

REFERENCE TITLE: revitalization districts; county participation

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

## **SB 1416**

Introduced by  
Senator Pratt

AN ACT

AMENDING SECTIONS 48-6801, 48-6802, 48-6803, 48-6807, 48-6808, 48-6809, 48-6810, 48-6811, 48-6812, 48-6814, 48-6815, 48-6817, 48-6818 AND 48-6819, ARIZONA REVISED STATUTES; RELATING TO REVITALIZATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-6801, Arizona Revised Statutes, is amended to  
3 read:

4 48-6801. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Clerk" includes any person or official who performs the duties  
7 of clerk of the municipality OR COUNTY or any person appointed by the  
8 district board to be the district clerk.

9 2. "Debt service" means the principal of, interest on and premium,  
10 if any, on the bonds, when due, whether at maturity or prior redemption  
11 and fees and costs of registrars, trustees, paying agents or other agents  
12 necessary to handle the bonds and the costs of credit enhancement or  
13 liquidity support.

14 3. "District" means a tax levying revitalization district formed  
15 pursuant to this article.

16 4. "District board" means the board of directors of the district.

17 5. "Enhanced municipal services" means public service provided  
18 within the district at a higher level or to a greater degree than provided  
19 outside the district.

20 6. "General plan" means the general plan described in section  
21 48-6802, subsection B, as the plan may be amended.

22 7. "Governing body" means the body or board that by law is  
23 constituted as the legislative department of the municipality, COUNTY,  
24 Indian tribe or community.

25 8. "Infrastructure" means all improvements listed in this paragraph  
26 that will result in a beneficial use principally to land within the  
27 geographical limits of the district and may include a district's share of  
28 any improvements listed in this paragraph if the district board determines  
29 such share is proportionate to the beneficial use of such improvements to  
30 land within the geographical limits of the district, improvements within  
31 or outside the geographical limits of the district, necessary or  
32 incidental work, whether newly constructed, renovated or existing, and all  
33 necessary or desirable appurtenances. Infrastructure improvements are:

34 (a) Sanitary sewage systems, including collection, transport,  
35 storage, treatment, dispersal, effluent use and discharge.

36 (b) Water systems, including collection, transport, delivery,  
37 storage, treatment and dispersal.

38 (c) Drainage and flood control systems, including collection,  
39 transport, diversion, storage, detention, retention, dispersal, use and  
40 discharge.

41 (d) Highways, streets, roadways and parking facilities, including  
42 all areas for vehicular use for travel, ingress, egress and parking.

43 (e) Areas for pedestrian, bicycle or other nonmotor vehicle use for  
44 travel, ingress, egress and parking.

45 (f) Pedestrian malls, parks and open space areas for the use of  
46 members of the public for entertainment, assembly and recreation.

1 (g) Landscaping, including earthworks, structures, lakes and other  
2 water features, plants, trees and related water delivery systems.

3 (h) Buildings and facilities.

4 (i) Lighting systems and communications facilities.

5 (j) Traffic control systems and devices, including signals,  
6 controls, markings and signage.

7 (k) Land clearance activities, demolition of public and private  
8 buildings and facilities and environmental remediation.

9 (l) Equipment, vehicles, furnishings and other personalty related  
10 to the items listed in this paragraph.

11 9. "Infrastructure purpose" means:

12 (a) Planning, design, engineering, construction, demolition,  
13 acquisition or installation of infrastructure.

14 (b) Acquiring, converting, renovating or improving existing  
15 facilities for infrastructure.

16 (c) Acquiring interests in real property for infrastructure.

17 (d) Establishing, maintaining and replenishing reserves from any  
18 source described in section 48-6812 or from any other source in order to  
19 secure payment of debt service on bonds.

20 (e) Funding and paying from bond proceeds interest accruing on  
21 bonds for a period of not to exceed three years from their date of  
22 issuance.

23 (f) Providing for the timely payment of debt service on bonds or  
24 other indebtedness of the district.

25 (g) Refinancing any bonds with new bonds.

26 (h) Issuing bonds to finance infrastructure purposes.

27 (i) Incurring expenses of the district incident to and reasonably  
28 necessary to carry out the purposes specified in this paragraph.

29 10. "Multipurpose event center" means a building, a group of  
30 buildings or a structure that is designed or configured to be adaptable in  
31 providing venues that can accommodate various events such as musical  
32 concerts, theater performances, trade shows, sporting events, conventions,  
33 conferences and other social, cultural, business or entertainment events.

34 11. "Municipality" means an incorporated city or town and includes  
35 an Indian tribe or community.

36 12. "Owner" means the person who, on the day the action, election  
37 or proceeding is begun or held, appears to be the owner of real property  
38 as shown on the property tax assessment roll.

39 13. "Revenue bonds" means those bonds that are issued pursuant to  
40 this article and that are secured by a pledge of revenues of the district  
41 or revenues collected by the county or municipality and returned to the  
42 district.

43 14. "Treasurer" includes any person or official who performs the  
44 duties of treasurer of the municipality OR COUNTY or any person appointed  
45 by the district board as the district treasurer.

1           Sec. 2. Section 48-6802, Arizona Revised Statutes, is amended to  
2 read:

3           48-6802. Resolution of intent; eligible participants;  
4                                   district board

5           A. If the public convenience and necessity require, and on  
6 presentation of a petition signed by the owners of at least fifty-one ~~per~~  
7 ~~cent~~ PERCENT of the net assessed value of the property proposed to be  
8 included in the district ~~and~~ OR a petition signed by at least fifty-one  
9 ~~per cent~~ PERCENT of the property owners in the area proposed to be  
10 included in the district, the governing body of one or more  
11 municipalities, A COUNTY OR A COMBINATION OF ONE OR MORE MUNICIPALITIES  
12 AND A COUNTY may adopt a resolution declaring its intention to form a  
13 district to include property within the ~~corporate~~  
14 GOVERNMENTAL ENTITY OR ENTITIES PARTICIPATING IN THE district. The  
15 resolution shall state the following:

- 16           1. The area or areas to be included in the district.
- 17           2. The purposes for which the district is to be formed.
- 18           3. That a general plan for the district is on file with the clerk.
- 19           4. The date, time and place of the hearing to be held on the  
20 formation of the district.
- 21           5. The place where written objections to the formation of the  
22 district may be filed.
- 23           6. That formation of the district may result in the levy of taxes  
24 or assessments to pay the costs of improvements constructed by the  
25 district and for their operation and maintenance.
- 26           7. A reference to this article.
- 27           8. That the district will be governed by directors chosen pursuant  
28 to this article.

29           B. Before adopting a resolution under this section, a general plan  
30 for the district shall be filed with the clerk setting out a general  
31 description of the improvements for which the district is proposed to be  
32 formed and the areas to be improved.

33           C. The district shall be governed by an initial district board  
34 appointed by the governing body of each participating entity as follows:

- 35           1. If one municipality OR ONE COUNTY is participating in the  
36 FORMATION OF THE district, the governing body of that ~~municipality~~  
37 PARTICIPATING ENTITY shall appoint three persons to serve on the initial  
38 board of directors. The three directors shall own real property in the  
39 district.
- 40           2. If two municipalities OR A MUNICIPALITY AND A COUNTY are  
41 participating in the district, the governing body of each ~~municipality~~  
42 PARTICIPATING ENTITY shall each appoint one person to serve on the initial  
43 board of directors and those two initial board members shall name a third  
44 member. The three directors shall own real property in the district. If  
45 three or more municipalities OR A COMBINATION OF TWO OR MORE  
46 MUNICIPALITIES AND A COUNTY are participating in the district, the

1 ~~municipalities~~ PARTICIPATING ENTITIES shall agree on how to appoint three  
2 directors who own real property in the district.

3 D. The initial board of directors shall serve a term of one year.  
4 Subsequent members of the board of directors shall be real property owners  
5 in the district who shall be elected at large by the real property owners  
6 in the district as shown on the property tax assessment roll who are  
7 qualified to vote pursuant to section 48-6818. The board of directors  
8 shall develop bylaws for the operation of the district. Subsequent  
9 members of the board of directors shall serve a term of four years.

10 Sec. 3. Section 48-6803, Arizona Revised Statutes, is amended to  
11 read:

12 48-6803. Notice

13 A. The clerk shall execute a notice, which shall read substantially  
14 as follows:

15 To whom it may concern:

16 The governing body of the (city, TOWN OR COUNTY) of  
17 \_\_\_\_\_, on \_\_\_\_\_ (Date)\_\_\_\_\_, adopted the attached resolution  
18 declaring its intention to form a tax levying revitalization  
19 district. A hearing on formation will be held  
20 on \_\_\_\_\_ (Date)\_\_\_\_\_, at \_\_\_\_\_ (Time)\_\_\_\_\_ at \_\_\_\_\_ (Location)\_\_\_\_\_. All  
21 persons owning or claiming an interest in property in the  
22 proposed district who object to the inclusion of their land in  
23 the district, to the formation of the district or to the  
24 contents of the general plan must file a written objection  
25 with the undersigned at the following address before the time  
26 set for the hearing.

27 (Date)\_\_\_\_\_

28 \_\_\_\_\_

29 Clerk

30 \_\_\_\_\_

31 Address

32 (Name of municipality or county)

33 B. A copy of the resolution declaring the governing body's  
34 intention to form the district shall be attached to the notice, and the  
35 clerk shall cause a copy to be mailed to the owners of real property in  
36 the district as shown on the most recent property tax assessment roll and  
37 to all other persons claiming an interest in such property who have filed  
38 a written request for a copy of the notice within the six months preceding  
39 or at any time following the adoption of the resolution of intent to form  
40 the district. The clerk shall also publish a copy of the notice and  
41 resolution at least once in the official newspaper of ~~the~~ EACH  
42 municipality, ~~if there is one~~ AND EACH COUNTY THAT IS PARTICIPATING IN THE  
43 FORMATION OF THE DISTRICT, or, if there is no official newspaper of the  
44 municipality, in a newspaper of general circulation in the county in which  
45 the municipality is located. The mailing and publication shall be  
46 completed at least twenty days before the date set for hearing. The clerk

1 shall execute an affidavit of mailing stating the date of mailing and the  
2 names and addresses of the persons to whom the notices and copies of the  
3 resolutions were mailed. The clerk shall obtain an affidavit from the  
4 newspaper in which the publication was made. The clerk shall cause both  
5 affidavits to be placed in the official records of ~~the municipality~~ EACH  
6 PARTICIPATING ENTITY. The affidavits are conclusive evidence of the  
7 mailing and publishing of notice. Notice shall not be held invalid for  
8 failure of delivery to the addressee.

9 C. If the clerk is informed that the person listed on the  
10 assessment roll is no longer the owner and the name and address of the  
11 successor owner become known, the clerk shall cause a copy of the notice  
12 and resolution to be mailed to the successor owner as soon as practicable  
13 after learning of the change of ownership.

14 Sec. 4. Section 48-6807, Arizona Revised Statutes, is amended to  
15 read:

16 48-6807. Formation

17 A. If the formation of the district is approved, the governing body  
18 of each entity on adoption of the resolution forming the district shall  
19 appoint the initial directors of the district board, set the district  
20 boundaries and order that a map showing the district boundaries be drawn  
21 and a copy of the order forming the district be delivered to the county  
22 assessor and the board of supervisors of the county in which the district  
23 is located and to the department of revenue. A notice of the formation  
24 showing the number and date of the order and giving a description of the  
25 land included in the district shall be recorded with the county recorder.  
26 The district shall not be deemed formed until a resolution is approved by  
27 each participating city, town, COUNTY or Indian tribe or community.

28 B. On its formation, the district is a special purpose district for  
29 purposes of article IX, section 19, Constitution of Arizona, a tax levying  
30 public improvement district for the purposes of article XIII, section 7,  
31 Constitution of Arizona, and a municipal corporation for all purposes of  
32 title 35, chapter 3, articles 3, 3.1, 3.2, 4 and 5. Except as otherwise  
33 provided in this section, a district is considered to be a municipal  
34 corporation and political subdivision of this state, separate and apart  
35 from the municipality OR COUNTY. Notwithstanding any other law, a  
36 district formed pursuant to this article does not have the power of  
37 eminent domain and does not have the power to enact zoning ordinances.

38 C. On formation of the district, the district board shall  
39 administer the implementation of the general plan for the infrastructure  
40 of the district and any development agreement entered into pursuant to  
41 section 9-500.05 between the governing body and any owners of land in the  
42 district. The district board shall be considered a party to that  
43 agreement.

1           Sec. 5. Section 48-6808, Arizona Revised Statutes, is amended to  
2 read:

3           48-6808. Powers of a revitalization district

4           A. In addition to the powers otherwise granted to a district  
5 pursuant to this article, a district may to further the implementation of  
6 the general plan:

7           1. Enter into contracts and spend monies for any infrastructure  
8 purpose with respect to the district.

9           2. Enter into intergovernmental agreements as prescribed in title  
10 11, chapter 7, article 3 for the financing, planning, design, inspection,  
11 ownership, control, maintenance, operation or repair of infrastructure or  
12 the provision of enhanced municipal services by the ~~municipality~~  
13 **GOVERNMENTAL ENTITIES PARTICIPATING** in the **FORMATION OF THE** district,  
14 including an intergovernmental agreement with an Indian tribe or  
15 community.

16           3. Sell, lease or otherwise dispose of district property if the  
17 sale, lease or conveyance is not a violation of the terms of any contract  
18 or bond resolution of the district.

19           4. Reimburse a municipality **OR COUNTY PARTICIPATING IN THE**  
20 **FORMATION OF THE DISTRICT** for providing enhanced municipal services in the  
21 district.

22           5. Operate, maintain and repair infrastructure.

23           6. Establish, charge and collect user fees, rates or charges for  
24 the use of any infrastructure or service.

25           7. Employ staff, counsel and consultants.

26           8. Reimburse a municipality **OR COUNTY PARTICIPATING IN THE**  
27 **FORMATION OF THE DISTRICT** for staff and consultant services and support  
28 facilities supplied by the municipality **OR COUNTY**.

29           9. Accept gifts or grants and incur and repay loans for any  
30 infrastructure purpose.

31           10. Enter into agreements with landowners and ~~the~~ **A PARTICIPATING**  
32 municipality **OR COUNTY** for the collection of fees and charges from  
33 landowners for infrastructure purposes, the advance of monies by  
34 landowners for infrastructure purposes or the granting of real property by  
35 the landowner for infrastructure purposes.

36           11. After approval at an election held pursuant to section 48-6818,  
37 levy and assess the costs of any infrastructure purpose on any land  
38 benefited in the district.

39           12. Pay the financial, legal and administrative costs of the  
40 district.

41           13. Enter into contracts, agreements and trust indentures to obtain  
42 credit enhancement or liquidity support for its bonds and process the  
43 issuance, registration, transfer and payment of its bonds and the  
44 disbursement and investment of proceeds of the bonds.

45           14. With the consent of the governing body of the municipality **OR**  
46 **COUNTY** that formed the district, enter into agreements with persons

1 outside of the district to provide services to persons and property  
2 outside of the district.

3 15. With the consent of the applicable governmental entity, use  
4 public easements and rights-of-way in or across public property, roadways,  
5 highways, streets or other thoroughfares and other public easements and  
6 rights-of-way, whether in or out of the geographical limits of the  
7 district or the municipality OR COUNTY.

8 B. In connection with any power authorized by statute, the district  
9 may:

10 1. Contract.

11 2. Enter into intergovernmental agreements pursuant to title 11,  
12 chapter 7, article 3.

13 3. Adopt and change a seal.

14 4. Sue and be sued.

15 5. Enter into development agreements, as defined in section  
16 9-500.05.

17 C. The district shall not be used to finance or facilitate the  
18 acquisition, operation, maintenance, construction or operation of a sports  
19 stadium or other sports facility that is designed specifically for or used  
20 specifically by a professional sports team, including a clubhouse, a  
21 practice facility or any other related facility or on-site infrastructure  
22 or related parking facilities for those purposes. This subsection does  
23 not apply to the financing, acquisition, operation, maintenance or  
24 construction of a multipurpose event center.

25 D. Public infrastructure other than personalty may be located only  
26 in or on lands owned by the state, a county, a municipality or the  
27 district or dedicated or otherwise designated as public roadways,  
28 highways, streets, thoroughfares, easements or rights-of-way, whether in  
29 or out of the district or the municipality OR COUNTY. Personalty may be  
30 used only for purposes authorized by the district board.

31 E. An agreement pursuant to subsection A, paragraph 10 of this  
32 section may include agreements to repay all or part of such advances, fees  
33 and charges from the proceeds of bonds if issued or from advances, fees  
34 and charges collected from other landowners or users or those having a  
35 right to use any infrastructure. A person does not have authority to  
36 compel the issuance or sale of the bonds of the district or the exercise  
37 of any taxing power of the district to make repayment under any agreement.

38 Sec. 6. Section 48-6809, Arizona Revised Statutes, is amended to  
39 read:

40 48-6809. Perpetual succession

41 The district has perpetual succession, except that the district may  
42 be dissolved as provided in section 48-6819 and, if the district does not  
43 have any bonds or other obligations outstanding, shall be dissolved ten  
44 years after the date of formation unless the governing bodies of the  
45 participating ~~municipalities~~ ENTITIES by resolution extend the district by  
46 an additional period of ten years.



1           Sec. 7. Section 48-6810, Arizona Revised Statutes, is amended to  
2 read:

3           48-6810. Records; board of directors; open meetings

4           A. The district shall keep the following records, which shall be  
5 open to public inspection:

- 6           1. Minutes of all meetings of the district board.
- 7           2. All resolutions.
- 8           3. Accounts showing all monies received and disbursed.
- 9           4. The annual budget.
- 10          5. All other records required to be maintained by law.

11          B. If a vacancy occurs on the district board because of death,  
12 resignation or inability of the director to discharge the duties of  
13 director, the vacancy shall be filled by appointment made by the governing  
14 body. A director appointed by the governing body shall hold office for  
15 the remainder of the unexpired term until the member's successor is  
16 elected as provided by this article. A director shall not be an elected  
17 official of the municipality, COUNTY or Indian tribe or community or an  
18 employee or agent of the municipality, COUNTY or Indian tribe or community  
19 but may be a director of more than one district.

20          C. The board of directors shall comply with title 38, chapter 3,  
21 article 3.1 as a separate political subdivision.

22          D. The district clerk and district treasurer shall be the clerk of  
23 the municipality OR THE COUNTY THAT FORMS THE DISTRICT and the treasurer  
24 of the municipality OR THE COUNTY THAT FORMS THE DISTRICT, respectively,  
25 unless the district board appoints a district clerk and district  
26 treasurer. IF MORE THAN ONE GOVERNMENTAL ENTITY FORMS THE DISTRICT, THE  
27 PARTICIPATING GOVERNMENTAL ENTITIES BY AGREEMENT MAY DESIGNATE A CLERK OR  
28 A TREASURER, OR BOTH, FROM AMONG THE GOVERNMENTAL ENTITIES' CLERKS AND  
29 TREASURERS.

30           Sec. 8. Section 48-6811, Arizona Revised Statutes, is amended to  
31 read:

32           48-6811. Participation by municipality or county

33           The governing body of ~~the~~ A municipality OR COUNTY THAT FORMS THE  
34 DISTRICT, by resolution, may summarily order the participation by the  
35 municipality OR THE COUNTY in the costs of any public infrastructure  
36 purpose, including the payment of bond debt service.

37           Sec. 9. Section 48-6812, Arizona Revised Statutes, is amended to  
38 read:

39           48-6812. Finances

40           The projects to be constructed or acquired as shown in the general  
41 plan may be financed from the following sources of revenue:

- 42           1. Proceeds received from the sale of bonds of the district.
- 43           2. Monies of the municipality, COUNTY or Indian tribe or community  
44 contributed to the district.
- 45           3. Special assessments.
- 46           4. State or federal grants or contributions.

- 1           5. Private contributions.
- 2           6. User, landowner and other fees and charges.
- 3           7. Proceeds of loans or advances.
- 4           8. Any other monies available to the district by law.

5           Sec. 10. Section 48-6814, Arizona Revised Statutes, is amended to  
6 read:

7           48-6814. Revenue bonds; fees and charges

8           A. At any time after the hearing on formation of the district, the  
9 district board may hold a hearing on the question of authorizing the  
10 district board to issue revenue bonds of ~~the~~ THAT district to provide  
11 monies for any infrastructure purposes consistent with the general plan.

12           B. If revenue bonds are approved by resolution, the district board  
13 may issue and sell revenue bonds of the district.

14           C. If the bonds are to be sold in a public offering, no bonds may  
15 be issued by the district unless the bonds receive one of the four highest  
16 investment grade ratings by a nationally recognized bond rating agency.

17           D. The district board may pledge to the payment of its revenue  
18 bonds any revenues of the district or revenues to be collected by the  
19 municipality OR COUNTY in trust for the district and returned to the  
20 district.

21           E. The district shall prescribe fees and charges, and shall revise  
22 them when necessary, to generate revenue sufficient, together with any  
23 monies from the sources described in section 48-6812, to pay when due the  
24 principal and interest of all revenue bonds for the payment of which  
25 revenue has been pledged. The establishment or revision of any rates,  
26 fees and charges shall be identified and noticed concurrently with the  
27 annual budget process of the district pursuant to section 48-6813.

28           F. If, in the resolution of the district board, the revenues to be  
29 pledged were limited to certain types of revenues, only those types of  
30 revenues may be pledged and only those revenues must be maintained.

31           G. No holder of revenue bonds issued under this article may compel  
32 any exercise of the taxing power of the district, COUNTY or municipality  
33 to pay the bonds or the interest on the bonds. Revenue bonds issued under  
34 this article are not a debt of the district, COUNTY or municipality, nor  
35 is the payment of revenue bonds enforceable out of any monies other than  
36 the revenue pledged to the payment of the bonds.

37           H. The district may issue and sell refunding bonds to refund any  
38 revenue bonds of the district.

39           Sec. 11. Section 48-6815, Arizona Revised Statutes, is amended to  
40 read:

41           48-6815. Special assessments; assessment lien bonds

42           A. The district board, after approval of the assessment at an  
43 election held as prescribed by section 48-6818, and pursuant to the  
44 procedures prescribed by sections 48-576 through 48-589, as nearly as  
45 practicable, or such other procedures as the district board provides, may  
46 levy by resolution an assessment of the costs of any infrastructure

1 purpose, any operation and maintenance of infrastructure or any enhanced  
2 municipal services on any land in the district based on the benefit  
3 determined by the district board to be received by the land. Before the  
4 issuance of special assessment bonds the district may enter into a written  
5 agreement with a landowner as to the manner in which the assessment is to  
6 be allocated if the land is to be divided into more than one parcel. If  
7 an issue of special assessment lien bonds finances more than one purpose  
8 or service, the benefit received by the land, in the discretion of the  
9 district, may be determined by reference to the purposes and services as a  
10 whole or individually. The assessment may be based on estimated costs and  
11 amended to reflect actual costs, and the preparation of plans and  
12 specifications and the awarding of the contract are not a prerequisite to  
13 the levying of the assessment. An owner of land on which an assessment  
14 has been levied may seek judicial review of whether the land is benefited  
15 by the proposed infrastructure, on the merits, by special action filed  
16 with the court of appeals, within thirty days of the effective date of the  
17 resolution.

18 B. After adoption by the district board of a resolution levying a  
19 special assessment on property in the district, the district board may  
20 issue and sell special assessment lien bonds payable from amounts  
21 collected from the special assessments, from amounts available from time  
22 to time in any reserve fund established for those bonds and from any other  
23 amounts available for those purposes as prescribed by section 48-6812.  
24 The district and the county treasurer for the county in which the district  
25 is located may enter into an agreement for the county treasurer to collect  
26 the district's special assessments in the manner and by the officers  
27 provided by law for the collection and enforcement of general taxes. The  
28 district and the county treasurer may provide by agreement for the payment  
29 of the county treasurer's collection expenses directly related to the levy  
30 of the special assessment and, if so provided, the levy of the special  
31 assessment may include an amount for compensation of the county treasurer  
32 directly related to the collection of the special assessment. The  
33 compensation received by the county treasurer pursuant to the agreement  
34 shall be governed by section 11-496. The district board may also issue  
35 and sell bond anticipation notes pursuant to the procedures prescribed in  
36 section 48-2081 or with procedures as similar to those as is practicable.  
37 The assessment shall be a first lien on the property assessed subject only  
38 to general property taxes and prior special assessments. In the event of  
39 nonpayment of an assessment and except as otherwise provided in an  
40 agreement between the district and the county treasurer pursuant to this  
41 section, the procedures for collection of delinquent assessments, sale of  
42 delinquent property and issuance and effect of the deed prescribed by  
43 sections 48-601 through 48-607 apply, as nearly as practicable, except  
44 that in no event is the district, **THE COUNTY** or the municipality required  
45 to purchase the delinquent land at the sale if there is no other  
46 purchaser. If the landowner owns more than one parcel in the district,

1 the district board may provide procedures for the collection and  
2 enforcement of assessments as the board deems appropriate by contract with  
3 a landowner to permit the sale of any or all of the landowner's parcels in  
4 the district if the landowner becomes delinquent as to any parcel that the  
5 landowner owns in the district.

6 C. On adoption of the resolution, but before issuance of the  
7 special assessment lien bonds, the district may direct the treasurer to  
8 make demand on the owners of the property so assessed, as shown on the  
9 property tax roll, for advance payment of the amount assessed. The demand  
10 shall state a date not less than twenty days after the date of adoption of  
11 the resolution after which the treasurer may refuse to accept advance  
12 payments of the assessment. The treasurer shall certify to the clerk on  
13 or after the date specified in the demand the amount collected and the  
14 assessments remaining unpaid against each parcel of land assessed.  
15 Special assessment lien bonds may not be issued in an amount in excess of  
16 the amount assessed in the resolution or, if advance payments are  
17 demanded, the amount certified to the clerk. The district may adopt  
18 procedures for prepayment and provisions for payment and reallocation of  
19 assessments.

20 D. The district may issue and sell refunding bonds to refund any  
21 special assessment bonds of the district.

22 Sec. 12. Section 48-6817, Arizona Revised Statutes, is amended to  
23 read:

24 48-6817. District taxes; annual financial estimate and budget

25 A. At any time after the hearing on formation of the district, the  
26 district board, or, if before formation, the governing body, may call an  
27 election to submit to the persons who are eligible to vote in the district  
28 as prescribed in section 48-6818 and the qualified electors of the  
29 district the question of authorizing the district board to levy an ad  
30 valorem tax on the assessed value of all the real and personal property in  
31 the district at a rate or rates that do not exceed the maximum rate or  
32 rates specified in the ballot. **FOR A DISTRICT THAT IS FORMED BY A COUNTY  
33 WITH NO PARTICIPATING MUNICIPALITY, ONLY THE QUALIFIED ELECTORS OF THE  
34 DISTRICT ARE ELIGIBLE TO VOTE ON THE QUESTION OF AUTHORIZING THE DISTRICT  
35 BOARD TO LEVY AN AD VALOREM TAX.** All taxes shall be used for the  
36 operation and maintenance expenses of the district, excluding expenses for  
37 an area described in section 48-6808, subsection E, and shall not exceed  
38 an amount equal to thirty cents per one hundred dollars of assessed  
39 valuation for all real and personal property in the district, unless a  
40 higher rate is approved by a petition signed by the owners of at least  
41 fifty-one ~~per cent~~ **PERCENT** of the net assessed value of the property of  
42 the district ~~and~~ **OR** a petition signed by at least fifty-one ~~per cent~~  
43 **PERCENT** of the property owners of the district. The district board by  
44 simple majority vote may reduce or eliminate any portion of the tax  
45 imposed by the district.

1 B. The district may not levy at a rate or rates in excess of the  
2 maximum rate then in effect.

3 C. When levying an ad valorem tax, the district board shall make  
4 annual statements and estimates of the operation and maintenance expenses  
5 of the district and the amount of all other expenditures for  
6 infrastructure and enhanced municipal services proposed to be paid from  
7 the tax levy or levies, all of which shall be provided for by the levy and  
8 collection of ad valorem taxes on the assessed value of all the real and  
9 personal property in the district. The district board shall file the  
10 annual statements and estimates with the clerk. The district board shall  
11 publish a notice of the filing of the estimate, shall hold hearings on the  
12 portions of the estimate not relating to debt service on bonds and shall  
13 adopt a budget. The board, on or before the date set by law for  
14 certifying the annual budget of the county or municipality, shall fix,  
15 levy and assess the amounts to be raised by ad valorem taxes of the  
16 district and shall cause certified copies of the order to be delivered to  
17 the board of supervisors and to the department of revenue. All statutes  
18 relating to the levy and collection of general county taxes, including the  
19 collection of delinquent taxes and sale of property for nonpayment of  
20 taxes, apply to the district taxes provided for by this section.

21 Sec. 13. Section 48-6818, Arizona Revised Statutes, is amended to  
22 read:

23 48-6818. Notice and conduct of elections; eligible voters

24 A. Any election under this article shall be a nonpartisan election  
25 called by posting notices in three public places within the boundaries of  
26 the district not less than twenty days before the election. Any election  
27 may be conducted as a mail ballot election in the manner prescribed in  
28 title 16, chapter 4, article 8.1 as nearly as practicable. If the  
29 election notice is not mailed to the property owners and, if applicable,  
30 to the qualified electors, the notice shall also be published in a  
31 newspaper of general circulation in the municipality **OR COUNTY** or if there  
32 is no newspaper so circulated in the municipality in a newspaper of  
33 general circulation in the county in which the municipality is located  
34 once a week for two consecutive weeks before the election. The notice  
35 shall state:

36 1. The place of holding the election.

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

39 3. If it is an assessment levy election, the maximum assessment  
40 rate to be imposed, the purposes for which the monies raised will be used  
41 and the existing maximum assessment rate, if any.

42 4. That a general plan is on file with the clerk.

43 B. The district board shall determine the date of the election and,  
44 if applicable, the polling places for the election and may consolidate  
45 precincts. The clerk of the district board shall prepare a list of  
46 eligible voters in the election. A prospective landowner voter shall

1 execute an affidavit stating that the voter is the owner of land in the  
2 district and is qualified to vote pursuant to this section and stating the  
3 parcel number owned by the voter. Election board members may administer  
4 oaths or take all affirmations for these purposes. An election held  
5 pursuant to this article is not subject to title 16, chapter 2, article 3.

6 C. Only the owners of real property in the district are eligible to  
7 vote in an election regarding an assessment to be levied against the real  
8 property in the district, in an election for the board of directors of the  
9 district and in an election for dissolution. Corporations, partnerships  
10 and other business entities are eligible to vote as property owners, but  
11 only one vote may be cast for each one-seventh of an acre of real property  
12 in the district, except that any fraction of ownership of real property  
13 that is less than one-seventh of an acre entitles the owner to cast one  
14 vote. A majority of the acreage as represented by the votes cast at an  
15 election conducted solely under the acreage system shall determine the  
16 result. An acreage system election shall be conducted pursuant to the  
17 procedures prescribed in sections 48-3042 through 48-3051 as nearly as  
18 practicable.

19 D. Except as otherwise provided by this article, the election shall  
20 comply with the general election laws of this state, except that the words  
21 to appear on the ballots shall be for an assessment levy election,  
22 "assessment, yes" and "assessment, no". The returns of election shall be  
23 made to the district board.

24 E. Within fourteen days after an election, the district board shall  
25 meet and canvass the returns. In the case of an ad valorem tax election,  
26 if a majority of the votes cast by qualified electors at the election is  
27 in favor and the majority of acreage as represented by the votes cast at  
28 the election is in favor of imposing the tax, the district board shall  
29 enter that fact on its minutes. In the case of a landowner election only,  
30 the result of the measure shall be determined by a majority of the acreage  
31 represented by the votes cast at an election, and the district board shall  
32 enter that fact on its minutes. The canvass may be continued from time to  
33 time. Failure of a majority to vote in favor of the matter submitted does  
34 not prejudice the submission of the same or similar matters at a later  
35 election.

36 F. If a person listed on the assessment roll is no longer the owner  
37 of land in the district and the name of the successor owner becomes known  
38 and is verified by recorded deed or other similar evidence of transfer of  
39 ownership, the successor owner is deemed to be the owner for the purposes  
40 of this article.

41 Sec. 14. Section 48-6819, Arizona Revised Statutes, is amended to  
42 read:

43 48-6819. Dissolution of district

44 A. The district may be dissolved by the district board by a  
45 resolution of the district board if the following conditions exist:

1           1. All of the real and personal property owned by the district has  
2 been or will be conveyed to a municipality OR COUNTY.

3           2. Either the district has no bonds or obligations or the  
4 municipality OR COUNTY has assumed all of the obligations of the district.

5           B. The district board shall comply with the conditions prescribed  
6 by subsection A OF THIS SECTION and shall dissolve the district if both of  
7 the following occur:

8           1. The governing body has consented to comply with the conditions  
9 prescribed by subsection A OF THIS SECTION and either:

10           (a) Dissolution has been approved by a vote of the property owners  
11 of the district voting in an election called for that purpose.

12           (b) The governing body determines that the district has been  
13 inactive for at least five consecutive years and has no future purpose.

14           2. The district board adopts a resolution dissolving the district  
15 and records the resolution in the office of the county recorder.

16           C. The district board may call such an election and shall call such  
17 an election if requested to do so in a petition signed by ten ~~per cent~~  
18 PERCENT of the property owners of the district.

19           D. The election shall be called and held in the same manner as an  
20 assessment levy election, except that the ballot shall contain the words  
21 "dissolution, yes" and "dissolution, no".

22           E. All property in the district, except federal, state, county and  
23 municipal property, remains subject to the lien for the payment of ad  
24 valorem taxes levied, and any property subject to a special assessment  
25 lien remains subject to the lien notwithstanding dissolution of the  
26 district. The district may not be dissolved if any revenue or assessment  
27 bonds of the district remain outstanding unless an amount of money  
28 sufficient, together with investment income thereon, to make all payments  
29 due on the revenue bonds either at maturity or prior redemption has been  
30 deposited with a trustee or escrow agent and pledged to the payment and  
31 redemption of the bonds. The district may continue to operate after  
32 dissolution only as needed to collect money and make payments on any  
33 outstanding bonds.

34           F. If a proposal for dissolution is approved and the district is an  
35 Arizona state retirement system employer before the dissolution, the  
36 governing body of the district shall notify the director of the Arizona  
37 state retirement system of the dissolution.