

REFERENCE TITLE: revisions; community facilities districts

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

SB 1480

Introduced by
Senator Smith

AN ACT

AMENDING SECTIONS 48-701, 48-702, 48-705, 48-707, 48-708, 48-711 AND 48-715, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 48-726, 48-727, 48-728 AND 48-729; RELATING TO COMMUNITY FACILITIES DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-701, Arizona Revised Statutes, is amended to
3 read:

4 48-701. 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 pursuant to section
9 48-711, ~~subsection D.~~

10 2. "County" means a county that forms a community facilities
11 district pursuant to this article in an unincorporated area or in an
12 incorporated area with the municipality's consent.

13 3. "Debt service" means the principal of, interest on and premium,
14 if any, on the bonds, when due, whether at maturity or prior redemption
15 and fees and costs of registrars, trustees, paying agents or other agents
16 necessary to handle the bonds and the costs of credit enhancement or
17 liquidity support.

18 4. "District" means a tax levying community facilities district
19 formed pursuant to this article by a municipality or formed pursuant to
20 this article by a county in an unincorporated area or in an incorporated
21 area with the municipality's consent.

22 5. "District board" means the board of directors of the district,
23 ~~which shall be comprised~~ THAT CONSISTS of the members of the governing
24 body of the municipality or county, ex officio, or, ~~at the option of the~~
25 ~~governing body,~~ five directors appointed by the governing body ~~under this~~
26 ~~article~~ PURSUANT TO SECTION 48-711.

27 6. "Enhanced municipal services" means public service provided by a
28 county or municipality within the district at a higher level or to a
29 greater degree than provided in the remainder of the county or
30 municipality, including such services as public safety, fire protection,
31 street or sidewalk cleaning or landscape maintenance in public areas.

32 7. "General obligation bond" means a bond that is issued pursuant
33 to section 48-719 and that is secured by a pledge of ad valorem taxes
34 levied by the district.

35 8. "General plan" means the general plan described in section
36 48-702, subsection B, as the plan may be amended.

37 9. "Governing body" means the body or board ~~which~~ THAT by law is
38 constituted as the legislative department of the municipality or county.

39 10. "Municipality" means an incorporated city or town.

40 11. "Owner" means the person ~~who~~ OR ENTITY THAT, on the day the
41 action, election or proceeding is begun or held, appears to be the owner
42 of real property as shown on the property tax assessment roll.

43 12. "Public infrastructure" means all improvements listed in this
44 paragraph that will result in a beneficial use principally to land within
45 the geographical limits of the district and may include a district's share

1 of any improvements listed in this paragraph if the district board
2 determines such share is proportionate to the beneficial use of such
3 improvements to land within the geographical limits of the district,
4 improvements within or outside the geographical limits of the district,
5 necessary or incidental work, whether newly constructed, renovated or
6 existing, and all necessary or desirable appurtenances. For the purposes
7 of this paragraph, adoption by the district board of a resolution of
8 intent pursuant to section 48-715 shall conclusively establish that the
9 improvements or, if applicable, share of the improvements that are the
10 subject of the resolution will result in a beneficial use principally to
11 land within the geographical limits of the district. Public
12 infrastructure improvements are:

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

15 (b) Drainage and flood control systems, including collection,
16 transport, diversion, storage, detention, retention, dispersal, use and
17 discharge.

18 (c) Water systems for domestic, industrial, irrigation, municipal
19 or fire protection purposes, including production, collection, storage,
20 treatment, transport, delivery, connection and dispersal, but not
21 including facilities for agricultural irrigation purposes unless for the
22 repair or replacement of existing facilities when required by other
23 improvements permitted by this article.

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

26 (e) Areas for pedestrian, equestrian, bicycle or other nonmotor
27 vehicle use for travel, ingress, egress and parking.

28 (f) Pedestrian malls, parks, recreational facilities other than
29 stadiums, and open space areas for the use of members of the public for
30 entertainment, assembly and recreation.

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

33 (h) Public buildings, public safety facilities and fire protection
34 facilities.

35 (i) Lighting systems.

36 (j) Traffic control systems and devices, including signals,
37 controls, markings and signage.

38 (k) Equipment, vehicles, furnishings and other personalty related
39 to the items listed in this paragraph.

40 13. "Public infrastructure purpose" means:

41 (a) Planning, design, engineering, construction, acquisition or
42 installation of public infrastructure.

43 (b) Acquiring, converting, renovating or improving existing
44 facilities for public infrastructure.

45 (c) Acquiring interests in real property for public infrastructure.

1 (d) Establishing, maintaining and replenishing reserves from any
2 source described in section 48-717 or from any other source in order to
3 secure payment of debt service on bonds.

4 (e) Notwithstanding section 48-589, funding and paying from bond
5 proceeds interest accruing on bonds for a period of not to exceed three
6 years from their date of issuance.

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

9 (g) Refinancing any matured or unmatured bonds with new bonds.

10 (h) Incurring expenses of the district incident to and reasonably
11 necessary to carry out the purposes specified in this paragraph.

12 14. "Revenue bonds" means those bonds that are issued pursuant to
13 section 48-720 and that are secured by a pledge of revenues of the
14 district or revenues collected by the county or municipality and returned
15 to the district.

16 15. "Treasurer" includes any person or official who performs the
17 duties of treasurer of the municipality or county or any person appointed
18 by the district board as the district treasurer pursuant to section
19 48-711, ~~subsection D~~.

20 Sec. 2. Section 48-702, Arizona Revised Statutes, is amended to
21 read:

22 48-702. Resolution declaring intention to form district

23 A. If the public convenience and necessity require, and on
24 presentation of a petition signed by the owners of at least twenty-five
25 ~~per cent~~ PERCENT of the land area proposed to be included in the district,
26 the governing body may adopt a resolution declaring its intention to form
27 a community facilities district ~~to~~ THAT SHALL include contiguous or
28 noncontiguous property ~~which shall be~~ THAT IS wholly within the corporate
29 boundaries of the municipality or county. BEGINNING WITH DISTRICTS FORMED
30 AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, IF THE LAND
31 PROPOSED TO BE INCLUDED IN THE DISTRICT IS MORE THAN SIX HUNDRED ACRES,
32 AND ON PRESENTATION OF A PETITION SIGNED BY THE OWNERS OF ALL OF THE LAND
33 AREA PROPOSED TO BE INCLUDED IN THE DISTRICT, THE GOVERNING BODY SHALL
34 ADOPT A RESOLUTION FORMING A COMMUNITY FACILITIES DISTRICT THAT SHALL
35 INCLUDE CONTIGUOUS OR NONCONTIGUOUS PROPERTY THAT IS WHOLLY WITHIN THE
36 CORPORATE BOUNDARIES OF THE MUNICIPALITY OR COUNTY. NONCONTIGUOUS
37 PROPERTY MAY BE INCLUDED IN A DISTRICT ONLY IF IT IS UNDER COMMON
38 OWNERSHIP OR CONTROL AND WOULD BE SERVED BY COMMON INFRASTRUCTURE AS PART
39 OF A SINGLE UNIFIED PROJECT. BEGINNING WITH DISTRICTS FORMED AFTER THE
40 EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, THE GOVERNING BODY SHALL
41 ADOPT THE RESOLUTION WITHIN NINETY DAYS AFTER THE SUBMITTAL OF THE
42 PETITION. The resolution shall state the following:

- 43 1. The area or areas to be included in the district.
- 44 2. The purposes for which the district is to be formed.
- 45 3. That a general plan for the district is on file with the clerk.

1 4. The date, time and place of the hearing to be held on the
2 formation of the district.

3 5. The place where written objections to the formation of the
4 district may be filed.

5 6. That formation of the district may result in the levy of taxes
6 to pay the costs of improvements constructed by the district and for their
7 operation and maintenance.

8 7. A reference to this article.

9 8. Whether the district will be governed by a district board
10 ~~comprised~~ THAT CONSISTS OF ONE of the FOLLOWING:

11 (a) FOR DISTRICTS FORMED BEFORE THE EFFECTIVE DATE OF THIS
12 AMENDMENT TO THIS SECTION, THE members of the governing body, ex officio,
13 or, at the option of the governing body and if the total area to be
14 included in the district is larger than six hundred acres, five directors
15 appointed by the governing body.

16 (b) FOR DISTRICTS FORMED ON OR AFTER THE EFFECTIVE DATE OF THIS
17 AMENDMENT TO THIS SECTION:

18 (i) IF THE TOTAL AREA TO BE INCLUDED IN THE DISTRICT IS LARGER THAN
19 SIX HUNDRED ACRES, AT THE OPTION OF THE LANDOWNERS SUBMITTING THE PETITION
20 FOR FORMATION OF THE DISTRICT, FIVE DIRECTORS APPOINTED PURSUANT TO
21 SECTION 48-711, SUBSECTION C. IF THE LANDOWNERS DO NOT CHOOSE APPOINTMENT
22 PURSUANT TO SECTION 48-711, SUBSECTION C, THE MEMBERS OF THE GOVERNING
23 BODY, EX OFFICIO, ARE THE DISTRICT BOARD.

24 (ii) IF THE TOTAL AREA TO BE INCLUDED IN THE DISTRICT IS SIX
25 HUNDRED ACRES OR LESS, THE MEMBERS OF THE GOVERNING BODY, EX OFFICIO.

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

30 C. THE PROPERTY TO BE INCLUDED IN A DISTRICT FORMED BY A COUNTY
31 MUST MEET ALL OF THE FOLLOWING REQUIREMENTS:

32 1. THE ZONING FOR THE PROPERTY MUST ALLOW DEVELOPMENT IN EXCESS OF
33 ONE RESIDENTIAL DWELLING UNIT PER ACRE.

34 2. THE PROPERTY MUST BE INCLUDED WITHIN THE PLANNING AREA OF A
35 MUNICIPALITY OR THE LAND USE ELEMENT OF A MUNICIPALITY'S GENERAL PLAN
36 ADOPTED PURSUANT TO SECTION 9-461.05 OR MUST BE LOCATED IMMEDIATELY
37 ADJACENT TO THE MUNICIPALITY.

38 3. THE PROPERTY MUST BE THE SUBJECT OF A SPECIFIC PLAN, A PLANNED
39 AREA DEVELOPMENT OR A DEVELOPMENT AGREEMENT THAT IS APPROVED BY THE COUNTY
40 PURSUANT TO SECTION 11-1101.

41 Sec. 3. Section 48-705, Arizona Revised Statutes, is amended to
42 read:

43 48-705. Order forming district; election

44 A. After the hearing, the governing body may adopt a resolution
45 ordering the formation of the district, deleting any property determined

1 not to be benefited by the district or modifying the general plan and then
2 ordering the formation of the district or determining that the district
3 not be formed. NOTWITHSTANDING ANY AGREEMENT WITH THE MUNICIPALITY OR THE
4 COUNTY TO THE CONTRARY, BEGINNING WITH DISTRICTS FORMED AFTER THE
5 EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, IF THE LAND PROPOSED TO
6 BE INCLUDED IN THE DISTRICT IS MORE THAN SIX HUNDRED ACRES OR, IF THE LAND
7 IS LOCATED IN THE UNINCORPORATED AREA OF A COUNTY, THE LAND MEETS THE
8 REQUIREMENTS PRESCRIBED BY SECTION 48-702, SUBSECTION C, THE GOVERNING
9 BODY SHALL ADOPT A RESOLUTION WITHIN NINETY DAYS AFTER THE RECEIPT OF THE
10 PETITION TO FORM THE DISTRICT AS PRESCRIBED IN SECTION 48-702 THAT ORDERS
11 THE FORMATION OF THE DISTRICT. A resolution ordering formation of the
12 district shall state whether the district will be governed by a district
13 board ~~comprised~~ THAT CONSISTS of the members of the governing body, ex
14 officio, or, ~~at the option of the governing body~~ FIVE DIRECTORS APPOINTED
15 BY THE GOVERNING BODY. FOR DISTRICTS FORMED AFTER THE EFFECTIVE DATE OF
16 THIS AMENDMENT TO THIS SECTION, AT THE OPTION OF THE LANDOWNERS and if the
17 total area included in the district is larger than six hundred acres, THE
18 DISTRICT BOARD CONSISTS OF five directors appointed ~~by the governing body~~
19 PURSUANT TO SECTION 48-711, SUBSECTION C. If the district board will ~~be~~
20 ~~comprised~~ CONSIST of appointed directors, the resolution shall contain the
21 names of the five initial directors and the terms of office of each.

22 B. If the governing body determines that the district should OR
23 MUST be formed, it shall submit the formation to an election of the owners
24 of land in the district who are qualified electors of this state and other
25 landowners, according to section 48-3043, unless a petition is presented
26 to the governing body pursuant to section 48-707, subsection F. Each
27 owner has the number of votes or portions of votes equal to the number of
28 acres or portions of acres rounded upward to the nearest one-fifth of an
29 acre owned by that owner in the submitted district. In addition to
30 holding the landowner election required by this subsection or receipt of
31 the landowner petition pursuant to section 48-707, subsection F, and
32 subject to section 48-707, subsection G, the governing body shall submit
33 the formation of the district to a vote of the qualified electors who
34 reside within the boundaries of the proposed district.

35 Sec. 4. Section 48-707, Arizona Revised Statutes, is amended to
36 read:

37 48-707. Notice and conduct of elections; waiver

38 A. Any election under this article shall be a nonpartisan election
39 called by posting notices in three public places within the boundaries of
40 the district not less than twenty days before the election. Notice shall
41 also be published in a newspaper of general circulation in the
42 municipality or county or if there is no newspaper so circulated in the
43 municipality in a newspaper of general circulation in the county in which
44 the municipality is located once a week for two consecutive weeks before
45 the election. The notice shall state:

1 1. The place of holding the election.

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

4 3. If it is a formation election, the boundaries of the proposed
5 district.

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

10 5. If it is an ad valorem tax levy election pursuant to section
11 48-723, the maximum tax rate per one hundred dollars of assessed valuation
12 to be imposed, the purposes for which the monies raised will be used and
13 the existing maximum tax rate, if any.

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

15 B. The district board or the governing body, as applicable, shall
16 determine the date of the election and the polling places for the election
17 and may consolidate county precincts. For other than a formation election
18 pursuant to section 48-705, subsection B, and an election held pursuant to
19 subsection G of this section, precinct registers shall be used. The
20 county recorder shall submit precinct registers on the request of the
21 clerk, and if the district includes land lying partly in and partly out of
22 any county election precinct, the precinct registers may contain the names
23 of all registered voters in the precinct and the election boards at those
24 precincts shall require that a prospective elector execute an affidavit
25 stating that the elector is also a qualified elector of the district. For
26 formation elections and elections held pursuant to subsection G of this
27 section, a prospective elector shall execute an affidavit stating that the
28 elector is the owner of land in the proposed district and is a qualified
29 elector of this state or otherwise qualified to vote pursuant to section
30 48-3043 and stating the area of land in acres owned by the elector.
31 Election board members may administer oaths or take all affirmations for
32 these purposes. A community facilities district election held pursuant to
33 this article is not subject to title 16, chapter 2, article 3.

34 C. Except as otherwise provided by this article, the election shall
35 comply with the general election laws of this state, except that the words
36 to appear on the ballots shall be for a formation election "district, yes"
37 and "district, no", for a bond election "bonds, yes" and "bonds, no", for
38 a tax election if no tax is in place "tax, yes" and "tax, no" and for a
39 tax election to change an existing maximum or eliminate an existing tax
40 "tax change, yes" and "tax change, no". The returns of election shall be
41 made to the governing body or, if after formation, to the district board.

42 D. Within fourteen days after an election, the governing body, or
43 if after formation, the district board, shall meet and canvass the
44 returns, and if a majority of the votes cast at the election is in favor
45 of formation, issuing the bonds, imposing the tax or changing the tax, the

1 governing body or the district board, as appropriate, shall enter that
2 fact on its minutes. The canvass may be continued from time to time.
3 Failure of a majority to vote in favor of the matter submitted does not
4 prejudice the submission of the same or similar matters at a later
5 election.

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

11 F. Notwithstanding any other provision of this article, if a
12 petition for formation is signed by owners of all of the land in the
13 district described in the petition and, ONLY FOR DISTRICTS FORMED BEFORE
14 THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, IF IT is approved by
15 the municipality or county, the municipality or county may, AND FOR
16 DISTRICTS FORMED AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS
17 SECTION SHALL, waive any or all requirements of posting, publication,
18 mailing, notice, hearing and landowner election. On receipt of such a
19 petition, and after approval by an election of resident electors, if any,
20 the municipality or county shall declare the district formed without being
21 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
24 person has registered to vote within the district within fifty days
25 immediately preceding any scheduled election date, any election required
26 to be held pursuant to this article shall be held with the vote by the
27 owners of land within the district who are qualified electors of this
28 state and other landowners according to section 48-3043. Each owner has
29 the number of votes or portion of votes equal to the number of acres or
30 portion of acres rounded upward to the nearest one-fifth of an acre owned
31 in the district by that 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
35 petition and, ONLY FOR DISTRICTS FORMED BEFORE THE EFFECTIVE DATE OF THIS
36 AMENDMENT TO THIS SECTION, if it is approved by the county. If the
37 district is proposed to be formed in a county island, as defined in
38 section 11-251.12, in existence on ~~the effective date of this amendment to~~
39 ~~this section~~ SEPTEMBER 21, 2006, the petition must be signed by the owners
40 of all of the land in the district that is described in the petition and
41 the district must be approved by the county and by the municipality or all
42 municipalities that form the county island. If the petition is signed by
43 the owners of all of the land in the district, the county may, AND FOR
44 DISTRICTS FORMED AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS
45 SECTION SHALL, waive any or all requirements of posting, publication,

1 mailing, notice, hearing and landowner election. On receipt of such a
2 petition, and after approval by an election of one hundred ~~per cent~~
3 PERCENT of the resident electors, if any, the county shall declare the
4 district formed without being required to comply with the provisions of
5 this article for posting.

6 Sec. 5. Section 48-708, Arizona Revised Statutes, is amended to
7 read:

8 48-708. Formation; debt limitation

9 A. If the formation of the district is approved by a majority of
10 the votes cast at the election, the governing body shall order the
11 formation, appoint the initial directors of the district board if the
12 district will be governed by an appointed board, set the district
13 boundaries and order that a map showing the district boundaries be drawn
14 and a copy of the order forming the district be delivered to the county
15 assessor and the board of supervisors of the county in which the district
16 is located and to the department of revenue. A notice of the formation
17 showing the number and date of the order and giving a description of the
18 land included in the district shall be recorded with the county recorder.

19 B. On its formation, the district is a special purpose district for
20 purposes of article IX, section 19, Constitution of Arizona, a tax levying
21 public improvement district for the purposes of article XIII, section 7,
22 Constitution of Arizona, and a municipal corporation for all purposes of
23 title 35, chapter 3, articles 3, 3.1, 3.2, 4 and 5. A district that
24 distributes or sells groundwater is a private water company only for
25 purposes of title 45, chapters 2 and 3.1. Except as otherwise provided in
26 this section, a district is considered to be a municipal corporation and
27 political subdivision of this state, separate and apart from the
28 municipality or county. Under no circumstances may the amount of
29 indebtedness evidenced by general obligation bonds issued pursuant to
30 section 48-719 and revenue bonds issued pursuant to section 48-720 exceed
31 the estimated cost of the public infrastructure improvements plus all
32 costs connected with the public infrastructure purposes and issuance and
33 sale of bonds, including, without limitation, credit enhancement and
34 liquidity support fees and costs. The total aggregate outstanding amount
35 of bonds and any other indebtedness for which the full faith and credit of
36 the district are pledged shall not exceed sixty ~~per cent~~ PERCENT of the
37 aggregate of the estimated market value of the real property and
38 improvements in the district after the public infrastructure of the
39 district is completed plus the value of the public infrastructure owned or
40 to be acquired by the district with the proceeds of the bonds.

41 C. On formation of the district, the district board shall
42 administer, in a reasonable manner, the implementation of the general plan
43 for the public infrastructure of the district and any development
44 agreement entered into pursuant to section 9-500.05 between the governing

1 body and owners of land in the district. The district board shall be
2 considered a party to that agreement.

3 D. Fees and other charges assessed by a municipality or county in
4 connection with the submission and consideration of an application or
5 petition to form a district, ~~OR~~ SHALL NOT EXCEED FIFTEEN THOUSAND DOLLARS,
6 FEES AND OTHER CHARGES ASSESSED by a municipality, county or district in
7 connection with the administration of a district, including the issuance
8 and sale of bonds, shall not exceed the estimated actual expense incurred
9 by the municipality, county or district for staff and consultant services
10 and support facilities supplied by the municipality, county or district or
11 the financial, legal and administrative costs of the district that are not
12 reimbursed from proceeds of the bonds or other district revenue.

13 Sec. 6. Section 48-711, Arizona Revised Statutes, is amended to
14 read:

15 48-711. Records; board of directors; open meetings

16 A. The district shall keep the following records ~~which~~ THAT shall
17 be open to public inspection:

- 18 1. Minutes of all meetings of the district board.
- 19 2. All resolutions.
- 20 3. Accounts showing all monies received and disbursed.
- 21 4. The annual budget.
- 22 5. All other records required to be maintained by law.

23 B. If the resolution ordering formation of the district provides
24 that the district will be governed by a district board appointed by the
25 governing body, each appointed director shall serve for a term of six
26 years, except that two directors initially appointed by the governing body
27 in the resolution shall serve for a term of four years. The resolution
28 shall state which directors shall serve four year terms and which shall
29 serve six year terms. On the expiration of the term of an appointed
30 director, the governing body shall appoint a person to fill the position
31 AND, FOR DISTRICTS FORMED ON OR AFTER THE EFFECTIVE DATE OF THIS AMENDMENT
32 TO THIS SECTION, SHALL DO SO IN A MANNER THAT COMPLIES WITH THIS SECTION
33 AND THAT MAINTAINS THE COMPOSITION OF THE BOARD AS PRESCRIBED BY
34 SUBSECTION C OF THIS SECTION. If a vacancy occurs on the district board
35 because of death, resignation or inability of the director to discharge
36 the duties of director, the vacancy shall be filled by appointment made by
37 the governing body AND, FOR DISTRICTS FORMED ON OR AFTER THE EFFECTIVE
38 DATE OF THIS AMENDMENT TO THIS SECTION, IN A MANNER THAT COMPLIES WITH
39 THIS SECTION AND THAT MAINTAINS THE COMPOSITION OF THE BOARD AS PRESCRIBED
40 BY SUBSECTION C OF THIS SECTION. A director appointed by the governing
41 body AFTER A VACANCY shall hold office for the remainder of the unexpired
42 term until ~~his~~ THAT DIRECTOR'S successor is appointed. ~~An~~appointed A
43 director APPOINTED PURSUANT TO THIS SUBSECTION IN A DISTRICT FORMED BEFORE
44 THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION shall not be a
45 landowner owning more than forty acres in the district, an elected

1 official of the municipality or county or an employee or agent of the
2 landowner or municipality or county but may be a director of more than one
3 district.

4 C. NOTWITHSTANDING ANY AGREEMENT WITH THE MUNICIPALITY OR COUNTY TO
5 THE CONTRARY, BEGINNING WITH DISTRICTS THAT ARE FORMED ON OR AFTER THE
6 EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION AND THAT MEET THE
7 REQUIREMENTS OF SECTION 48-702, SUBSECTIONS A AND C, THE APPOINTED
8 DISTRICT BOARD SHALL CONSIST OF FIVE MEMBERS. THREE MEMBERS SHALL BE
9 ELECTED MEMBERS OF THE GOVERNING BODY WHO ARE SELECTED BY THE GOVERNING
10 BODY. THE GOVERNING BODY MAY REMOVE AND REPLACE ANY ONE OR MORE OF THESE
11 THREE MEMBERS SELECTED BY THE GOVERNING BODY AT ANY TIME. TWO ADDITIONAL
12 MEMBERS SHALL BE PERSONS WHO EACH OWN MORE THAN TWENTY-FIVE ACRES IN THE
13 DISTRICT, WHO SHALL BE DESIGNATED BY THE LANDOWNERS PETITIONING TO FORM
14 THE DISTRICT AND WHO MAY BE REPLACED AT THE DISCRETION OF THE LANDOWNER
15 WHO OWNS THE LARGEST NUMBER OF ACRES OF UNDEVELOPED PRIVATE LAND IN THE
16 DISTRICT. A DIRECTOR APPOINTED PURSUANT TO THIS SUBSECTION MAY BE A
17 DIRECTOR OF MORE THAN ONE DISTRICT.

18 D. IF A DISTRICT THAT IS IN EXISTENCE ON THE EFFECTIVE DATE OF THIS
19 AMENDMENT TO THIS SECTION DOES NOT CONTAIN ANY QUALIFIED ELECTORS AND HAS
20 NOT ISSUED ANY BONDS PURSUANT TO THIS ARTICLE, THE OWNERS OF ALL OF THE
21 LAND IN THE DISTRICT MAY SUBMIT A PETITION TO THE GOVERNING BODY THAT
22 REQUESTS THAT THE DISTRICT BOARD CONSIST OF FIVE MEMBERS AS PRESCRIBED BY
23 SUBSECTION C OF THIS SECTION. WITHIN NINETY DAYS AFTER RECEIPT OF THE
24 PETITION, THE GOVERNING BODY SHALL VOTE TO APPROVE OR DISAPPROVE THE
25 PETITION.

26 E. The members of the governing body of the municipality or county
27 are not eligible to receive compensation for their services as members of
28 the district board.

29 ~~F.~~ F. The board of directors shall comply with title 38, chapter
30 3, article 3.1 as a separate political subdivision.

31 ~~D.~~ G. The district MANAGER, clerk and ~~district~~ treasurer shall be
32 the MANAGER, clerk ~~of the municipality or county~~ and ~~the~~ treasurer of the
33 municipality or county, respectively, unless the district board appoints a
34 district MANAGER, clerk and ~~district~~ treasurer.

35 Sec. 7. Section 48-715, Arizona Revised Statutes, is amended to
36 read:

37 48-715. Project approval

38 Before constructing or acquiring any public infrastructure, the
39 district board shall cause a study of the feasibility and benefits of the
40 project ~~to~~ THAT SHALL be prepared by engineers and other qualified
41 persons, ~~which~~ AND THAT shall include a description of the public
42 infrastructure to be constructed or acquired and all other information
43 useful to understand the project, a map showing, in general, the location
44 of the project, an estimate of the cost to construct, acquire, operate and
45 maintain the project, an estimated schedule for completion of the project,

1 a map or description of the area to be benefited by the project, and a
2 plan for financing the project. **WITHIN SIXTY DAYS AFTER RECEIVING THE**
3 **REPORT**, the board shall hold a public hearing on the report and provide
4 notice of the hearing by publication not less than ten days in advance in
5 the official newspaper of the municipality or county or, if none in the
6 municipality, a newspaper of general circulation in the county and by mail
7 to the governing body of the municipality. **WITHIN SIXTY DAYS** after the
8 hearing, the district board may reject, amend or approve the report. If
9 the report is amended substantially a new hearing shall be held **WITHIN**
10 **SIXTY DAYS AFTER THE DATE THE AMENDED REPORT IS RECEIVED AND** before
11 approval. If the report is approved, the district board shall adopt a
12 resolution ~~of intent which~~ **THAT** identifies the public infrastructure of
13 the project, the areas benefited, the expected method of financing,
14 **INCLUDING THE NATURE AND TIMING OF THE ISSUANCE OF BONDS, IF ANY**, and an
15 appropriate system of providing revenues to operate and maintain the
16 project. **THE DISTRICT BOARD SHALL EXECUTE THE PROVISIONS OF THE REPORT**
17 **WITHIN THE TIME FRAMES IDENTIFIED IN THE APPROVED REPORT.**

18 Sec. 8. Title 48, chapter 4, article 6, Arizona Revised Statutes,
19 is amended by adding sections 48-726, 48-727, 48-728 and 48-729, to read:

20 **48-726. Jurisdictional limitation; organizational documents**

21 **THE GOVERNING BODY OF THE JURISDICTION IN WHICH THE DISTRICT IS TO**
22 **BE LOCATED MAY NOT REQUIRE THE PETITIONER TO INCREASE THE INFRASTRUCTURE**
23 **ELEMENTS, DEBT LIMIT, TAX RATE OR DURATION OF THE DISTRICT BEYOND THE**
24 **LEVELS AND LIMITS SET OUT IN THE PETITION AND THE ASSOCIATED DOCUMENTS**
25 **THAT ARE SUBMITTED FOR THE FORMATION OF THE DISTRICT.**

26 **48-727. District website; district records database**

27 **A. THE DISTRICT SHALL ESTABLISH AND MAINTAIN AN OFFICIAL WEBSITE**
28 **THAT IS ELECTRONICALLY SEARCHABLE BY THE PUBLIC AND THAT CONTAINS A**
29 **COMPREHENSIVE DATABASE OF DISTRICT CONTRACTS, PUBLIC NOTICES, MEETING**
30 **MINUTES, RESOLUTIONS AND ACCOUNTS SHOWING ALL MONIES RECEIVED AND**
31 **DISBURSED, THE ANNUAL BUDGET AND OTHER RECORDS REQUIRED TO BE MAINTAINED**
32 **BY LAW.**

33 **B. THE DATABASE MAY NOT INCLUDE:**

34 **1. TAX PAYMENT OR REFUND DATA THAT INCLUDES CONFIDENTIAL TAXPAYER**
35 **INFORMATION.**

36 **2. WORK PRODUCT IN ANTICIPATION OF LITIGATION OR OTHER INFORMATION**
37 **THAT IS SUBJECT TO ATTORNEY-CLIENT PRIVILEGE.**

38 **3. ANY OTHER INFORMATION THAT IS DESIGNATED BY LAW AS CONFIDENTIAL.**

39 **C. THE DISTRICT SHALL PROVIDE A LINK TO THE DATABASE ON THE**
40 **DISTRICT'S MAIN WEBSITE MAINTAINED BY THE DISTRICT AND SHALL PROVIDE A**
41 **LINK TO THAT DATABASE TO THE DEPARTMENT OF ADMINISTRATION.**

42 **48-728. Property owner; county law enforcement agreement**

43 **UNLESS OTHERWISE PROVIDED FOR IN A DEVELOPMENT AGREEMENT ENTERED**
44 **INTO PURSUANT TO SECTION 11-1101 BEFORE THE EFFECTIVE DATE OF THIS**
45 **SECTION, IF THE PROPERTY WITHIN A DISTRICT FORMED BY A COUNTY MEETS THE**

1 REQUIREMENTS PRESCRIBED IN SECTION 48-702, SUBSECTION C BEFORE THE
2 EFFECTIVE DATE OF THIS SECTION AND EITHER THE PROPERTY BOUNDARY IS NOT
3 LOCATED WITHIN TEN MILES OF A COUNTY SHERIFF SUBSTATION OR COUNTY LAW
4 ENFORCEMENT IS PROVIDED TO THE PROPERTY AT A SERVICE LEVEL OF LESS THAN
5 ONE OFFICER PER THOUSAND POPULATION, ALL OF THE FOLLOWING APPLY:

6 1. THE OWNER SHALL PROVIDE TO THE COUNTY AN AGREEMENT LIMITED IN
7 SCOPE TO THE PROVISION OF LAW ENFORCEMENT SERVICES TO THE PROPERTY WITHIN
8 THE DISTRICT. THE AGREEMENT SHALL BE PROVIDED BY THE OWNER WITH THE FIRST
9 FINAL PLAT SUBMITTED TO THE COUNTY BY THE OWNER.

10 2. THE AGREEMENT SHALL OBLIGATE THE OWNER OR THE OWNER'S ASSIGNEE
11 TO FUND LAW ENFORCEMENT SERVICES AT THE LEVEL OF SERVICE PROVIDED BY THE
12 COUNTY, WHICH MAY BE PROVIDED BY THE COUNTY, AN ADJACENT MUNICIPALITY OR
13 ANOTHER ENTITY.

14 3. IF THE COUNTY SUBSEQUENTLY APPROVES A NEW FUNDING SOURCE
15 DEDICATED TO LAW ENFORCEMENT SERVICE WITHIN THE COUNTY OR IF THE PROPERTY
16 WITHIN THE DISTRICT IS INCORPORATED OR ANNEXED BY A CITY OR TOWN, THE LAW
17 ENFORCEMENT AGREEMENT PRESCRIBED BY THIS SECTION IS TERMINATED.

18 48-729. Legislative intent: district agreements

19 IT IS THE INTENT OF THE LEGISLATURE BY ENACTING AND AMENDING THIS
20 ARTICLE TO SUPERSEDE AND REPLACE ANY CONTRARY, INCONSISTENT OR CONFLICTING
21 PROVISIONS RELATING TO COMMUNITY FACILITIES DISTRICTS AS ADDRESSED IN THIS
22 ARTICLE OF ANY AGREEMENT, ORDINANCE, RULE, REGULATION, PROCEDURE, POLICY
23 OR SIMILAR ACTION THAT IS ENTERED INTO OR TAKEN BY ANY MUNICIPALITY,
24 COUNTY, DISTRICT OR OTHER GOVERNMENTAL ENTITY. A MUNICIPALITY, COUNTY,
25 DISTRICT OR OTHER GOVERNMENTAL ENTITY MAY NOT ENTER INTO OR TAKE ANY
26 ACTIONS THAT ABROGATE, CONTRAVENE, INFRINGE, CONFLICT, MODIFY, AMEND,
27 REPLACE OR ANNUL THE PROVISIONS OF THIS ARTICLE.