or a similar
24 form of notice that is distributed in a manner sufficient to reach those who
25 may be impacted. The general public notice shall identify the name and
26 telephone number of a person who may be contacted for information regarding
27 the field work.

28 (b) For remediation that will take more than one hundred eighty days
29 to complete, provide general notice regarding the nature and progress of the
30 action and establish a document repository accessible to the public where
31 information regarding the site and the remediation is available for review.
32 The general notice may be in the form of fact sheets, newsletters, or news
33 articles distributed by direct mailings, door hangings or any other method of
34 distribution sufficient to reach or be accessible to local government
35 agencies, persons within the community surrounding the site and other persons
36 who have requested information regarding the site and direct mail to affected
37 water providers. The general notice shall identify the name and telephone
38 number of a person who may be contacted for information regarding the
39 remediation. The document repository shall be accessible during normal
40 business hours or by appointment and shall contain all documents and
41 information required to be prepared or maintained by this program and any
42 other documents and information deemed appropriate by the person conducting
43 the work.

44 3. For remediation levels or controls selected pursuant to section
45 49-175, subsection B, paragraphs 3 and 4 or remediation that includes an

1 institutional or engineering control to satisfy the requirements of section
2 49-152 or ~~section~~ 49-158 and the rules adopted pursuant to those sections,
3 notice of a work plan pursuant to section 49-175 or a report pursuant to
4 section 49-181 and an opportunity for public comments to be submitted for a
5 period of forty-five days after the notice shall be published ~~in a newspaper~~
6 ~~of general circulation~~ ON A PUBLIC MEDIUM and shall be provided individually
7 to affected water providers, affected well owners, local government agencies,
8 adjacent residents, and the department of water resources.

9 B. If the applicant requests a no further action determination
10 pursuant to section 49-181, the applicant shall provide general notice of the
11 request, the report submitted to the department, and the opportunity for
12 comment.

13 C. Community involvement activities undertaken pursuant to this
14 article may be coordinated or combined with similar procedures required under
15 other laws applicable to the work to avoid duplication.

16 D. The director shall consider written comments in response to a
17 public notice providing an opportunity to comment or any public meeting held
18 prior to approving a work plan pursuant to section 49-177 or issuing a no
19 further action determination pursuant to section 49-181. The director may
20 require the applicant to conduct a public meeting ~~prior to~~ BEFORE approving a
21 work plan for which notice is required pursuant to subsection A, paragraph 3
22 of this section or issuing a no further action determination.

23 E. The director may require additional community involvement
24 activities appropriate to the schedule and scope of the work after
25 consideration of the following factors:

- 26 1. Actual or potential impact to water supply.
- 27 2. Extent and toxicity of the contamination.
- 28 3. Duration of the work.
- 29 4. Level of public interest.
- 30 5. Noise, light, odor and other adverse impacts.
- 31 6. Likelihood of contaminant exposure to human or ecological
32 receptors.

33 Sec. 416. Section 49-251, Arizona Revised Statutes, is amended to
34 read:

35 49-251. Temporary emergency waiver

36 A. A facility owner or operator may apply for, and the director may
37 issue, a temporary emergency waiver of compliance with the requirement to
38 obtain a permit or with any applicable permit requirement, surface or aquifer
39 water quality standard or discharge limitation if the waiver will not
40 endanger human health or welfare, and if the director finds any of the
41 following:

- 42 1. That an emergency of such severity exists that water supplies for
43 domestic uses will be inadequate to meet demand unless the facility is able
44 to temporarily exceed one or more water quality standards or discharge
45 limitations by its discharge into waters of the state.

1 liability for existing contamination under this article or CERCLA if all of
2 the following conditions are met:

3 1. The facility is within a site identified on the registry maintained
4 by the department pursuant to section 49-287.01 or the department has been
5 provided sufficient information to reasonably identify the extent of the
6 contamination at the facility.

7 2. The person is not currently liable for an existing or threatened
8 release of a hazardous substance at the facility.

9 3. The proposed redevelopment or reuse of the facility will not
10 contribute to or exacerbate existing known contamination or unreasonably
11 interfere with remedial measures necessary at the facility or cause the
12 contamination to present a substantial health risk to the public.

13 4. The agreement will provide a substantial public benefit that may
14 include any of the following:

15 (a) An agreement by the prospective purchaser to provide substantial
16 funding or other resources to perform or facilitate remedial measures at the
17 facility pursuant to this chapter.

18 (b) An agreement by the prospective purchaser to perform substantial
19 remedial measures at the facility pursuant to this chapter.

20 (c) Productive reuse of a vacant or abandoned industrial or commercial
21 facility.

22 (d) Development of a facility by a governmental entity or nonprofit
23 organization to address an important public purpose.

24 (e) Creation of conservation or recreation areas.

25 5. The department consults with local planning and zoning authorities
26 with jurisdiction over the facility and considers reasonably anticipated
27 future land uses at the facility and surrounding properties.

28 B. If the prospective purchaser of a facility is affiliated with any
29 other person who is a party responsible for the release or threatened release
30 of a hazardous substance under this chapter, through any familial
31 relationship or any corporate or contractual relationship other than a
32 contract to protect a security interest, the director may refuse to provide a
33 written release or covenant not to sue or may refuse to seek an order of the
34 court granting immunity from contribution claims under this section.

35 C. An agreement between the department and a prospective purchaser
36 shall include provisions deemed necessary by the department and may include:

37 1. A representation by the prospective purchaser that the purchaser
38 did not cause or contribute to the contamination or otherwise cause or
39 contribute to a release or threatened release of a hazardous substance at the
40 property before the purchaser acquired title.

41 2. If the prospective purchaser does not undertake remedial action, a
42 representation that the purchaser will not exacerbate or contribute to the
43 existing contamination.

44 3. An agreement that any activity that the prospective purchaser may
45 conduct or direct on the contaminated property will not unreasonably

1 interfere with any ongoing remedial actions that are being performed by a
2 responsible party or the department and that the purchaser will cooperate
3 with those activities.

4 4. An agreement to undertake those measures that constitute a public
5 benefit as prescribed by subsection A, paragraph 4 of this section.

6 5. If remedial measures are to be performed under the agreement, an
7 agreement to perform those measures in compliance with the applicable
8 statutes and rules, including sections 49-151 and 49-152, and if pursuant to
9 a consent judgment, under the department's supervision.

10 6. Unless the contamination was caused by this state, a waiver by the
11 person of any claim or cause of action against this state that arises from
12 contamination at the facility that exists as of the date of acquisition of
13 ownership or operation of the facility.

14 7. A grant of an easement to the department and its authorized
15 representatives for purposes of ensuring compliance with the agreement or for
16 remedial measures authorized pursuant to this article in connection with
17 contamination at the facility as of the date of acquisition of ownership or
18 operation of the facility.

19 8. A reservation of rights as to any person who is not a party to the
20 agreement.

21 9. The legal description of the property.

22 10. In any case in which the state conducts remedial actions and there
23 are unrecovered response costs at a property for which the prospective
24 purchaser is not liable, the state as a condition of the agreement may impose
25 a lien upon ON that property for the unrecovered costs. The priority of the
26 lien is as of the date the lien is recorded in the county where the property
27 is located. The lien becomes due on the sale, assignment or transfer of the
28 property by the prospective purchaser unless the new purchaser, assignee or
29 transferor accepts and assumes the lien as a personal obligation with the
30 department's prior written agreement.

31 D. Subject to satisfactory performance of the obligations under the
32 agreement, the prospective purchaser is not liable to this state under this
33 article for any release of a hazardous substance at the facility that exists
34 on the date of acquisition of ownership or operation of the facility. The
35 person shall bear the burden of proving that any hazardous substance existed
36 on the facility as a result of releases of the hazardous substance before the
37 date of acquisition of ownership or operation of the facility. This release
38 from liability may be voided by the director if the person fails to perform
39 any of the provisions of the prospective purchaser agreement.

40 E. The purchaser shall provide written notice to the department of any
41 sale, assignment or other transfer of the property at least fifteen business
42 days before the date of the transfer.

43 F. An agreement pursuant to this section is assignable if the assignee
44 qualifies pursuant to subsections A and B of this section for a prospective
45 purchaser agreement under this section and notice is given to the department

1 as prescribed by subsection E of this section. On assignment, the assignee
2 assumes the obligations and the benefits of the agreement. Unless the
3 assignor has breached the agreement, the assignor retains the benefits of the
4 agreement.

5 G. The department shall provide notice of a prospective purchaser
6 agreement by publication ~~in a newspaper of general circulation~~ ON A PUBLIC
7 MEDIUM PUBLISHED in the county in which the property is located at least
8 fifteen business days before the execution of a prospective purchaser
9 agreement. The notice shall include a general description of the contents of
10 the agreement. Any interested person may comment on the proposed agreement
11 in writing to the director.

12 H. The department may charge a reasonable fee for the preparation and
13 execution of a prospective purchaser agreement. The director may adopt rules
14 to implement this section.

15 Sec. 418. Section 49-287.01, Arizona Revised Statutes, is amended to
16 read:

17 49-287.01. Investigation scoring and site registry; no further
18 action

19 A. When information of a possible release or threatened release of a
20 hazardous substance is received, the director may conduct a preliminary
21 investigation to obtain additional information necessary to determine the
22 potential risk to the public health or welfare or the environment in order to
23 score the site or portion of the site and include it on the site registry.
24 By written agreement, the director may allow any person to conduct any
25 portion of the preliminary investigation.

26 B. After completing the preliminary investigation or at any time
27 during the preliminary investigation, the director may suspend or terminate
28 an investigation or determine that no further investigation or action is
29 necessary. The director may reopen the preliminary investigation on a
30 determination that the release or threatened release continues to present an
31 imminent and substantial threat to the public health or welfare or the
32 environment. If a preliminary investigation is completed, the director shall
33 prepare a draft of the site registry report required under subsection D of
34 this section. If the director drafts a site registry report pursuant to this
35 section, the report shall contain a description of the site or portion of the
36 site, including its geographical boundaries, and a score in accordance with
37 the site scoring method established in rules adopted by the director.

38 C. Before finalizing the report and the score, the director shall
39 furnish a copy to the current owners and operators of the site or portion of
40 the site, if known, and shall provide fifteen days for review and comment.
41 The director shall then place a copy in the public file and shall publish the
42 score ~~in a newspaper of general circulation within~~ ON A PUBLIC MEDIUM
43 PUBLISHED IN the county in which the site is located. The director shall
44 provide thirty days for comment and shall consider any comments before
45 issuing the final report and score.

1 D. The director shall maintain a registry of scored sites or portions
 2 of sites that includes a brief description of the site or portion of the
 3 site, its score and a brief description of the status of investigative and
 4 remedial actions. The scoring of a site or portion of the site, its relative
 5 score or its placement on the registry does not necessarily represent a
 6 determination that the release of a hazardous substance from the site poses a
 7 threat to human health or welfare or the environment. ~~Prior to~~ BEFORE
 8 approving any remedy that may result in water quality exceeding water quality
 9 standards after completion of the remedy, the director shall place a notice
 10 in the registry established pursuant to this subsection that the remedy may
 11 result in water quality exceeding water quality standards.

12 E. New scores shall be added to the registry as soon as practicable.
 13 The registry shall be published annually by the secretary of state in the
 14 Arizona administrative register. The department shall also publish notice of
 15 the availability of the registry ~~in a newspaper of general statewide~~
 16 ~~circulation~~ ON A PUBLIC MEDIUM.

17 F. Any person may request that the director make a determination that
 18 a site or portion of a site requires no further action or should be rescored.
 19 The request shall include information, including the specific hazardous
 20 substances released at or from the site or portion of the site, and a
 21 geographical description of the site or portion of the site sufficient for a
 22 determination by the director regarding the requested action. The director
 23 may request additional information from the requesting party within ninety
 24 days after receiving the party's request, and the director shall provide the
 25 reasons for requesting the additional information. The person making the
 26 request shall submit the additional information within sixty days after
 27 receiving the director's request for additional information. Within thirty
 28 days of receipt of the additional information, the director shall notify the
 29 requesting party if the additional information is complete. The submission
 30 of incomplete information may result in a denial of the no further action
 31 request. The parties may agree in writing to additional time for responses.
 32 In addition to requesting information, the director or the director's
 33 authorized representative may conduct an investigation of the site or portion
 34 of the site and shall be given access to the portion of the site under the
 35 control of the requestor. The director or the director's authorized
 36 representative shall be allowed access to the site as a requirement for
 37 making a no further action request. The director shall deny a request for a
 38 no further action determination if access to the site is not provided. A
 39 request pursuant to this subsection may only be made once per calendar year.
 40 After determining that the information submitted is sufficient for action on
 41 the request, the director shall publish notice of the request for rescoring
 42 or determination of no further action on a site or portion of the site and
 43 shall provide thirty days for public comment. Based on the information and
 44 comments received, and within sixty days after the close of the public
 45 comment period, unless extended by the director for good cause, the director

1 shall determine whether the score should be changed or a determination of no
 2 further action should be made and shall give notice of that decision to the
 3 person who made the request and any persons who provided comment. The
 4 director shall make a final decision on a no further action or rescoring
 5 request within three hundred days after receiving the request unless the time
 6 is extended in writing by the parties. The director's decision shall contain
 7 the factual, technical and legal grounds for the decision. Any changes to a
 8 score or determinations of no further action shall be published in the
 9 registry.

10 G. A determination of no further action shall be made if the director
 11 finds that the site or portion of the site does not present a significant
 12 risk to the public health or welfare or the environment. The director's
 13 determination on a no further action request shall be based on the rules
 14 adopted by the department pursuant to section 49-282.06. A determination of
 15 no further action shall state whether it is for soils or the groundwater, or
 16 both. A determination of no further action regarding a site or a portion of
 17 the site means that the department shall not proceed with or require further
 18 remedial action under this article for the specific hazardous substances
 19 within the geographical area covered by the determination, provided that the
 20 determination of no further action does not preclude the director from
 21 obtaining access to the area covered by the determination under this article
 22 or any other law. The department may reopen an investigation and take or
 23 require remedial action for any of the following reasons:

24 1. On discovery of new information that, based on the rules adopted by
 25 the department pursuant to section 49-282.06, would result in the potential
 26 denial of a no further action request.

27 2. That information submitted to the director pursuant to subsection F
 28 of this section was inaccurate, misleading or incomplete.

29 3. The reopening of an investigation or the taking of a remedial
 30 action is necessary to respond to a release or the threat of a release of a
 31 hazardous substance that may present an imminent and substantial danger to
 32 the public health or welfare or the environment.

33 H. The director's decision under subsection F of this section may be
 34 appealed pursuant to section 49-298, subsection B by the person who made the
 35 request or any party who will be adversely affected by the action and who
 36 submitted comments. A person who has previously filed an administrative
 37 appeal under this subsection or any provision of law in effect on or after
 38 April 29, 1997 concerning previous investigations by the director that
 39 resulted in the director's decision being upheld bears the burden of proving
 40 by clear and convincing evidence that the director's action that is being
 41 appealed was unsupported by the evidence in any further administrative
 42 appeals involving the same site or portion of the site and shall pay the
 43 director's cost of reviewing the request and the director's attorney fees and
 44 costs incurred in the appeal if the director's decision is upheld.

1 I. If the director determines that remediation of a site or a portion
2 of a site will be addressed pursuant to a provision of this title other than
3 this article, the director may suspend any further investigation or action
4 under this article. If the site or portion of a site is listed on the
5 registry, the suspension shall be reflected on the registry.

6 J. If a site has been placed on the registry and the director
7 determines that remediation of a site or a portion of a site will be
8 addressed pursuant to a provision of this title other than this article, the
9 director may remove the site from the registry.

10 K. If the director determines that a site on the registry does not
11 require further remedial action under this article, the director may remove
12 the site from the registry.

13 L. The director shall maintain a list of sites removed from the
14 registry. This list shall be available to the public.

15 M. A site that has been removed from the registry may be reopened and
16 remedial action taken or required for any of the following reasons:

17 1. On discovery of new information that, based on the rules adopted by
18 the department pursuant to section 49-282.06, would result in the potential
19 denial of a no further action request.

20 2. Information submitted to the director pursuant to this section is
21 inaccurate, misleading or incomplete.

22 3. The reopening of an investigation or the taking of a remedial
23 action is necessary to respond to a release or the threatened release of a
24 hazardous substance that may present an imminent and substantial danger to
25 the public health or welfare or the environment.

26 Sec. 419. Section 49-287.03, Arizona Revised Statutes, is amended to
27 read:

28 49-287.03. Remedial investigation and feasibility study

29 A. The department may conduct a remedial investigation and feasibility
30 study of a scored site or portion of the site to assess conditions on the
31 site or portion of the site and to evaluate alternative potential remedies to
32 the extent necessary to select a final remedy in a manner consistent with the
33 rules and procedures adopted pursuant to section 49-282.06.

34 B. Unless the director determines that the necessary remedial action
35 can be completed within one hundred eighty days, before the department begins
36 a remedial investigation and feasibility study for a site or a portion of a
37 site, the department shall prepare a scope of work, a fact sheet and an
38 outline of a community involvement plan. The scope of work shall generally
39 describe the proposed scope of the remedial investigation and feasibility
40 study. The outline of the community involvement plan shall address all of
41 the elements of the community involvement plan requirements of section
42 49-289.03.

43 C. The department shall provide written notice to each person who,
44 according to information available to the department, may be liable under
45 this article that the scope of work is available for inspection and that any

1 person by agreement with the department may develop and implement a work plan
2 for the remedial investigation and the feasibility study. The department
3 shall publish ~~in a newspaper of general circulation~~ ON A PUBLIC MEDIUM
4 PUBLISHED in the county where the site is located a notice of the
5 availability of the scope of work, fact sheet and outline of a community
6 involvement plan for public comment. The notice shall provide an opportunity
7 for a public meeting.

8 D. The department shall prepare a responsiveness summary before
9 implementing the scope of work. Before the director implements a remedial
10 investigation, unless the director determines that the necessary remedial
11 action can be completed within one hundred eighty days, the department shall
12 prepare and implement the community involvement plan based ~~upon~~ ON the
13 outline and after considering the public comments, consistent with the
14 requirements of section 49-289.03. The department shall update the community
15 involvement plan at least every two years.

16 E. The remedial investigation shall collect the data necessary to
17 adequately characterize the site or the portion of the site for the purpose
18 of developing and evaluating effective remediation alternatives pursuant to
19 the feasibility study requirements prescribed by subsection F of this
20 section.

21 F. The feasibility study shall be fully integrated with the results of
22 the remedial investigation and shall include an alternative screening step to
23 select a reasonable number of alternatives in a manner consistent with the
24 rules and procedures adopted pursuant to section 49-282.06.

25 Sec. 420. Section 49-292.02, Arizona Revised Statutes, is amended to
26 read:

27 49-292.02. Financial hardship settlement

28 A. The director shall consider any offer by a person who may be
29 potentially liable for remedial action costs under this article or section
30 107(a) of CERCLA without regard to the extent of that person's liability. In
31 order to obtain a settlement under this section, a person must demonstrate a
32 financial hardship with respect to payment of a potential liability under
33 this article or under CERCLA. A person whose liability under this article
34 arose or could arise from criminal acts is not eligible to request a
35 settlement under this section. In considering a person's ability to pay, the
36 director shall consider all of the following:

37 1. The financial resources of the person, including available
38 insurance.

39 2. The person's ability to continue in business after payment of a
40 settlement amount.

41 3. Whether liability for the settlement amount would require the
42 person to seek protection under federal bankruptcy law.

43 B. An applicant seeking settlement under this section shall submit a
44 letter to the director requesting a financial hardship settlement on a form
45 provided by the director. The request letter shall include the applicant's

1 tax returns and all schedules, financial statements, balance statements and
2 other information concerning the person's gross income and net worth for the
3 five years preceding the date of the application on a form provided by the
4 director. Within ninety days of the application, the director may require
5 additional information to verify the applicant's eligibility for settlement
6 under this section. The applicant may provide any additional information the
7 applicant believes to be relevant. Financial information submitted by the
8 applicant pursuant to this section and marked "confidential" shall be kept
9 confidential by the director. If the director or the attorney general
10 disputes a claim of confidentiality, written notice shall be provided to the
11 person claiming the confidentiality that the claim is disputed. If the
12 person claiming the confidentiality does not file an action for declaratory
13 relief in superior court within thirty days after receiving this notice, the
14 information shall be made available to the public. An applicant who submits
15 false or intentionally misleading information is not eligible for a
16 settlement pursuant to this section.

17 C. If the director verifies that the applicant has demonstrated a
18 financial hardship with respect to payment of a potential liability under
19 this article or CERCLA, the director shall enter into a settlement within
20 ninety days after receipt of the request letter and other information
21 required under this section. The settlement shall meet the requirements of
22 section 49-292, but without regard to the extent of the person's liability,
23 and shall be made pursuant to subsection A of this section. The director
24 shall allow the settlement amount to be paid over time, up to a maximum of
25 ten years, subject to payment of interest at the rate of six per cent per
26 year. If the settlement amount is paid in full within the first five years,
27 the payments shall not be subject to the payment of interest. An applicant
28 may file a petition with the director to modify the payment schedule.

29 D. The applicant shall cooperate with the director in providing
30 reasonable access and information necessary for the director to carry out the
31 requirements of this article.

32 E. Notice of the settlement shall be published as provided in section
33 49-292. The notice shall provide a general description of the contents of
34 the agreement. Any interested person may comment on whether the applicant
35 qualifies for a settlement pursuant to this section in writing to the
36 director. The director may withdraw from a settlement after considering the
37 comments.

38 F. If the director determines that the applicant does not qualify for
39 a settlement pursuant to this section, the director shall notify the
40 applicant in writing within ninety days of the receipt of all information
41 required under subsection B of this section stating the reasons. If the
42 director does not notify the applicant within ninety days, the application is
43 deemed denied. A denial of settlement under this section may be appealed to
44 the office of administrative hearings pursuant to section 49-298. In any
45 appeal made pursuant to section 49-298, the documents submitted by the

1 applicant under subsection B of this section are not confidential. The
2 appeal shall determine only the amount the applicant is able to pay.

3 G. In reviewing a proposed settlement, the federal district court or
4 superior court shall give deference to the director's determination that the
5 settlement is in the public interest and meets applicable legal standards for
6 court approval. Any person challenging a proposed settlement shall bear the
7 burden of proving that the proposed settlement does not meet the applicable
8 legal standards for court approval. If a settlement is reached with an
9 applicant, the confidential information supplied to the director under this
10 section may be submitted under seal to the court for in camera review.

11 H. In determining the applicant's financial resources, the financial
12 resources of all concerns in which the applicant maintains ownership, control
13 or management may be considered by the director. A settlement under this
14 section applies only to the applicant and does not release, affect or
15 increase the liability of any other person. The director may adopt rules to
16 implement this section.

17 I. If a settlement is made pursuant to this section, the director
18 shall not file a lien pursuant to section 49-295 for an amount greater than
19 the settlement.

20 J. Within thirty days after the director has proposed an allocation
21 share under section 49-287.05 or a share has been allocated under section
22 49-287.06 to a person who has previously settled with the department pursuant
23 to this section, the director may request that the previous settlement be
24 reopened to determine whether the person who has settled can pay an amount
25 that is greater than the previous settlement amount but not more than the
26 allocated share. A decision by the director to initiate a review of the
27 previous settlement shall be published ~~in a newspaper of general circulation~~
28 **ON A PUBLIC MEDIUM PUBLISHED** twice within a one week period. The notice
29 shall provide a general description of the director's reasons for initiating
30 a review of the previous settlement. Any interested person may comment in
31 writing to the director on whether the settlement should be reopened and
32 whether the person who previously settled with the department pursuant to
33 this section should be required to pay a different amount from the previous
34 settlement amount. Public comments must be received by the director within
35 thirty days of the last date of publication. The person who settled shall
36 submit updated versions of the documents prescribed by subsection B of this
37 section to provide financial information since the previous settlement.
38 Within ninety days after receipt of the information prescribed by this
39 subsection, the director shall notify the person whether the original
40 settlement amount will be revised. If the director determines that the
41 original settlement amount will be revised, the director shall provide the
42 person with the revised settlement amount and the basis for that revision.
43 Any monies paid pursuant to the original settlement shall be credited toward
44 any revised settlement amount. If the director does not notify the person
45 who settled within ninety days, the original settlement amount is not subject

1 to revision. Within thirty days after the director's decision to revise the
2 original settlement amount, the director must petition the court having
3 jurisdiction over the settlement. The court shall determine whether the
4 settlement amount shall be reopened and what the settlement amount shall be,
5 but it shall not be more than the allocated share.

6 Sec. 421. Section 49-426, Arizona Revised Statutes, is amended to
7 read:

8 49-426. Permits; duties of director; exceptions; applications;
9 objections; fees

10 A. A permit shall:

11 1. Be issued by the director in compliance with the terms of this
12 section.

13 2. Be required for any person seeking a compliance extension pursuant
14 to section 49-426.03, subsection B, paragraph 3 and section 112(a)(5) of the
15 clean air act and for any person beginning actual construction of or
16 operating any source, except as prescribed in subsection B of this section or
17 section 49-426.01.

18 B. The provisions of this section shall not apply to motor vehicles,
19 to agricultural vehicles or agricultural equipment used in normal farm
20 operations, or to fuel burning equipment ~~which~~ THAT, at a location or
21 property other than a one or two family residence, is rated at less than one
22 million British thermal units per hour. The director may establish by rule
23 additional sources or classifications of sources for which a permit is not
24 required and pollutant-emitting activities and emissions units at permitted
25 sources that are not required to be included in the permit. The director
26 shall not adopt such rules unless the director makes a written finding with
27 supporting facts that the exempted source, class of sources,
28 pollutant-emitting activities or emissions units will have an insignificant
29 adverse impact on air quality. In adopting these rules, the director may
30 consider any rule that is adopted by the administrator pursuant to section
31 502 of the clean air act and that exempts one or more source categories from
32 the requirement to obtain a permit under title V of the clean air act.

33 C. Every application for a permit shall be filed in the manner and
34 form prescribed by the director, and shall contain all the information
35 necessary to enable the director to make the determination to grant or deny
36 such application. The director shall establish by rule requirements for
37 permit applications, including the standard application form for title V
38 sources. The director shall establish by rule requirements for applications
39 for general permits. An application for a permit issued pursuant to title V
40 of the clean air act shall include a compliance plan that describes how the
41 applicant will comply with all of the applicable requirements of this chapter
42 and the clean air act, including a schedule of compliance and a schedule
43 under which progress reports will be submitted to the director at least every
44 six months. The director may require that such application include all
45 sources that are used or to be used by the applicant in a certain process or

1 a single facility or location. Before acting on an application for a permit,
 2 the director may require the applicant to furnish further information or
 3 further plans or specifications. The director shall act, within a reasonable
 4 time, on such application and shall notify the applicant in writing of the
 5 proposed approval or denial of such application, except that the director may
 6 have a reasonable period of time in which to gather information, inspect
 7 premises, and issue such permits. The director shall adopt rules that
 8 establish procedures for determining when applications are complete, for
 9 processing applications and for reviewing permit actions. The director shall
 10 also establish by rule criteria for determining reasonable times for
 11 processing permit applications. Rules adopted pursuant to this subsection
 12 for permits issued pursuant to title V of the clean air act shall conform to
 13 the requirements of section 505(a) of the clean air act.

14 D. The director shall give notice of a proposed permit for a source
 15 required to obtain a permit pursuant to title V of the clean air act once
 16 each week for two consecutive weeks ~~in two newspapers of general circulation~~
 17 **ON A PUBLIC MEDIUM PUBLISHED** in the county in which the source is or will be
 18 located. The notice shall describe the proposed permit and air contaminants
 19 to be emitted and shall state that any person may submit comments on the
 20 proposed permit and may request a public hearing. The director shall require
 21 the applicant at the time of the first notice to post the site where the
 22 source is or may be located. If permitted by federal, state and local law,
 23 the posting shall be prominently placed at a site that is under the
 24 applicant's legal control and that is adjacent to the nearest public roadway.
 25 The posting shall be visible to the public using the public roadway and shall
 26 contain the information in the notice that is published by the director. If
 27 a public hearing is requested, the director shall require the applicant to
 28 place an additional posting that provides notice of the public hearing. A
 29 posting shall be maintained until the public comment period on the proposed
 30 permit is closed. The director shall make available to the public notices of
 31 proposed permits. Each public notice that is issued under this chapter shall
 32 be mailed to the permit applicant, to the affected federal, state and local
 33 agencies and to those persons who have requested in writing copies of
 34 proposed permit action notices. During the public comment period, any person
 35 may submit a request to the department to conduct a public hearing for the
 36 purpose of receiving oral or written comments on the proposed permit. A
 37 written comment shall state the name and mailing address of the person, shall
 38 be signed by the person, his agent or his attorney and shall clearly set
 39 forth reasons why the permit should or should not be issued. Grounds for
 40 comment are limited to whether the proposed permit meets the criteria for
 41 issuance prescribed in this section or in section 49-427. The department
 42 shall consider and prepare written responses to all comments received during
 43 the public comment period including comments made at a public hearing
 44 conducted by the department. At the time a final permit decision is made,

1 copies of the department's responses shall be made available to the applicant
2 and any person who commented on the proposed permit.

3 E. Permits or revisions issued pursuant to this section or section
4 49-426.01 may be issued subject to such terms and conditions as are
5 consistent with the requirements of this article, article 1 of this chapter
6 and the clean air act and are found by the director to be necessary,
7 following public notice and an opportunity for a public hearing as provided
8 in subsection D or H of this section or in section 49-426.01, and subject to
9 payment of a reasonable fee to be determined as follows:

10 1. For a source that is required to obtain a permit pursuant to title
11 V of the clean air act, the director shall establish by rule a system of fees
12 that is consistent with and equivalent to that prescribed by section 502 of
13 the clean air act. These rules shall prescribe procedures for increasing the
14 fee each year by the percentage if any by which the consumer price index for
15 the immediately preceding calendar year exceeds the consumer price index for
16 calendar year 1989.

17 2. For a facility that is required to obtain a permit pursuant to this
18 chapter but that is not required to obtain a permit pursuant to title V of
19 the clean air act, the director shall determine a fee based on the total
20 actual cost of processing the permit application, but not exceeding
21 twenty-five thousand dollars.

22 The director shall establish an annual inspection fee, not to exceed the
23 average cost of inspection. The director shall adopt, by rule, criteria for
24 determining fees and for public hearings.

25 F. Permits issued pursuant to this section shall be issued for a
26 period of five years.

27 G. Except as provided in subsection H of this section, any person
28 burning used oil, used oil fuel, hazardous waste or hazardous waste fuel in
29 any machine, incinerator or device shall first obtain a permit from the
30 director. Any permit issued by the director under this subsection shall
31 contain, at a minimum, conditions governing:

32 1. Limitations on the types, amounts and feed rates of used oil, used
33 oil fuel, hazardous waste or hazardous waste fuel which may be burned.

34 2. The frequency and types of fuel testing to be conducted by the
35 person.

36 3. The frequency and type of emissions testing or monitoring to be
37 conducted by the person.

38 4. Requirements for record keeping and reporting.

39 5. Numeric emission limitations expressed in pounds per hour and tons
40 per year for air contaminants to be emitted from the facility burning
41 off-specification used oil fuel, hazardous waste or hazardous waste fuel.

42 H. The director may issue a general permit for a defined class of
43 facilities if the class contains a large number of facilities that are
44 substantially similar in nature and that have substantially similar emissions
45 and if the following conditions are met:

1 1. A general permit shall comply with all of the requirements for
2 permits prescribed by this section except for the requirements of subsection
3 D of this section and shall be consistent with the clean air act.

4 2. The director shall give notice of the proposed general permit once
5 each week for two consecutive weeks ~~in a newspaper of general circulation~~ ON
6 A PUBLIC MEDIUM PUBLISHED in each county. The notice shall describe the
7 proposed general permit, the general class of sources that would be subject
8 to the proposed permit and the air contaminants to be emitted. The notice
9 shall also state that any person may submit comments on the proposed general
10 permit and may request a public hearing. A written comment shall state the
11 name of the person and the person's agent or attorney and shall clearly set
12 forth reasons why the general permit should or should not be issued. Grounds
13 for comment are limited to whether the proposed general permit meets the
14 criteria for issuance prescribed in this section or section 49-427.

15 3. On issuance of a general permit any person seeking to permit a
16 source under this subsection shall submit an application pursuant to
17 subsection C of this section.

18 4. If the director approves an application to be permitted under a
19 general permit, the director shall provide notice of the approval ~~in a~~
20 ~~newspaper of general circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the county
21 in which the source is or will be located.

22 5. If a person violates a general permit, the director may require the
23 source to obtain a permit pursuant to subsection A of this section.

24 6. A general permit may be revoked or revised at any time by the
25 director if necessary to comply with this chapter. If the director revokes
26 or revises a general permit, the director shall notify all persons whose
27 sources are affected by the revocation or revision and shall include notice
28 of procedures to obtain a permit pursuant to subsection A of this section or
29 notice of procedures for compliance with the revisions.

30 7. The director by rule shall adopt procedures for the issuance of
31 general permits.

32 8. The director may adopt conditions in a general permit applicable to
33 sources located in a specified geographic area either independently of or
34 upon petition by a county air pollution control officer.

35 I. Permits issued pursuant to this section for a source required to
36 obtain a permit under title V of the clean air act shall contain all of the
37 following:

38 1. Conditions reflecting all applicable requirements of this article
39 and rules adopted pursuant to this article.

40 2. Enforceable emission limitations and standards.

41 3. A schedule for compliance, if applicable.

42 4. The requirement to submit at least every six months the results of
43 any required monitoring.

1 5. Any other conditions that are necessary to assure compliance with
2 this article and the clean air act, including the applicable implementation
3 plan.

4 J. The director may refuse to issue any permit to any source subject
5 to the requirements of title V of the clean air act if the administrator
6 objects to its issuance in a timely manner as prescribed under title V of the
7 act.

8 K. If an applicant has submitted a timely and complete application for
9 a permit required under this section, but final action has not been taken on
10 that application, failure to obtain a permit shall not be a violation of this
11 chapter unless the delay in final action is due to the failure of the
12 applicant to submit information required or requested to process the
13 application. This subsection does not apply to any person required to obtain
14 a permit before commencing construction of a source as required under this
15 section or any person seeking a permit revision as provided under section
16 49-426.01.

17 L. The director may issue a single permit authorizing emissions from
18 similar operations at multiple temporary locations, if the permit includes
19 conditions that will assure compliance with all applicable requirements of
20 this chapter and the clean air act at all locations. Any permit issued
21 pursuant to this subsection shall require the applicant to notify the
22 director in advance of each change in location. In issuing a single permit,
23 the director may require a separate permit fee for operations at each
24 location.

25 M. In the case of a permit with a term of three or more years issued
26 pursuant to the requirements of title V of the clean air act to a major
27 source, the director shall require revisions to the permit to incorporate
28 applicable standards and regulations adopted by the administrator pursuant to
29 the clean air act after the issuance of the permit. The director shall
30 require any revisions as expeditiously as practicable, but not later than
31 eighteen months after the promulgation of such standards and regulations. No
32 permit revision shall be required if the effective date of standards and
33 regulations is after the expiration of the permit. Any permit revision
34 required pursuant to this subsection shall be treated as a permit renewal.

35 N. Any permit issued pursuant to the requirements of this article and
36 title V of the clean air act to a unit subject to the provisions of title IV
37 of the clean air act shall include conditions prohibiting all of the
38 following:

39 1. Annual emissions of sulfur dioxide in excess of the number of
40 allowances to emit sulfur dioxide held by the owners or operators of the unit
41 or by the designated representative of the owners or operators.

42 2. Amounts in excess of applicable emission rates.

43 3. The use of any allowance prior to the year for which it was
44 allocated.

45 4. Contravention of any other provision of the permit.

1 0. The director shall adopt a rule specifying the notice, public
2 participation requirements and other permit issuance procedures for permits
3 that are not issued pursuant to title V of the clean air act.

4 P. In determining whether a permitting threshold established pursuant
5 to this section applies to an existing source, the director shall exclude
6 particulate matter that is not subject to a national ambient air quality
7 standard under the clean air act.

8 Sec. 422. Section 49-444, Arizona Revised Statutes, is amended to
9 read:

10 49-444. Notice of hearing; publication; service

11 A. Any notice of hearing required by this chapter shall be given by
12 publication of a notice of hearing for at least two times ~~in a newspaper of~~
13 ~~general circulation~~ ON A PUBLIC MEDIUM published in the county concerned ~~or~~
14 ~~if there is no such newspaper published in the county, in a newspaper of~~
15 ~~general circulation published in an adjoining county.~~

16 B. If the hearing involves any violation of rules adopted pursuant to
17 this chapter, or a conditional order therefrom then, in addition to the
18 requirements of subsection A OF THIS SECTION, the person allegedly committing
19 or having committed the violation or requesting the conditional order shall
20 be served pursuant to title 41, chapter 6, article 10.

21 Sec. 423. Section 49-498, Arizona Revised Statutes, is amended to
22 read:

23 49-498. Notice of hearing; publication; service

24 A. Any notice of hearing required by this article shall be given by
25 publication of a notice of hearing for at least two times ~~in a newspaper of~~
26 ~~general circulation~~ ON A PUBLIC MEDIUM published in the county concerned ~~or~~
27 ~~if there is no such newspaper published in the county, in a newspaper of~~
28 ~~general circulation published in an adjoining county,~~ and by posting copies
29 of the petition and notice in at least three conspicuous places in the
30 county.

31 B. If the hearing involves any violation of rules or regulations
32 adopted pursuant to this article or a conditional order therefrom then, in
33 addition to the requirements of subsection A OF THIS SECTION, the person
34 allegedly committing or having committed the violation or requesting the
35 conditional order, shall be served personally or by registered or certified
36 mail at least fifteen days ~~prior to~~ BEFORE the hearing with a written notice
37 of hearing.

38 Sec. 424. Section 49-762.04, Arizona Revised Statutes, is amended to
39 read:

40 49-762.04. Solid waste facility plan review procedures

41 A. The department shall review and approve or disapprove a solid waste
42 facility plan as follows:

43 1. Within thirty days after receipt of a solid waste facility plan,
44 the department shall issue a written determination of whether the plan is an
45 administratively complete plan unless the department requests additional

1 information in writing within the thirty day period. If the department
 2 requests additional information in writing within the thirty day period, the
 3 department shall issue a written administrative completeness determination
 4 within fifteen days after the receipt of the additional information. Failure
 5 of the department to make an administrative completeness determination within
 6 the time periods set forth in this paragraph is deemed to be a determination
 7 that the plan is administratively complete.

8 2. Within thirty days after an administrative completeness
 9 determination for a new solid waste facility, the department shall issue
 10 public notice of the proposed solid waste facility plan once each week for
 11 two consecutive weeks ~~in a newspaper of general circulation~~ ON A PUBLIC
 12 MEDIUM PUBLISHED in the area in which the new solid waste facility will be
 13 located. The notice shall describe the type of solid waste facility and
 14 request comments on the proposed plan. The comment period shall not exceed
 15 thirty days. Comments shall be limited to whether the proposed plan meets
 16 the criteria for approval prescribed in paragraph 5 of this subsection.
 17 Comments on the proposed plan shall include the name of the person making the
 18 comments and, if in writing, the signature of that person.

19 3. Within sixty days after an administrative completeness
 20 determination for a new solid waste facility or within one hundred twenty
 21 days for an existing solid waste facility, the department shall provide the
 22 applicant with a comprehensive list of any technical deficiencies in the
 23 plan, including a detailed rationale for each deficiency and a recommendation
 24 for correcting the deficiency. If the department provides the applicant with
 25 a comprehensive list of all technical deficiencies as prescribed in this
 26 paragraph, the time limits prescribed by paragraph 4 of this subsection shall
 27 be suspended from the date of the applicant's receipt of the list of
 28 technical deficiencies until the date when the department receives the
 29 applicant's response to the list of technical deficiencies.

30 4. For a new solid waste facility, the department shall issue a
 31 written decision to approve or disapprove the solid waste facility plan
 32 within ninety days of an administrative completeness determination. For an
 33 existing solid waste facility, the department shall issue a written decision
 34 to approve or disapprove the solid waste facility plan within one hundred
 35 eighty days of an administrative completeness determination. The
 36 department's decision to approve or disapprove a plan for an existing solid
 37 waste facility is effective immediately. A person who has submitted a solid
 38 waste facility plan for department approval may extend the time limits in
 39 this subsection for an additional period of up to sixty days.

40 5. The department shall use the following criteria in reviewing a
 41 solid waste facility plan:

42 (a) The solid waste facility shall not pose a substantial endangerment
 43 to public health or safety or the environment.

1 (b) The solid waste facility shall not cause an environmental
2 nuisance.

3 (c) The solid waste facility shall comply with this chapter and rules
4 that are adopted pursuant to section 49-761 and that are applicable to that
5 type of facility.

6 6. If there is sufficient public interest as evidenced by written
7 comments submitted pursuant to paragraph 2 of this subsection in opposition
8 to the proposed solid waste facility plan for a new solid waste facility, the
9 department shall hold a public hearing on its decision to approve the solid
10 waste facility plan within forty-five days after the date of approval.
11 Notice of the public hearing shall be published ~~in a newspaper of general~~
12 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area where the new solid
13 waste facility will be located during two consecutive weeks after the
14 department's decision to approve the plan.

15 7. Testimony on the department's decision to approve a solid waste
16 facility plan shall include the name of the person presenting the testimony
17 and, if in writing, the signature of that person.

18 8. The department shall issue a responsiveness summary by first class
19 mail to those persons who submitted written comments or presented testimony
20 in response to the notices issued pursuant to this section or those persons
21 who requested a copy of the summary. The summary shall be made public within
22 thirty days after the department's decision to approve or disapprove a plan,
23 or, if a public hearing is required, within thirty days after the public
24 hearing. If as a result of testimony at a public hearing, the department
25 becomes aware of a technical deficiency in the facility plan, the department,
26 before the time the responsiveness summary is originally due, shall notify
27 the applicant of that technical deficiency and shall provide a detailed
28 rationale for each deficiency and a recommendation for correcting the
29 deficiency. The department shall provide this notice to the applicant before
30 the date that the responsiveness summary originally was due. The time limits
31 prescribed by this paragraph shall be suspended from the date of the
32 applicant's receipt of the deficiency notice until the date the department
33 receives the applicant's response to the deficiency notice. On receipt of
34 the applicant's response, the department has either fifteen days or the
35 remaining time in the original period, whichever is longer, within which to
36 issue the responsiveness summary. The responsiveness summary shall include
37 all of the following:

38 (a) The public notices for the solid waste facility.

39 (b) A summary of the significant public comments on whether the plan
40 meets the criteria for approval prescribed by paragraph 5 of this subsection.

41 (c) Specific responses of the department to the significant public
42 comments on whether the plan meets the criteria for approval prescribed by
43 paragraph 5 of this subsection.

1 (d) The department's final decision on whether the plan is approved or
2 disapproved. This decision is effective on the issuance of the
3 responsiveness summary.

4 B. If the department disapproves a solid waste facility plan, it shall
5 send to the owner or operator a complete written, detailed rationale for
6 disapproval.

7 Sec. 425. Section 49-762.05, Arizona Revised Statutes, is amended to
8 read:

9 49-762.05. Self-certification procedures; rules

10 A. The owner or operator of a solid waste facility identified in
11 section 49-762.01 shall comply with the self-certification requirements
12 prescribed by this section and rules adopted by the director.

13 B. The owner or operator of a new solid waste facility may be required
14 by rule to submit some or all of the following information to the department
15 before the start of construction:

16 1. Design and operational plans or other documents necessary to
17 describe the design of the facility and the practices and methods that are or
18 will be used to comply with the design and operation rules adopted by the
19 director for that type of facility.

20 2. A demonstration of financial assurance in accordance with section
21 49-770.

22 3. A demonstration of compliance with either local zoning laws or
23 section 49-767.

24 4. A demonstration of the issuance of other environmental permits that
25 are required by statute.

26 5. A copy of the public notice ~~in a newspaper of general circulation~~
27 **ON A PUBLIC MEDIUM PUBLISHED** in the area in which a new solid waste facility
28 will be located. The public notice shall state the intent to construct and
29 operate a new solid waste facility pursuant to this subsection.

30 C. The owner or operator of an existing solid waste facility may be
31 required by rule to submit some or all of the information described in
32 subsection B, paragraphs 1 through 4 of this section within one hundred
33 eighty days after the adoption of design and operation rules for that type of
34 facility.

35 D. The owner or operator shall maintain all documents required by
36 statute or rule at the solid waste facility or any other location as
37 determined by rule, and those documents shall be made available for
38 inspection pursuant to section 49-763.

39 E. An owner or operator making a substantial change to a solid waste
40 facility shall submit documentation to the department before the start of
41 construction stating that the facility will remain in compliance with the
42 design and operation rules for that type of facility. The owner or operator
43 of a solid waste facility that makes any changes in its compliance with
44 subsection B, paragraph 2 or 3 of this section shall submit copies of those
45 changes to the department.

1 F. A person making a submittal under this section shall certify in
2 writing that the information submitted is true, accurate and complete to the
3 best of the person's knowledge and belief.

4 G. Self-certified facilities identified in section 49-762.01 are not
5 subject to the location restrictions of section 49-772.

6 H. The department shall collect from the applicant registration fees.
7 After ~~the effective date of this amendment to this section~~ JULY 20, 2011, the
8 department shall establish by rule registration fees, including maximum fees.
9 As part of the rule making process, there must be public notice and comment
10 and a review of the rule by the joint legislative budget committee. After
11 September 30, 2013, the department shall not increase those fees by rule
12 without specific statutory authority for the increase. Fees collected
13 pursuant to this section shall be deposited, pursuant to sections 35-146 and
14 35-147, in the solid waste fee fund established by section 49-881.

15 I. An owner or operator of more than one solid waste facility
16 identified in section 49-762.01 that conducts similar activities with similar
17 waste streams may submit one self-certification filing for all such
18 facilities if the owner or operator has received prior approval from the
19 director and has complied with rules for self-certification that are adopted
20 by the director.

21 Sec. 426. Section 49-767, Arizona Revised Statutes, is amended to
22 read:

23 49-767. Government owned solid waste facilities; permission;
24 notice of site to property owners; hearing; exemption

25 A. Any agency or political subdivision of this state ~~which~~ THAT is
26 required to select or is selecting a possible permanent site for a solid
27 waste facility required to obtain approval pursuant to section 49-762 shall
28 not select a site without obtaining approval of the city or town if the
29 proposed permanent site is located within such city or town or the approval
30 of the county in which the proposed permanent site is located if the proposed
31 permanent site is located in the unincorporated area of the county.

32 B. An agency or political subdivision of this state ~~which~~ THAT is
33 required to select or ~~which~~ THAT is selecting a possible permanent site for
34 any solid waste facility required to obtain approval pursuant to section
35 49-762 shall post a notice in accordance with requirements specified by the
36 department at the affected property so that the notices are visible from the
37 public rights-of-way and shall send written notice of the selection of the
38 possible permanent site by first class mail to property owners in the
39 following areas:

40 1. If the proposed permanent site is in an unincorporated area, within
41 a three mile radius of the outer boundaries of the proposed permanent site
42 unless the three mile radius intersects a municipal corporate boundary. In
43 such a case, property owners inside the municipal corporate boundary within
44 one thousand feet of the outer boundary of the proposed permanent site shall
45 be notified as well as those property owners outside the municipal corporate

1 boundary within the three mile radius of the outer boundary of the proposed
2 permanent site.

3 2. If the proposed permanent site is in an incorporated area, within a
4 one thousand foot radius of the outer boundaries of the proposed permanent
5 site.

6 C. The notice required by subsection B of this section shall be mailed
7 to each owner of real property as shown on the list of property owners
8 furnished by the county assessor and the department of revenue. Within
9 fifteen days after a request for such a list, the county assessor and the
10 department of revenue shall furnish to the agency or political subdivision a
11 written list stating the name and address of each owner in the areas
12 specified in subsection B of this section.

13 D. Before a political subdivision makes a final decision on a possible
14 permanent site for a facility specified in subsection A of this section, the
15 political subdivision shall hold a public hearing in the general vicinity of
16 the proposed permanent site, at which interested persons may appear and
17 present their views. The political subdivision shall give notice of the
18 hearing, to include all of the following:

19 1. Publication of notice ~~in a daily or weekly newspaper of general~~
20 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed
21 permanent site published once each week, beginning at least two weeks before
22 the hearing.

23 2. Mailed notice as provided in subsection B of this section sent at
24 least two weeks before the hearing.

25 3. Posted notice as provided in subsection B of this section that
26 shall include information on the time and location of the public hearing and
27 a list of those permits that are required in order to operate that proposed
28 solid waste facility.

29 4. Mailed notice at least two weeks before the hearing to the
30 governing body of any city, town or unincorporated portion of a county that
31 is located within a one-mile radius of the outer boundaries of the proposed
32 solid waste landfill.

33 E. Any agency or political subdivision that is holding a hearing that
34 may result in the approval of or a permit for the siting of a solid waste
35 landfill shall mail notice at least two weeks before the hearing to the
36 governing body of any city, town or unincorporated portion of a county that
37 is located within a one-mile radius of the outer boundaries of the proposed
38 solid waste landfill.

39 F. A site for a solid waste facility that has obtained zoning approval
40 pursuant to title 9, chapter 4, article 6.1 or title 11, chapter 6, article
41 ~~2,~~ is exempt from this section. This subsection shall not apply to agencies
42 and political subdivisions of the state.

1 Sec. 427. Section 49-942, Arizona Revised Statutes, is amended to
2 read:

3 49-942. Site selection by political subdivision; hearing;
4 notice

5 Before a political subdivision makes a final decision on a possible
6 permanent site for a facility specified in section 49-941, the political
7 subdivision shall hold a public hearing in the nearest APPROPRIATE public
8 facility in the general vicinity of the proposed permanent ~~sites~~ SITE, at
9 which interested persons may appear and present their views. The political
10 subdivision shall give notice of the hearing, to include both of the
11 following:

12 1. Publication of notice ~~in a daily or weekly newspaper of general~~
13 ~~circulation~~ ON A PUBLIC MEDIUM PUBLISHED in the area of the proposed
14 permanent site published once each week, beginning at least two weeks before
15 the hearing.

16 2. Mailed notice as provided in section 49-941, sent at least two
17 weeks before the hearing.

18 Sec. 428. Section 49-1261, Arizona Revised Statutes, is amended to
19 read:

20 49-1261. Water quality bonds

21 A. The authority, through the board of directors, may issue negotiable
22 water quality bonds in a principal amount that in its opinion is necessary to
23 provide sufficient monies for financial assistance under this article,
24 maintaining sufficient reserves to secure the bonds, to pay the necessary
25 costs of issuing, selling and redeeming the bonds and to pay other
26 expenditures of the authority incidental to and necessary and convenient to
27 carry out the purposes of this article.

28 B. The board must authorize the bonds by resolution. The resolution
29 shall prescribe:

- 30 1. The rate or rates of interest and the denominations of the bonds.
- 31 2. The date or dates of the bonds and maturity.
- 32 3. The coupon or registered form of the bonds.
- 33 4. The manner of executing the bonds.
- 34 5. The medium and place of payment.
- 35 6. The terms of redemption.

36 C. The bonds shall be sold at public or private sale at the price and
37 on the terms determined by the board. All proceeds from the issuance of
38 bonds shall be deposited in the appropriate accounts of the funds
39 administered by the board.

40 D. The board shall publish a notice of its intention to issue bonds
41 under this article for at least five consecutive days ~~in a newspaper~~ ON A
42 PUBLIC MEDIUM published in this state. The last day of publication must be
43 at least ten days before issuing the bonds. The notice shall state the
44 amount of the bonds to be sold and the intended date of issuance. A copy of
45 the notice shall be hand delivered or sent, by certified mail, return receipt

1 requested, to the director of the department of administration on or before
2 the last day of publication.

3 E. To secure any bonds authorized by this section, the board by
4 resolution may:

5 1. Provide that bonds issued under this section may be secured by a
6 first lien on all or part of the monies paid into the appropriate account or
7 subaccount of the funds administered by the authority.

8 2. Pledge or assign to or in trust for the benefit of the holder or
9 holders of the bonds any part or appropriate account or subaccount of the
10 monies in the funds as is necessary to pay the principal and interest of the
11 bonds as they come due.

12 3. Set aside, regulate and dispose of reserves and sinking funds.

13 4. Provide that sufficient amounts of the proceeds from the sale of
14 the bonds may be used to fully or partly fund any reserves or sinking funds
15 set up by the bond resolution.

16 5. Prescribe the procedure, if any, by which the terms of any contract
17 with bondholders may be amended or abrogated, the amount of bonds the holders
18 of which must consent to and the manner in which consent may be given.

19 6. Provide for payment from the proceeds of the sale of the bonds of
20 all legal and financial expenses incurred by the board in issuing, selling,
21 delivering and paying the bonds.

22 7. Do any other matters that in any way may affect the security and
23 protection of the bonds.

24 F. The members of the board or any person executing the bonds are not
25 personally liable for the payment of the bonds. The bonds are valid and
26 binding obligations notwithstanding that before the delivery of the bonds any
27 of the persons whose signatures appear on the bonds cease to be members of
28 the board. From and after the sale and delivery of the bonds, they are
29 incontestable by the board.

30 G. The board, out of any available monies, may purchase bonds, which
31 may be canceled, at a price not exceeding either of the following:

32 1. If the bonds are then redeemable, the redemption price then
33 applicable plus accrued interest to the next interest payment date.

34 2. If the bonds are not then redeemable, the redemption price
35 applicable on the first date after purchase on which the bonds become subject
36 to redemption plus accrued interest to that date.

37 Sec. 429. Section 49-1277, Arizona Revised Statutes, is amended to
38 read:

39 49-1277. Water supply development bonds

40 A. The authority may issue negotiable water supply development bonds
41 in a principal amount necessary to provide sufficient monies for those
42 projects approved under this article and including such items as maintaining
43 sufficient reserves to secure the bonds, to pay the necessary costs of
44 issuing, selling and redeeming the bonds and to pay other expenditures of the
45 authority incidental to and necessary and convenient to carry out the

1 purposes of this article. The board shall issue the bonds pursuant to
2 subsections C and D OF THIS SECTION.

3 B. The board shall authorize the bonds by resolution. The resolution
4 shall prescribe:

- 5 1. The rate or rates of interest and the denominations of the bonds.
- 6 2. The date or dates of the bonds and maturity.
- 7 3. The coupon or registered form of the bonds.
- 8 4. The manner of executing the bonds.
- 9 5. The medium and place of payment.
- 10 6. The terms of redemption.

11 C. The bonds shall be sold at public or private sale at the price and
12 on the terms determined by the board. All proceeds from the issuance of
13 bonds shall be deposited in the appropriate accounts of the funds
14 administered by the authority.

15 D. The board shall publish a notice of its intention to issue bonds
16 under this article for at least five consecutive days ~~in a newspaper~~ ON A
17 PUBLIC MEDIUM published in this state. The last day of publication must be
18 at least ten days before issuing the bonds. The notice shall state the
19 amount of the bonds to be sold and the intended date of issuance. A copy of
20 the notice shall be hand delivered or sent, by certified mail, return receipt
21 requested, to the director of the department of administration on or before
22 the last day of publication.

23 E. To secure any bonds authorized by this section, the board by
24 resolution may:

25 1. Provide that bonds issued under this section may be secured by a
26 first lien on all or part of the monies paid into the appropriate account or
27 subaccount of the funds administered by the authority.

28 2. Pledge or assign to or in trust for the benefit of the holder or
29 holders of the bonds any part or appropriate account or subaccount of the
30 monies in the funds as is necessary to pay the principal and interest of the
31 bonds as they come due.

32 3. Set aside, regulate and dispose of reserves and sinking funds.

33 4. Provide that sufficient amounts of the proceeds from the sale of
34 the bonds may be used to fully or partly fund any reserves or sinking funds
35 set up by the bond resolution.

36 5. Prescribe the procedure, if any, by which the terms of any contract
37 with bondholders may be amended or abrogated, the amount of bonds the holders
38 of which must consent to and the manner in which consent may be given.

39 6. Provide for payment from the proceeds of the sale of the bonds of
40 all legal and financial expenses incurred by the board in issuing, selling,
41 delivering and paying the bonds.

42 7. Do any other matters that in any way may affect the security and
43 protection of the bonds.

44 F. Any member of the board, any member of the committee or any person
45 executing the bonds is not personally liable for the payment of the bonds.

1 The bonds are valid and binding obligations notwithstanding that before the
2 delivery of the bonds any of the persons whose signatures appear on the bonds
3 cease to be members of the board. From and after the sale and delivery of
4 the bonds, they are incontestable by the board and the committee.

5 G. The board, out of any available monies, may purchase bonds, which
6 may be canceled, at a price not exceeding either of the following:

7 1. If the bonds are then redeemable, the redemption price then
8 applicable plus accrued interest to the next interest payment date.

9 2. If the bonds are not then redeemable, the redemption price
10 applicable on the first date after purchase on which the bonds become subject
11 to redemption plus accrued interest to that date.