

Senate Engrossed House Bill

~~municipal improvement districts; technical correction~~
(now: infrastructure finance districts)

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2999

AN ACT

AMENDING SECTIONS 9-463.05, 11-495, 11-496 AND 11-1102, ARIZONA REVISED STATUTES; AMENDING TITLE 48, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 40; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-463.05, Arizona Revised Statutes, is amended
3 to read:

4 9-463.05. Development fees; imposition by cities and towns;
5 infrastructure improvements plan; annual report;
6 advisory committee; limitation on actions;
7 definitions

8 A. A municipality may assess development fees to offset costs to
9 the municipality associated with providing necessary public services to a
10 development, including the costs of infrastructure, improvements, real
11 property, engineering and architectural services, financing and
12 professional services required for the preparation or revision of a
13 development fee pursuant to this section, including the relevant portion
14 of the infrastructure improvements plan.

15 B. Development fees assessed by a municipality under this section
16 are subject to the following requirements:

17 1. Development fees shall result in a beneficial use to the
18 development.

19 2. The municipality shall calculate the development fee based on
20 the infrastructure improvements plan adopted pursuant to this section.

21 3. The development fee shall not exceed a proportionate share of
22 the cost of necessary public services, based on service units, needed to
23 provide necessary public services to the development.

24 4. Costs for necessary public services made necessary by new
25 development shall be based on the same level of service provided to
26 existing development in the service area.

27 5. Development fees may not be used for any of the following:

28 (a) Construction, acquisition or expansion of public facilities or
29 assets other than necessary public services or facility expansions
30 identified in the infrastructure improvements plan.

31 (b) Repair, operation or maintenance of existing or new necessary
32 public services or facility expansions.

33 (c) Upgrading, updating, expanding, correcting or replacing
34 existing necessary public services to serve existing development in order
35 to meet stricter safety, efficiency, environmental or regulatory
36 standards.

37 (d) Upgrading, updating, expanding, correcting or replacing
38 existing necessary public services to provide a higher level of service to
39 existing development.

40 (e) Administrative, maintenance or operating costs of the
41 municipality.

42 6. Any development for which a development fee has been paid is
43 entitled to the use and benefit of the services for which the fee was
44 imposed and is entitled to receive immediate service from any existing
45 facility with available capacity to serve the new service units if the

1 available capacity has not been reserved or pledged in connection with the
2 construction or financing of the facility.

3 7. Development fees may be collected if any of the following
4 occurs:

5 (a) The collection is made to pay for a necessary public service or
6 facility expansion that is identified in the infrastructure improvements
7 plan and the municipality plans to complete construction and to have the
8 service available within the time period established in the infrastructure
9 ~~improvement~~ IMPROVEMENTS plan, but in no event longer than the time period
10 provided in subsection H, paragraph 3 of this section.

11 (b) The municipality reserves in the infrastructure improvements
12 plan adopted pursuant to this section or otherwise agrees to reserve
13 capacity to serve future development.

14 (c) The municipality requires or agrees to allow the owner of a
15 development to construct or finance the necessary public service or
16 facility expansion and any of the following ~~apply~~ APPLIES:

17 (i) The costs incurred or money advanced are credited against or
18 reimbursed from the development fees otherwise due from a development.

19 (ii) The municipality reimburses the owner for those costs from the
20 development fees paid from all developments that will use those necessary
21 public services or facility expansions.

22 (iii) For those costs incurred the municipality allows the owner to
23 assign the credits or reimbursement rights from the development fees
24 otherwise due from a development to other developments for the same
25 category of necessary public services in the same service area.

26 8. Projected interest charges and other finance costs may be
27 included in determining the amount of development fees only if the monies
28 are used for the payment of principal and interest on the portion of the
29 bonds, notes or other obligations issued to finance construction of
30 necessary public services or facility expansions identified in the
31 infrastructure improvements plan.

32 9. Monies received from development fees assessed pursuant to this
33 section shall be placed in a separate fund and accounted for separately
34 and may only be used for the purposes authorized by this section. Monies
35 received from a development fee identified in an infrastructure
36 improvements plan adopted or updated pursuant to subsection D of this
37 section shall be used to provide the same category of necessary public
38 services or facility expansions for which the development fee was assessed
39 and for the benefit of the same service area, as defined in the
40 infrastructure improvements plan, in which the development fee was
41 assessed. Interest earned on monies in the separate fund shall be
42 credited to the fund.

43 10. The schedule for payment of fees shall be provided by the
44 municipality. Based on the cost identified in the infrastructure
45 improvements plan, the municipality shall provide a credit toward the

1 payment of a development fee for the required or agreed to dedication of
2 public sites, improvements and other necessary public services or facility
3 expansions included in the infrastructure improvements plan and for which
4 a development fee is assessed, to the extent the public sites,
5 improvements and necessary public services or facility expansions are
6 provided by the developer, A COMMUNITY FACILITIES DISTRICT ESTABLISHED
7 UNDER TITLE 48, CHAPTER 4, ARTICLE 6 OR A STATE AFFORDABILITY
8 INFRASTRUCTURE DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 40. The
9 developer of residential dwelling units shall be required to pay
10 development fees when construction permits for the dwelling units are
11 issued, or at a later time if specified in a development agreement
12 pursuant to section 9-500.05. If a development agreement provides for fees
13 to be paid at a time later than the issuance of construction permits, the
14 deferred fees shall be paid ~~no~~ NOT later than fifteen days after the
15 issuance of a certificate of occupancy. The development agreement shall
16 provide for the value of any deferred fees to be supported by appropriate
17 security, including a surety bond, letter of credit or cash bond.

18 11. If a municipality requires as a condition of development
19 approval the construction or improvement of, contributions to or
20 dedication of any facilities that were not included in a previously
21 adopted infrastructure improvements plan, the municipality shall cause the
22 infrastructure improvements plan to be amended to include the facilities
23 and shall provide a credit toward the payment of a development fee for the
24 construction, improvement, contribution or dedication of the facilities to
25 the extent that the facilities will substitute for or otherwise reduce the
26 need for other similar facilities in the infrastructure improvements plan
27 for which development fees were assessed.

28 12. The municipality shall forecast the contribution to be made in
29 the future in cash or by taxes, fees, assessments or other sources of
30 revenue derived from the property owner towards the capital costs of the
31 necessary public service covered by the development fee and shall include
32 these contributions in determining the extent of the burden imposed by the
33 development. Beginning August 1, 2014, for purposes of calculating the
34 required offset to development fees pursuant to this subsection, if a
35 municipality imposes a construction contracting or similar excise tax rate
36 in excess of the percentage amount of the transaction privilege tax rate
37 imposed on the majority of other transaction privilege tax
38 classifications, the entire excess portion of the construction contracting
39 or similar excise tax shall be treated as a contribution to the capital
40 costs of necessary public services provided to development for which
41 development fees are assessed, unless the excess portion was already taken
42 into account for such purpose pursuant to this subsection.

43 13. If development fees are assessed by a municipality, the fees
44 shall be assessed against commercial, residential and industrial
45 development, except that the municipality may distinguish between

1 different categories of residential, commercial and industrial development
2 in assessing the costs to the municipality of providing necessary public
3 services to new development and in determining the amount of the
4 development fee applicable to the category of development. If a
5 municipality agrees to waive any of the development fees assessed on a
6 development, the municipality shall reimburse the appropriate development
7 fee accounts for the amount that was waived. The municipality shall
8 provide notice of any such waiver to the advisory committee established
9 pursuant to subsection G of this section within thirty days.

10 14. In determining and assessing a development fee applying to land
11 in a community facilities district established under title 48, chapter 4,
12 article 6 OR A STATE AFFORDABILITY INFRASTRUCTURE DISTRICT ESTABLISHED
13 UNDER TITLE 48, CHAPTER 40, the municipality shall take into account all
14 public infrastructure provided by the district and capital costs paid by
15 the district for necessary public services and shall not assess a portion
16 of the development fee based on the infrastructure or costs.

17 C. A municipality shall give at least thirty days' advance notice
18 of intention to assess a development fee and shall release to the public
19 and post on its website or the website of an association of cities and
20 towns if a municipality does not have a website a written report of the
21 land use assumptions and infrastructure improvements plan adopted pursuant
22 to subsection D of this section. The municipality shall conduct a public
23 hearing on the proposed development fee at any time after the expiration
24 of the ~~thirty-day~~ THIRTY-DAY notice of intention to assess a development
25 fee and at least thirty days before the scheduled date of adoption of the
26 fee by the governing body. Within sixty days after the date of the public
27 hearing on the proposed development fee, a municipality shall approve or
28 disapprove the imposition of the development fee. A municipality shall
29 not adopt an ordinance, order or resolution approving a development fee as
30 an emergency measure. A development fee assessed pursuant to this section
31 shall not be effective until seventy-five days after its formal adoption
32 by the governing body of the municipality. Nothing in this subsection
33 shall affect any development fee adopted before July 24, 1982.

34 D. Before the adoption or amendment of a development fee, the
35 governing body of the municipality shall adopt or update the land use
36 assumptions and infrastructure improvements plan for the designated
37 service area. The municipality shall conduct a public hearing on the land
38 use assumptions and infrastructure improvements plan at least thirty days
39 before the adoption or update of the plan. The municipality shall release
40 the plan to the public, post the plan on its website or the website of an
41 association of cities and towns if the municipality does not have a
42 website, including in the posting its land use assumptions, the time
43 period of the projections, a description of the necessary public services
44 included in the infrastructure improvements plan and a map of the service
45 area to which the land use assumptions apply, make available to the public

1 the documents used to prepare the assumptions and plan and provide public
2 notice at least sixty days before the public hearing, subject to the
3 following:

4 1. The land use assumptions and infrastructure improvements plan
5 shall be approved or disapproved within sixty days after the public
6 hearing on the land use assumptions and infrastructure improvements plan
7 and at least thirty days before the public hearing on the report required
8 by subsection C of this section. A municipality shall not adopt an
9 ordinance, order or resolution approving the land use assumptions or
10 infrastructure improvements plan as an emergency measure.

11 2. An infrastructure improvements plan shall be developed by
12 qualified professionals using generally accepted engineering and planning
13 practices pursuant to subsection E of this section.

14 3. A municipality shall update the land use assumptions and
15 infrastructure improvements plan at least every five years. The initial
16 ~~five-year~~ FIVE-YEAR period begins on the day the infrastructure
17 improvements plan is adopted. The municipality shall review and evaluate
18 its current land use assumptions and shall cause an update of the
19 infrastructure improvements plan to be prepared pursuant to this section.

20 4. Within sixty days after completion of the updated land use
21 assumptions and infrastructure improvements plan, the municipality shall
22 schedule and provide notice of a public hearing to discuss and review the
23 update and shall determine whether to amend the assumptions and plan.

24 5. A municipality shall hold a public hearing to discuss the
25 proposed amendments to the land use assumptions, the infrastructure
26 improvements plan or the development fee. The land use assumptions and
27 the infrastructure improvements plan, including the amount of any proposed
28 changes to the development fee per service unit, shall be made available
29 to the public on or before the date of the first publication of the notice
30 of the hearing on the amendments.

31 6. The notice and hearing procedures prescribed in paragraph 1 of
32 this subsection apply to a hearing on the amendment of land use
33 assumptions, an infrastructure improvements plan or a development fee.
34 Within sixty days after the date of the public hearing on the amendments,
35 a municipality shall approve or disapprove the amendments to the land use
36 assumptions, infrastructure improvements plan or development fee.
37 A municipality shall not adopt an ordinance, order or resolution approving
38 the amended land use assumptions, infrastructure improvements plan or
39 development fee as an emergency measure.

40 7. The advisory committee established under subsection G of this
41 section shall file its written comments on any proposed or updated land
42 use assumptions, infrastructure improvements plan and development fees
43 before the fifth business day before the date of the public hearing on the
44 proposed or updated assumptions, plan and fees.

1 8. If, at the time an update as prescribed in paragraph 3 of this
2 subsection is required, the municipality determines that no changes to the
3 land use assumptions, infrastructure improvements plan or development fees
4 are needed, the municipality may as an alternative to the updating
5 requirements of this subsection publish notice of its determination on its
6 website and include the following:

7 (a) A statement that the municipality has determined that no change
8 to the land use assumptions, infrastructure improvements plan or
9 development fee is necessary.

10 (b) A description and map of the service area in which an update
11 has been determined to be unnecessary.

12 (c) A statement that by a specified date, which shall be at least
13 sixty days after the date of publication of the first notice, a person may
14 make a written request to the municipality requesting that the land use
15 assumptions, infrastructure improvements plan or development fee be
16 updated.

17 (d) A statement identifying the person or entity to whom the
18 written request for an update should be sent.

19 9. If, by the date specified pursuant to paragraph 8 of this
20 subsection, a person requests in writing that the land use assumptions,
21 infrastructure improvements plan or development fee be updated, the
22 municipality shall cause, accept or reject an update of the assumptions
23 and plan to be prepared pursuant to this subsection.

24 10. Notwithstanding the notice and hearing requirements for adoption
25 of an infrastructure improvements plan, a municipality may amend an
26 infrastructure improvements plan adopted pursuant to this section without
27 a public hearing if the amendment addresses only elements of necessary
28 public services in the existing infrastructure improvements plan and the
29 changes to the plan will not, individually or cumulatively with other
30 amendments adopted pursuant to this subsection, increase the level of
31 service in the service area or cause a development fee increase of greater
32 than five ~~per cent~~ PERCENT when a new or modified development fee is
33 assessed pursuant to this section. The municipality shall provide notice
34 of any such amendment at least thirty days before adoption, shall post the
35 amendment on its website or on the website of an association of cities and
36 towns if the municipality does not have a website and shall provide notice
37 to the advisory committee established pursuant to subsection G of this
38 section that the amendment complies with this subsection.

39 E. For each necessary public service that is the subject of a
40 development fee, the infrastructure improvements plan shall include:

41 1. A description of the existing necessary public services in the
42 service area and the costs to upgrade, update, improve, expand, correct or
43 replace those necessary public services to meet existing needs and usage
44 and stricter safety, efficiency, environmental or regulatory standards,

1 which shall be prepared by qualified professionals licensed in this state,
2 as applicable.

3 2. An analysis of the total capacity, the level of current usage
4 and commitments for usage of capacity of the existing necessary public
5 services, which shall be prepared by qualified professionals licensed in
6 this state, as applicable.

7 3. A description of all or the parts of the necessary public
8 services or facility expansions and their costs necessitated by and
9 attributable to development in the service area based on the approved land
10 use assumptions, including a forecast of the costs of infrastructure,
11 improvements, real property, financing, engineering and architectural
12 services, which shall be prepared by qualified professionals licensed in
13 this state, as applicable.

14 4. A table establishing the specific level or quantity of use,
15 consumption, generation or discharge of a service unit for each category
16 of necessary public services or facility expansions and an equivalency or
17 conversion table establishing the ratio of a service unit to various types
18 of land uses, including residential, commercial and industrial.

19 5. The total number of projected service units necessitated by and
20 attributable to new development in the service area based on the approved
21 land use assumptions and calculated pursuant to generally accepted
22 engineering and planning criteria.

23 6. The projected demand for necessary public services or facility
24 expansions required by new service units for a period not to exceed ten
25 years.

26 7. A forecast of revenues generated by new service units other than
27 development fees, which shall include estimated state-shared revenue,
28 highway ~~users~~ USER revenue, federal revenue, ad valorem property taxes,
29 construction contracting or similar excise taxes and the capital recovery
30 portion of utility fees attributable to development based on the approved
31 land use assumptions, and a plan to include these contributions in
32 determining the extent of the burden imposed by the development as
33 required in subsection B, paragraph 12 of this section.

34 F. A municipality's development fee ordinance shall provide that a
35 new development fee or an increased portion of a modified development fee
36 shall not be assessed against a development for twenty-four months after
37 the date that the municipality issues the final approval for a commercial,
38 industrial or multifamily development or the date that the first building
39 permit is issued for a residential development pursuant to an approved
40 site plan or subdivision plat, provided that no subsequent changes are
41 made to the approved site plan or subdivision plat that would increase the
42 number of service units. If the number of service units increases, the
43 new or increased portion of a modified development fee shall be limited to
44 the amount attributable to the additional service units. The twenty-four
45 month period shall not be extended by a renewal or amendment of the site

1 plan or the final subdivision plat that was the subject of the final
2 approval. The municipality shall issue, on request, a written statement of
3 the development fee schedule applicable to the development. If, after the
4 date of the municipality's final approval of a development, the
5 municipality reduces the development fee assessed on development, the
6 reduced fee shall apply to the development.

7 G. A municipality shall do one of the following:

8 1. Before the adoption of proposed or updated land use assumptions,
9 infrastructure improvements plan and development fees as prescribed in
10 subsection D of this section, the municipality shall appoint an
11 infrastructure improvements advisory committee, subject to the following
12 requirements:

13 (a) The advisory committee shall be composed of at least five
14 members who are appointed by the governing body of the municipality. At
15 least fifty ~~per cent~~ PERCENT of the members of the advisory committee must
16 be representatives of the real estate, development or building industries,
17 of which at least one member of the committee must be from the home
18 building industry. Members shall not be employees or officials of the
19 municipality.

20 (b) The advisory committee shall serve in an advisory capacity and
21 shall:

22 (i) Advise the municipality in adopting land use assumptions and in
23 determining whether the assumptions are in conformance with the general
24 plan of the municipality.

25 (ii) Review the infrastructure improvements plan and file written
26 comments.

27 (iii) Monitor and evaluate implementation of the infrastructure
28 improvements plan.

29 (iv) Every year file reports with respect to the progress of the
30 infrastructure improvements plan and the collection and expenditures of
31 development fees and report to the municipality any perceived inequities
32 in implementing the plan or imposing the development fee.

33 (v) Advise the municipality of the need to update or revise the
34 land use assumptions, infrastructure improvements plan and development
35 fee.

36 (c) The municipality shall make available to the advisory committee
37 any professional reports with respect to developing and implementing the
38 infrastructure improvements plan.

39 (d) The municipality shall adopt procedural rules for the advisory
40 committee to follow in carrying out the committee's duties.

41 2. In lieu of creating an advisory committee pursuant to paragraph
42 1 of this subsection, provide for a biennial certified audit of the
43 municipality's land use assumptions, infrastructure improvements plan and
44 development fees. An audit pursuant to this paragraph shall be conducted
45 by one or more qualified professionals who are not employees or officials

1 of the municipality and who did not prepare the infrastructure
2 improvements plan. The audit shall review the progress of the
3 infrastructure improvements plan, including the collection and
4 expenditures of development fees for each project in the plan, and
5 evaluate any inequities in implementing the plan or imposing the
6 development fee. The municipality shall post the findings of the audit on
7 the municipality's website or the website of an association of cities and
8 towns if the municipality does not have a website and shall conduct a
9 public hearing on the audit within sixty days of the release of the audit
10 to the public.

11 H. On written request, an owner of real property for which a
12 development fee has been paid after July 31, 2014 is entitled to a refund
13 of a development fee or any part of a development fee if:

14 1. Pursuant to subsection B, paragraph 6 of this section, existing
15 facilities are available and service is not provided.

16 2. The municipality has, after collecting the fee to construct a
17 facility when service is not available, failed to complete construction
18 within the time period identified in the infrastructure improvements plan,
19 but in no event later than the time period specified in paragraph 3 of
20 this subsection.

21 3. For a development fee other than a development fee for water or
22 wastewater facilities, any part of the development fee is not spent as
23 authorized by this section within ten years after the fee has been paid
24 or, for a development fee for water or wastewater facilities, any part of
25 the development fee is not spent as authorized by this section within
26 fifteen years after the fee has been paid.

27 I. If the development fee was collected for the construction of all
28 or a portion of a specific item of infrastructure, and on completion of
29 the infrastructure the municipality determines that the actual cost of
30 construction was less than the forecasted cost of construction on which
31 the development fee was based and the difference between the actual and
32 estimated cost is greater than ten per cent, the current owner may receive
33 a refund of the portion of the development fee equal to the difference
34 between the development fee paid and the development fee that would have
35 been due if the development fee had been calculated at the actual
36 construction cost.

37 J. A refund shall include any interest earned by the municipality
38 from the date of collection to the date of refund on the amount of the
39 refunded fee. All refunds shall be made to the record owner of the
40 property at the time the refund is paid. If the development fee is paid by
41 a governmental entity, the refund shall be paid to the governmental
42 entity.

43 K. A development fee that was adopted before January 1, 2012 may
44 continue to be assessed only to the extent that it will be used to provide
45 a necessary public service for which development fees can be assessed

1 pursuant to this section and shall be replaced by a development fee
2 imposed under this section on or before August 1, 2014. Any municipality
3 having a development fee that has not been replaced under this section on
4 or before August 1, 2014 shall not collect development fees until the
5 development fee has been replaced with a fee that complies with this
6 section. Any development fee monies collected before January 1, 2012
7 remaining in a development fee account:

8 1. Shall be used towards the same category of necessary public
9 services as authorized by this section.

10 2. If development fees were collected for a purpose not authorized
11 by this section, shall be used for the purpose for which they were
12 collected on or before January 1, 2020, and after which, if not spent,
13 shall be distributed equally among the categories of necessary public
14 services authorized by this section.

15 L. A moratorium shall not be placed on development for the sole
16 purpose of awaiting completion of all or any part of the process necessary
17 to develop, adopt or update development fees.

18 M. In any judicial action interpreting this section, all powers
19 conferred on municipal governments in this section shall be narrowly
20 construed to ensure that development fees are not used to impose on new
21 residents a burden all taxpayers of a municipality should bear equally.

22 N. Each municipality that assesses development fees shall submit an
23 annual report accounting for the collection and use of the fees for each
24 service area. The annual report shall include the following:

25 1. The amount assessed by the municipality for each type of
26 development fee.

27 2. The balance of each fund maintained for each type of development
28 fee assessed as of the beginning and end of the fiscal year.

29 3. The amount of interest or other earnings on the monies in each
30 fund as of the end of the fiscal year.

31 4. The amount of development fee monies used to repay:

32 (a) Bonds issued by the municipality to pay the cost of a capital
33 improvement project that is the subject of a development fee assessment,
34 including the amount needed to repay the debt service obligations on each
35 facility for which development fees have been identified as the source of
36 funding and the time frames in which the debt service will be repaid.

37 (b) Monies advanced by the municipality from funds other than the
38 funds established for development fees in order to pay the cost of a
39 capital improvement project that is the subject of a development fee
40 assessment, the total amount advanced by the municipality for each
41 facility, the source of the monies advanced and the terms under which the
42 monies will be repaid to the municipality.

43 5. The amount of development fee monies spent on each capital
44 improvement project that is the subject of a development fee assessment
45 and the physical location of each capital improvement project.

1 6. The amount of development fee monies spent for each purpose
2 other than a capital improvement project that is the subject of a
3 development fee assessment.

4 O. Within ninety days following the end of each fiscal year, each
5 municipality shall submit a copy of the annual report to the city clerk
6 and post the report on the municipality's website or the website of an
7 association of cities and towns if the municipality does not have a
8 website. Copies shall be made available to the public on request. The
9 annual report may contain financial information that has not been audited.

10 P. A municipality that fails to file the report and post the report
11 on the municipality's website or the website of an association of cities
12 and towns if the municipality does not have a website as required by this
13 section shall not collect development fees until the report is filed and
14 posted.

15 Q. Any action to collect a development fee shall be commenced
16 within two years after the obligation to pay the fee accrues.

17 R. A municipality may continue to assess a development fee adopted
18 before January 1, 2012 for any facility that was financed before June 1,
19 2011 if:

20 1. Development fees were pledged to repay debt service obligations
21 related to the construction of the facility.

22 2. After August 1, 2014, any development fees collected under this
23 subsection are used solely for the payment of principal and interest on
24 the portion of the bonds, notes or other debt service obligations issued
25 before June 1, 2011 to finance construction of the facility.

26 S. Through August 1, 2014, a development fee adopted before January
27 1, 2012 may be used to finance construction of a facility and may be
28 pledged to repay debt service obligations if:

29 1. The facility that is being financed is a facility that is
30 described under subsection T, paragraph 7, subdivisions (a) through (g) of
31 this section.

32 2. The facility was included in an infrastructure improvements plan
33 adopted before June 1, 2011.

34 3. The development fees are used for the payment of principal and
35 interest on the portion of the bonds, notes or other debt service
36 obligations issued to finance construction of the necessary public
37 services or facility expansions identified in the infrastructure
38 ~~improvement~~ IMPROVEMENTS plan.

39 T. For the purposes of this section:

40 1. "Dedication" means the actual conveyance date or the date an
41 improvement, facility or real or personal property is placed into service,
42 whichever occurs first.

43 2. "Development" means:

44 (a) The subdivision of land.

1 (b) The construction, reconstruction, conversion, structural
2 alteration, relocation or enlargement of any structure that adds or
3 increases the number of service units.

4 (c) Any use or extension of the use of land that increases the
5 number of service units.

6 3. "Facility expansion" means the expansion of the capacity of an
7 existing facility that serves the same function as an otherwise new
8 necessary public service in order that the existing facility may serve new
9 development. Facility expansion does not include the repair, maintenance,
10 modernization or expansion of an existing facility to better serve
11 existing development.

12 4. "Final approval" means:

13 (a) For a nonresidential or multifamily development, the approval
14 of a site plan or, if no site plan is submitted for the development, the
15 approval of a final subdivision plat.

16 (b) For a single family residential development, the approval of a
17 final subdivision plat.

18 5. "Infrastructure improvements plan" means a written plan that
19 identifies each necessary public service or facility expansion that is
20 proposed to be the subject of a development fee and otherwise complies
21 with the requirements of this section, and may be the municipality's
22 capital improvements plan.

23 6. "Land use assumptions" means projections of changes in land
24 uses, densities, intensities and population for a specified service area
25 over a period of at least ten years and pursuant to the general plan of
26 the municipality.

27 7. "Necessary public service" means any of the following facilities
28 that have a life expectancy of three or more years and that are owned and
29 operated by or on behalf of the municipality:

30 (a) Water facilities, including the supply, transportation,
31 treatment, purification and distribution of water, and any appurtenances
32 for those facilities.

33 (b) Wastewater facilities, including collection, interception,
34 transportation, treatment and disposal of wastewater, and any
35 appurtenances for those facilities.

36 (c) Storm water, drainage and flood control facilities, including
37 any appurtenances for those facilities.

38 (d) Library facilities of up to ten thousand square feet that
39 provide a direct benefit to development, not including equipment, vehicles
40 or appurtenances.

41 (e) Street facilities located in the service area, including
42 arterial or collector streets or roads that have been designated on an
43 officially adopted plan of the municipality, traffic signals and
44 rights-of-way and improvements thereon.

1 (f) Fire and police facilities, including all appurtenances,
2 equipment and vehicles. Fire and police facilities do not include a
3 facility or portion of a facility that is used to replace services that
4 were once provided elsewhere in the municipality, vehicles and equipment
5 used to provide administrative services, helicopters or airplanes or a
6 facility that is used for training firefighters or officers from more than
7 one station or substation.

8 (g) Neighborhood parks and recreational facilities on real property
9 up to thirty acres in area, or parks and recreational facilities larger
10 than thirty acres if the facilities provide a direct benefit to the
11 development. Park and recreational facilities do not include vehicles,
12 equipment or that portion of any facility that is used for amusement
13 parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural
14 facilities, bandstand and orchestra facilities, bathhouses, boathouses,
15 clubhouses, community centers greater than three thousand square feet in
16 floor area, environmental education centers, equestrian facilities, golf
17 course facilities, greenhouses, lakes, museums, theme parks, water
18 reclamation or riparian areas, wetlands, zoo facilities or similar
19 recreational facilities, but may include swimming pools.

20 (h) Any facility that was financed and that meets all of the
21 requirements prescribed in subsection R of this section.

22 8. "Qualified professional" means a professional engineer,
23 surveyor, financial analyst or planner providing services within the scope
24 of the person's license, education or experience.

25 9. "Service area" means any specified area within the boundaries of
26 a municipality in which development will be served by necessary public
27 services or facility expansions and within which a substantial nexus
28 exists between the necessary public services or facility expansions and
29 the development being served as prescribed in the infrastructure
30 improvements plan.

31 10. "Service unit" means a standardized measure of consumption, use,
32 generation or discharge attributable to an individual unit of development
33 calculated pursuant to generally accepted engineering or planning
34 standards for a particular category of necessary public services or
35 facility expansions.

36 Sec. 2. Section 11-495, Arizona Revised Statutes, is amended to
37 read:

38 11-495. Taxpayers' information fund

39 A. A taxpayers' information fund is established in each county
40 treasury consisting of monies collected from the public records copy
41 surcharge imposed pursuant to section 11-496, the tax lien processing fee
42 imposed pursuant to section 42-18116, subsection C, ~~fifteen dollars~~ \$15 of
43 each judgment deed fee collected pursuant to section 42-18205, subsection
44 A, interest earned from the elderly assistance fund pursuant to section
45 42-17401, the community facilities district special assessment fee imposed

1 pursuant to section 48-721, THE STATE AFFORDABILITY INFRASTRUCTURE
2 DISTRICT SPECIAL ASSESSMENT FEE IMPOSED PURSUANT TO SECTION 48-7023 and
3 the fees authorized for collecting municipal fire and emergency services
4 fees in certain areas of the county as prescribed in section 9-500.23.

5 B. The county treasurer shall administer the fund and spend monies
6 in the fund only to defray the cost of converting or upgrading an
7 automated public information system as follows:

8 1. Purchasing computer hardware and software.

9 2. Training employees to operate the system.

10 3. Maintaining the system, including purchasing equipment
11 maintenance agreements.

12 4. Updating the system hardware and software.

13 5. In counties with a population of more than two million persons,
14 notifying property owners of the tax and ownership status of a taxpayer's
15 parcel prior to the taxpayer's parcel being sold at a deed sale and the
16 tax and ownership status of any parcels being sold at a deed sale that are
17 adjacent to a taxpayer's parcel, prior to the deed sale.

18 C. The county treasurer shall annually submit to the board of
19 supervisors the amount of anticipated revenues under this section. If the
20 projected revenues are considered to be insufficient to establish and
21 maintain the fund at an adequate level, the monies may accumulate until
22 sufficient monies are available in the fund.

23 Sec. 3. Section 11-496, Arizona Revised Statutes, is amended to
24 read:

25 11-496. Public records copy; proceeds of sale; agent duties;
26 surcharge; special district assessments; deposit

27 A. In addition to the fee prescribed by section 39-121.01,
28 subsection D, paragraph 1 or section 39-121.03, subsection A, the county
29 treasurer may impose a surcharge of not more than twenty-five ~~per cent~~
30 PERCENT of the fee charged for furnishing a copy, printout or photograph.

31 B. A county treasurer who is designated as a registrar pursuant to
32 section 35-491 may impose a surcharge of not more than twenty-five ~~per~~
33 cent PERCENT of the average fee charged by commercial bank trust
34 departments during the previous calendar year for discharging registrar,
35 transfer and paying agent duties.

36 C. The county treasurer may impose and collect a fee for expenses
37 directly related to the collection of special assessments for a community
38 facilities district pursuant to section 48-721, A STATE AFFORDABILITY
39 INFRASTRUCTURE DISTRICT PURSUANT TO SECTION 48-7023 and a revitalization
40 district pursuant to section 48-6815 and for collecting municipal fire and
41 emergency services fees from owners of record in certain areas of the
42 county as prescribed in section 9-500.23.

43 D. The county treasurer shall deposit monies collected pursuant to
44 this section in the taxpayers' information fund established by section
45 11-495.

1 Sec. 4. Section 11-1102, Arizona Revised Statutes, is amended to
2 read:

3 11-1102. County development fees; imposition by counties;
4 infrastructure improvements plan; advisory
5 committee; annual report; limitation on actions;
6 definitions

7 A. A county may assess development fees to offset costs to the
8 county associated with providing necessary public services to a
9 development, including the costs of infrastructure, improvements, real
10 property, engineering and architectural services, financing and
11 professional services required for the preparation or revision of
12 ~~a~~ development ~~fee~~ FEES pursuant to this section, including the relevant
13 portion of the infrastructure improvements plan.

14 B. Development fees assessed under this section are subject to the
15 following requirements:

16 1. Development fees shall result in a beneficial use to the
17 development.

18 2. The county shall calculate the development ~~fee~~ FEES based on the
19 infrastructure improvements plan adopted pursuant to this section.

20 3. The development fees may not exceed a proportionate share of the
21 cost of necessary public services, based on service units, needed to
22 provide necessary public services to the development.

23 4. Costs for necessary public services made necessary by new
24 development shall be based on the same level of service provided to
25 existing development in the service area at the time the infrastructure
26 improvements plan is adopted.

27 5. Development fees may not be used for any of the following:

28 (a) Funding a level of service that is higher than the current
29 level of service provided to existing development at the time the
30 infrastructure improvements plan is adopted.

31 (b) Construction, acquisition or expansion of public facilities or
32 assets other than necessary public services or facility expansions
33 identified in the infrastructure improvements plan.

34 (c) Repair, operation or maintenance of existing or new necessary
35 public services or facility expansions.

36 (d) Upgrading, updating, expanding, correcting or replacing
37 existing necessary public services to serve existing development in order
38 to meet stricter safety, efficiency, environmental or regulatory
39 standards.

40 (e) Upgrading, updating, expanding, correcting or replacing
41 existing necessary public services to provide a higher level of service to
42 existing development.

43 (f) Administrative, maintenance or operating costs of the county.

44 6. Any development for which development fees have been paid is
45 entitled to the use and benefit of the services for which the development

1 fees were imposed and is entitled to receive immediate service from any
2 existing facility with available capacity to serve the new service units
3 if the available capacity has not been reserved or pledged in connection
4 with the construction or financing of the facility.

5 7. Development fees may be collected if any of the following
6 occurs:

7 (a) The collection is made to pay for a necessary public service or
8 facility expansion that is identified in the infrastructure improvements
9 plan and the county plans to complete construction and have the service
10 available within the time period established in the infrastructure
11 improvements plan, but not longer than the time period provided in
12 subsection J, paragraph 3 of this section.

13 (b) The county reserves capacity in the infrastructure improvements
14 plan adopted pursuant to this section or otherwise agrees to reserve
15 capacity to serve future development.

16 (c) The county requires or agrees to allow the owner of a
17 development to construct or finance the necessary public service or
18 facility expansion and any of the following applies:

19 (i) The costs incurred or monies advanced are credited against or
20 reimbursed from the development fees otherwise due from a development. The
21 amount of credits issued shall equal the costs identified by the county in
22 the infrastructure improvements plan associated with the construction of
23 the necessary public services or facility expansions. The county shall
24 allow the owner to assign the credits from the development fees otherwise
25 due from a development and any excess credits to other developments for
26 the same category of necessary public services in the same service area.

27 (ii) The county reimburses the owner for those costs from the
28 development fees paid from all developments that will use those necessary
29 public services or facility expansions. The county shall allow the owner
30 to assign the reimbursement rights to other developments for the same
31 category of necessary public services in the same service area.

32 8. Projected interest charges and other finance costs may be
33 included in determining the amount of development fees only if the monies
34 are used for the payment of principal and interest on the portion of the
35 bonds, notes or other obligations issued to finance construction of
36 necessary public services or facility expansions identified in the
37 infrastructure improvements plan.

38 9. Monies received from development fees shall be placed in a
39 separate fund and accounted for separately and may only be used for the
40 purposes authorized by this section. Monies received from development
41 fees identified in an infrastructure improvements plan adopted or updated
42 pursuant to subsection E of this section shall be used to provide the same
43 category of necessary public services or facilities expansions for which
44 the development fee was assessed and for the benefit of the same service
45 area as defined in the infrastructure improvements plan in which the

1 development fees were assessed. Interest earned on monies in the separate
2 fund shall be credited to the fund.

3 10. The county shall prescribe the schedule for paying the
4 development fees. Based on the costs identified in the infrastructure
5 improvements plan, the county shall provide a credit toward the payment of
6 the development fees for the required or agreed to dedication of public
7 sites, improvements and other necessary public services or facility
8 expansions included in the infrastructure improvements plan and for which
9 development fees are assessed, to the extent the public sites,
10 improvements and necessary public services or facility expansions are
11 provided by the developer, [A COMMUNITY FACILITIES DISTRICT ESTABLISHED](#)
12 [UNDER TITLE 48, CHAPTER 4, ARTICLE 6 OR A STATE AFFORDABILITY](#)
13 [INFRASTRUCTURE DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 40](#). On
14 request of the developer, instead of providing a credit toward the payment
15 of development fees, the county shall provide for reimbursement from the
16 development fees paid from all development that will use those public
17 sites, improvements or necessary public services or facility expansions of
18 the actual costs of the required or agreed to dedication of public sites,
19 improvements or other necessary public services or facility expansions
20 included in the infrastructure improvements plan and for which development
21 fees are assessed, to the extent the public sites, improvements and
22 necessary public services or facility expansions are provided by the
23 developer, [A COMMUNITY FACILITIES DISTRICT ESTABLISHED UNDER TITLE 48,](#)
24 [CHAPTER 4, ARTICLE 6 OR A STATE AFFORDABILITY INFRASTRUCTURE DISTRICT](#)
25 [ESTABLISHED UNDER TITLE 48, CHAPTER 40](#). The developer of residential
26 dwelling units shall be required to pay the fees when construction permits
27 for the dwelling units are issued, or at a later time if specified in the
28 development agreement pursuant to section 11-1101. If a development
29 agreement provides for development fees to be paid at a time later than
30 the issuance of construction permits, the deferred development fees shall
31 be paid not later than fifteen days after the issuance of a certificate of
32 occupancy. The development agreement shall provide for the value of any
33 deferred development fees to be supported by an appropriate security,
34 including a surety bond, letter of credit or cash bond.

35 11. If a county requires as a condition of development approval the
36 construction or improvement of, contributions to or dedication of any
37 facilities that were not included in a previously adopted infrastructure
38 improvements plan, the county shall cause the infrastructure improvements
39 plan to be amended to include the facilities and shall provide a credit
40 toward the payment of development fees for the construction, improvement,
41 contribution or dedication of the facilities to the extent that the
42 facilities will substitute for or otherwise reduce the need for other
43 similar facilities in the infrastructure improvements plan for which
44 development fees were assessed. If a county requires as a condition of
45 development approval the set aside of active or passive open space, the

1 county shall issue a credit toward any development fees identified in the
2 infrastructure improvements plan to fund any park facilities or facility
3 expansion. On request of the individual or entity seeking development
4 approval, instead of issuing a credit toward the payment of development
5 fees, the county shall provide for reimbursement from the development fees
6 paid from all development that will use those facilities or facility
7 expansions of the actual costs of the construction or improvement of,
8 contributions to or dedication of the public facilities required as a
9 condition of development approval.

10 12. The county shall forecast the contribution to be made in the
11 future in cash, taxes, fees, assessments and all other sources of revenue
12 derived from the property owner towards the capital costs of the necessary
13 public service covered by the development fees.

14 13. If development fees are assessed against residential
15 development, the county shall also assess development fees against
16 commercial and industrial development. The county may distinguish between
17 different categories of residential, commercial and industrial development
18 in assessing the costs to the county of providing necessary public
19 services to new development and in determining the amount of the
20 development fees applicable to the category, except that the county may
21 not distinguish residential developments on the basis of the size of the
22 dwelling unit or number of bedrooms. If a county agrees to waive any of
23 the development fees assessed on a development, the county shall reimburse
24 the appropriate development fees accounts for the amount that was waived.
25 The county shall provide notice of any such waiver to the advisory
26 committee established pursuant to subsection I of this section.

27 14. In determining and assessing development fees applying to land
28 in a community facilities district established under title 48, chapter 4,
29 article 6, the county shall take into account all public infrastructure
30 provided by the district and capital costs paid by the district for
31 necessary public services and shall not assess a portion of the
32 development fees based on the infrastructure or costs.

33 15. The county shall not assess or collect development fees from a
34 school district or charter school, other than fees assessed or collected
35 for streets and water and wastewater utility functions.

36 C. Before assessing development fees, the county shall:

37 1. Give at least thirty days' advance notice of intention to assess
38 new or increased development fees.

39 2. Release to the public and post on the county's website a written
40 report of the land use assumptions and infrastructure improvements plan
41 adopted pursuant to subsection E of this section.

42 3. Conduct a public hearing on the proposed development fees at any
43 time after the expiration of the thirty-day notice of intention to assess
44 development fees and at least thirty days before the scheduled date of
45 adoption of the development fees. Within sixty days after the date of the

1 public hearing on the proposed development fees, the county shall approve
2 or disapprove the imposition of the development fees. A county may not
3 adopt an ordinance, order or resolution approving development fees as an
4 emergency measure.

5 D. Development fees assessed pursuant to this section are not
6 effective for at least ninety days after formal adoption by the board of
7 supervisors.

8 E. Before the adoption or amendment of development fees or
9 amendment of the boundaries of a service area, the board of supervisors
10 shall adopt or update the land use assumptions and infrastructure
11 improvements plan for the designated service area. The county shall
12 conduct a public hearing on the land use assumptions and infrastructure
13 improvements plan at least thirty days before the adoption or update of
14 the infrastructure improvements plan. The county shall release the
15 infrastructure improvements plan to the public, post the infrastructure
16 improvements plan on the county's website, including in the posting the
17 land use assumptions, the time period of the projections, a description of
18 the necessary public services included in the infrastructure improvements
19 plan and a map of the service area to which the land use assumptions
20 apply, make available to the public the documents used to prepare the land
21 use assumptions and infrastructure improvements plan and provide public
22 notice at least sixty days before the public hearing, subject to the
23 following:

24 1. The land use assumptions and infrastructure improvements plan
25 shall be approved or disapproved within sixty days after the public
26 hearing on the land use assumptions and infrastructure improvements plan
27 and at least thirty days before the public hearing on the report required
28 by subsection C of this section. A county may not adopt an ordinance,
29 order or resolution approving the land use assumptions or infrastructure
30 improvements plan as an emergency measure.

31 2. An infrastructure improvements plan shall be developed by
32 qualified professionals using generally accepted engineering and planning
33 practices pursuant to subsection F of this section.

34 3. A county shall update the land use assumptions and
35 infrastructure improvements plan at least every five years. The initial
36 five-year period begins on the day the infrastructure improvements plan is
37 adopted. The county shall review and evaluate the current land use
38 assumptions and shall cause an update of the infrastructure improvements
39 plan to be prepared pursuant to this section.

40 4. Within sixty days after completion of the updated land use
41 assumptions and infrastructure improvements plan, the county shall
42 schedule and provide notice of a public hearing to discuss and review the
43 update and shall determine whether to amend the land use assumptions and
44 infrastructure improvements plan.

1 5. A county shall hold a public hearing to discuss the proposed
2 amendments to the land use assumptions, the infrastructure improvements
3 plan or the development fees. The land use assumptions and the
4 infrastructure improvements plan, including the amount of any proposed
5 changes to the development fees per service unit, shall be made available
6 to the public on or before the date of the first publication of the notice
7 of the hearing on the amendments.

8 6. The hearing procedures prescribed in paragraph 1 of this
9 subsection apply to a hearing on the amendment of land use assumptions, an
10 infrastructure improvements plan or development fees. Within sixty days
11 after the date of the public hearing on the amendments, a county shall
12 approve or disapprove the amendments to the land use assumptions,
13 infrastructure improvements plan or development fees. A county may not
14 adopt an ordinance, order or resolution approving the amended land use
15 assumptions, infrastructure improvements plan or development fees as an
16 emergency measure.

17 7. The advisory committee established under subsection I of this
18 section shall file its written comments on any proposed or updated land
19 use assumptions, infrastructure improvements plan and development fees
20 before the fifth business day before the date of the public hearing on the
21 proposed or updated land use assumptions, infrastructure improvements plan
22 and development fees.

23 8. If, at the time an update as prescribed in paragraph 3 of this
24 subsection is required, the county determines that no changes to the land
25 use assumptions, infrastructure improvements plan or development fees are
26 needed, the county, as an alternative to the updating requirements of this
27 subsection, may publish notice of the determination on the county's
28 website that includes the following:

29 (a) A statement that the county has determined that no change to
30 the land use assumptions, infrastructure improvements plan or development
31 fees is necessary.

32 (b) A description and map of the service area in which an update
33 has been determined to be unnecessary.

34 (c) A statement that by a specified date, which shall be at least
35 sixty days after the date of publication of the first notice, a person may
36 request to the county in writing that the county update the land use
37 assumptions, infrastructure improvements plan or development fees.

38 (d) A statement identifying the person or entity to whom the
39 written request for an update should be sent.

40 9. If, by the date specified pursuant to paragraph 8 of this
41 subsection, a person requests in writing that the county update the land
42 use assumptions, infrastructure improvements plan or development fees, the
43 county shall cause, accept or reject an update of the land use
44 assumptions, infrastructure improvements plan or development fees to be
45 prepared pursuant to this section.

1 10. Notwithstanding the notice and hearing requirements for
2 adoption of an infrastructure improvements plan, the county may amend an
3 infrastructure improvements plan without a public hearing if the amendment
4 addresses only elements of necessary public services in the existing
5 infrastructure improvements plan and the changes to the plan will not,
6 individually or cumulatively with other amendments adopted pursuant to
7 this subsection, increase the level of service in the service area or
8 cause an increase in development fees that is greater than five percent
9 when new or modified development fees are assessed pursuant to this
10 section. The county shall provide notice of the amendment at least thirty
11 days before adoption, shall post the amendment on the county's website and
12 shall provide notice to the advisory committee established pursuant to
13 subsection I of this section that the amendment complies with this
14 subsection.

15 F. For each necessary public service that is the subject of
16 development fees, the infrastructure improvements plan shall include:

17 1. A description of the existing necessary public services in the
18 service area and the costs to upgrade, update, improve, expand, correct or
19 replace those necessary public services to meet existing needs and usage
20 and stricter safety, efficiency, environmental or regulatory standards.
21 The description shall be prepared by qualified professionals who are
22 licensed in this state, as applicable.

23 2. An analysis of the total capacity, the level of current usage
24 and commitments for usage of capacity of the existing necessary public
25 services. The analysis shall be prepared by qualified professionals who
26 are licensed in this state, as applicable.

27 3. A description of all or the parts of the necessary public
28 services or facility expansions and their costs necessitated by and
29 attributable to new development in the service area based on the approved
30 land use assumptions, including a forecast of the cost of infrastructure,
31 improvements, real property, financing, engineering and architectural
32 services. The description shall be prepared by qualified professionals who
33 are licensed in this state, as applicable.

34 4. A table that establishes the specific level or quantity of use,
35 consumption, generation or discharge of a service unit for each category
36 of necessary public services or facility expansions and an equivalency or
37 conversion table that establishes the ratio of a service unit to various
38 types of land uses, including residential, commercial and industrial.

39 5. A description of all the costs necessitated by ongoing
40 maintenance and operations of the necessary public services once
41 construction is completed and a description of the source of revenue to be
42 used to fund the maintenance and operations.

43 6. The total number of projected service units necessitated by and
44 attributable to new development in the service area based on the approved

1 land use assumptions and calculated pursuant to generally accepted
2 engineering and planning criteria.

3 7. The projected demand for necessary public services or facility
4 expansions required by new service units for a period of not more than ten
5 years.

6 8. A forecast of revenues generated by new service units other than
7 development fees, including estimated state shared revenue, highway user
8 revenue, federal revenue, ad valorem property taxes, construction
9 contracting or similar excise taxes and the capital recovery portion of
10 utility fees attributable to development based on the approved land use
11 assumptions, and a plan to include these contributions in determining the
12 extent of the burden imposed by the development as required in subsection
13 B, paragraph 12 of this section.

14 G. A county's infrastructure improvements plan may identify
15 necessary public services or facility expansions that the county plans to
16 construct beyond the time period provided for in subsection J, paragraph 3
17 of this section but may not include the costs of those necessary public
18 services or facility expansions in the calculation of development fees.

19 H. A county's development fees ordinance shall provide:

20 1. That new development fees or an increased portion of modified
21 development fees may not be assessed against a development for twenty-four
22 months after the date that the county issues the final approval for a
23 commercial, industrial or multifamily development or the date that the
24 first building permit is issued for a residential development pursuant to
25 an approved site plan or subdivision plat, only if subsequent changes are
26 not made to the approved site plan or subdivision plat that would increase
27 the number of service units. If the number of service units increases,
28 the new or increased portion of modified development fees shall be limited
29 to the amount attributable to the additional service units. The period is
30 not extended by a renewal or amendment of the site plan or the final
31 subdivision plat that was the subject of the final approval. The county
32 shall issue, on request, a written statement of the development fees
33 schedule applicable to the development. If, after the date of the
34 county's final approval of a development, the county reduces the
35 development fees assessed on development, the reduced fees shall apply to
36 the development.

37 2. A process for a development to request an alternative
38 development fee calculation or change in category of development that
39 appears on an adopted development fee schedule based on a projection that
40 the actual burdens and costs associated with the county's provision of
41 necessary public services or facility expansions to the development that
42 are to be paid by development fees will differ substantially from those
43 costs projected by the county or will be substantially less than the
44 amount projected to be paid by development fees. The county manager or the
45 county manager's designee shall review the request and make a

1 determination as to the development fee to be assessed. The assessed
2 development fee shall have a substantial nexus to the actual burdens and
3 costs associated with providing the necessary public services or facility
4 expansions to that development that are to be funded by development fees.
5 The determination of the county manager is appealable to the board of
6 supervisors.

7 I. A county shall do one of the following:

8 1. Before the adoption of the proposed or updated land use
9 assumptions, infrastructure improvements plan and development fees as
10 prescribed in subsection E of this section, appoint an infrastructure
11 improvements advisory committee, subject to the following requirements:

12 (a) The advisory committee shall be composed of at least five
13 members who are appointed by the board of supervisors. At least fifty
14 percent of the members of the advisory committee must be representatives
15 of the real estate, development or building industries, of which at least
16 one member of the committee must be from the home building industry.
17 Members may not be employees or officials of the county.

18 (b) The advisory committee shall serve in an advisory capacity and
19 shall:

20 (i) Advise the county in adopting land use assumptions and in
21 determining whether the assumptions are in conformance with the general
22 plan of the county.

23 (ii) Review the infrastructure improvements plan and file written
24 comments.

25 (iii) Monitor and evaluate implementation of the infrastructure
26 improvements plan.

27 (iv) Every year file reports with respect to the progress of the
28 infrastructure improvements plan and the collection and expenditures of
29 development fees and report to the county any perceived inequities in
30 implementing the infrastructure improvements plan or assessing the
31 development fees.

32 (v) Advise the county of the need to update or revise the land use
33 assumptions, infrastructure improvements plan and development fees.

34 (c) The county shall make available to the advisory committee any
35 professional reports with respect to developing and implementing the
36 infrastructure improvements plan.

37 (d) The county shall adopt procedural rules for the advisory
38 committee to follow in carrying out the advisory committee's duties.

39 2. Provide for a biennial certified audit of the county's land use
40 assumptions, infrastructure improvements plan and development fees. An
41 audit pursuant to this paragraph shall be conducted by one or more
42 qualified professionals who are not employees or officials of the county
43 and who did not prepare the infrastructure improvements plan. The audit
44 shall review the progress of the infrastructure improvements plan,
45 including the collection and expenditures of development fees for each

1 project in the infrastructure improvements plan, and evaluate any
2 inequities in implementing the infrastructure improvements plan or
3 imposing the development fees. The county shall post the findings of the
4 audit on the county's website and shall conduct a public hearing on the
5 audit within sixty days after the release of the audit to the public.

6 J. On written request, an owner of real property for which
7 development fees have been paid after December 31, 2020 is entitled to a
8 refund of the development fees or any part of the development fees if:

9 1. Pursuant to subsection B, paragraph 6 of this section, existing
10 facilities are available and service is not provided.

11 2. The county, after collecting the fees to construct a facility
12 when service is not available, has failed to complete construction within
13 the time period identified in the infrastructure improvements plan, but in
14 no event later than the time period specified in paragraph 3 of this
15 subsection.

16 3. For development fees other than development fees for water or
17 wastewater facilities, any part of the development fees is not spent as
18 authorized by this section within ten years after the fees have been paid
19 or, for development fees for water or wastewater facilities, any part of
20 the development fees is not spent as authorized by this section within
21 fifteen years after the development fees have been paid.

22 K. If the development fees were collected for the construction of
23 all or a portion of a specific item of infrastructure, and on completion
24 of the infrastructure the county determines that the actual cost of
25 construction was less than the forecasted cost of construction on which
26 the development fees were based and the difference between the actual and
27 estimated cost is greater than ten percent, the current owner may receive
28 a refund of the portion of the development fees equal to the difference
29 between the development fees paid and the development fees that would have
30 been due if the development fees had been calculated at the actual
31 construction cost.

32 L. A refund shall include any interest earned by the county from
33 the date of collection to the date of refund on the amount of the refunded
34 fees. All refunds shall be paid to the owner of record of the property at
35 the time the refund is paid. If the development fees are paid by a
36 governmental entity, the refund shall be paid to the governmental entity.

37 M. Development fees that were adopted before January 1, 2017 may
38 continue to be assessed only to the extent that the development fees will
39 be used to provide a necessary public service for which development fees
40 can be assessed pursuant to this section and shall be replaced by
41 development fees imposed under this section on or before January 1, 2021.
42 Any county having development fees that have not been replaced under this
43 section on or before January 1, 2021 may not collect development fees
44 until the development fees have been replaced with fees that comply with
45 this section. Development fees adopted or amended by a county after

1 January 1, 2017 shall comply with this section. Any development fees
2 monies collected before January 1, 2017 remaining in a development fees
3 account:

4 1. Shall be used ~~towards~~ TOWARD the same category of necessary
5 public services as authorized by this section.

6 2. ~~And~~ THAT WERE collected for a purpose not authorized by this
7 section shall be used for the purpose for which the development fees were
8 collected on or before January 1, 2024, and after which, if not spent,
9 shall be distributed equally among the categories of necessary public
10 services authorized by this section.

11 N. A moratorium may not be placed on development for the sole
12 purpose of awaiting completion of all or any part of the process necessary
13 to develop, adopt or update development fees.

14 O. In any judicial action interpreting this section all powers
15 conferred on a county by this section shall be narrowly construed to
16 ensure that development fees are not used to impose on new residents a
17 burden all taxpayers of a county should bear equally.

18 P. Each county that assesses development fees shall submit an
19 annual report accounting for the collection and use of the fees for each
20 service area. The annual report shall include the following:

21 1. The amount assessed by the county for each type of development
22 fee.

23 2. The balance of each fund maintained for each type of development
24 fee assessed as of the beginning and end of the fiscal year.

25 3. The amount of interest or other earnings on the monies in each
26 fund as of the end of the fiscal year.

27 4. The amount of development fee monies used to repay:

28 (a) Bonds issued by the county to pay the cost of a necessary
29 public service that is the subject of a development fees assessment,
30 including the amount needed to repay the debt service obligations on each
31 facility for which development fees have been identified as the source of
32 funding and the time frames in which the debt service will be repaid.

33 (b) Monies advanced by the county from funds other than the funds
34 established for development fees in order to pay the cost of a necessary
35 public service that is the subject of a development fees assessment, the
36 total amount advanced by the county for each facility, the source of the
37 monies advanced and the terms under which the monies will be repaid to the
38 county.

39 5. The amount of development fees monies spent on each necessary
40 public service or facility expansion that is the subject of a development
41 fees assessment and the physical location of each capital improvement
42 project.

43 6. The amount of development fees monies spent for each purpose
44 other than a necessary public service or facility expansion that is the
45 subject of a development fees assessment.

1 Q. Within ninety days following the end of each fiscal year, each
2 county shall submit a copy of the annual report to the clerk of the board
3 of supervisors and post the annual report on the county's website. Copies
4 shall be made available to the public on request. The annual report may
5 contain financial information that has not been audited.

6 R. A county that fails to file the report and post the annual
7 report on the county's website as required by this section shall not
8 collect development fees until the report is filed and posted.

9 S. Any action to collect development fees shall be commenced within
10 two years after the obligation to pay the development fees accrues.

11 T. A county may continue to assess development fees adopted before
12 January 1, 2017 for any facility that was financed before June 1, 2016 if:

13 1. Development fees were pledged to repay debt service obligations
14 related to the construction of the facility.

15 2. After January 1, 2018, any development fees collected under this
16 subsection are used solely for the payment of principal and interest on
17 the portion of the bonds, notes or other debt service obligations issued
18 before June 1, 2016 to finance construction of the facility.

19 U. Through January 1, 2018, development fees adopted before January
20 1, 2017 may be used to finance construction of a facility and may be
21 pledged to repay debt service obligations if:

22 1. The facility that is being financed is a facility that is
23 described under subsection V, paragraph 7, subdivision (a), (b), (c), (d)
24 or (e) of this section.

25 2. The facility was included in an infrastructure improvements plan
26 adopted before June 1, 2016.

27 3. The development fees are used for the payment of principal and
28 interest on the portion of the bonds, notes or other debt service
29 obligations issued to finance construction of the necessary public
30 services or facility expansions identified in the infrastructure
31 improvements plan.

32 V. For the purposes of this section:

33 1. "Dedication" means the actual conveyance date or the date an
34 improvement, facility or real or personal property is placed into service,
35 whichever occurs first.

36 2. "Development" means:

37 (a) The subdivision of land.

38 (b) The construction, reconstruction, conversion, structural
39 alteration, relocation or enlargement of any structure that adds or
40 increases the number of service units.

41 (c) Any use or extension of the use of land that increases the
42 number of service units.

43 3. "Facility expansion" means the expansion of the capacity of an
44 existing facility that serves the same function as an otherwise new
45 necessary public service in order that the existing facility may serve new

1 development. Facility expansion does not include the repair, maintenance,
2 modernization or expansion of an existing facility to better serve
3 existing development.

4 4. "Final approval" means, for nonresidential or multifamily
5 development, the approval of a site plan or, if no site plan is submitted
6 for the development, the approval of a final subdivision plat.

7 5. "Infrastructure improvements plan" means a written plan that
8 identifies each necessary public service or facility expansion that is
9 proposed to be the subject of development fees and otherwise complies with
10 the requirements of this section and may be the county's capital
11 improvements plan.

12 6. "Land use assumptions" means projections of changes in land
13 uses, densities, intensities and population for a specified service area
14 over a period of at least ten years and pursuant to the general plan of
15 the county.

16 7. "Necessary public service" means any of the following facilities
17 that have a life expectancy of three or more years and that are owned and
18 operated by or on behalf of the county:

19 (a) Water facilities, including the supply, transportation,
20 treatment, purification and distribution of water, and any appurtenances
21 for those facilities.

22 (b) Wastewater facilities, including collection, interception,
23 transportation, treatment and disposal of wastewater, and any
24 appurtenances for those facilities.

25 (c) Street facilities located in the service area, including
26 arterial or collector streets or roads that have been designated on an
27 officially adopted plan of the county, traffic signals and rights-of-way
28 and improvements thereon. Improvements to rights-of-way do not include
29 streetcars, railways or other forms of transportation and their
30 corresponding tracks.

31 (d) Public safety facilities, including all appurtenances,
32 equipment and vehicles. Public safety facilities do not include a
33 facility or portion of a facility that is used to replace services that
34 were once provided elsewhere in the county, vehicles and equipment used to
35 provide administrative services, helicopters or airplanes, paramilitary
36 vehicles, court and judicial facilities, facilities that are used for
37 training firefighters or officers from more than one station or substation
38 or jail, correctional or detention facilities.

39 (e) Neighborhood parks and recreational facilities on real property
40 up to thirty acres in area, or parks and recreational facilities larger
41 than thirty acres if the facilities provide a direct benefit to the
42 development. Parks and recreational facilities do not include vehicles,
43 equipment of that portion of any facility that is used for amusement
44 parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural
45 facilities, bandstand and orchestra facilities, bathhouses, boathouses,

1 clubhouses, community centers greater than three thousand square feet in
2 floor area, environmental education centers, equestrian facilities,
3 trails, golf course facilities, greenhouses, lakes, museums, theme parks,
4 water reclamation or riparian areas, wetlands, zoo facilities or similar
5 recreational facilities, but may include swimming pools and equipment or
6 improvements constituting accessory or incidental amenities to a park or
7 recreational facility allowed under this section.

8 (f) Any facility that was financed and that meets all of the
9 requirements prescribed in subsection T of this section.

10 8. "Qualified professional" means a professional engineer,
11 surveyor, financial analyst or planner providing services within the scope
12 of the person's license, education or experience.

13 9. "Service area" means any specified area within the boundaries of
14 a county in which development will be served by necessary public services
15 or facility expansions and within which a substantial nexus exists between
16 the necessary public services or facility expansions and the development
17 being served as prescribed in the infrastructure improvements plan.

18 10. "Service unit" means a standardized measure of consumption,
19 use, generation or discharge attributable to an individual unit of
20 development calculated using data specific to the service area in which
21 the facility will be located and pursuant to generally accepted
22 engineering or planning standards for a particular category of necessary
23 public services or facility expansions.

24 Sec. 5. Title 48, Arizona Revised Statutes, is amended by adding
25 chapter 40, to read:

26 CHAPTER 40

27 STATE AFFORDABILITY INFRASTRUCTURE DISTRICTS

28 ARTICLE 1. GENERAL PROVISIONS

29 48-7001. Definitions

30 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

31 1. "AD VALOREM TAX" MEANS THE SECONDARY PROPERTY TAXES LEVIED BY A
32 DISTRICT AGAINST THE NET ASSESSED LIMITED PROPERTY VALUATION OF REAL AND
33 PERSONAL PROPERTY IN THE DISTRICT.

34 2. "ASSESSMENT" MEANS A CHARGE FOR THE COSTS OF ANY PUBLIC
35 INFRASTRUCTURE PURPOSE LEVIED BY THE DISTRICT AGAINST SPECIFIC REAL
36 PROPERTY WITHIN THE DISTRICT FOR THE COSTS OF ANY PUBLIC INFRASTRUCTURE
37 PURPOSE BASED ON THE BENEFIT DETERMINED BY THE BOARD TO BE RECEIVED BY THE
38 SPECIFIC REAL PROPERTY AGAINST WHICH THE ASSESSMENT IS LEVIED.

39 3. "AUTHORITY" MEANS THE ARIZONA FINANCE AUTHORITY ESTABLISHED BY
40 SECTION 41-5352.

41 4. "BOARD" MEANS THE BOARD OF DIRECTORS OF A DISTRICT CREATED
42 PURSUANT TO THIS CHAPTER.

43 5. "BONDS":

44 (a) MEANS ANY BOND PRESCRIBED BY THIS CHAPTER AND ISSUED BY A
45 DISTRICT.

- 1 (b) INCLUDES GENERAL OBLIGATION BONDS, ASSESSMENT BONDS, REVENUE
2 BONDS AND REFUNDING BONDS.
- 3 6. "CLERK" MEANS THE PERSON APPOINTED BY THE BOARD TO BE THE
4 DISTRICT CLERK.
- 5 7. "COUNTY" MEANS THE COUNTY IN WHICH A DISTRICT IS FORMED PURSUANT
6 TO THIS CHAPTER.
- 7 8. "DEBT SERVICE" MEANS THE PRINCIPAL OF, INTEREST ON AND PREMIUM,
8 IF ANY, ON THE BONDS, WHEN DUE, WHETHER AT MATURITY OR PRIOR REDEMPTION
9 AND FEES AND COSTS OF REGISTRARS, TRUSTEES, PAYING AGENTS OR OTHER AGENTS
10 NECESSARY TO HANDLE THE BONDS AND THE COSTS OF CREDIT ENHANCEMENT OR
11 LIQUIDITY SUPPORT.
- 12 9. "DISTRICT" MEANS A STATE AFFORDABILITY INFRASTRUCTURE DISTRICT
13 FORMED PURSUANT TO THIS CHAPTER.
- 14 10. "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE
15 AUTHORITY OR THE EXECUTIVE DIRECTOR'S DESIGNEE.
- 16 11. "FINANCING PLAN" MEANS THE DISTRICT'S CAPITAL PLAN CONTAINING
17 FINANCIAL PROJECTIONS, ENGINEERING STUDIES, COST ALLOCATION, SEQUENCING
18 AND MARKET-VALUE ANALYSES.
- 19 12. "FORMATION ORDER" MEANS THE WRITTEN ORDER ISSUED BY THE
20 AUTHORITY EVIDENCING ITS FINAL APPROVAL OF THE FORMATION OF A DISTRICT
21 PURSUANT TO THIS CHAPTER.
- 22 13. "GENERAL PLAN" MEANS THE GENERAL PLAN DESCRIBED IN SECTION
23 48-7002, SUBSECTION B, AS THE PLAN MAY BE AMENDED.
- 24 14. "MARKET VALUE" HAS THE SAME MEANING PRESCRIBED IN SECTION
25 28-7091, AS INDICATED BY AN APPRAISAL OF THE REAL PROPERTY BY AN APPRAISER
26 WHO IS LICENSED OR CERTIFIED PURSUANT TO TITLE 32, CHAPTER 36.
- 27 15. "MAXIMUM AUTHORIZED TAX RATE" MEANS THE MAXIMUM TAX RATE FOR AD
28 VALOREM TAXES PLEDGED TO SECURE GENERAL OBLIGATION BONDS APPROVED AT AN
29 ELECTION AUTHORIZING THE LEVY OF AD VALOREM TAXES AND THE ISSUANCE OF
30 GENERAL OBLIGATION BONDS AND INDICATED IN THE PETITION, PROVIDED THAT THE
31 MAXIMUM AUTHORIZED TAX RATE SHALL NOT EXCEED \$5 PER \$100 OF NET ASSESSED
32 LIMITED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE
33 DISTRICT, EXCEPT AS PRESCRIBED IN SECTION 48-7021, SUBSECTION B.
- 34 16. "MUNICIPALITY" MEANS A CITY OR TOWN IN WHICH A DISTRICT IS
35 FORMED PURSUANT TO THIS CHAPTER.
- 36 17. "NET PREMIUM" MEANS THE DIFFERENCE BETWEEN THE PAR AMOUNT OF
37 THE GENERAL OBLIGATION BOND ISSUE AND THE GENERAL OBLIGATION BOND ISSUE
38 PRICE THAT IS DETERMINED PURSUANT TO UNITED STATES DEPARTMENT OF THE
39 TREASURY REGULATIONS.
- 40 18. "O/M TAX" MEANS A SECONDARY PROPERTY TAX LEVIED TO PAY THE
41 EXPENSES OF OPERATING, MAINTAINING AND ADMINISTERING THE DISTRICT AND THE
42 PUBLIC INFRASTRUCTURE FINANCED BY THE DISTRICT, INCLUDING LEGAL EXPENSES
43 AND EXPENSES ASSOCIATED WITH INSURANCE COVERAGE, AS APPROVED BY THE
44 DISTRICT IN ITS BUDGET.

1 19. "OWNER" MEANS THE PERSON OR ENTITY THAT, ON THE DAY THE ACTION,
2 ELECTION OR PROCEEDING IS BEGUN OR HELD, APPEARS TO BE THE FEE-TITLE OWNER
3 OF REAL PROPERTY AS SHOWN ON THE PROPERTY TAX ASSESSMENT ROLL.

4 20. "PETITION" MEANS A PETITION SUBMITTED TO THE AUTHORITY TO
5 INITIATE FORMATION OF A DISTRICT PURSUANT TO THIS CHAPTER.

6 21. "PETITIONER" MEANS THE PERSON OR ENTITY THAT INITIATES THE
7 FORMATION OF A DISTRICT BY SUBMITTING A PETITION TO THE AUTHORITY PURSUANT
8 TO THIS CHAPTER AND INCLUDES ANY SUCCESSOR OR ASSIGNEE OF THAT PERSON OR
9 ENTITY THAT THE AUTHORITY RECOGNIZES AS THE PETITIONER FOR THE PURPOSES OF
10 THE PETITION AND FORMATION ORDER.

11 22. "PUBLIC INFRASTRUCTURE" MEANS ALL IMPROVEMENTS LISTED IN THIS
12 PARAGRAPH THAT WILL RESULT IN A BENEFICIAL USE PRINCIPALLY TO LAND WITHIN
13 THE GEOGRAPHICAL LIMITS OF THE DISTRICT AND MAY INCLUDE A DISTRICT'S SHARE
14 OF ANY IMPROVEMENTS LISTED IN THIS PARAGRAPH IF THE DISTRICT BOARD
15 DETERMINES SUCH SHARE IS PROPORTIONATE TO THE BENEFICIAL USE OF SUCH
16 IMPROVEMENTS TO LAND WITHIN THE GEOGRAPHICAL LIMITS OF THE DISTRICT,
17 IMPROVEMENTS WITHIN OR OUTSIDE THE GEOGRAPHICAL LIMITS OF THE DISTRICT,
18 NECESSARY OR INCIDENTAL WORK, INCLUDING LAND CLEARANCE AND ENVIRONMENTAL
19 REMEDIATION ACTIVITIES, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING,
20 AND ALL NECESSARY OR DESIRABLE APPURTENANCES. FOR THE PURPOSES OF THIS
21 PARAGRAPH, ADOPTION BY THE DISTRICT BOARD OF A RESOLUTION OF INTENT
22 PURSUANT TO SECTION 48-7008 SHALL CONCLUSIVELY ESTABLISH THAT THE
23 IMPROVEMENTS OR, IF APPLICABLE, SHARE OF THE IMPROVEMENTS THAT ARE THE
24 SUBJECT OF THE RESOLUTION WILL RESULT IN A BENEFICIAL USE PRINCIPALLY TO
25 LAND WITHIN THE GEOGRAPHICAL LIMITS OF THE DISTRICT. PUBLIC INFRASTRUCTURE
26 IMPROVEMENTS ARE:

27 (a) WATER, WASTEWATER, SEWER, STORMWATER AND FLOOD CONTROL
28 FACILITIES AND APPURTENANCES USED FOR THE DEVELOPMENT, TREATMENT, STORAGE,
29 CONVEYANCE, CONTROL, REUSE, DISTRIBUTION, CONNECTION AND LAWFUL
30 DISPOSITION OF POTABLE AND NONPOTABLE WATER, WASTEWATER, STORMWATER AND
31 FLOODWATERS FOR RESIDENTIAL, COMMERCIAL, GOVERNMENTAL, IRRIGATION AND
32 FIRE-SUPPRESSION USES, EXCLUDING INFRASTRUCTURE DEDICATED PRIMARILY TO
33 AGRICULTURAL IRRIGATION FACILITIES IMPACTED BY OTHER IMPROVEMENTS
34 AUTHORIZED BY THIS CHAPTER, ALL TO THE EXTENT LOCATED WITHIN OR NECESSARY
35 TO SERVE THE DISTRICT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS
36 CHAPTER, A DISTRICT SHALL NOT FINANCE, CONSTRUCT, ACQUIRE, INSTALL, OWN OR
37 OPERATE ANY WATER, WASTEWATER, SEWER OR RELATED FACILITIES DESCRIBED IN
38 THIS CHAPTER IF THOSE FACILITIES ARE LOCATED OR WILL BE LOCATED WITHIN THE
39 CERTIFICATED SERVICE TERRITORY OF ANY PUBLIC SERVICE CORPORATION THAT
40 HOLDS A CERTIFICATE OF CONVENIENCE AND NECESSITY ISSUED PURSUANT TO TITLE
41 40, CHAPTER 2, ARTICLE 4, UNLESS THE AFFECTED PUBLIC SERVICE CORPORATION
42 HAS PROVIDED PRIOR WRITTEN AUTHORIZATION TO THE DISTRICT. IF THE AFFECTED
43 PUBLIC SERVICE CORPORATION PROVIDES THAT WRITTEN AUTHORIZATION, THE
44 DISTRICT MUST PLAN, DESIGN, ENGINEER, CONSTRUCT AND INSTALL THE WATER,
45 WASTEWATER, SEWER OR RELATED FACILITIES IN COORDINATION WITH AND TO THE

1 STANDARDS OF THE AFFECTED PUBLIC SERVICE CORPORATION AND SHALL CONVEY
2 OWNERSHIP OF THESE FACILITIES TO THE PUBLIC SERVICE CORPORATION ON
3 COMPLETION.

4 (b) TRANSPORTATION AND MOBILITY FACILITIES, IMPROVEMENTS AND
5 APPURTENANCES USED TO PROVIDE VEHICULAR AND NONVEHICULAR CIRCULATION,
6 ACCESS, EGRESS AND PARKING, INCLUDING STREETS, ROADS, HIGHWAYS, BRIDGES,
7 ALLEYS, PARKING FACILITIES, SIDEWALKS, TRAILS, PATHWAYS, BICYCLE
8 FACILITIES, EQUESTRIAN ROUTES AND OTHER AREAS AND IMPROVEMENTS INTENDED
9 FOR MOTORIZED AND NONMOTORIZED TRAVEL AND PARKING, AND, IF LOCATED WITHIN
10 OR NECESSARY TO SERVE THE DISTRICT, RAILWAY CORRIDORS, RAIL CROSSINGS,
11 GRADE SEPARATIONS, SIDINGS, SIGNALIZATION AND RELATED RAIL TRANSPORTATION
12 FACILITIES AND TRAFFIC MANAGEMENT AND CONTROL FACILITIES AND DEVICES,
13 INCLUDING SIGNALS, INTELLIGENT TRANSPORTATION SYSTEMS, CONTROLS, PAVEMENT
14 MARKINGS, WAYFINDING, SIGNAGE AND LIGHTING AND ILLUMINATIONS SYSTEMS,
15 INCLUDING STREET LIGHTING, PATHWAY LIGHTING, AREA LIGHTING AND RELATED
16 ELECTRICAL AND CONTROL FACILITIES.

17 (c) PUBLIC REALM AND OPEN SPACE AMENITIES, INCLUDING PEDESTRIAN
18 MALLS, PARKS, PLAZAS, RECREATIONAL FACILITIES OTHER THAN STADIUMS, AND
19 OTHER AREAS AND IMPROVEMENTS INTENDED FOR PUBLIC ENTERTAINMENT, ASSEMBLY,
20 AND RECREATION, TOGETHER WITH LANDSCAPING, GRADING, EARTHWORKS,
21 STRUCTURES, PLANTINGS, TREES, IRRIGATION AND WATER DELIVERY SYSTEMS AND
22 RELATED SITE IMPROVEMENTS. CONSTRUCTION OR MAINTENANCE OF WATER PARKS OR
23 DECORATIVE WATER FEATURES, INCLUDING LAKES, PONDS OR LAGOONS, IS
24 PROHIBITED, EXCEPT AS PROVIDED IN SECTION 45-132, SUBSECTION B,
25 PARAGRAPH 4.

26 (d) PUBLIC BUILDINGS AND PUBLIC SAFETY FACILITIES, INCLUDING
27 POLICE, FIRE AND EMERGENCY SERVICES FACILITIES AND RELATED IMPROVEMENTS.

28 (e) COMMUNICATIONS AND DIGITAL INFRASTRUCTURE, INCLUDING
29 FIBEROPTIC, WIRELESS AND BROADBAND FACILITIES, CONDUITS, TOWERS, ANTENNAS,
30 DATA TRANSMISSION SYSTEMS, NETWORK EQUIPMENT, PUBLIC SAFETY COMMUNICATIONS
31 FACILITIES, AND RELATED APPURTENANCES AND RIGHTS-OF-WAY.

32 (f) EQUIPMENT, VEHICLES, FURNISHINGS, TECHNOLOGY AND OTHER PERSONAL
33 PROPERTY AND APPURTENANCES RELATED TO OR NECESSARY FOR THE OPERATION OF
34 ANY PUBLIC INFRASTRUCTURE AUTHORIZED BY THIS CHAPTER.

35 (g) REFINANCING ANY MATURED OR UNMATURED BONDS WITH NEW BONDS.

36 23. "PUBLIC INFRASTRUCTURE PURPOSE" MEANS:

37 (a) PLANNING, DESIGNING, ENGINEERING, CONSTRUCTING, ACQUIRING OR
38 INSTALLING PUBLIC INFRASTRUCTURE.

39 (b) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING
40 FACILITIES FOR PUBLIC INFRASTRUCTURE.

41 (c) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE.

42 (d) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES IN ORDER TO
43 SECURE PAYMENT OF DEBT SERVICE ON BONDS.

44 (e) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON
45 BONDS FOR A PERIOD OF NOT TO EXCEED THREE YEARS AFTER THEIR DATE OF

1 ISSUANCE AND COSTS OF ISSUANCE OF THE BONDS AND UNDERWRITER AND PLACEMENT
2 AGENT FEES.

3 (f) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON
4 INDEBTEDNESS OF THE DISTRICT OR OF DEVELOPMENT FEES OR SIMILAR EXACTIONS
5 IMPOSED BY A MUNICIPALITY OR OTHER PUBLIC ENTITY, TO THE EXTENT THOSE
6 CHARGES ARE IMPOSED TO FUND PUBLIC INFRASTRUCTURE THAT IS LOCATED WITHIN,
7 PRIMARILY SERVES OR IS NECESSITATED BY DEVELOPMENT WITHIN THE DISTRICT.

8 (g) REFINANCING ANY MATURED OR UNMATURED BONDS WITH NEW BONDS.

9 (h) INCURRING EXPENSES OF THE DISTRICT THAT ARE INCIDENTAL TO AND
10 REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS
11 PARAGRAPH.

12 24. "QUALIFIED ELECTOR" MEANS A PERSON WHO IS A QUALIFIED ELECTOR
13 PURSUANT TO TITLE 16 AND WHO RESIDES WITHIN THE BOUNDARIES OF A DISTRICT.

14 25. "TREASURER" MEANS THE PERSON APPOINTED BY THE BOARD TO BE THE
15 DISTRICT TREASURER.

16 48-7002. Petition to form district; contents of petition;
17 filings; limitation of liability

18 A. A STATE AFFORDABILITY INFRASTRUCTURE DISTRICT MAY BE FORMED
19 PURSUANT TO THIS CHAPTER BY PETITION OF ALL INDIVIDUALS AND ENTITIES
20 HAVING FEE-TITLE OWNERSHIP OF ALL REAL PROPERTY IN THE PROPOSED DISTRICT.
21 THE PETITION SHALL BE SUBMITTED TO THE AUTHORITY. THE DISTRICT MAY
22 INCLUDE CONTIGUOUS OR NONCONTIGUOUS PROPERTY, PROVIDED THAT ALL
23 NONCONTIGUOUS PROPERTY SHALL BE LOCATED IN THE SAME COUNTY AND SHALL LIE
24 WITHIN FIVE MILES OF THE BOUNDARY OF OTHER PROPERTY WITHIN THE DISTRICT,
25 MEASURED IN A STRAIGHT LINE BETWEEN SUCH PARCEL BOUNDARIES. IF ANY
26 PORTION OF A DISTRICT IS LOCATED WITHIN THE CORPORATE LIMITS OF A
27 MUNICIPALITY, THE ENTIRE DISTRICT SHALL AT ALL TIMES BE LOCATED WITHIN THE
28 CORPORATE LIMITS OR WITHIN THE ADOPTED PLANNING AREA OF THAT MUNICIPALITY,
29 AS SUCH LIMITS OR PLANNING AREA MAY BE AMENDED FROM TIME TO TIME.

30 B. THE PETITION SHALL CONTAIN ALL OF THE FOLLOWING:

31 1. A METES AND BOUNDS DESCRIPTION AND A MAP OF THE DISTRICT
32 BOUNDARIES.

33 2. THE PROPOSED NAME OF THE DISTRICT.

34 3. A GENERAL PLAN SETTING OUT A GENERAL DESCRIPTION OF THE PUBLIC
35 INFRASTRUCTURE FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED AND FOR
36 WHICH BONDS MAY BE ISSUED, THE GENERAL AREAS TO BE IMPROVED AND THE
37 ESTIMATED COSTS OF CONSTRUCTING OR ACQUIRING THE PUBLIC INFRASTRUCTURE TO
38 BE FINANCED, CONSTRUCTED OR ACQUIRED BY THE DISTRICT.

39 4. A GENERAL DESCRIPTION OF THE ESTIMATED COST OF ENGINEERING
40 SERVICES, LEGAL SERVICES, ADMINISTRATIVE SERVICES AND OTHER MAJOR EXPENSES
41 THAT ARE RELATED TO ORGANIZING AND INITIALLY OPERATING THE DISTRICT.

42 5. AN ENGINEER'S ESTIMATE OF THE COSTS OF THE PUBLIC INFRASTRUCTURE
43 FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED AND FOR WHICH BONDS MAY BE
44 ISSUED.

- 1 6. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AGGREGATE PRINCIPAL
2 AMOUNT OF GENERAL OBLIGATION BONDS AND THE MAXIMUM AGGREGATE ASSESSMENT
3 AMOUNT, IF ANY.
- 4 7. THE MAXIMUM O/M TAX RATE, IF ANY.
- 5 8. A PRELIMINARY FINANCING PLAN THAT INCLUDES THE ANTICIPATED
6 SOURCES AND USES OF MONIES FOR THE PUBLIC INFRASTRUCTURE.
- 7 9. IF THE DISTRICT PROPOSES TO ISSUE ASSESSMENT BONDS, AN APPRAISAL
8 OR AN OPINION OF VALUE PREPARED BY A LICENSED REAL ESTATE BROKER
9 INDICATING THE AGGREGATE AS-IS VALUE OF REAL PROPERTY IN THE DISTRICT AND
10 THE PROJECTED VALUE OF THE REAL PROPERTY AND IMPROVEMENTS IN THE DISTRICT
11 AFTER COMPLETION OF THE PUBLIC INFRASTRUCTURE PROPOSED TO BE FINANCED WITH
12 SUCH ASSESSMENT BONDS.
- 13 10. IF THE DISTRICT PROPOSES TO ISSUE GENERAL OBLIGATION BONDS, A
14 THIRD-PARTY MARKET STUDY THAT INCLUDES PROJECTIONS OF THE LIMITED PROPERTY
15 VALUE OF REAL PROPERTY IN THE DISTRICT FOR EACH YEAR IN WHICH GENERAL
16 OBLIGATION BONDS ARE PROPOSED TO BE OUTSTANDING, TOGETHER WITH INFORMATION
17 DEMONSTRATING THAT DEBT SERVICE ON SUCH BONDS CAN BE SUPPORTED WITHIN THE
18 MAXIMUM AUTHORIZED TAX RATE.
- 19 11. A STATEMENT OF ALL HOLDERS OF FEE TITLE TO ALL REAL PROPERTY IN
20 THE DISTRICT, THE INITIAL BOARD MEMBERS, THE INITIAL TERMS OF OFFICE OF
21 THE INITIAL BOARD MEMBERS AND THE DISTRICT CLERK AND THE DISTRICT
22 TREASURER.
- 23 12. A STATEMENT OF BOND COUNSEL INDICATING THAT THE PETITION
24 COMPLIES WITH THE PROCEDURAL REQUIREMENTS OF THIS SECTION.
- 25 13. A COPY OF ANY EXISTING AND APPLICABLE DEVELOPMENT AGREEMENT OR
26 OTHER AGREEMENT WITH THE MUNICIPALITY OR THE COUNTY THAT RELATES TO PUBLIC
27 INFRASTRUCTURE AND THAT IS RECORDED AGAINST THE LAND INCLUDED WITHIN THE
28 BOUNDARIES OF THE DISTRICT, AND A CERTIFICATION BY THE PETITIONER THAT THE
29 FORMATION OF THE DISTRICT WILL NOT VIOLATE ANY SUCH AGREEMENT.
- 30 14. A WRITTEN STATEMENT, SIGNED BY AN ENGINEER, CERTIFYING THAT THE
31 ESTIMATED COST OF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED IN THE
32 PROPOSED DISTRICT EXCEEDS \$5,000,000.
- 33 15. A SUMMARY OF THE ANTICIPATED COMMUNITY BENEFITS OF FORMING THE
34 DISTRICT, INCLUDING EXPECTED IMPACTS ON PUBLIC INFRASTRUCTURE TIMING,
35 HOUSING ATTAINABILITY AND ECONOMIC DEVELOPMENT, TOGETHER WITH A
36 DESCRIPTION OF ANY MATERIAL RISKS ASSOCIATED WITH DISTRICT FORMATION AND
37 IMPLEMENTATION OF THE GENERAL PLAN, INCLUDING POTENTIAL TAX, ASSESSMENT
38 AND FISCAL IMPACTS ON OWNERS OF REAL PROPERTY IN THE DISTRICT.
- 39 16. A FORMATION ORDER IN SUBSTANTIALLY FINAL AND RECORDABLE FORM.
- 40 17. A DESCRIPTION OF THE PETITIONER, INCLUDING:
 - 41 (a) THE LEGAL NAME OF EACH ENTITY OR INDIVIDUAL HAVING FEE-TITLE
42 OWNERSHIP OF ANY REAL PROPERTY IN THE PROPOSED DISTRICT.
 - 43 (b) THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE PRIMARY CONTACT
44 FOR THE PETITIONER.

1 (c) THE NAMES OF ANY LEGAL REPRESENTATIVES, ENGINEERS, ARCHITECTS,
2 FINANCIAL CONSULTANTS OR OTHER CONSULTANTS THAT ARE SIGNIFICANTLY INVOLVED
3 IN THE PETITION.

4 (d) A GENERAL DESCRIPTION OF THE PETITIONER'S EXPERIENCE WITH
5 SIMILAR TYPES OF DEVELOPMENTS THAT THE DISTRICT WILL SUPPORT.

6 C. ANY FINANCIAL BURDEN OF A DISTRICT IS BORNE SOLELY BY THE
7 DISTRICT AND IS NOT BORNE BY THE AUTHORITY, THIS STATE OR ANY
8 MUNICIPALITY, COUNTY OR OTHER POLITICAL SUBDIVISION OF THIS STATE. ANY
9 LIABILITY, JUDGMENT OR CLAIM AGAINST A DISTRICT IS THE SOLE RESPONSIBILITY
10 OF THE DISTRICT AND DOES NOT CONSTITUTE A LIABILITY, JUDGMENT OR CLAIM
11 AGAINST THE AUTHORITY, THIS STATE OR ANY MUNICIPALITY, COUNTY OR OTHER
12 POLITICAL SUBDIVISION OF THIS STATE.

13 D. THE PETITION SHALL BE FILED WITH THE AUTHORITY. THE PETITIONER
14 SHALL PROVIDE WRITTEN NOTICE OF THE FILING OF THE PETITION TO EACH
15 AFFECTED MUNICIPALITY AND, IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED
16 AREA, TO THE COUNTY. THE NOTICE SHALL STATE THAT THE DISTRICT WILL BE
17 FORMED NOT LESS THAN THIRTY DAYS AND NOT MORE THAN SIXTY DAYS AFTER
18 SUBMITTING THE PETITION, SUBJECT TO APPROVAL BY THE AUTHORITY, AND THAT
19 THE MUNICIPALITY OR THE COUNTY, AS APPLICABLE, MAY SUBMIT TO THE AUTHORITY
20 WITHIN THIRTY DAYS AFTER THE FILING OF THE PETITION A WRITTEN NOTICE THAT
21 IDENTIFIES A BASIS FOR DENIAL OF THE PETITION PURSUANT TO SECTION 48-7003,
22 SUBSECTION D, PARAGRAPH 4.

23 E. IF THE AUTHORITY DETERMINES THAT THE PETITION IS INCOMPLETE OR
24 DEFICIENT, THE PETITIONER SHALL HAVE A PERIOD OF SIXTY DAYS AFTER WRITTEN
25 NOTICE OF THE DEFICIENCIES TO SUBMIT CORRECTIONS OF THE DEFICIENCIES. IF
26 THE CORRECTIONS OF THE DEFICIENCIES ARE NOT SUBMITTED TO THE AUTHORITY
27 WITHIN SIXTY DAYS AFTER NOTICE OR DO NOT CORRECT THE DEFICIENCIES,
28 THE AUTHORITY MAY REJECT THE PETITION PURSUANT TO SECTION 48-7003,
29 SUBSECTION D.

30 F. FOR THE PURPOSES OF THIS CHAPTER, ALL CERTIFICATIONS,
31 DETERMINATIONS, APPROVALS, FINDINGS AND ACTIONS REQUIRED TO BE MADE BY THE
32 AUTHORITY SHALL BE MADE BY THE EXECUTIVE DIRECTOR. NO ACTION, APPROVAL,
33 RESOLUTION OR VOTE OF THE BOARD OF DIRECTORS OF THE AUTHORITY IS REQUIRED
34 FOR ANY CERTIFICATION, DETERMINATION OR ACTION TAKEN BY THE EXECUTIVE
35 DIRECTOR PURSUANT TO THIS CHAPTER. ANY ACTION TAKEN BY THE EXECUTIVE
36 DIRECTOR PURSUANT TO THIS CHAPTER IS DEEMED AN ACTION OF THE AUTHORITY.

37 48-7003. Authority; formation order; limitations on
38 rejection; fees

39 A. A DISTRICT SHALL BE FORMED ONLY ON THE ISSUANCE OF A FORMATION
40 ORDER BY THE AUTHORITY. THE AUTHORITY SHALL REVIEW THE PETITION SUBMITTED
41 PURSUANT TO SECTION 48-7002 AND ACCOMPANYING MATERIALS TO EVALUATE, SOLELY
42 ON THE BASIS OF THE INFORMATION INCLUDED WITH THE PETITION, THE FOLLOWING:

43 1. WHETHER ANY APPRAISAL, THIRD-PARTY MARKET STUDY OR OPINION OF
44 VALUE THAT IS PROVIDED IN CONNECTION WITH THE PETITION IS COMPLETE.

1 2. WHETHER THE DESCRIPTION OF THE PROPOSED PUBLIC INFRASTRUCTURE IN
2 THE GENERAL PLAN APPEARS COMPLETE ON ITS FACE AND DOES NOT CONTAIN OBVIOUS
3 ERRORS, WITHOUT ANY INDEPENDENT ENGINEERING INVESTIGATION, ANALYSIS OR
4 VERIFICATION.

5 3. WHETHER THE PRELIMINARY FINANCING PLAN INCLUDES THE ANTICIPATED
6 SOURCES AND USES OF MONIES FOR THE PUBLIC INFRASTRUCTURE.

7 4. WHETHER THE DISTRICT IS REASONABLY EXPECTED TO HAVE THE
8 FINANCIAL ABILITY TO DISCHARGE ITS PROPOSED INDEBTEDNESS WITHIN THE
9 MAXIMUM AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS
10 APPLICABLE.

11 5. WHETHER FORMATION OF THE DISTRICT WILL VIOLATE ANY EXISTING AND
12 APPLICABLE DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH THE MUNICIPALITY
13 OR THE COUNTY THAT RELATES TO THE LAND INCLUDED WITHIN THE BOUNDARIES OF
14 THE DISTRICT THAT WAS SUBMITTED TO THE AUTHORITY IN CONNECTION WITH THE
15 PETITION.

16 B. THE AUTHORITY SHALL APPROVE FORMATION OF THE DISTRICT AND ISSUE
17 THE FORMATION ORDER FOR THE DISTRICT IF THE AUTHORITY FINDS THAT ALL OF
18 THE FOLLOWING OCCURRED:

19 1. ALL REQUIRED DOCUMENTS HAVE BEEN SUBMITTED IN THE FORM
20 PRESCRIBED BY THIS CHAPTER.

21 2. THE PROPOSED DISTRICT MEETS ALL STATUTORY ELIGIBILITY AND
22 BOUNDARY REQUIREMENTS THAT ARE ESTABLISHED UNDER THIS CHAPTER.

23 3. THE NOTICE TO EACH AFFECTED MUNICIPALITY AND, IF THE DISTRICT IS
24 LOCATED IN AN UNINCORPORATED AREA, TO THE COUNTY HAS BEEN PROVIDED AS
25 PRESCRIBED BY SECTION 48-7002, SUBSECTION D.

26 4. SOLELY ON THE BASIS OF THE INFORMATION SUBMITTED IN CONNECTION
27 WITH THE PETITION, INCLUDING ANY APPRAISAL, THIRD-PARTY MARKET STUDY OR
28 OPINION OF VALUE, THE DISTRICT HAS, OR WILL HAVE, THE FINANCIAL ABILITY TO
29 DISCHARGE ITS PROPOSED INDEBTEDNESS WITHIN THE MAXIMUM AUTHORIZED TAX RATE
30 AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS APPLICABLE.

31 C. IF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION ARE
32 SATISFIED, THE AUTHORITY SHALL ISSUE A FORMATION ORDER WITHIN SIXTY DAYS
33 AFTER THE SUBMISSION OF A COMPLETE PETITION. THE FORMATION ORDER SHALL
34 INCLUDE ALL OF THE FOLLOWING:

35 1. THE NAME OF THE DISTRICT.

36 2. A METES AND BOUNDS DESCRIPTION AND A MAP OF THE DISTRICT'S
37 BOUNDARIES.

38 3. A GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THAT THE
39 DISTRICT MAY FINANCE.

40 4. A STATEMENT THAT A GENERAL PLAN AND A PRELIMINARY FINANCING PLAN
41 FOR THE DISTRICT WILL BE ON FILE WITH THE CLERK.

42 5. THE TYPES OF BONDS THAT THE DISTRICT IS AUTHORIZED TO ISSUE.

43 6. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED
44 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM
45 AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.

1 7. THE NAMES AND INITIAL TERMS OF THE INITIAL BOARD OF DIRECTORS
2 AND THAT THE DISTRICT WILL BE GOVERNED BY DIRECTORS WHO ARE CHOSEN
3 PURSUANT TO THIS CHAPTER.

4 8. A STATEMENT THAT:

5 (a) THE FORMATION OF THE DISTRICT MAY RESULT IN THE LEVY OF AD
6 VALOREM TAXES OR ASSESSMENTS TO PAY THE COSTS OF AUTHORIZED PUBLIC
7 INFRASTRUCTURE THAT IS CONSTRUCTED BY THE DISTRICT AND FOR OPERATING AND
8 MAINTAINING THE AUTHORIZED PUBLIC INFRASTRUCTURE.

9 (b) ANY AD VALOREM TAX THAT IS LEVIED FOR THE PAYMENT OF GENERAL
10 OBLIGATION BONDS MAY NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM
11 AUTHORIZED TAX RATE THAT IS APPROVED AT THE ELECTION THAT AUTHORIZED THE
12 LEVY AND THE ISSUANCE OF THE BONDS, EXCEPT AS PRESCRIBED IN SECTION
13 48-7021, SUBSECTION B.

14 (c) ANY BONDS OR OTHER OBLIGATIONS OF THE DISTRICT WILL NOT BE A
15 DEBT, LEGAL OR MORAL, OF THIS STATE OR ANY MUNICIPALITY OR ANY COUNTY OF
16 THIS STATE, ARE NOT OBLIGATIONS OF THIS STATE OR ANY MUNICIPALITY OR ANY
17 COUNTY OF THIS STATE, ARE OBLIGATIONS OF THE DISTRICT AND ARE PAYABLE ONLY
18 FROM THE SOURCES PLEDGED FOR THEIR PAYMENT.

19 D. THE AUTHORITY SHALL APPROVE FORMATION OF THE DISTRICT AND ISSUE
20 THE FORMATION ORDER IF THE AUTHORITY DETERMINES THAT THE PETITION AND
21 ACCOMPANYING MATERIALS MEET THE STATUTORY REQUIREMENTS OF THIS CHAPTER.
22 THE AUTHORITY'S REVIEW IS LIMITED TO CONFIRMING THAT THE STATUTORY
23 REQUIREMENTS OF THIS CHAPTER HAVE BEEN SATISFIED AND THE AUTHORITY MAY
24 DENY A PETITION ONLY ON A WRITTEN FINDING OF ONE OF THE FOLLOWING:

25 1. THE PETITION IS INCOMPLETE.

26 2. THE FINANCIAL INFORMATION SUBMITTED IN CONNECTION WITH THE
27 PETITION, INCLUDING ANY APPRAISAL, THIRD-PARTY MARKET STUDY OR OPINION OF
28 VALUE, IS INCOMPLETE OR ILLUSTRATES THAT THE DISTRICT WILL NOT HAVE THE
29 FINANCIAL ABILITY TO DISCHARGE ITS PROPOSED INDEBTEDNESS WITHIN THE
30 MAXIMUM AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS
31 APPLICABLE.

32 3. THE PROPOSED DISTRICT VIOLATES A STATUTORY PROHIBITION OR
33 BOUNDARY RULE UNDER THIS CHAPTER, AND IN EACH CASE THE PETITIONER FAILED
34 TO SUBMIT PROPOSED CORRECTIONS OF THE DEFICIENCIES WITHIN SIXTY DAYS AFTER
35 NOTICE.

36 4. THE FORMATION OF THE PROPOSED DISTRICT WILL MATERIALLY VIOLATE
37 ANY EXISTING AND APPLICABLE DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH
38 THE MUNICIPALITY OR THE COUNTY THAT RELATES TO PUBLIC INFRASTRUCTURE AND
39 THAT IS RECORDED AGAINST THE LAND INCLUDED WITHIN THE BOUNDARIES OF THE
40 DISTRICT WITH RESPECT TO THE DESIGN, CONSTRUCTION, CONVEYANCE, OPERATION
41 OR MAINTENANCE OF THE PUBLIC INFRASTRUCTURE.

42 E. IF THE AUTHORITY DOES NOT ISSUE THE FORMATION ORDER WITHIN SIXTY
43 DAYS AFTER SUBMISSION OF A COMPLETE PETITION, THE AUTHORITY SHALL PROVIDE
44 A WRITTEN BASIS FOR NOT ADOPTING THE FORMATION ORDER AND SHALL IDENTIFY
45 THE SPECIFIC CHANGES THAT ARE NEEDED FOR THE PETITION TO BE APPROVED AND

1 FOR THE DISTRICT TO BE FORMED. SUCH ACTION WILL NOT CONSTITUTE A DENIAL OF
2 THE PETITION AND THE PETITION MAY BE REVISED AND RESUBMITTED AT ANY TIME.

3 F. ON ISSUANCE OF THE FORMATION ORDER BY THE AUTHORITY, THE
4 DISTRICT SHALL CAUSE THE FORMATION ORDER TO BE RECORDED IN THE REAL
5 PROPERTY RECORDS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED AND SHALL
6 CAUSE A COPY OF THE FORMATION ORDER TO BE DELIVERED TO THE COUNTY ASSESSOR
7 AND THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE DISTRICT IS
8 LOCATED, TO ANY MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED AND TO THE
9 DEPARTMENT OF REVENUE. ON RECORDING THE FORMATION ORDER, THE DISTRICT IS
10 ESTABLISHED AS A POLITICAL SUBDIVISION OF THIS STATE.

11 G. BEFORE RECORDING A FORMATION ORDER UNDER THIS SECTION, A GENERAL
12 PLAN FOR THE DISTRICT SHALL BE RECORDED WITH THE COUNTY RECORDER OF THE
13 COUNTY IN WHICH THE DISTRICT IS LOCATED THAT SETS OUT A GENERAL
14 DESCRIPTION OF THE IMPROVEMENTS FOR WHICH THE DISTRICT IS PROPOSED TO BE
15 FORMED AND THE AREAS TO BE IMPROVED.

16 H. ON FORMATION, THE DISTRICT IS A SPECIAL PURPOSE DISTRICT FOR THE
17 PURPOSES OF ARTICLE IX, SECTION 19, CONSTITUTION OF ARIZONA, A TAX LEVYING
18 PUBLIC IMPROVEMENT DISTRICT FOR THE PURPOSES OF ARTICLE XIII, SECTION 7,
19 CONSTITUTION OF ARIZONA, AND A MUNICIPAL CORPORATION FOR ALL PURPOSES OF
20 TITLE 35, CHAPTER 3, ARTICLES 3, 3.1, 3.2, 4 AND 5. A DISTRICT THAT
21 DISTRIBUTES OR SELLS GROUNDWATER IS A PRIVATE WATER COMPANY ONLY FOR THE
22 PURPOSES OF TITLE 45, CHAPTERS 2 AND 3.1. EXCEPT AS OTHERWISE PROVIDED IN
23 THIS SECTION, A DISTRICT IS CONSIDERED TO BE A MUNICIPAL CORPORATION AND
24 POLITICAL SUBDIVISION OF THIS STATE, SEPARATE AND APART FROM ANY
25 MUNICIPALITY OR COUNTY IN WHICH THE DISTRICT IS LOCATED. NOTWITHSTANDING
26 ANY OTHER LAW, A DISTRICT FORMED PURSUANT TO THIS CHAPTER DOES NOT HAVE
27 THE POWER OF EMINENT DOMAIN AND DOES NOT HAVE THE POWER TO ENACT ZONING
28 ORDINANCES. NOTWITHSTANDING ANY OTHER LAW, THIS CHAPTER DOES NOT IMPOSE
29 ANY ADDITIONAL REGULATION OR REQUIREMENTS ON OR ALTER THE SERVICE
30 TERRITORY, INCLUDING CERTIFICATES OF CONVENIENCE AND NECESSITY, OF ANY
31 COUNTY, IRRIGATION DISTRICT, ELECTRICAL DISTRICT, AGRICULTURAL IMPROVEMENT
32 DISTRICT, MUNICIPALITY OR PUBLIC SERVICE CORPORATION.

33 I. ON FORMATION OF THE DISTRICT, THE BOARD SHALL IMPLEMENT THE
34 GENERAL PLAN FOR THE PUBLIC INFRASTRUCTURE OF THE DISTRICT.

35 J. FEES AND OTHER CHARGES ASSESSED BY THE AUTHORITY IN CONNECTION
36 WITH THE SUBMISSION AND CONSIDERATION OF A PETITION TO FORM A DISTRICT MAY
37 NOT EXCEED \$15,000. IF A PETITION IS DENIED BY THE AUTHORITY, IT MAY NOT
38 ASSESS A FEE OR OTHER CHARGE IN CONNECTION WITH SUBMITTING AND CONSIDERING
39 A SUBSTANTIALLY SIMILAR PETITION THAT IS SUBMITTED WITHIN NINETY DAYS
40 AFTER THE DENIAL. FEES AND OTHER CHARGES ASSESSED BY A DISTRICT IN
41 CONNECTION WITH ADMINISTERING THE DISTRICT, INCLUDING THE ISSUANCE AND
42 SALE OF BONDS, MAY NOT EXCEED THE ACTUAL EXPENSE INCURRED BY THE DISTRICT
43 FOR STAFF AND CONSULTANT SERVICES AND SUPPORT FACILITIES SUPPLIED BY THE
44 DISTRICT OR THE FINANCIAL, LEGAL AND ADMINISTRATIVE COSTS OF THE DISTRICT

1 THAT ARE NOT REIMBURSED FROM PROCEEDS OF THE BONDS OR OTHER DISTRICT
2 REVENUE.

3 K. AFTER THE FORMATION ORDER IS ISSUED, THE OWNERS OF AT LEAST
4 FIFTY PERCENT OF THE LAND IN THE DISTRICT MAY PETITION THE AUTHORITY TO
5 AMEND THE FORMATION ORDER TO MODIFY THE POWERS OR FINANCIAL PARAMETERS OF
6 THE DISTRICT, INCLUDING ANY MAXIMUM AUTHORIZED TAX RATE, MAXIMUM
7 AUTHORIZED AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, MAXIMUM
8 AGGREGATE ASSESSMENT AMOUNT OR MAXIMUM OPERATIONS AND MAINTENANCE TAX
9 RATE. ANY SUCH PETITION FOR AMENDMENT SHALL:

10 1. DESCRIBE THE PROPOSED AMENDMENTS TO THE FORMATION ORDER AND
11 GENERAL PLAN.

12 2. INCLUDE UPDATED FINANCIAL INFORMATION, INCLUDING AN UPDATED
13 PRELIMINARY FINANCING PLAN, SUFFICIENT TO ALLOW THE AUTHORITY TO DETERMINE
14 WHETHER THE DISTRICT IS REASONABLY EXPECTED TO HAVE THE FINANCIAL ABILITY
15 TO DISCHARGE ITS PROPOSED INDEBTEDNESS WITHIN THE REVISED MAXIMUM
16 AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS
17 APPLICABLE.

18 3. DEMONSTRATE THAT THE PROPOSED AMENDMENTS DO NOT VIOLATE ANY
19 APPLICABLE STATUTORY ELIGIBILITY OR BOUNDARY REQUIREMENTS OR ANY
20 DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH THE MUNICIPALITY OR COUNTY
21 RELATING TO THE LAND WITHIN THE DISTRICT.

22 L. THE AUTHORITY SHALL REVIEW AND ACT ON A PETITION FOR AMENDMENT
23 UNDER THE STANDARDS AND WITHIN THE TIME PERIODS PRESCRIBED IN SUBSECTIONS
24 A THROUGH E OF THIS SECTION, AND, IF APPROVED, SHALL ISSUE AND CAUSE TO BE
25 RECORDED AN AMENDED FORMATION ORDER REFLECTING THE APPROVED CHANGES.

26 M. ANY PETITION TO AMEND THE FORMATION ORDER THAT INCREASES THE
27 MAXIMUM AUTHORIZED TAX RATE OR MAXIMUM AGGREGATE ASSESSMENT AMOUNT SHALL
28 BE SIGNED BY ALL OWNERS OF ALL REAL PROPERTY IN THE DISTRICT.

29 N. THE AUTHORITY'S ISSUANCE OF A FORMATION ORDER PURSUANT TO THIS
30 CHAPTER IS A GOVERNMENTAL DETERMINATION OF STATEWIDE FINANCIAL COMPLIANCE
31 AND DOES NOT CONSTITUTE ZONING, PLANNING OR LAND-USE APPROVAL. ANY ACTION
32 OF THE AUTHORITY OR THE EXECUTIVE DIRECTOR PURSUANT TO THIS ARTICLE IS THE
33 EXERCISE OF AN ADMINISTRATIVE FUNCTION INVOLVING THE DETERMINATION OF
34 FUNDAMENTAL GOVERNMENTAL POLICY AS PRESCRIBED IN SECTION 12-820.01.

35 48-7004. District governance; board of directors; elections;
36 powers and duties

37 A. ON ISSUANCE OF THE FORMATION ORDER, A DISTRICT SHALL BE GOVERNED
38 BY A BOARD OF DIRECTORS THAT CONSISTS OF THREE DIRECTORS. THE INITIAL
39 DIRECTORS SHALL BE APPOINTED AS SET FORTH IN THE PETITION AND FORMATION
40 ORDER.

41 B. SUBJECT TO SUBSECTION J OF THIS SECTION, EACH DIRECTOR SHALL
42 EITHER HOLD A FEE TITLE TO REAL PROPERTY WITHIN THE DISTRICT OR BE AN
43 INDIVIDUAL WHO IS DESIGNATED OR APPOINTED BY A HOLDER OF A FEE TITLE TO
44 REAL PROPERTY WITHIN THE DISTRICT. A DIRECTOR WILL RESIGN FROM THE BOARD
45 OF DIRECTORS IF AT ANY TIME DURING SUCH DIRECTOR'S TERM THE DIRECTOR IS NO

1 LONGER AN OWNER OF REAL PROPERTY WITHIN THE DISTRICT OR, IF SUCH DIRECTOR
2 WAS DESIGNATED OR APPOINTED BY AN OWNER OF REAL PROPERTY WITHIN THE
3 DISTRICT, SUCH OWNER OF REAL PROPERTY WITHIN THE DISTRICT IS NO LONGER AN
4 OWNER OF REAL PROPERTY WITHIN THE DISTRICT. SUCH DIRECTOR'S VACANCY WILL
5 BE FILLED PURSUANT TO SUBSECTION H OF THIS SECTION.

6 C. THE TERM OF THE INITIAL DIRECTORS BEGINS ON THE DATE OF THE
7 FORMATION ORDER. OF THE INITIAL DIRECTORS, ONE DIRECTOR SHALL SERVE A
8 TERM OF THREE YEARS, ONE DIRECTOR SHALL SERVE A TERM OF FOUR YEARS AND ONE
9 DIRECTOR SHALL SERVE A TERM OF FIVE YEARS, AS SPECIFIED IN THE PETITION.
10 THEREAFTER, EACH SUBSEQUENTLY ELECTED DIRECTOR SHALL SERVE A TERM OF THREE
11 YEARS. THESE SUBSEQUENTLY ELECTED DIRECTORS SHALL BE AN OWNER OF REAL
12 PROPERTY IN THE DISTRICT WHO SHALL BE ELECTED AT LARGE BY THE OWNERS OF
13 REAL PROPERTY IN THE DISTRICT, AS SHOWN ON THE PROPERTY TAX ASSESSMENT
14 ROLL, WHO ARE QUALIFIED TO VOTE PURSUANT TO SECTION 48-7041. THE BOARD
15 SHALL DEVELOP BYLAWS FOR THE OPERATION OF THE DISTRICT.

16 D. ONLY THE OWNERS THAT HOLD FEE TITLE TO REAL PROPERTY IN THE
17 DISTRICT AND THEIR RESPECTIVE DESIGNEES AND APPOINTEES ARE ELIGIBLE TO
18 VOTE IN:

19 1. AN ELECTION REGARDING AN AD VALOREM TAX OR AN ASSESSMENT TO BE
20 LEVIED AGAINST THE REAL PROPERTY IN THE DISTRICT.

21 2. AN ELECTION FOR THE BOARD OF THE DISTRICT.

22 3. AN ELECTION FOR DISSOLUTION OF THE DISTRICT.

23 E. CORPORATIONS, PARTNERSHIPS AND OTHER BUSINESS ENTITIES ARE
24 ELIGIBLE TO VOTE AS PROPERTY OWNERS, BUT ONLY ONE VOTE MAY BE CAST FOR
25 EACH ONE-SEVENTH OF AN ACRE OF REAL PROPERTY IN THE DISTRICT, EXCEPT THAT
26 ANY FRACTION OF OWNERSHIP OF REAL PROPERTY THAT IS LESS THAN ONE-SEVENTH
27 OF AN ACRE ENTITLES THE OWNER TO CAST ONE VOTE. A MAJORITY OF THE
28 ACREAGE, AS REPRESENTED BY THE VOTES CAST AT AN ELECTION THAT IS CONDUCTED
29 SOLELY UNDER THIS ACREAGE SYSTEM, DETERMINES THE RESULT OF THE ELECTION.

30 F. AN ELECTION CONDUCTED UNDER THIS SECTION SHALL BE HELD AS A
31 SPECIAL ELECTION OF THE DISTRICT AND SHALL BE NOTICED, CALLED, CONDUCTED
32 AND CANVASSED BY THE BOARD IN THE MANNER PRESCRIBED BY THIS CHAPTER. THE
33 BOARD MAY ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THE COUNTY, A
34 MUNICIPALITY OR ANOTHER PUBLIC ENTITY FOR ELECTION ADMINISTRATION,
35 INCLUDING REIMBURSEMENT OF REASONABLE COSTS OF DISTRICT ELECTIONS.

36 G. THE BOARD SHALL:

37 1. ADOPT AND AMEND THE GENERAL PLAN FOR THE DISTRICT.

38 2. AUTHORIZE AND APPROVE THE ISSUANCE OF BONDS OF THE DISTRICT AS
39 PROVIDED BY THIS CHAPTER.

40 3. LEVY AD VALOREM TAXES AND ASSESSMENTS, SUBJECT TO THE
41 LIMITATIONS AND ELECTION REQUIREMENTS OF THIS CHAPTER, INCLUDING THE
42 MAXIMUM AUTHORIZED TAX RATE.

43 4. MANAGE AND ADMINISTER THE AFFAIRS OF THE DISTRICT, INCLUDING
44 OPERATING, MAINTAINING AND REPAIRING PUBLIC INFRASTRUCTURE THAT IS OWNED
45 OR OPERATED BY THE DISTRICT.

- 1 5. ADOPT ANNUAL BUDGETS, STATEMENTS AND ESTIMATES FOR THE DISTRICT.
2 6. ADMINISTER DISTRICT ELECTIONS OR ENTER INTO INTERGOVERNMENTAL
3 AGREEMENTS WITH THE COUNTY, A MUNICIPALITY OR OTHER QUALIFIED PUBLIC
4 ENTITIES TO ADMINISTER DISTRICT ELECTIONS.
5 7. PERFORM ALL OTHER ACTS THAT ARE NECESSARY OR CONVENIENT TO CARRY
6 OUT THE PURPOSES OF THIS CHAPTER.
7 H. IF A VACANCY OCCURS ON THE BOARD BECAUSE OF A DEATH, A
8 RESIGNATION OR AN INABILITY OF THE DIRECTOR TO DISCHARGE THE DUTIES OF
9 DIRECTOR, THE VACANCY SHALL BE FILLED BY APPOINTMENT MADE BY THE REMAINING
10 DIRECTORS WITHIN THIRTY DAYS OF A VACANCY. THE BOARD SHALL PROVIDE
11 WRITTEN NOTICE TO THE AUTHORITY THAT THE VACANCY HAS BEEN FILLED BY
12 APPOINTMENT WITHIN THIRTY DAYS OF THE APPOINTMENT OR, IF THE REMAINING
13 DIRECTORS HAVE NOT FILLED THE VACANCY BY APPOINTMENT, WRITTEN NOTICE TO
14 THE AUTHORITY THAT THE VACANCY HAS NOT BEEN FILLED BY APPOINTMENT WITHIN
15 THIRTY DAYS OF THE VACANCY. A DIRECTOR APPOINTED BY THE REMAINING
16 DIRECTORS SHALL HOLD OFFICE FOR THE REMAINDER OF THE UNEXPIRED TERM UNTIL
17 THE DIRECTOR'S SUCCESSOR IS ELECTED AS PROVIDED BY ARTICLE 3 OF THIS
18 CHAPTER. A DIRECTOR SHALL NOT BE AN ELECTED OFFICIAL OF A MUNICIPALITY IN
19 WHICH THE DISTRICT IS LOCATED OR AN INDIAN TRIBE OR COMMUNITY OR AN
20 EMPLOYEE OR AGENT OF A MUNICIPALITY OR INDIAN TRIBE OR COMMUNITY BUT MAY
21 BE A DIRECTOR OF MORE THAN ONE DISTRICT.
22 I. THE MEMBERS OF THE BOARD ARE NOT ELIGIBLE TO RECEIVE
23 COMPENSATION FOR THEIR SERVICES AS MEMBERS OF THE BOARD.
24 J. IF A VACANCY OCCURS ON THE BOARD BECAUSE OF DEATH, RESIGNATION
25 OR INABILITY OF THE DIRECTOR TO DISCHARGE THE DUTIES OF DIRECTOR, AND
26 THERE ARE NO OWNERS OF REAL PROPERTY WITHIN THE DISTRICT OR INDIVIDUALS
27 DESIGNATED OR APPOINTED BY AN OWNER OF REAL PROPERTY WITHIN THE DISTRICT
28 WHO ARE WILLING TO FILL SUCH VACANCY, THE AUTHORITY SHALL APPOINT A
29 DIRECTOR TO FILL THE VACANCY. THE DIRECTOR APPOINTED BY THE AUTHORITY IS
30 NOT REQUIRED TO BE A FEE-TITLE OWNER OF REAL PROPERTY WITHIN THE DISTRICT
31 OR AN INDIVIDUAL DESIGNATED OR APPOINTED BY A FEE-TITLE OWNER OF REAL
32 PROPERTY WITHIN THE DISTRICT. THE DIRECTOR APPOINTED BY THE AUTHORITY
33 SHALL HOLD OFFICE FOR THE REMAINDER OF THE UNEXPIRED TERM AND UNTIL THE
34 DIRECTOR'S SUCCESSOR IS ELECTED, UNLESS A FEE-TITLE OWNER OF REAL PROPERTY
35 WITHIN THE DISTRICT SUBMITS A WRITTEN REQUEST TO THE AUTHORITY AND THE
36 BOARD TO REPLACE THE DIRECTOR APPOINTED BY THE AUTHORITY. IN THAT EVENT,
37 THE AUTHORITY SHALL, AS SOON AS PRACTICABLE, APPOINT THAT FEE-TITLE OWNER
38 OF REAL PROPERTY WITHIN THE DISTRICT TO REPLACE THE DIRECTOR APPOINTED BY
39 THE AUTHORITY.
40 K. THE BOARD SHALL COMPLY WITH TITLE 38, CHAPTER 3, ARTICLE 3.1 AS
41 A SEPARATE POLITICAL SUBDIVISION.
42 48-7005. Records; open meetings
43 A. A DISTRICT SHALL KEEP THE FOLLOWING RECORDS, WHICH SHALL BE
44 MAINTAINED BY THE CLERK AND OPEN TO PUBLIC INSPECTION:
45 1. MINUTES OF ALL BOARD MEETINGS.

- 1 2. ALL RESOLUTIONS.
- 2 3. ACCOUNTS SHOWING ALL MONIES RECEIVED AND DISBURSED.
- 3 4. THE ANNUAL BUDGET.
- 4 5. ALL OTHER RECORDS REQUIRED TO BE MAINTAINED BY LAW.
- 5 B. THE BOARD SHALL COMPLY WITH THE REQUIREMENTS OF TITLE 38,
- 6 CHAPTER 3, ARTICLE 3.1 AS A SEPARATE POLITICAL SUBDIVISION.
- 7 48-7006. District powers
- 8 A. IN ADDITION TO THE POWERS OTHERWISE GRANTED TO A DISTRICT
- 9 PURSUANT TO THIS CHAPTER, A DISTRICT, TO FURTHER IMPLEMENT THE GENERAL
- 10 PLAN, MAY:
 - 11 1. ENTER INTO CONTRACTS AND EXPEND MONIES FOR ANY PUBLIC
 - 12 INFRASTRUCTURE PURPOSE WITH RESPECT TO THE DISTRICT, INCLUDING IN
 - 13 CONNECTION WITH THE ACQUISITION, CONSTRUCTION OR INSTALLATION OF PUBLIC
 - 14 INFRASTRUCTURE, PROVIDED THAT A DISTRICT MAY NOT BE THE CONTRACTING PARTY
 - 15 ON ANY CONSTRUCTION CONTRACT FOR PUBLIC INFRASTRUCTURE AND THE DISTRICT'S
 - 16 ROLE WITH RESPECT TO THE CONSTRUCTION OF SUCH PUBLIC INFRASTRUCTURE SHALL
 - 17 BE LIMITED TO ACQUIRING OR REIMBURSING THE COSTS OF SUCH PUBLIC
 - 18 INFRASTRUCTURE.
 - 19 2. ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THIS STATE, A
 - 20 COUNTY, A MUNICIPALITY OR ANY OTHER PUBLIC AGENCY THAT IS AUTHORIZED BY
 - 21 LAW TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR THE PLANNING, DESIGN,
 - 22 INSPECTION, OWNERSHIP, CONTROL, MAINTENANCE, OPERATION OR REPAIR OF PUBLIC
 - 23 INFRASTRUCTURE.
 - 24 3. ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THE COUNTY, A
 - 25 MUNICIPALITY OR ANOTHER QUALIFIED PUBLIC ENTITY FOR THE ADMINISTRATION OF
 - 26 DISTRICT ELECTIONS, INCLUDING AGREEMENTS TO REIMBURSE THE PUBLIC ENTITY
 - 27 FOR THE REASONABLE COSTS OF DISTRICT ELECTIONS.
 - 28 4. SELL, LEASE OR OTHERWISE DISPOSE OF DISTRICT PROPERTY IF THE
 - 29 SALE, LEASE OR CONVEYANCE IS NOT A VIOLATION OF THE TERMS OF ANY CONTRACT,
 - 30 BOND RESOLUTION OR TRUST INDENTURE OF THE DISTRICT.
 - 31 5. OPERATE, MAINTAIN AND REPAIR PUBLIC INFRASTRUCTURE THAT IS OWNED
 - 32 OR OPERATED BY THE DISTRICT.
 - 33 6. ESTABLISH, CHARGE AND COLLECT USER FEES, RATES OR OTHER CHARGES
 - 34 FOR THE USE OF ANY SERVICE OR PUBLIC INFRASTRUCTURE OF THE DISTRICT OTHER
 - 35 THAN STREETS, ROADS OR HIGHWAYS.
 - 36 7. EMPLOY OR CONTRACT FOR STAFF, COUNSEL AND CONSULTANTS, INCLUDING
 - 37 ENGINEERS, ATTORNEYS, ACCOUNTANTS, FINANCIAL ADVISORS, UNDERWRITERS,
 - 38 ADMINISTRATORS AND ELECTION OFFICIALS, TO ASSIST WITH DISTRICT AND BOARD
 - 39 ADMINISTRATION, FINANCING AND ELECTION MATTERS.
 - 40 8. INCUR AND REPAY LOANS, ADVANCES OR OTHER OBLIGATIONS FOR ANY
 - 41 PUBLIC INFRASTRUCTURE PURPOSE, INCLUDING TO PROVIDE FOR THE PRESENT
 - 42 FINANCING OF COSTS TO BE REIMBURSED FROM FUTURE DISTRICT REVENUES OR
 - 43 REIMBURSEMENTS RELATED TO PUBLIC INFRASTRUCTURE.
 - 44 9. ENTER INTO AGREEMENTS WITH LANDOWNERS AND WITH A MUNICIPALITY OR
 - 45 COUNTY FOR THE COLLECTION OF FEES AND CHARGES FROM LANDOWNERS FOR PUBLIC

1 INFRASTRUCTURE PURPOSES, FOR THE ADVANCE OF MONIES BY LANDOWNERS FOR
2 PUBLIC INFRASTRUCTURE PURPOSES OR FOR THE GRANTING OF REAL PROPERTY OR
3 INTERESTS IN REAL PROPERTY BY A LANDOWNER FOR PUBLIC INFRASTRUCTURE
4 PURPOSES, AND RECOGNIZE, ASSIGN, CONFIRM OR CONSENT TO THE ASSIGNMENT BY
5 SUCH LANDOWNERS OF THEIR RIGHTS TO RECEIVE ANY REIMBURSEMENTS OR PAYMENTS
6 FROM THE DISTRICT FOR PUBLIC INFRASTRUCTURE COSTS, INCLUDING TO OR IN
7 FAVOR OF LENDERS, TRUSTEES OR OTHER FINANCING PARTIES.

8 10. BY RESOLUTION, LEVY AND ASSESS THE COSTS OF ANY PUBLIC
9 INFRASTRUCTURE PURPOSE ON ANY LAND THAT IS BENEFITED IN THE DISTRICT,
10 SUBJECT TO THE LIMITATIONS AND ELECTION REQUIREMENTS OF THIS CHAPTER,
11 INCLUDING THE MAXIMUM AUTHORIZED TAX RATE.

12 11. PAY THE FINANCIAL, LEGAL AND ADMINISTRATIVE COSTS OF THE
13 DISTRICT.

14 12. ENTER INTO CONTRACTS, AGREEMENTS AND TRUST INDENTURES TO OBTAIN
15 CREDIT ENHANCEMENT OR LIQUIDITY SUPPORT FOR ITS BONDS AND TO PROVIDE FOR
16 THE ISSUANCE, REGISTRATION, TRANSFER AND PAYMENT OF ITS BONDS AND FOR THE
17 DISBURSEMENT AND INVESTMENT OF BOND PROCEEDS.

18 13. ENTER INTO AGREEMENTS WITH PERSONS OUTSIDE OF THE DISTRICT TO
19 PROVIDE SERVICES TO PERSONS AND PROPERTY OUTSIDE OF THE DISTRICT AND TO
20 RECEIVE COMPENSATION FOR THOSE SERVICES.

21 14. USE PUBLIC EASEMENTS AND RIGHTS-OF-WAY IN OR ACROSS PUBLIC
22 PROPERTY, ROADWAYS, HIGHWAYS, STREETS OR OTHER THOROUGHFARES AND OTHER
23 PUBLIC EASEMENTS AND RIGHTS-OF-WAY, WHETHER IN OR OUT OF THE GEOGRAPHICAL
24 LIMITS OF THE DISTRICT, A MUNICIPALITY OR A COUNTY, SUBJECT TO APPLICABLE
25 LAW, PERMITTING RESTRICTIONS AND THE RIGHTS OF THE PUBLIC.

26 B. IN CONNECTION WITH ANY POWER AUTHORIZED BY STATUTE, THE DISTRICT
27 MAY:

28 1. CONTRACT.

29 2. ENTER INTO INTERGOVERNMENTAL AGREEMENTS PURSUANT TO TITLE 11,
30 CHAPTER 7, ARTICLE 3.

31 3. ADOPT AND CHANGE A SEAL.

32 4. SUE AND BE SUED.

33 5. ENTER INTO DEVELOPMENT AGREEMENTS AS DEFINED IN SECTION
34 9-500.05.

35 C. A DISTRICT IS NOT EMPOWERED TO EXERCISE LAND USE OR ZONING
36 AUTHORITY AND MAY NOT ADOPT, AMEND OR ENFORCE ZONING ORDINANCES OR SIMILAR
37 LAND USE REGULATIONS.

38 D. PUBLIC INFRASTRUCTURE OTHER THAN PERSONALTY MAY BE LOCATED ONLY
39 IN OR ON LANDS OWNED BY THIS STATE, A COUNTY, A MUNICIPALITY OR THE
40 DISTRICT OR DEDICATED OR OTHERWISE DESIGNATED AS PUBLIC ROADWAYS,
41 HIGHWAYS, STREETS, THOROUGHFARES, EASEMENTS OR RIGHTS-OF-WAY, WHETHER IN
42 OR OUT OF THE DISTRICT OR A MUNICIPALITY. PERSONALTY MAY BE USED ONLY FOR
43 PURPOSES AUTHORIZED BY THE BOARD.

44 E. AN AGREEMENT PURSUANT TO SUBSECTION A, PARAGRAPH 9 OF THIS
45 SECTION MAY INCLUDE AGREEMENTS TO REPAY ALL OR PART OF SUCH ADVANCES, FEES

1 AND CHARGES FROM THE PROCEEDS OF BONDS IF ISSUED OR FROM ADVANCES, FEES
2 AND CHARGES COLLECTED FROM OTHER LANDOWNERS OR USERS OR THOSE HAVING A
3 RIGHT TO USE ANY INFRASTRUCTURE. A PERSON DOES NOT HAVE AUTHORITY TO
4 COMPEL THE ISSUANCE OR SALE OF THE BONDS OF THE DISTRICT OR THE EXERCISE
5 OF ANY TAXING POWER OF THE DISTRICT TO MAKE REPAYMENT UNDER ANY AGREEMENT.

6 F. A CONSTRUCTION CONTRACT FOR PUBLIC INFRASTRUCTURE UNDER THIS
7 CHAPTER IS A PRIVATE CONSTRUCTION CONTRACT BETWEEN AN OWNER AND THE
8 CONTRACTOR FOR PURPOSES OF TITLE 32, CHAPTER 10, ARTICLE 5, AND ANY PERSON
9 FURNISHING LABOR, PROFESSIONAL SERVICES, MATERIALS, MACHINERY, FIXTURES OR
10 TOOLS FOR THAT PUBLIC INFRASTRUCTURE SHALL HAVE SUCH MECHANICS' AND
11 MATERIALMEN'S LIEN RIGHTS THAT WOULD OTHERWISE APPLY TO THE CONSTRUCTION
12 CONTRACT AND THE PUBLIC INFRASTRUCTURE SUBJECT THERETO UNDER TITLE 33,
13 CHAPTER 7, ARTICLE 6, AND IS SUBJECT TO ALL REQUIREMENTS AND LIMITATIONS
14 OF THAT ARTICLE.

15 G. A CONSTRUCTION CONTRACT FOR PUBLIC INFRASTRUCTURE UNDER THIS
16 CHAPTER SHALL INCLUDE THE FOLLOWING PROVISIONS:

17 1. BEFORE COMMENCING CONSTRUCTION, THE OWNER SHALL PROVIDE A
18 PAYMENT BOND, LETTER OF CREDIT, GUARANTY, PROOF OF FUNDS OR OTHER
19 COMPARABLE FINANCIAL ASSURANCE THAT THE OWNER CAN PAY THE FULL CONTRACT
20 PRICE AS OF THE DATE OF EXECUTION.

21 2. BEFORE COMMENCING ANY WORK THAT IS SUBJECT TO OWNER-APPROVED
22 CHANGE ORDERS THAT INDIVIDUALLY OR COLLECTIVELY INCREASE THE AGGREGATE
23 CONSTRUCTION CONTRACT PRICE BY MORE THAN TEN PERCENT, THE OWNER SHALL
24 PROVIDE A PAYMENT BOND OR PAYMENT BOND RIDER, LETTER OF CREDIT, GUARANTY,
25 PROOF OF FUNDS OR OTHER COMPARABLE FINANCIAL ASSURANCE THAT THE OWNER CAN
26 PAY THE FULL AMOUNT OF THOSE CHANGE ORDERS AS OF THE DATE OF APPROVAL.

27 48-7007. District finances; revenue

28 THE PROJECTS TO BE CONSTRUCTED OR ACQUIRED AS SHOWN IN THE GENERAL
29 PLAN MAY BE FINANCED FROM THE FOLLOWING SOURCES OF REVENUE:

- 30 1. PROCEEDS RECEIVED FROM THE SALE OF BONDS OF THE DISTRICT.
- 31 2. MONIES OF A MUNICIPALITY OR INDIAN TRIBE OR COMMUNITY THAT ARE
32 CONTRIBUTED TO THE DISTRICT.
- 33 3. ASSESSMENTS.
- 34 4. AD VALOREM TAXES.
- 35 5. PRIVATE CONTRIBUTIONS.
- 36 6. USER, LANDOWNER AND OTHER FEES AND CHARGES.
- 37 7. PROCEEDS OF LOANS OR ADVANCES.
- 38 8. ANY OTHER MONIES AVAILABLE TO THE DISTRICT BY LAW.

39 48-7008. Project review by authority; hearing; notice; fees

40 A. BEFORE CONSTRUCTING OR ACQUIRING ANY PUBLIC INFRASTRUCTURE, THE
41 BOARD SHALL CAUSE A STUDY OF THE FEASIBILITY AND BENEFITS OF THE PROJECT
42 THAT SHALL BE PREPARED BY ENGINEERS AND OTHER QUALIFIED PERSONS AND THAT
43 SHALL INCLUDE A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED
44 OR ACQUIRED AND ALL OTHER INFORMATION USEFUL TO UNDERSTAND THE PROJECT, A
45 MAP SHOWING, IN GENERAL, THE LOCATION OF THE PROJECT, AN ESTIMATE OF THE

1 COST TO CONSTRUCT, ACQUIRE, OPERATE AND MAINTAIN THE PROJECT, AN ESTIMATED
2 SCHEDULE FOR COMPLETION OF THE PROJECT, A MAP OR DESCRIPTION OF THE AREA
3 TO BE BENEFITED BY THE PROJECT AND THE FINANCING PLAN FOR THE PROJECT.
4 WITHIN SIXTY DAYS AFTER RECEIVING THE REPORT, THE BOARD SHALL HOLD A
5 PUBLIC HEARING ON THE REPORT AND PROVIDE NOTICE OF THE HEARING BY
6 PUBLICATION NOT LESS THAN TEN DAYS IN ADVANCE IN THE OFFICIAL NEWSPAPER OF
7 THE MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED OR, IF NONE IN THE
8 MUNICIPALITY OR IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED AREA, A
9 NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY AND BY MAIL TO THE
10 GOVERNING BODY OF THE MUNICIPALITY. WITHIN SIXTY DAYS AFTER THE HEARING,
11 THE BOARD MAY REJECT, AMEND OR APPROVE THE REPORT. IF THE REPORT IS
12 AMENDED SUBSTANTIALLY, A NEW HEARING SHALL BE HELD WITHIN SIXTY DAYS AFTER
13 THE DATE THE AMENDED REPORT IS RECEIVED AND BEFORE APPROVAL. IF THE
14 REPORT IS APPROVED, THE BOARD SHALL ADOPT A RESOLUTION THAT IDENTIFIES THE
15 PUBLIC INFRASTRUCTURE OF THE PROJECT, THE AREAS BENEFITED, THE EXPECTED
16 METHOD OF FINANCING, INCLUDING THE NATURE AND TIMING OF THE ISSUANCE OF
17 BONDS, IF ANY, AND AN APPROPRIATE SYSTEM OF PROVIDING REVENUES TO OPERATE
18 AND MAINTAIN THE PROJECT, IF APPLICABLE. THE BOARD SHALL EXECUTE THE
19 PROVISIONS OF THE REPORT WITHIN THE TIME FRAMES IDENTIFIED IN THE APPROVED
20 REPORT.

21 B. BEFORE CONSTRUCTING OR ACQUIRING ANY PUBLIC INFRASTRUCTURE AND
22 BEFORE THE BOARD HAS HELD THE PUBLIC HEARING PRESCRIBED IN SUBSECTION A OF
23 THIS SECTION, THE BOARD SHALL CAUSE THE STUDY OF THE FEASIBILITY AND
24 BENEFITS OF THE PROJECT PRESCRIBED IN SUBSECTION A OF THIS SECTION TO BE
25 PROVIDED TO THE AUTHORITY. IN ADDITION TO THE STUDY OF THE FEASIBILITY AND
26 BENEFITS OF THE PROJECT PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE
27 BOARD SHALL CAUSE THE FOLLOWING INFORMATION TO BE PROVIDED TO THE
28 AUTHORITY:

29 1. THE PROPOSED MAXIMUM PRINCIPAL AMOUNT OF BONDS TO BE ISSUED, THE
30 MAXIMUM INTEREST RATE AND A PRELIMINARY DEBT SERVICE SCHEDULE FOR THE
31 BONDS.

32 2. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
33 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS, A
34 REPORT INDICATING THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND
35 IMPROVEMENTS IN THE DISTRICT AFTER THE PUBLIC INFRASTRUCTURE TO BE
36 CONSTRUCTED OR ACQUIRED BY THE DISTRICT WITH THE PROCEEDS OF SUCH BONDS IS
37 COMPLETED PLUS THE VALUE OF THE PUBLIC INFRASTRUCTURE OWNED BY THE
38 DISTRICT AND TO BE CONSTRUCTED OR ACQUIRED BY THE DISTRICT WITH THE
39 PROCEEDS OF SUCH BONDS.

40 3. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
41 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS, A
42 THIRD-PARTY MARKET STUDY THAT INCLUDES PROJECTIONS OF THE LIMITED PROPERTY
43 VALUE OF REAL PROPERTY IN THE DISTRICT FOR EACH YEAR IN WHICH GENERAL
44 OBLIGATION BONDS ARE PROPOSED TO BE OUTSTANDING, TOGETHER WITH A
45 PROJECTION OF THE AD VALOREM TAX RATE THAT IS REQUIRED TO SUPPORT DEBT

1 SERVICE ON THE GENERAL OBLIGATION BONDS AND THAT DOES NOT EXCEED THE
2 MAXIMUM AUTHORIZED TAX RATE.

3 4. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
4 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF ASSESSMENT BONDS, AN
5 APPRAISAL INDICATING THE AGGREGATE AS-IS MARKET VALUE OF REAL PROPERTY IN
6 THE DISTRICT AND THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND
7 IMPROVEMENTS IN THE DISTRICT AFTER COMPLETION OF THE PUBLIC INFRASTRUCTURE
8 PROPOSED TO BE FINANCED WITH SUCH ASSESSMENT BONDS.

9 5. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
10 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF ASSESSMENT BONDS, THE MAXIMUM
11 AGGREGATE ASSESSMENT AND THE MAXIMUM PER-LOT ASSESSMENT TO BE LEVIED IN
12 CONNECTION WITH THE ASSESSMENT BONDS.

13 6. THE ANTICIPATED BUILD-OUT SCHEDULE AND ASSOCIATED VALUATION
14 INCREASES.

15 7. THE CURRENTLY OUTSTANDING AGGREGATE PRINCIPAL AMOUNT OF ALL
16 BONDS OF THE DISTRICT AND THE CURRENT AD VALOREM TAX RATE OF THE DISTRICT,
17 IF ANY.

18 8. THE PROPOSED FINANCING TEAM, INCLUDING THE UNDERWRITER OR
19 PLACEMENT AGENT AND THE DISTRICT'S BOND COUNSEL.

20 9. A CERTIFICATION AS TO THE REASONABLENESS OF ASSUMPTIONS THAT ARE
21 USED IN THE MARKET VALUE AND GROWTH PROJECTIONS AND A CERTIFICATION THAT
22 THE AD VALOREM TAX RATE LEVIED TO PAY THE DEBT SERVICE ON GENERAL
23 OBLIGATION BONDS OF THE DISTRICT IN THE CURRENT AND IMMEDIATELY PRECEDING
24 FISCAL YEAR IS NOT IN EXCESS OF THE MAXIMUM AUTHORIZED TAX RATE.

25 10. A CERTIFICATION THAT THE CONSTRUCTION OR ACQUISITION OF THE
26 PUBLIC INFRASTRUCTURE, AS APPLICABLE, WILL NOT CONFLICT WITH ANY EXISTING
27 AND APPLICABLE DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH THE
28 MUNICIPALITY OR THE COUNTY THAT RELATES TO THE LAND INCLUDED WITHIN THE
29 BOUNDARIES OF THE DISTRICT THAT WAS SUBMITTED TO THE AUTHORITY IN
30 CONNECTION WITH THE PETITION.

31 C. THE AUTHORITY SHALL REVIEW THE INFORMATION SUBMITTED PURSUANT TO
32 SUBSECTION B OF THIS SECTION TO CONFIRM, SOLELY ON THE BASIS OF THE
33 INFORMATION SUBMITTED AND WITHOUT ANY INDEPENDENT DETERMINATION OF
34 FEASIBILITY OR VALUE, THAT ALL INFORMATION REQUIRED PURSUANT TO SUBSECTION
35 B OF THIS SECTION HAS BEEN SUBMITTED AND THAT THE CONSTRUCTION OR
36 ACQUISITION OF THE PUBLIC INFRASTRUCTURE, OR BOTH, AS APPLICABLE, COMPLIES
37 WITH THE FORMATION ORDER AND THE GENERAL PLAN AND DOES NOT OTHERWISE
38 VIOLATE THE PROVISIONS OF THIS CHAPTER.

39 D. THE AUTHORITY SHALL PROVIDE WRITTEN NOTICE TO THE DISTRICT
40 WITHIN THIRTY DAYS AFTER RECEIVING THE INFORMATION SUBMITTED PURSUANT TO
41 SUBSECTION B OF THIS SECTION IF THE SUBMITTED INFORMATION IS INCOMPLETE OR
42 HAS NOT BEEN SUBMITTED OR IF THE SUBMITTED INFORMATION INDICATES THAT THE
43 CONSTRUCTION OR ACQUISITION OF THE PUBLIC INFRASTRUCTURE DOES NOT COMPLY
44 WITH THE FORMATION ORDER OR THE GENERAL PLAN OR DOES NOT OTHERWISE COMPLY
45 WITH THE PROVISIONS OF THIS CHAPTER. THE WRITTEN NOTICE SHALL IDENTIFY

1 ANY DEFICIENCIES. THE BOARD MAY NOT HOLD THE PUBLIC HEARING DESCRIBED IN
2 SUBSECTION A OF THIS SECTION UNTIL THIRTY DAYS HAS ELAPSED SINCE THE
3 SUBMISSION OF THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION B OF THIS
4 SECTION AND THE DISTRICT HAS NOT RECEIVED FROM THE AUTHORITY THE NOTICE
5 PRESCRIBED IN THIS SUBSECTION.

6 E. FEES AND OTHER CHARGES THAT ARE ASSESSED BY THE AUTHORITY IN
7 CONNECTION WITH THE REVIEW OF THE INFORMATION SUBMITTED PURSUANT TO
8 SUBSECTION B OF THIS SECTION SHALL NOT EXCEED \$30,000 FOR EACH SUBMISSION.
9 ANY SUCH FEES SHALL BE IN ADDITION TO THE FEES AND OTHER CHARGES THAT ARE
10 ASSESSED BY THE AUTHORITY IN CONNECTION WITH THE SUBMISSION AND
11 CONSIDERATION OF AN APPLICATION AND PETITION TO FORM A DISTRICT PURSUANT
12 TO SECTION 48-7003, SUBSECTION J.

13 ARTICLE 2. FINANCIAL PROVISIONS

14 48-7021. General obligation bonds debt limitations: maximum
15 authorized tax rate

16 A. THE TOTAL AGGREGATE OUTSTANDING AMOUNT OF GENERAL OBLIGATION
17 BONDS AND ANY OTHER INDEBTEDNESS FOR WHICH THE AD VALOREM TAXES OF THE
18 DISTRICT ARE PLEDGED SHALL NOT EXCEED SIXTY PERCENT OF THE AGGREGATE OF
19 THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND IMPROVEMENTS IN THE
20 DISTRICT AFTER THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED BY
21 THE DISTRICT WITH THE PROCEEDS OF SUCH GENERAL OBLIGATION BONDS IS
22 COMPLETED, PLUS THE VALUE OF THE PUBLIC INFRASTRUCTURE OWNED BY THE
23 DISTRICT AND TO BE CONSTRUCTED OR ACQUIRED BY THE DISTRICT WITH THE
24 PROCEEDS OF SUCH GENERAL OBLIGATION BONDS.

25 B. ANY AD VALOREM TAX LEVIED TO PAY THE DEBT SERVICE ON ALL GENERAL
26 OBLIGATION BONDS OF THE DISTRICT SHALL NOT BE LEVIED AT A RATE THAT
27 EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE OF \$5 PER \$100 OF NET ASSESSED
28 LIMITED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE
29 DISTRICT. THE MAXIMUM AUTHORIZED TAX RATE SHALL BE INDICATED IN THE
30 PETITION AND THE FORMATION ORDER AND SHALL BE APPROVED AT AN ELECTION HELD
31 PURSUANT TO SECTION 48-7041. THE MAXIMUM AUTHORIZED TAX RATE IS THE
32 MAXIMUM TAX RATE THAT MAY BE USED TO PRICE AND SIZE ANY ISSUE OF GENERAL
33 OBLIGATION BONDS OF THE DISTRICT AND THE BOARD MAY NOT ASSUME AN ANNUAL
34 GROWTH RATE FOR LIMITED PROPERTY VALUE IN EXCESS OF FIVE PERCENT. IF, IN
35 ANY FISCAL YEAR, APPLICATION OF THE MAXIMUM AUTHORIZED TAX RATE TO THE NET
36 ASSESSED LIMITED PROPERTY VALUATION OF REAL AND PERSONAL PROPERTY IN THE
37 DISTRICT, TOGETHER WITH ANY MONIES FROM THE SOURCES DESCRIBED IN SECTION
38 48-7007, IS INSUFFICIENT TO PAY DEBT SERVICE ON THE BONDS IN THE FISCAL
39 YEAR, THE DISTRICT SHALL LEVY SUCH ADDITIONAL AD VALOREM TAXES AS ARE
40 NECESSARY TO PAY SUCH DEBT SERVICE WHEN DUE, EXCEPT THAT THE LEVY OF SUCH
41 ADDITIONAL AD VALOREM TAXES SHALL NOT EXCEED A RATE OF \$7.50 PER \$100 OF
42 NET ASSESSED LIMITED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES
43 OF THE DISTRICT. THE AUTHORITY SHALL NOT OTHERWISE RESTRICT THE MAXIMUM
44 AUTHORIZED TAX RATE, THE MAXIMUM ASSESSMENT ASSESSED BY A DISTRICT OR THE

1 MAXIMUM AGGREGATE AMOUNT OF BONDS ISSUED BY A DISTRICT EXCEPT AS EXPRESSLY
2 PROVIDED IN THIS CHAPTER.

3 48-7022. General obligation bonds; tax levy; security

4 A. AT ANY TIME AFTER THE FORMATION OF A DISTRICT, THE BOARD MAY
5 FROM TIME TO TIME ORDER AND CALL A GENERAL OBLIGATION BOND ELECTION TO
6 SUBMIT TO THE QUALIFIED ELECTORS OF THE DISTRICT OR TO THOSE PERSONS WHO
7 ARE QUALIFIED TO VOTE PURSUANT TO SECTION 48-7041 THE QUESTION OF
8 AUTHORIZING THE BOARD TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT TO
9 PROVIDE MONIES FOR ANY PUBLIC INFRASTRUCTURE PURPOSES CONSISTENT WITH THE
10 GENERAL PLAN AND THE QUESTION OF AUTHORIZING AN AD VALOREM TAX TO BE
11 LEVIED.

12 B. IF GENERAL OBLIGATION BONDS ARE APPROVED AT AN ELECTION, THE
13 BOARD MAY ISSUE AND SELL GENERAL OBLIGATION BONDS OF THE DISTRICT, THE
14 TERM OF WHICH MAY NOT EXCEED THIRTY YEARS, SUBJECT TO THE LIMITATION THAT
15 ANY AD VALOREM TAX LEVIED TO PAY THE DEBT SERVICE ON THE GENERAL
16 OBLIGATION BONDS SHALL NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM
17 AUTHORIZED TAX RATE, EXCEPT AS PRESCRIBED IN SECTION 48-7021, SUBSECTION
18 B.

19 C. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
20 GENERAL OBLIGATION BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED
21 THIRTY YEARS. IF GENERAL OBLIGATION BONDS ARE ISSUED TO REFUND ANY
22 GENERAL OBLIGATION BONDS OF THE DISTRICT, AN ELECTION ON THE ISSUANCE OF
23 SUCH REFUNDING BONDS IS NOT REQUIRED, BUT ANY AD VALOREM TAX LEVIED TO PAY
24 THE DEBT SERVICE ON SUCH REFUNDING BONDS SHALL NOT BE LEVIED AT A RATE
25 THAT EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE, EXCEPT AS PRESCRIBED IN
26 SECTION 48-7021, SUBSECTION B.

27 D. AFTER THE BONDS ARE ISSUED, THE BOARD SHALL ENTER IN ITS MINUTES
28 A RECORD OF THE BONDS SOLD AND THEIR NUMBERS AND DATES AND SHALL ANNUALLY
29 LEVY AND CAUSE AN AD VALOREM TAX TO BE COLLECTED, AT THE SAME TIME AND IN
30 THE SAME MANNER AS OTHER TAXES ARE LEVIED AND COLLECTED ON ALL TAXABLE
31 PROPERTY IN THE DISTRICT, SUFFICIENT, TOGETHER WITH ANY MONIES FROM THE
32 SOURCES DESCRIBED IN SECTION 48-7007, TO PAY DEBT SERVICE ON THE BONDS
33 WHEN DUE. THE ANNUAL LEVY SHALL NOT EXCEED THE NET AMOUNT NECESSARY TO
34 MEET ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST, PROJECTED PAYMENTS OF
35 PRINCIPAL AND INTEREST ON NEW DEBT PLANNED FOR THE ENSUING YEAR,
36 A REASONABLE DELINQUENCY FACTOR, INCLUDING AN AMOUNT NECESSARY TO CORRECT
37 PRIOR YEAR ERRORS OR SHORTAGES IN THE LEVY, IF APPLICABLE, AND ANY
38 EXPENSES AND FEES REQUIRED IN CONJUNCTION WITH THE AUTHORIZATION PURSUANT
39 TO SECTION 35-512. THE ANNUAL AD VALOREM TAX RATE LEVIED PURSUANT TO THIS
40 SUBSECTION SHALL NOT EXCEED THE MAXIMUM AUTHORIZED TAX RATE, EXCEPT AS
41 PRESCRIBED IN SECTION 48-7021, SUBSECTION B. THE LEVY SHALL BE THE NET OF
42 ALL CASH IN EXCESS OF TEN PERCENT OF THE ANNUAL PAYMENTS OF PRINCIPAL AND
43 INTEREST IN THE CURRENT FISCAL YEAR FROM THE PREVIOUS YEAR THAT REMAIN IN
44 THE FUND OR FUNDS PRESCRIBED BY SUBSECTION E OF THIS SECTION.

1 E. MONIES DERIVED FROM THE LEVY OF THE TAX PROVIDED IN THIS SECTION
2 WHEN COLLECTED CONSTITUTE FUNDS TO PAY THE DEBT SERVICE ON THE BONDS AND
3 SHALL BE KEPT SEPARATELY FROM OTHER FUNDS OF THE DISTRICT. AMOUNTS LEVIED
4 FOR DEBT SERVICE ON BONDS PAYABLE FROM THE SECONDARY TAX ARE AND SHALL BE
5 CONSIDERED SPECIAL REVENUES OF THE DISTRICT, SHALL BE KEPT IN A SPECIAL,
6 SEGREGATED FUND, ARE NOT AND SHALL NOT BE GENERAL PROPERTY TAXES AND MAY
7 NOT BE USED FOR ANY OTHER PURPOSE OF THE DISTRICT.

8 F. ALL GENERAL OBLIGATION BONDS, HERETOFORE AND HEREAFTER ISSUED,
9 ARE SECURED BY A LIEN ON ALL REVENUES RECEIVED PURSUANT TO THE AD VALOREM
10 TAX LEVY. THE LIEN ARISES AUTOMATICALLY WITHOUT THE NEED FOR ANY ACTION
11 OR AUTHORIZATION BY THE DISTRICT OR THE BOARD. THE LIEN IS VALID AND
12 BINDING FROM THE TIME OF THE ISSUANCE OF THE GENERAL OBLIGATION BONDS.
13 THE REVENUES RECEIVED PURSUANT TO THE LEVY OF THE AD VALOREM TAX ARE
14 IMMEDIATELY SUBJECT TO THE LIEN. THE LIEN ATTACHES IMMEDIATELY TO THE
15 REVENUES AND IS EFFECTIVE, BINDING AND ENFORCEABLE AGAINST THE DISTRICT,
16 THE DISTRICT'S SUCCESSORS, TRANSFEREES AND CREDITORS AND ALL OTHER PARTIES
17 ASSERTING RIGHTS IN THE REVENUES, IRRESPECTIVE OF WHETHER THE PARTIES HAVE
18 NOTICE OF THE LIEN, WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY,
19 RECORDATION, FILING OR FURTHER ACT.

20 48-7023. Assessments; assessment lien bonds; judicial review

21 A. AFTER APPROVAL OF THE ASSESSMENT AT AN ELECTION HELD AS
22 PRESCRIBED BY SECTION 48-7041, AND PURSUANT TO THE PROCEDURES PRESCRIBED
23 BY SECTIONS 48-576 THROUGH 48-589, AS NEARLY AS PRACTICABLE, OR SUCH OTHER
24 PROCEDURES AS THE BOARD PROVIDES, THE BOARD MAY LEVY BY RESOLUTION AN
25 ASSESSMENT OF THE COSTS OF ANY PUBLIC INFRASTRUCTURE PURPOSE OR ANY
26 OPERATION AND MAINTENANCE OF PUBLIC INFRASTRUCTURE ON ANY LAND IN THE
27 DISTRICT THAT IS BASED ON THE BENEFIT DETERMINED BY THE BOARD TO BE
28 RECEIVED BY THE LAND. BEFORE THE ISSUANCE OF ASSESSMENT BONDS, THE
29 DISTRICT MAY ENTER INTO A WRITTEN AGREEMENT WITH A LANDOWNER AS TO THE
30 MANNER IN WHICH THE ASSESSMENT IS TO BE ALLOCATED IF THE LAND IS TO BE
31 DIVIDED INTO MORE THAN ONE PARCEL. IF AN ISSUE OF ASSESSMENT BONDS
32 FINANCES MORE THAN ONE PURPOSE OR SERVICE, THE BENEFIT RECEIVED BY THE
33 LAND, IN THE DISCRETION OF THE DISTRICT, MAY BE DETERMINED BY REFERENCE TO
34 THE PURPOSES AND SERVICES AS A WHOLE OR INDIVIDUALLY. THE ASSESSMENT MAY
35 BE BASED ON ESTIMATED COSTS AND AMENDED TO REFLECT ACTUAL COSTS, AND THE
36 PREPARATION OF PLANS AND SPECIFICATIONS AND THE AWARDED OF THE CONTRACT
37 ARE NOT A PREREQUISITE TO THE LEVYING OF THE ASSESSMENT. AN OWNER OF LAND
38 ON WHICH AN ASSESSMENT HAS BEEN LEVIED MAY SEEK JUDICIAL REVIEW OF WHETHER
39 THE LAND IS BENEFITED BY THE PROPOSED PUBLIC INFRASTRUCTURE, ON THE
40 MERITS, BY SPECIAL ACTION FILED WITH THE COURT OF APPEALS, WITHIN THIRTY
41 DAYS AFTER THE EFFECTIVE DATE OF THE RESOLUTION.

42 B. AFTER ADOPTION BY THE BOARD OF A RESOLUTION LEVYING AN
43 ASSESSMENT ON PROPERTY IN THE DISTRICT, THE BOARD MAY ISSUE AND SELL
44 ASSESSMENT BONDS, THE TERM OF WHICH MAY NOT EXCEED THIRTY YEARS, PAYABLE
45 FROM AMOUNTS COLLECTED FROM THE ASSESSMENTS, FROM AMOUNTS AVAILABLE FROM

1 TIME TO TIME IN ANY RESERVE FUND ESTABLISHED FOR THOSE BONDS AND FROM ANY
2 OTHER AMOUNTS AVAILABLE FOR THOSE PURPOSES AS PRESCRIBED BY SECTION
3 48-7007. THE DISTRICT AND THE COUNTY TREASURER FOR THE COUNTY IN WHICH
4 THE DISTRICT IS LOCATED MAY ENTER INTO AN AGREEMENT FOR THE COUNTY
5 TREASURER TO COLLECT THE DISTRICT'S ASSESSMENTS IN THE MANNER AND BY THE
6 OFFICERS PROVIDED BY LAW FOR THE COLLECTION AND ENFORCEMENT OF GENERAL
7 TAXES. THE DISTRICT AND THE COUNTY TREASURER MAY PROVIDE BY AGREEMENT FOR
8 THE PAYMENT OF THE COUNTY TREASURER'S COLLECTION EXPENSES DIRECTLY RELATED
9 TO THE LEVY OF THE ASSESSMENT AND, IF SO PROVIDED, THE LEVY OF THE
10 ASSESSMENT MAY INCLUDE AN AMOUNT FOR COMPENSATION OF THE COUNTY TREASURER
11 DIRECTLY RELATED TO THE COLLECTION OF THE ASSESSMENT. THE COMPENSATION
12 RECEIVED BY THE COUNTY TREASURER PURSUANT TO THE AGREEMENT SHALL BE
13 GOVERNED BY SECTION 11-496. THE BOARD MAY ALSO ISSUE AND SELL BOND
14 ANTICIPATION NOTES PURSUANT TO THE PROCEDURES PRESCRIBED IN SECTION
15 48-2081 OR WITH PROCEDURES AS SIMILAR TO THOSE AS IS PRACTICABLE. THE
16 ASSESSMENT SHALL BE A FIRST LIEN ON THE PROPERTY ASSESSED SUBJECT ONLY TO
17 GENERAL PROPERTY TAXES AND PRIOR ASSESSMENTS. IN THE EVENT OF NONPAYMENT
18 OF AN ASSESSMENT AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT BETWEEN
19 THE DISTRICT AND THE COUNTY TREASURER PURSUANT TO THIS SECTION, THE
20 PROCEDURES FOR COLLECTION OF DELINQUENT ASSESSMENTS, SALE OF DELINQUENT
21 PROPERTY AND ISSUANCE AND EFFECT OF THE DEED PRESCRIBED BY SECTIONS 48-601
22 THROUGH 48-607 APPLY, AS NEARLY AS PRACTICABLE, EXCEPT THAT THE DISTRICT,
23 A MUNICIPALITY, A COUNTY OR THE STATE IS NOT REQUIRED TO PURCHASE THE
24 DELINQUENT LAND AT THE SALE IF THERE IS NO OTHER PURCHASER. IF THE
25 LANDOWNER OWNS MORE THAN ONE PARCEL IN THE DISTRICT, THE BOARD MAY PROVIDE
26 PROCEDURES FOR THE COLLECTION AND ENFORCEMENT OF ASSESSMENTS AS THE BOARD
27 DEEMS APPROPRIATE BY CONTRACT WITH A LANDOWNER TO ALLOW THE SALE OF ANY OR
28 ALL OF THE LANDOWNER'S PARCELS IN THE DISTRICT IF THE LANDOWNER BECOMES
29 DELINQUENT AS TO ANY PARCEL THAT THE LANDOWNER OWNS IN THE DISTRICT.

30 C. ON ADOPTION OF THE RESOLUTION, BUT BEFORE ISSUANCE OF THE
31 ASSESSMENT BONDS, THE DISTRICT MAY DIRECT THE TREASURER TO MAKE DEMAND ON
32 THE OWNERS OF THE PROPERTY SO ASSESSED, AS SHOWN ON THE PROPERTY TAX ROLL,
33 FOR ADVANCE PAYMENT OF THE AMOUNT ASSESSED. THE DEMAND SHALL STATE A DATE
34 NOT LESS THAN TWENTY DAYS AFTER THE DATE OF ADOPTION OF THE RESOLUTION
35 AFTER WHICH THE TREASURER MAY REFUSE TO ACCEPT ADVANCE PAYMENTS OF THE
36 ASSESSMENT. THE TREASURER SHALL CERTIFY TO THE CLERK ON OR AFTER THE DATE
37 SPECIFIED IN THE DEMAND THE AMOUNT COLLECTED AND THE ASSESSMENTS REMAINING
38 UNPAID AGAINST EACH PARCEL OF LAND ASSESSED. ASSESSMENT BONDS MAY NOT BE
39 ISSUED IN AN AMOUNT IN EXCESS OF THE AMOUNT ASSESSED IN THE RESOLUTION OR,
40 IF ADVANCE PAYMENTS ARE DEMANDED, THE AMOUNT CERTIFIED TO THE CLERK. THE
41 DISTRICT MAY ADOPT PROCEDURES FOR PREPAYMENT AND PROVISIONS FOR PAYMENT
42 AND REALLOCATION OF ASSESSMENTS.

43 D. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
44 ASSESSMENT BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED THIRTY
45 YEARS.

1 48-7024. Revenue bonds

2 A. AT ANY TIME AFTER THE HEARING ON FORMATION OF THE DISTRICT, THE
3 BOARD MAY HOLD A HEARING ON THE QUESTION OF AUTHORIZING THE BOARD TO ISSUE
4 REVENUE BONDS OF THE DISTRICT TO PROVIDE MONIES FOR ANY INFRASTRUCTURE
5 PURPOSES CONSISTENT WITH THE GENERAL PLAN.

6 B. IF REVENUE BONDS ARE APPROVED BY RESOLUTION, THE BOARD MAY ISSUE
7 AND SELL REVENUE BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED
8 THIRTY YEARS.

9 C. THE BOARD MAY PLEDGE TO THE PAYMENT OF ITS REVENUE BONDS ANY
10 REVENUES OF THE DISTRICT OR REVENUES TO BE COLLECTED BY A MUNICIPALITY OR
11 A COUNTY IN TRUST FOR THE DISTRICT AND RETURNED TO THE DISTRICT.

12 D. THE DISTRICT SHALL PRESCRIBE FEES AND CHARGES, AND SHALL REVISE
13 THEM WHEN NECESSARY, TO GENERATE REVENUE SUFFICIENT, TOGETHER WITH ANY
14 MONIES FROM THE SOURCES DESCRIBED IN SECTION 48-7007, TO PAY WHEN DUE THE
15 PRINCIPAL AND INTEREST OF ALL REVENUE BONDS FOR THE PAYMENT OF WHICH
16 REVENUE HAS BEEN PLEDGED. THE ESTABLISHMENT OR REVISION OF ANY RATES,
17 FEES AND CHARGES SHALL BE IDENTIFIED AND NOTICED CONCURRENTLY WITH THE
18 ANNUAL BUDGET PROCESS OF THE DISTRICT PURSUANT TO SECTION 48-7027.

19 E. IF, IN THE RESOLUTION OF THE BOARD, THE REVENUES TO BE PLEDGED
20 ARE LIMITED TO CERTAIN TYPES OF REVENUES, ONLY THOSE TYPES OF REVENUES MAY
21 BE PLEDGED AND ONLY THOSE REVENUES MUST BE MAINTAINED.

22 F. A HOLDER OF REVENUE BONDS ISSUED UNDER THIS CHAPTER MAY NOT
23 COMPEL ANY EXERCISE OF THE TAXING POWER OF THE DISTRICT, A MUNICIPALITY,
24 THE COUNTY OR THIS STATE TO PAY THE BONDS OR THE INTEREST ON THE BONDS.
25 REVENUE BONDS ISSUED UNDER THIS CHAPTER ARE NOT A DEBT OF THE DISTRICT, A
26 MUNICIPALITY, THE COUNTY OR THIS STATE, NOR IS THE PAYMENT OF REVENUE
27 BONDS ENFORCEABLE OUT OF ANY MONIES OTHER THAN THE REVENUE PLEDGED TO THE
28 PAYMENT OF THE BONDS.

29 G. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
30 REVENUE BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED THIRTY
31 YEARS.

32 48-7025. Terms of bonds

33 A. WITH RESPECT TO ANY BONDS, THE BOARD SHALL PRESCRIBE THE
34 DENOMINATIONS OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE
35 BONDS AND SHALL ESTABLISH THE MATURITIES, INTEREST PAYMENT DATES AND
36 INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING THE MAXIMUM RATE
37 STATED IN THE NOTICE OF THE ELECTION OR THE RESOLUTION OF THE
38 BOARD, EXCEPT THAT THE BOARD SHALL NOT APPROVE AN ISSUANCE OF BONDS OTHER
39 THAN REFUNDING BONDS IF THE AD VALOREM TAX RATE LEVIED TO PAY THE DEBT
40 SERVICE ON GENERAL OBLIGATION BONDS OF THE DISTRICT IN THE CURRENT OR
41 IMMEDIATELY PRECEDING FISCAL YEAR IS IN EXCESS OF THE MAXIMUM AUTHORIZED
42 TAX RATE. THE BONDS MAY BE SOLD BY COMPETITIVE BID OR NEGOTIATED SALE FOR
43 PUBLIC OR PRIVATE OFFERING AT, BELOW OR ABOVE PAR. IF THE BONDS ARE SOLD
44 BELOW PAR, THE AGGREGATE AMOUNT OF DISCOUNT AND INTEREST TO BE PAID ON THE
45 BONDS SHALL NOT EXCEED THE AMOUNT OF INTEREST THAT WOULD HAVE BEEN PAYABLE

1 ON THOSE BONDS PURSUANT TO THE MATURITY SCHEDULE PRESCRIBED BY THE BOARD
2 AT THE MAXIMUM RATE SET OUT IN THE BOND RESOLUTION.

3 B. IF GENERAL OBLIGATION BONDS OF THE DISTRICT ARE SOLD ABOVE PAR,
4 THE AMOUNT OF NET PREMIUM ASSOCIATED WITH A GENERAL OBLIGATION BOND ISSUE
5 MAY BE USED ONLY FOR THE FOLLOWING PURPOSES:

6 1. TO PAY ANY OR ALL COSTS INCURRED IN ISSUING THE GENERAL
7 OBLIGATION BONDS.

8 2. AS A DEPOSIT IN A DEBT SERVICE FUND AND USED ONLY TO PAY
9 INTEREST ON THE ISSUE OF GENERAL OBLIGATION BONDS.

10 C. IF USED FOR ANY PURPOSE OTHER THAN AS PRESCRIBED IN SUBSECTION B
11 OF THIS SECTION, AND IF THE DISTRICT HAS GENERAL OBLIGATION BOND VOTER
12 AUTHORIZATION AND AVAILABLE CAPACITY UNDER ITS DEBT LIMITATIONS PRESCRIBED
13 BY SECTION 48-7021, SUBSECTION A, THE AMOUNT OF NET PREMIUM USED FOR THAT
14 PURPOSE SHALL REDUCE IN AN EQUAL AMOUNT BOTH THE AVAILABLE AGGREGATE
15 INDEBTEDNESS CAPACITY OF THE DISTRICT PRESCRIBED IN SECTION 48-7021,
16 SUBSECTION A AND THE PRINCIPAL AMOUNT AUTHORIZED AT THE GENERAL OBLIGATION
17 BOND ELECTION FOR THE DISTRICT FROM WHICH THE ISSUE OF GENERAL OBLIGATION
18 BONDS IS BEING SOLD. ANY NET PREMIUM THAT IS USED AS PRESCRIBED IN THIS
19 SUBSECTION SHALL BE AMORTIZED FOR ALL DEBT LIMITATION PURPOSES ON A PRO
20 RATA BASIS EACH YEAR BY MULTIPLYING THE NET PREMIUM USED BY A PERCENTAGE
21 EQUAL TO THE PERCENTAGE OF THE TOTAL PRINCIPAL AMOUNT OF THE GENERAL
22 OBLIGATION BOND ISSUE THAT MATURES IN THAT YEAR.

23 D. THE PROCEEDS OF THE SALES SHALL BE DEPOSITED WITH THE TREASURER,
24 OR WITH A TRUSTEE OR AGENT DESIGNATED BY THE BOARD, TO THE CREDIT OF THE
25 DISTRICT TO BE WITHDRAWN FOR THE PURPOSES PROVIDED BY THIS CHAPTER.
26 PENDING THAT USE, THE PROCEEDS MAY BE INVESTED AS DETERMINED BY THE
27 DISTRICT. THE BONDS MAY CONTAIN TERMS, CONDITIONS, COVENANTS AND
28 AGREEMENTS AS THE BOARD DEEMS PROPER. THE BONDS MAY BE PAYABLE FROM ANY
29 COMBINATION OF AD VALOREM TAXES, REVENUES OR ASSESSMENTS OF THE TYPES
30 DESCRIBED IN THIS CHAPTER AND AS SPECIFIED IN THE BONDS IF ALL APPLICABLE
31 REQUIREMENTS ARE MET.

32 48-7026. O/M taxes; election; annual financial estimate and
33 budget; hearing

34 A. AT ANY TIME AFTER THE RECORDING OF A FORMATION ORDER, THE BOARD
35 MAY CALL AN ELECTION TO SUBMIT TO THE PERSONS WHO ARE ELIGIBLE TO VOTE IN
36 THE DISTRICT AS PRESCRIBED IN SECTION 48-7041 THE QUESTION OF AUTHORIZING
37 THE BOARD TO LEVY AN O/M TAX ON THE NET ASSESSED LIMITED PROPERTY
38 VALUATION OF PROPERTY IN THE DISTRICT AT A RATE OR RATES THAT DO NOT
39 EXCEED THE MAXIMUM RATE OR RATES SPECIFIED IN THE BALLOT. THE MAXIMUM RATE
40 SPECIFIED IN THE ORIGINAL BALLOT MUST BE APPROVED BY A MAJORITY OF THE
41 PERSONS WHO ARE ELIGIBLE TO VOTE IN THE DISTRICT AS PRESCRIBED IN SECTION
42 48-7041, VOTING IN A REGULAR OR SPECIAL ELECTION AT LEAST EVERY SEVEN
43 YEARS AFTER THE DATE OF THE INITIAL IMPOSITION, IF AN ELECTION IS NOT
44 REQUIRED TO LEVY AN O/M TAX AT THE RATE DETERMINED BY THE BOARD TO BE
45 NECESSARY TO MAINTAIN THE DISTRICT'S FACILITIES AND IMPROVEMENTS AND

1 ENSURE REPAYMENT OF THE DISTRICT'S OUTSTANDING BONDS AND OBLIGATIONS. ALL
2 O/M TAXES SHALL BE USED FOR THE OPERATION AND MAINTENANCE EXPENSES OF THE
3 DISTRICT, INCLUDING LEGAL EXPENSES AND EXPENSES THAT ARE ASSOCIATED WITH
4 INSURANCE COVERAGE, AND SHALL NOT EXCEED AN AMOUNT EQUAL TO \$.30 PER \$100
5 OF ASSESSED VALUATION FOR ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT.
6 THE BOARD BY SIMPLE MAJORITY VOTE MAY REDUCE OR ELIMINATE ANY PORTION OF
7 THE O/M TAX IMPOSED BY THE DISTRICT THAT THE BOARD DETERMINES IS NOT
8 NECESSARY TO MAINTAIN THE DISTRICT'S FACILITIES AND IMPROVEMENTS. IF NO
9 BONDS OR OBLIGATIONS REMAIN OUTSTANDING, A DISTRICT SHALL NOT LEVY AN O/M
10 TAX IN ANY YEAR FOLLOWING COMPLETION OF ALL WORK TO BE PERFORMED UNDER THE
11 DISTRICT'S GENERAL PLAN.

12 B. THE DISTRICT MAY NOT LEVY AN O/M TAX AT A RATE OR RATES IN
13 EXCESS OF THE MAXIMUM RATE SPECIFIED IN THE FORMATION ORDER.

14 C. WHEN LEVYING AN O/M TAX, THE BOARD SHALL MAKE ANNUAL STATEMENTS
15 AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT
16 AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE
17 PROPOSED TO BE PAID FROM THE O/M TAX LEVY OR LEVIES, ALL OF WHICH SHALL BE
18 PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE
19 ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE DISTRICT. THE
20 BOARD SHALL FILE THE ANNUAL STATEMENTS AND ESTIMATES WITH THE CLERK. THE
21 BOARD SHALL PUBLISH A NOTICE OF THE FILING OF THE ESTIMATE, SHALL HOLD
22 HEARINGS ON THE PORTIONS OF THE ESTIMATE NOT RELATING TO DEBT SERVICE ON
23 BONDS AND SHALL ADOPT A BUDGET. THE BOARD, ON OR BEFORE THE DATE SET BY
24 LAW FOR CERTIFYING THE ANNUAL BUDGET OF THE COUNTY OR MUNICIPALITY, SHALL
25 FIX, LEVY AND ASSESS THE AMOUNTS TO BE RAISED BY O/M TAXES OF THE DISTRICT
26 AND SHALL CAUSE CERTIFIED COPIES OF THE ORDER TO BE DELIVERED TO THE BOARD
27 OF SUPERVISORS AND TO THE DEPARTMENT OF REVENUE. ALL STATUTES RELATING TO
28 THE LEVY AND COLLECTION OF GENERAL COUNTY TAXES, INCLUDING THE COLLECTION
29 OF DELINQUENT TAXES AND SALE OF PROPERTY FOR NONPAYMENT OF TAXES, APPLY TO
30 THE DISTRICT TAXES PROVIDED FOR BY THIS SECTION.

31 48-7027. Budget; hearing

32 ON OR BEFORE JULY 15 EACH YEAR, THE TREASURER SHALL PREPARE A
33 PROPOSED BUDGET FOR THE ENSUING FISCAL YEAR TO BE SUBMITTED TO THE BOARD
34 FOR APPROVAL. THE BOARD SHALL INDICATE ITS APPROVAL OF THE BUDGET BY
35 RESOLUTION, WHICH SHALL PROVIDE FOR A HEARING ON THE BUDGET AS APPROVED.
36 THE PARTICIPATING ENTITIES MAY REVIEW THE PROPOSED ANNUAL BUDGET AND MAY
37 SUBMIT WRITTEN COMMENTS TO THE BOARD FOR ITS ASSISTANCE AND INFORMATION IN
38 ADOPTING ITS ANNUAL BUDGET. AT THE CONCLUSION OF THE BUDGET HEARING, THE
39 BOARD, BY RESOLUTION, SHALL ADOPT THE BUDGET AS FINALLY APPROVED BY THE
40 BOARD. THE BUDGET SHALL BE ADOPTED BEFORE OCTOBER 1 EACH YEAR.

41 48-7028. Display of district taxes and assessments on
42 property tax bills

43 A. ANY AD VALOREM TAX THAT IS LEVIED BY A DISTRICT PURSUANT TO THIS
44 CHAPTER SHALL BE SHOWN ON EACH PROPERTY TAX BILL AS A SEPARATE LINE ITEM
45 THAT:

1 1. STATES THAT THE DISTRICT IS "STATE-CERTIFIED" TO INDICATE THAT
2 ITS FORMATION WAS APPROVED BY THE AUTHORITY.
3 2. IDENTIFIES THE NAME OF THE DISTRICT.
4 B. ANY ASSESSMENT THAT IS LEVIED BY A DISTRICT PURSUANT TO THIS
5 CHAPTER AND THAT IS COLLECTED BY THE COUNTY TREASURER SHALL BE SHOWN ON
6 EACH PROPERTY TAX BILL AS A SEPARATE LINE ITEM THAT:
7 1. STATES THAT THE DISTRICT IS "STATE-CERTIFIED" TO INDICATE THAT
8 ITS FORMATION WAS APPROVED BY THE AUTHORITY.
9 2. IDENTIFIES THE NAME OF THE DISTRICT.
10 ARTICLE 3. OPERATIONS
11 48-7041. Notice and conduct of elections; eligible voters
12 A. ANY ELECTION UNDER THIS ARTICLE SHALL BE A NONPARTISAN ELECTION
13 AND NOT A GENERAL ELECTION AND IS NOT SUBJECT TO THE REQUIREMENTS
14 APPLICABLE TO ELECTIONS FOR GENERAL GOVERNMENTAL BODIES, INCLUDING
15 ONE-PERSON-ONE-VOTE PRINCIPLES. AN ELECTION UNDER THIS ARTICLE SHALL BE
16 CALLED BY POSTING NOTICES IN THREE PUBLIC PLACES WITHIN THE BOUNDARIES OF
17 THE DISTRICT NOT LESS THAN TWENTY DAYS BEFORE THE ELECTION. ANY ELECTION
18 MAY BE CONDUCTED AS A MAIL BALLOT ELECTION IN THE MANNER PRESCRIBED IN
19 TITLE 16, CHAPTER 4, ARTICLE 8.1 AS NEARLY AS PRACTICABLE. IF THE
20 ELECTION NOTICE IS NOT MAILED TO THE PROPERTY OWNERS AND, IF APPLICABLE,
21 TO THE QUALIFIED ELECTORS, THE NOTICE SHALL ALSO BE PUBLISHED IN A
22 NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY, OR IF THERE IS NO
23 NEWSPAPER SO CIRCULATED IN THE MUNICIPALITY OR IF THE DISTRICT IS LOCATED
24 IN AN UNINCORPORATED AREA, IN A NEWSPAPER OF GENERAL CIRCULATION IN THE
25 COUNTY IN WHICH THE DISTRICT IS LOCATED ONCE A WEEK FOR TWO CONSECUTIVE
26 WEEKS BEFORE THE ELECTION. THE NOTICE SHALL STATE:
27 1. THE PLACE OF HOLDING THE ELECTION.
28 2. THE HOURS DURING THE DAY, NOT LESS THAN SIX, IN WHICH THE POLLS
29 WILL BE OPEN.
30 3. IF IT IS A BOND ELECTION, THE AMOUNT OF BONDS TO BE AUTHORIZED
31 FOR THE DISTRICT, THE MAXIMUM RATE OF INTEREST TO BE BORNE ON THE BONDS,
32 THE MAXIMUM TERM OF THE BONDS, NOT EXCEEDING THIRTY YEARS, AND THE
33 PURPOSES FOR WHICH THE MONIES RAISED WILL BE USED.
34 4. IF IT IS AN AD VALOREM TAX LEVY ELECTION PURSUANT TO SECTION
35 48-7022 OR 48-7023, THE MAXIMUM TAX RATE PER \$100 OF NET ASSESSED LIMITED
36 PROPERTY VALUATION TO BE IMPOSED, THE PURPOSES FOR WHICH THE MONIES RAISED
37 WILL BE USED AND THE EXISTING MAXIMUM AUTHORIZED TAX RATE.
38 5. IF IT IS AN ASSESSMENT LEVY ELECTION PURSUANT TO SECTION
39 48-7023, THE MAXIMUM ASSESSMENT RATE TO BE IMPOSED, THE PURPOSES FOR WHICH
40 THE MONIES RAISED WILL BE USED AND THE EXISTING MAXIMUM ASSESSMENT RATE,
41 IF ANY.
42 6. THAT A GENERAL PLAN IS ON FILE WITH THE CLERK.
43 B. THE BOARD SHALL DETERMINE THE DATE OF THE ELECTION AND, IF
44 APPLICABLE, THE POLLING PLACES FOR THE ELECTION AND MAY CONSOLIDATE
45 PRECINCTS. THE CLERK SHALL PREPARE A LIST OF ELIGIBLE VOTERS IN THE

1 ELECTION. A PROSPECTIVE LANDOWNER VOTER SHALL EXECUTE AN AFFIDAVIT STATING
2 THAT THE VOTER IS THE OWNER OF LAND IN THE DISTRICT AND IS QUALIFIED TO
3 VOTE PURSUANT TO THIS SECTION AND STATING THE PARCEL NUMBER OWNED BY THE
4 VOTER. ELECTION BOARD MEMBERS MAY ADMINISTER OATHS OR TAKE ALL
5 AFFIRMATIONS FOR THESE PURPOSES. AN ELECTION HELD PURSUANT TO THIS ARTICLE
6 IS NOT SUBJECT TO TITLE 16, CHAPTER 2, ARTICLE 3.

7 C. ONLY THE OWNERS OF REAL PROPERTY IN THE DISTRICT AND THEIR
8 DESIGNATED REPRESENTATIVES ARE ELIGIBLE TO VOTE IN AN ELECTION REGARDING
9 AN AD VALOREM TAX LEVY ELECTION, AN ASSESSMENT ELECTION, AN O/M TAX
10 ELECTION, AN ELECTION FOR THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AN
11 ELECTION FOR DISSOLUTION. VOTING ELIGIBILITY IS BASED ON OWNERSHIP OF REAL
12 PROPERTY SUBJECT TO TAXATION OR ASSESSMENT BY THE DISTRICT. CORPORATIONS,
13 PARTNERSHIPS AND OTHER BUSINESS ENTITIES ARE ELIGIBLE TO VOTE AS PROPERTY
14 OWNERS, BUT ONLY ONE VOTE MAY BE CAST FOR EACH ONE-SEVENTH OF AN ACRE OF
15 REAL PROPERTY IN THE DISTRICT, EXCEPT THAT ANY FRACTION OF OWNERSHIP OF
16 REAL PROPERTY THAT IS LESS THAN ONE-SEVENTH OF AN ACRE ENTITLES THE OWNER
17 TO CAST ONE VOTE. A MAJORITY OF THE ACREAGE AS REPRESENTED BY THE VOTES
18 CAST AT AN ELECTION CONDUCTED SOLELY UNDER THE ACREAGE SYSTEM SHALL
19 DETERMINE THE RESULT. AN ACREAGE SYSTEM ELECTION SHALL BE CONDUCTED
20 PURSUANT TO THE PROCEDURES PRESCRIBED IN SECTIONS 48-3042 THROUGH 48-3051
21 AS NEARLY AS PRACTICABLE. QUALIFIED ELECTORS ARE ELIGIBLE TO VOTE IN AN
22 ELECTION REGARDING GENERAL OBLIGATION BONDS.

23 D. EXCEPT AS OTHERWISE PROVIDED BY THIS ARTICLE, THE ELECTION SHALL
24 COMPLY WITH THE GENERAL ELECTION LAWS OF THIS STATE, EXCEPT THAT THE WORDS
25 TO APPEAR ON THE BALLOTS SHALL BE FOR A BOND ELECTION "BONDS, YES" AND
26 "BONDS, NO", FOR A TAX ELECTION IF NO TAX IS IN PLACE "TAX, YES" AND "TAX,
27 NO", FOR AN ASSESSMENT LEVY ELECTION "ASSESSMENT, YES" AND "ASSESSMENT,
28 NO" AND FOR A TAX ELECTION TO CHANGE AN EXISTING MAXIMUM OR ELIMINATE AN
29 EXISTING TAX "TAX CHANGE, YES" AND "TAX CHANGE, NO". THE RETURNS OF
30 ELECTION SHALL BE MADE TO THE BOARD.

31 E. WITHIN FOURTEEN DAYS AFTER AN ELECTION, THE BOARD SHALL MEET AND
32 CANVASS THE RETURNS. IF THE MAJORITY OF ACREAGE AS REPRESENTED BY THE
33 VOTES CAST AT THE ELECTION IS IN FAVOR OF IMPOSING THE TAX, THE BOARD
34 SHALL ENTER THAT FACT ON ITS MINUTES. THE CANVASS MAY BE CONTINUED FROM
35 TIME TO TIME. FAILURE OF A MAJORITY TO VOTE IN FAVOR OF THE MATTER
36 SUBMITTED DOES NOT PREJUDICE THE SUBMISSION OF THE SAME OR SIMILAR MATTERS
37 AT A LATER ELECTION. ANY CHALLENGE TO THE CONDUCT OR OUTCOME OF AN
38 ELECTION HELD PURSUANT TO THIS CHAPTER MUST BE COMMENCED WITHIN THIRTY
39 DAYS AFTER THE CANVASS OF THE ELECTION AND SHALL BE LIMITED TO WHETHER THE
40 DISTRICT COMPLIED WITH THE PROCEDURAL REQUIREMENTS OF THIS CHAPTER.

41 F. IF A PERSON LISTED ON THE ASSESSMENT ROLL IS NO LONGER THE OWNER
42 OF LAND IN THE DISTRICT AND THE NAME OF THE SUCCESSOR OWNER BECOMES KNOWN
43 AND IS VERIFIED BY RECORDED DEED OR OTHER SIMILAR EVIDENCE OF TRANSFER OF
44 OWNERSHIP, THE SUCCESSOR OWNER IS DEEMED TO BE THE OWNER FOR THE PURPOSES
45 OF THIS ARTICLE.

1 G. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF NO
2 PERSON HAS REGISTERED TO VOTE WITHIN THE DISTRICT WITHIN FIFTY DAYS
3 IMMEDIATELY PRECEDING ANY SCHEDULED ELECTION DATE, ANY ELECTION REQUIRED
4 TO BE HELD PURSUANT TO THIS ARTICLE SHALL BE HELD WITH THE VOTE BY THE
5 OWNERS OF LAND WITHIN THE DISTRICT WHO ARE QUALIFIED ELECTORS OF THIS
6 STATE AND OTHER LANDOWNERS ACCORDING TO SECTION 48-3043. EACH OWNER HAS
7 THE NUMBER OF VOTES OR PORTION OF VOTES EQUAL TO THE NUMBER OF ACRES OR
8 PORTION OF ACRES ROUNDED UPWARD TO THE NEAREST ONE-FIFTH OF AN ACRE OWNED
9 IN THE DISTRICT BY THAT PERSON.

10 H. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF THE
11 DISTRICT RECEIVES A CONSENT TO WAIVER SIGNED BY OWNERS OF ALL OF THE LAND
12 IN THE DISTRICT, THE DISTRICT MAY WAIVE ANY OR ALL REQUIREMENTS OF
13 POSTING, PUBLICATION, MAILING, NOTICE, HEARING AND LANDOWNER ELECTION
14 OTHERWISE REQUIRED IN CONNECTION WITH ASSESSMENTS OR ASSESSMENT BONDS. ON
15 RECEIPT OF SUCH CONSENT TO WAIVER, THE DISTRICT MAY LEVY THE ASSESSMENT
16 AND ISSUE THE ASSESSMENT BONDS WITHOUT BEING REQUIRED TO COMPLY WITH THE
17 PROVISIONS OF THIS ARTICLE FOR POSTING, PUBLICATION, MAILING, NOTICE,
18 HEARING OR LANDOWNER ELECTION.

19 48-7042. Recording documents

20 THE DISTRICT SHALL FILE AND RECORD WITH THE COUNTY RECORDER THE
21 FORMATION ORDER, THE GENERAL PLAN OF THE DISTRICT, THE CANVASS OF ANY
22 GENERAL OBLIGATION BOND ELECTION AND ANY ASSESSMENTS LEVIED BY THE
23 DISTRICT. COPIES OF ALL SUCH INFORMATION SHALL BE PROVIDED TO THE STATE
24 REAL ESTATE DEPARTMENT.

25 48-7043. District website; required content; coordination
26 with seller disclosures

27 A. THE BOARD SHALL ESTABLISH AND MAINTAIN AN OFFICIAL WEBSITE THAT
28 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, ON AN AGGREGATE AND SUMMARY
31 BASIS, ALL MONIES RECEIVED AND DISBURSED, THE ANNUAL BUDGET AND OTHER
32 RECORDS REQUIRED TO BE MAINTAINED BY LAW. THE BOARD SHALL PROVIDE A LINK
33 TO THE DATABASE ON THE DISTRICT'S MAIN WEBSITE MAINTAINED BY THE BOARD AND
34 SHALL PROVIDE A LINK TO THAT DATABASE TO THE DEPARTMENT OF ADMINISTRATION.
35 THE DATABASE MAY NOT INCLUDE:

36 1. TAX PAYMENT OR REFUND DATA THAT INCLUDES CONFIDENTIAL TAXPAYER
37 INFORMATION.

38 2. WORK PRODUCT IN ANTICIPATION OF LITIGATION OR OTHER INFORMATION
39 THAT IS SUBJECT TO ATTORNEY-CLIENT PRIVILEGE.

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

41 B. THE DISTRICT SHALL KEEP THE WEBSITE CURRENT AND SHALL POST, IN
42 ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION A OF THIS SECTION, ALL
43 OF THE FOLLOWING INFORMATION:

- 1 1. THE DISTRICT'S LEGAL NAME, COMMON NAME, IF ANY, STATUTORY
2 AUTHORITY, FORMATION DATE AND THE BOUNDARIES OF THE DISTRICT, INCLUDING AT
3 LEAST ONE MAP IN A DOWNLOADABLE FORMAT.
- 4 2. A COPY OF THE FORMATION ORDER AND THE GENERAL PLAN.
- 5 3. A STATEMENT THAT THE FORMATION OF THE DISTRICT WAS REVIEWED AND
6 APPROVED BY THE AUTHORITY DESIGNATED PURSUANT TO THIS CHAPTER, AND THAT
7 THE DISTRICT IS A SEPARATE POLITICAL SUBDIVISION FROM THE MUNICIPALITY AND
8 THE COUNTY IN WHICH IT IS LOCATED AND THAT ANY AD VALOREM TAXES,
9 ASSESSMENTS, FEES OR CHARGES IMPOSED BY THE DISTRICT ARE LEVIED BY THE
10 DISTRICT AND ARE NOT TAXES, ASSESSMENTS, FEES OR CHARGES OF THE
11 MUNICIPALITY OR THE COUNTY.
- 12 4. A PLAIN-LANGUAGE DESCRIPTION OF THE PURPOSE FOR WHICH THE
13 DISTRICT WAS FORMED AND THE PUBLIC INFRASTRUCTURE THE DISTRICT IS
14 AUTHORIZED TO FINANCE, IDENTIFYING WHICH CATEGORIES OF PUBLIC
15 INFRASTRUCTURE ARE REQUIRED BY THE APPLICABLE MUNICIPALITY OR COUNTY AND
16 WHICH CATEGORIES ARE NOT REQUIRED BUT HAVE BEEN ELECTED TO BE FINANCED BY
17 THE DISTRICT.
- 18 5. THE CURRENT YEAR'S ADOPTED BUDGET FOR THE DISTRICT AND THE TWO
19 MOST RECENT PRIOR YEARS' ADOPTED BUDGETS.
- 20 6. A SCHEDULE OF ALL AD VALOREM TAXES, ASSESSMENTS, FEES AND
21 CHARGES IMPOSED BY THE DISTRICT FOR THE CURRENT FISCAL YEAR.
- 22 7. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM
23 OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT,
24 CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED
25 PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE
26 SOURCES PLEDGED FOR REPAYMENT.
- 27 8. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED
28 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM
29 AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.
- 30 9. THE NAMES, OFFICIAL TITLES AND CONTACT INFORMATION FOR THE
31 BOARD, THE CLERK AND THE TREASURER.
- 32 10. NOTICES OF ALL REGULAR AND SPECIAL MEETINGS OF THE BOARD,
33 AGENDAS AND MINUTES, POSTED IN A TIMELY MANNER.
- 34 11. ANY ANNUAL REPORTS, AUDITS OR FINANCIAL REVIEWS REQUIRED TO BE
35 FILED WITH A COUNTY, THIS STATE OR ANY OTHER PUBLIC BODY AND ANY
36 ADDITIONAL REPORTS THE DISTRICT ELECTS TO PROVIDE FOR PUBLIC TRANSPARENCY.
- 37 12. A SUMMARY OF THE ANTICIPATED COMMUNITY BENEFITS OF FORMING THE
38 DISTRICT, INCLUDING EXPECTED IMPACTS ON PUBLIC INFRASTRUCTURE TIMING,
39 HOUSING ATTAINABILITY AND ECONOMIC DEVELOPMENT, TOGETHER WITH A
40 DESCRIPTION OF ANY MATERIAL RISKS ASSOCIATED WITH DISTRICT FORMATION AND
41 IMPLEMENTATION OF THE GENERAL PLAN, INCLUDING POTENTIAL TAX, ASSESSMENT
42 AND FISCAL IMPACTS ON OWNERS OF REAL PROPERTY IN THE DISTRICT.
- 43 C. THE DISTRICT SHALL ALSO MAKE AVAILABLE ON THE WEBSITE, IN A FORM
44 THAT CAN BE DOWNLOADED AND PROVIDED TO A PURCHASER, A STANDARDIZED
45 "DISTRICT DISCLOSURE NOTICE" THAT INCLUDES:

- 1 1. A BRIEF DESCRIPTION OF THE DISTRICT AND ITS POWERS TO LEVY AD
2 VALOREM TAXES, ASSESSMENTS, FEES AND CHARGES.
- 3 2. THE MOST RECENT AD VALOREM TAX RATE OR ASSESSMENT RATE IMPOSED
4 BY THE DISTRICT AND A SAMPLE CALCULATION OF THE ESTIMATED ANNUAL AD
5 VALOREM TAX OR ASSESSMENT ON A HYPOTHETICAL RESIDENTIAL PROPERTY VALUE
6 SELECTED BY THE BOARD.
- 7 3. A STATEMENT THAT ACTUAL AD VALOREM TAXES, ASSESSMENTS, FEES AND
8 CHARGES ON A PARTICULAR PROPERTY MAY DIFFER BASED ON CHANGES IN TAX RATES,
9 ASSESSED VALUE AND DISTRICT FINANCING DECISIONS.
- 10 4. A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THE DISTRICT IS
11 AUTHORIZED TO FINANCE, IDENTIFYING WHICH CATEGORIES OF PUBLIC
12 INFRASTRUCTURE ARE REQUIRED BY THE APPLICABLE MUNICIPALITY OR COUNTY AND
13 WHICH CATEGORIES ARE NOT REQUIRED BUT HAVE BEEN ELECTED TO BE FINANCED BY
14 THE DISTRICT.
- 15 5. A STATEMENT DIRECTING PROSPECTIVE PURCHASERS TO THE DISTRICT
16 WEBSITE FOR ADDITIONAL AND UPDATED INFORMATION.
- 17 D. A SELLER OF PROPERTY LOCATED IN THE DISTRICT WHO IS REQUIRED BY
18 LAW TO PROVIDE A DISTRICT DISCLOSURE TO A PURCHASER MAY SATISFY ANY
19 REQUIREMENT TO DESCRIBE THE DISTRICT'S PURPOSES, POWERS, TAX RATES OR
20 INDEBTEDNESS BY:
 - 21 1. PROVIDING THE PURCHASER WITH A CURRENT COPY OF THE STANDARDIZED
22 DISTRICT DISCLOSURE NOTICE DESCRIBED IN SUBSECTION C OF THIS SECTION.
 - 23 2. IDENTIFYING IN WRITING THE DISTRICT'S WEBSITE ADDRESS ON OR
24 BEFORE THE DATE THE PURCHASER SIGNS A BINDING CONTRACT TO ACQUIRE THE
25 PROPERTY.
- 26 E. THE FAILURE OF THE DISTRICT TO TIMELY UPDATE ALL INFORMATION ON
27 THE WEBSITE DOES NOT RELIEVE A SELLER FROM ANY DUTY UNDER OTHER APPLICABLE
28 DISCLOSURE LAWS, BUT A SELLER WHO, IN GOOD FAITH, RELIES ON INFORMATION
29 POSTED BY THE DISTRICT ON ITS WEBSITE AT THE TIME OF DISCLOSURE IS NOT
30 LIABLE FOR AN INACCURACY IN THAT INFORMATION UNLESS THE SELLER HAD ACTUAL
31 KNOWLEDGE OF THE INACCURACY.
- 32 48-7044. Annual report; bond report
- 33 A. NOT LATER THAN ONE HUNDRED EIGHTY DAYS AFTER THE END OF EACH
34 FISCAL YEAR, THE DISTRICT SHALL SUBMIT TO THE AUTHORITY AN ANNUAL REPORT
35 CONTAINING:
 - 36 1. THE CURRENT YEAR'S ADOPTED BUDGET FOR THE DISTRICT AND THE TWO
37 MOST RECENT PRIOR YEARS' ADOPTED BUDGETS.
 - 38 2. A SCHEDULE OF ALL AD VALOREM TAXES, ASSESSMENTS, FEES AND
39 CHARGES IMPOSED BY THE DISTRICT FOR THE CURRENT FISCAL YEAR.
 - 40 3. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM
41 OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT,
42 CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED
43 PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE
44 SOURCES PLEDGED FOR REPAYMENT.

- 1 4. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED
2 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM
3 AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.
- 4 5. THE NAMES, OFFICIAL TITLES AND CONTACT INFORMATION FOR THE
5 BOARD, THE CLERK AND THE TREASURER.
- 6 6. A BRIEF DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THE DISTRICT
7 HAS ACQUIRED OR CONSTRUCTED.
- 8 7. THE NUMBER OF RESIDENTIAL HOUSING UNITS CONSTRUCTED WITHIN THE
9 DISTRICT.
- 10 B. NOT LATER THAN THIRTY DAYS AFTER THE ISSUANCE OF ANY BONDS, THE
11 DISTRICT SHALL SUBMIT TO THE AUTHORITY A BOND ISSUANCE REPORT CONTAINING:
- 12 1. THE FINAL OFFERING DOCUMENT, IF ANY, PURSUANT TO WHICH THE BONDS
13 WERE SOLD.
- 14 2. A DEBT SERVICE SCHEDULE FOR THE BONDS.
- 15 3. A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE FINANCED WITH THE
16 PROCEEDS OF THE BONDS.
- 17 4. IF THE BONDS ARE GENERAL OBLIGATION BONDS, A PROJECTION OF THE
18 AD VALOREM TAX RATE THAT IS REQUIRED TO SUPPORT DEBT SERVICE ON THE BONDS
19 AND THAT DOES NOT EXCEED THE MAXIMUM AUTHORIZED TAX RATE.
- 20 5. IF THE BONDS ARE ASSESSMENT BONDS, THE MAXIMUM AGGREGATE
21 ASSESSMENT AND THE MAXIMUM PER-LOT ASSESSMENT LEVIED IN CONNECTION WITH
22 THE BONDS.
- 23 6. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM
24 OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT,
25 CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED
26 PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE
27 SOURCES PLEDGED FOR REPAYMENT.
- 28 48-7045. Seller disclosure; form of notice
- 29 A. THIS SECTION APPLIES TO THE SALE OR OTHER CONVEYANCE OF ANY
30 RESIDENTIAL REAL PROPERTY THAT IS LOCATED WITHIN THE BOUNDARIES OF A
31 DISTRICT FORMED UNDER THIS CHAPTER AND THAT IS AUTHORIZED TO LEVY AN AD
32 VALOREM TAX, ASSESSMENT, FEE OR CHARGE THAT APPEARS AS A SEPARATE LINE
33 ITEM ON THE PROPERTY TAX BILL FOR THAT PROPERTY.
- 34 B. A SELLER OF RESIDENTIAL REAL PROPERTY TO WHICH THIS SECTION
35 APPLIES SHALL PROVIDE TO EACH PROSPECTIVE PURCHASER A WRITTEN "DISTRICT
36 DISCLOSURE NOTICE" THAT CONTAINS, AT A MINIMUM, THE INFORMATION DESCRIBED
37 IN SECTION 48-7043, SUBSECTION C AND THAT SUBSTANTIALLY COMPLIES WITH THE
38 FORM PRESCRIBED BY THE DISTRICT.
- 39 C. THE SELLER SHALL DELIVER THE DISTRICT DISCLOSURE NOTICE AS
40 FOLLOWS:
- 41 1. FOR A TRANSACTION IN WHICH THE PURCHASER SIGNS A WRITTEN OFFER,
42 THE SELLER SHALL DELIVER THE NOTICE TO THE PURCHASER ON OR BEFORE THE DATE
43 ON WHICH THE PURCHASER SIGNS A BINDING PURCHASE CONTRACT FOR THE PROPERTY.

1 2. FOR ANY OTHER TRANSACTION, THE SELLER SHALL DELIVER THE NOTICE
2 TO THE PURCHASER BEFORE THE PURCHASER BECOMES OBLIGATED UNDER ANY BINDING
3 AGREEMENT TO ACQUIRE THE PROPERTY.

4 D. A DISTRICT DISCLOSURE NOTICE SATISFIES THE SELLER'S OBLIGATION
5 UNDER THIS SECTION IF THE NOTICE:

6 1. IDENTIFIES THE DISTRICT BY LEGAL NAME AND COMMON NAME, IF ANY.

7 2. STATES THAT THE PROPERTY IS LOCATED WITHIN THE DISTRICT AND IS
8 SUBJECT TO THE DISTRICT'S TAXING AND ASSESSMENT AUTHORITY.

9 3. INCLUDES A BRIEF DESCRIPTION OF THE DISTRICT'S PURPOSES AND
10 POWERS, INCLUDING ITS AUTHORITY TO LEVY AD VALOREM TAXES, ASSESSMENTS,
11 FEES OR CHARGES AND A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THE
12 DISTRICT IS AUTHORIZED TO FINANCE, IDENTIFYING WHICH CATEGORIES OF PUBLIC
13 INFRASTRUCTURE ARE REQUIRED BY THE APPLICABLE MUNICIPALITY OR COUNTY AND
14 WHICH CATEGORIES ARE NOT REQUIRED BUT HAVE BEEN ELECTED TO BE FINANCED BY
15 THE DISTRICT.

16 4. STATES THE CURRENT AD VALOREM TAX RATE OR ASSESSMENT RATE
17 IMPOSED BY THE DISTRICT AND PROVIDES AN EXAMPLE OF THE ESTIMATED ANNUAL
18 TAX OR ASSESSMENT ON A HYPOTHETICAL RESIDENTIAL PROPERTY VALUE.

19 5. STATES THAT ACTUAL TAXES, ASSESSMENTS, FEES AND CHARGES ON THE
20 PROPERTY MAY CHANGE OVER TIME AND MAY DIFFER FROM THE EXAMPLE PROVIDED.

21 6. STATES THAT THE FORMATION OF THE DISTRICT WAS REVIEWED AND
22 APPROVED BY THE AUTHORITY DESIGNATED PURSUANT TO THIS CHAPTER AND THAT THE
23 DISTRICT IS A SEPARATE POLITICAL SUBDIVISION FROM THE MUNICIPALITY AND THE
24 COUNTY IN WHICH IT IS LOCATED AND THAT ANY AD VALOREM TAXES, ASSESSMENTS,
25 FEES OR CHARGES IMPOSED BY THE DISTRICT ARE LEVIED BY THE DISTRICT AND ARE
26 NOT TAXES, ASSESSMENTS, FEES OR CHARGES OF THE MUNICIPALITY OR THE COUNTY.

27 7. PROVIDES THE INTERNET WEBSITE ADDRESS FOR THE DISTRICT AND
28 ADVISES THE PURCHASER THAT ADDITIONAL AND UPDATED INFORMATION REGARDING
29 THE DISTRICT'S FINANCES, MEETINGS AND OPERATIONS IS AVAILABLE ON THAT
30 WEBSITE.

31 E. A SELLER MAY SATISFY THE DISCLOSURE REQUIREMENTS OF THIS SECTION
32 BY:

33 1. PROVIDING THE PURCHASER WITH A CURRENT COPY OF THE STANDARDIZED
34 DISTRICT DISCLOSURE NOTICE MADE AVAILABLE BY THE DISTRICT PURSUANT TO
35 SECTION 48-7043, SUBSECTION C.

36 2. IDENTIFYING THE DISTRICT'S WEBSITE ADDRESS IN THE PURCHASE
37 CONTRACT OR IN A SEPARATE WRITTEN DISCLOSURE DELIVERED WITH THE NOTICE.

38 F. A SELLER WHO, IN GOOD FAITH, RELIES ON INFORMATION CONTAINED IN
39 THE STANDARDIZED DISTRICT DISCLOSURE NOTICE PROVIDED BY THE DISTRICT OR
40 POSTED ON THE DISTRICT'S WEBSITE AT THE TIME OF DISCLOSURE IS NOT LIABLE
41 FOR AN INACCURACY IN THAT INFORMATION UNLESS THE SELLER HAD ACTUAL
42 KNOWLEDGE OF THE INACCURACY.

43 G. A SELLER'S COMPLIANCE WITH THIS SECTION DOES NOT SATISFY OR
44 LIMIT ANY OBLIGATION OF A SUBDIVIDER OR OTHER SELLER TO OBTAIN AND DELIVER
45 A SUBDIVISION PUBLIC REPORT UNDER TITLE 32, CHAPTER 20, ARTICLE 4, AND

1 DOES NOT LIMIT ANY DISCLOSURE OBLIGATIONS IMPOSED BY SECTION 33-423 OR ANY
2 OTHER PROVISION OF LAW.

3 48-7046. Change in district boundaries or general plan

4 A. AFTER FORMATION OF A DISTRICT, AN AREA MAY BE DELETED FROM THE
5 DISTRICT ONLY FOLLOWING A HEARING AFTER NOTICE TO THE OWNERS OF LAND IN
6 THE DISTRICT, ADOPTION OF A RESOLUTION OF INTENTION TO DO SO BY THE BOARD
7 AND APPROVAL BY THE OWNERS OF LAND IN THE DISTRICT PURSUANT TO SECTION
8 48-7041, SUBSECTION C. DELETED AREAS REMAIN SUBJECT TO THE LEVY FOR DEBT
9 SERVICE ON ANY BONDS ISSUED BEFORE THE DATE OF DELETION.

10 B. AFTER FORMATION OF A DISTRICT, AN AREA MAY BE ADDED TO THE
11 DISTRICT ON APPROVAL BY THE BOARD FOLLOWING RECEIPT OF A PETITION FOR
12 ADDITION SIGNED BY THE OWNERS OF ALL OF THE REAL PROPERTY IN THE PROPOSED
13 ADDITION AREA. THE PETITION MUST INCLUDE A WAIVER OF ANY REQUIREMENT FOR A
14 SEPARATE RESOLUTION OF INTENTION BY THE BOARD AND A WAIVER OF ANY
15 REQUIREMENT OF POSTING, PUBLICATION, MAILING, NOTICE, HEARING AND ELECTION
16 AS TO THAT ADDITION TO THE DISTRICT. THE ADDITION OF PROPERTY TO A
17 DISTRICT PURSUANT TO THIS SECTION DOES NOT CONSTITUTE THE FORMATION OF A
18 NEW DISTRICT AND DOES NOT REQUIRE COMPLIANCE WITH THE PROCEDURES
19 APPLICABLE TO INITIAL DISTRICT FORMATION OR TO AMENDING THE FORMATION
20 ORDER PURSUANT TO SECTION 48-7003, SUBSECTION K.

21 C. FOLLOWING A HEARING ON NOTICE TO OWNERS OF LAND IN THE DISTRICT
22 GIVEN IN THE MANNER PRESCRIBED FOR THE DELETION OF AN AREA FROM THE
23 DISTRICT, THE BOARD MAY AMEND THE GENERAL PLAN IN ANY MANNER THAT IT
24 DETERMINES WILL NOT SUBSTANTIALLY REDUCE THE BENEFITS TO BE RECEIVED BY
25 ANY LAND IN THE DISTRICT FROM THE PUBLIC INFRASTRUCTURE ON COMPLETION OF
26 THE WORK TO BE PERFORMED UNDER THE GENERAL PLAN.

27 D. THE AUTHORITY SHALL APPROVE THE ADDITION OR DELETION OF PROPERTY
28 UPON DETERMINING THAT THE REQUIREMENTS OF THIS SECTION HAVE BEEN SATISFIED
29 AND WILL AMEND THE FORMATION ORDER ACCORDINGLY.

30 48-7047. Other districts or improvements

31 A. THE FORMATION OF A DISTRICT UNDER THIS CHAPTER DOES NOT PREVENT
32 THE SUBSEQUENT ESTABLISHMENT OF SIMILAR DISTRICTS OR THE IMPROVEMENT OR
33 ASSESSMENT OF LAND IN THE DISTRICT BY THE MUNICIPALITY OR COUNTY PURSUANT
34 TO CHAPTER 4, ARTICLE 2 OF THIS TITLE OR THE EXERCISE BY THE MUNICIPALITY
35 OR COUNTY OF ANY OF ITS POWERS ON THE SAME BASIS AS ON ALL OTHER LAND IN
36 ITS CORPORATE BOUNDARIES.

37 B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A DISTRICT MAY NOT
38 BE FORMED IF ANY PORTION OF THE LAND TO BE INCLUDED WITHIN THE DISTRICT IS
39 ALREADY INCLUDED WITHIN THE BOUNDARIES OF A COMMUNITY FACILITIES DISTRICT
40 OR REVITALIZATION DISTRICT IF THE COMMUNITY FACILITIES DISTRICT OR
41 REVITALIZATION DISTRICT HAS DEBT OUTSTANDING THAT IS SECURED BY AD VALOREM
42 TAXES OR ASSESSMENTS.

43 48-7048. Perpetual succession; dissolution of district

44 A. THE DISTRICT HAS PERPETUAL SUCCESSION, EXCEPT THAT THE DISTRICT
45 MAY BE DISSOLVED AS PROVIDED IN THIS SECTION AND, IF THE DISTRICT DOES NOT

1 HAVE ANY BONDS OR OTHER OBLIGATIONS OUTSTANDING, SHALL BE DISSOLVED TEN
2 YEARS AFTER THE DATE OF FORMATION UNLESS THE AUTHORITY BY RESOLUTION
3 EXTENDS THE DISTRICT BY AN ADDITIONAL PERIOD OF TEN YEARS.

4 B. THE BOARD SHALL ADOPT A RESOLUTION DISSOLVING THE DISTRICT IF
5 THE FOLLOWING CONDITIONS EXIST:

6 1. THE DISTRICT NO LONGER OWNS ANY REAL OR PERSONAL PROPERTY.

7 2. THE AUTHORITY VERIFIES THAT THE DISTRICT HAS NO BONDS OR
8 OBLIGATIONS OUTSTANDING.

9 3. THE AUTHORITY APPROVES THE DISSOLUTION ORDER ON RECEIPT OF A
10 DISSOLUTION PETITION EXECUTED BY THE OWNERS OF A MAJORITY OF THE REAL
11 PROPERTY IN THE DISTRICT.

12 C. A DISTRICT SHALL BE DISSOLVED AUTOMATICALLY AND WITHOUT ANY
13 ACTION FROM THE BOARD OR THE QUALIFIED ELECTORS IN THE YEAR THAT IS FIVE
14 YEARS AFTER COMPLETION OF ALL WORK TO BE PERFORMED UNDER THE DISTRICT'S
15 GENERAL PLAN, AS LONG AS THE AUTHORITY HAS VERIFIED THAT NO BONDS OR
16 OBLIGATIONS REMAIN OUTSTANDING. IF ANY BONDS OR OBLIGATIONS REMAIN
17 OUTSTANDING AFTER THE YEAR, THE DISTRICT SHALL BE DISSOLVED IN THE YEAR
18 AFTER THE BONDS OR OBLIGATIONS ARE PAID IN FULL.

19 D. ON SATISFACTION OF THE CONDITIONS PRESCRIBED BY SUBSECTION B OR
20 C OF THIS SECTION, THE AUTHORITY SHALL APPROVE THE DISSOLUTION AND ISSUE A
21 DISSOLUTION ORDER. THE BOARD SHALL CAUSE THE DISSOLUTION ORDER TO BE
22 RECORDED IN THE OFFICE OF THE COUNTY RECORDER AND SHALL CAUSE A COPY OF
23 THE DISSOLUTION ORDER TO BE DELIVERED TO THE COUNTY ASSESSOR AND THE BOARD
24 OF SUPERVISORS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED, TO ANY
25 MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED AND TO THE DEPARTMENT OF
26 REVENUE.

27 E. ALL PROPERTY IN THE DISTRICT, EXCEPT FEDERAL, STATE, COUNTY AND
28 MUNICIPAL PROPERTY, REMAINS SUBJECT TO THE LIEN FOR THE PAYMENT OF AD
29 VALOREM TAXES LEVIED, AND ANY PROPERTY SUBJECT TO AN ASSESSMENT LIEN
30 REMAINS SUBJECT TO THE LIEN NOTWITHSTANDING DISSOLUTION OF THE DISTRICT.
31 THE DISTRICT MAY NOT BE DISSOLVED IF ANY GENERAL OBLIGATION BONDS, REVENUE
32 BONDS OR ASSESSMENT BONDS OF THE DISTRICT REMAIN OUTSTANDING UNLESS AN
33 AMOUNT OF MONEY SUFFICIENT, TOGETHER WITH INVESTMENT INCOME THEREON, TO
34 MAKE ALL PAYMENTS DUE ON THE BONDS EITHER AT MATURITY OR PRIOR REDEMPTION
35 HAS BEEN DEPOSITED WITH A TRUSTEE OR ESCROW AGENT AND PLEDGED TO THE
36 PAYMENT AND REDEMPTION OF THE BONDS. THE DISTRICT MAY CONTINUE TO OPERATE
37 AFTER DISSOLUTION ONLY AS NEEDED TO COLLECT MONIES AND MAKE PAYMENTS ON
38 ANY OUTSTANDING BONDS.

39 48-7049. Local involvement; preservation of municipal and
40 county authority

41 A. A DISTRICT FORMED PURSUANT TO THIS CHAPTER HAS NO ZONING,
42 SUBDIVISION, BUILDING CODE, PERMITTING OR OTHER LAND USE OR DEVELOPMENT
43 APPROVAL AUTHORITY. ALL LAND USE REGULATION, DEVELOPMENT PLANNING,
44 PLATTING, PERMITTING, INSPECTION AND CODE ENFORCEMENT AUTHORITY WITHIN THE
45 BOUNDARIES OF A DISTRICT REMAINS EXCLUSIVELY WITH THE MUNICIPALITY OR

1 COUNTY IN WHICH THE LAND IS LOCATED, AND ALL DEVELOPMENT WITHIN A DISTRICT
2 IS SUBJECT TO THE SAME GENERAL PLANS, SPECIFIC OR AREA PLANS, ZONING
3 ORDINANCES, SUBDIVISION REGULATIONS, ENGINEERING STANDARDS, BUILDING AND
4 FIRE CODES AND OTHER APPLICABLE LAWS, STANDARDS AND PROCEDURES AS
5 COMPARABLE DEVELOPMENT OUTSIDE A DISTRICT.

6 B. A MUNICIPALITY OR COUNTY RETAINS FULL AUTHORITY TO ADOPT, AMEND,
7 ADMINISTER AND ENFORCE ITS GENERAL PLAN, SPECIFIC OR AREA PLANS, ZONING
8 ORDINANCES, SUBDIVISION AND DEVELOPMENT REGULATIONS, ENGINEERING AND
9 DESIGN STANDARDS, BUILDING AND FIRE CODES AND ANY OTHER LAWS, REGULATIONS
10 OR POLICIES GOVERNING THE PLANNING, ENTITLEMENT, CONSTRUCTION, INSPECTION,
11 ACCEPTANCE, OPERATION OR MAINTENANCE OF PUBLIC INFRASTRUCTURE OR PRIVATE
12 DEVELOPMENT WITHIN ITS JURISDICTION, WITHOUT REGARD TO WHETHER THE LAND IS
13 LOCATED WITHIN A DISTRICT.

14 C. A DISTRICT MAY FINANCE, CONSTRUCT OR ACQUIRE PUBLIC
15 INFRASTRUCTURE THAT IS INTENDED TO BE CONVEYED TO AND OWNED, OPERATED OR
16 MAINTAINED BY A MUNICIPALITY OR COUNTY ONLY IF THE PUBLIC INFRASTRUCTURE
17 IS DESIGNED AND CONSTRUCTED IN ACCORDANCE WITH THE GENERALLY APPLICABLE
18 PLANS, ORDINANCES, CODES, STANDARDS, REGULATIONS AND STANDARD-FORM
19 AGREEMENTS OF THE MUNICIPALITY OR COUNTY FOR COMPARABLE PUBLIC
20 INFRASTRUCTURE IN THE JURISDICTION. A MUNICIPALITY OR COUNTY MAY ACCEPT
21 OR REJECT ANY SUCH PUBLIC INFRASTRUCTURE IN ACCORDANCE WITH THE
22 MUNICIPALITY'S OR COUNTY'S GENERALLY APPLICABLE ORDINANCES, CODES,
23 STANDARDS, REGULATIONS, STANDARD-FORM SUBDIVISION OR IMPROVEMENT
24 AGREEMENTS OR OTHER WRITTEN INSTRUMENTS, INCLUDING ANY APPLICABLE
25 DEVELOPMENT AGREEMENT OR INTERGOVERNMENTAL AGREEMENT, AND IS NOT REQUIRED
26 TO ACCEPT PUBLIC INFRASTRUCTURE THAT THE MUNICIPALITY OR COUNTY IS NOT
27 OTHERWISE REQUIRED TO ACCEPT UNDER APPLICABLE LAW.

28 D. BEFORE A DISTRICT CONVEYS TO A MUNICIPALITY OR COUNTY ANY PUBLIC
29 INFRASTRUCTURE THAT IS FINANCED, CONSTRUCTED OR ACQUIRED BY THE DISTRICT,
30 THE DISTRICT SHALL OBTAIN A CERTIFICATION FROM THE ENGINEER OR OTHER
31 OFFICIAL DESIGNATED BY THE MUNICIPALITY OR COUNTY STATING THAT THE PUBLIC
32 INFRASTRUCTURE HAS BEEN COMPLETED IN ACCORDANCE WITH THE APPLICABLE PLANS,
33 SPECIFICATIONS AND STANDARDS OF THE MUNICIPALITY OR COUNTY. THE TIMING,
34 FORM AND CONTENT OF THE CERTIFICATION AND OF ANY CONVEYANCE INSTRUMENTS
35 SHALL CONFORM TO THE MUNICIPALITY'S OR COUNTY'S GENERALLY APPLICABLE
36 REQUIREMENTS FOR COMPARABLE PUBLIC INFRASTRUCTURE. ACCEPTANCE OF A
37 DISCRETE SECTION OF PUBLIC INFRASTRUCTURE PURSUANT TO THIS SECTION DOES
38 NOT MODIFY THE ASSURANCES AND WARRANTY REQUIREMENTS OF A MUNICIPALITY OR
39 COUNTY PRESCRIBED BY A MUNICIPAL OR COUNTY CODE OR ORDINANCE OR AS
40 OUTLINED IN A DEVELOPMENT AGREEMENT ENTERED INTO PURSUANT TO SECTION
41 9-500.05 OR 11-1101.

42 E. THE FORMATION OR EXISTENCE OF A DISTRICT DOES NOT CREATE ANY
43 OBLIGATION FOR A MUNICIPALITY OR COUNTY TO PROVIDE SERVICES, FACILITIES OR
44 FINANCIAL SUPPORT TO THE DISTRICT OR TO ANY LAND WITHIN THE DISTRICT THAT
45 THE MUNICIPALITY OR COUNTY WOULD NOT OTHERWISE BE REQUIRED TO PROVIDE IF

1 THE LAND WERE NOT LOCATED IN THE DISTRICT. A MUNICIPALITY OR COUNTY IS
2 NOT REQUIRED, SOLELY BECAUSE A DISTRICT HAS BEEN FORMED OR PUBLIC
3 INFRASTRUCTURE HAS BEEN FINANCED, CONSTRUCTED OR ACQUIRED BY A DISTRICT,
4 TO ACCEPT OWNERSHIP, OPERATION OR MAINTENANCE RESPONSIBILITY FOR ANY
5 PUBLIC INFRASTRUCTURE OR TO INCUR ANY ADDITIONAL FINANCIAL OBLIGATION OR
6 LIABILITY WITH RESPECT TO A DISTRICT OR ITS PUBLIC INFRASTRUCTURE, EXCEPT
7 TO THE EXTENT THAT THE MUNICIPALITY OR COUNTY EXPRESSLY AGREES IN A
8 DEVELOPMENT AGREEMENT, INTERGOVERNMENTAL AGREEMENT OR OTHER WRITTEN
9 INSTRUMENT THAT IS AUTHORIZED BY LAW.

10 F. THIS ARTICLE DOES NOT AUTHORIZE A DISTRICT TO PLEDGE THE FULL
11 FAITH AND CREDIT OR THE TAXING POWER OF A MUNICIPALITY OR COUNTY. ANY
12 BONDS OR OTHER OBLIGATIONS OF A DISTRICT ARE OBLIGATIONS ONLY OF THE
13 DISTRICT AND ARE PAYABLE ONLY FROM THE SOURCES THAT ARE PLEDGED FOR THEIR
14 PAYMENT.

15 G. ANY PUBLIC INFRASTRUCTURE FINANCED PURSUANT TO THIS CHAPTER THAT
16 CONSTITUTES IMPROVEMENTS AS DEFINED IN SECTION 9-463 WILL REMAIN SUBJECT
17 TO THE MUNICIPALITY'S AUTHORITY UNDER SECTION 9-463.01, INCLUDING
18 REQUIREMENTS FOR PERFORMANCE BONDS, ASSURANCES OR OTHER SECURITY UNDER
19 SECTION 9-463.01, SUBSECTION C, PARAGRAPH 8.

20 48-7050. District formation period; termination; bonds;
21 applicability

22 A. THE AUTHORITY MAY NOT ISSUE A FORMATION ORDER FOR A DISTRICT
23 UNDER THIS CHAPTER AFTER JUNE 30, 2036.

24 B. THIS SECTION DOES NOT AFFECT THE CONTINUED EXISTENCE, POWERS OR
25 OPERATIONS OF ANY DISTRICT THAT IS FORMED UNDER THIS CHAPTER ON OR BEFORE
26 JUNE 30, 2036.

27 C. THIS SECTION DOES NOT IMPAIR THE VALIDITY OR ENFORCEABILITY OF
28 ANY BONDS OR OTHER OBLIGATIONS ISSUED OR INCURRED BY A DISTRICT THAT IS
29 FORMED UNDER THIS CHAPTER ON OR BEFORE JUNE 30, 2036, OR ANY PLEDGE OF
30 TAXES, ASSESSMENTS OR OTHER REVENUES MADE TO SECURE THOSE BONDS OR
31 OBLIGATIONS.

32 Sec. 6. Legislative findings; purpose

33 A. The legislature finds and declares that:

34 1. The provision of public infrastructure in advance of development
35 is essential to housing affordability, economic development and orderly
36 growth.

37 2. State affordability infrastructure districts provide a uniform,
38 statewide mechanism for financing public infrastructure in a manner that:

39 (a) Protects taxpayers through limited tax rates and debt
40 limitations.

41 (b) Ensures transparency and public accountability.

42 (c) Facilitates early delivery of public infrastructure at lower
43 cost.

1 3. The Arizona finance authority is the appropriate statewide
2 certification authority to ensure uniform financial, engineering, and
3 statutory compliance for such districts.

4 4. The certification and oversight functions provided in this
5 chapter constitute governmental functions serving valid public purposes.

6 B. The legislature further finds and declares that:

7 1. State affordability infrastructure districts exercise limited,
8 special-purpose governmental powers relating solely to the financing,
9 construction, operation and maintenance of public infrastructure.

10 2. The financial obligations of a district, including ad valorem
11 taxes, assessments, and liens, are borne directly and proportionally by
12 real property within the district.

13 3. Because the powers and financial burdens of a district
14 disproportionately affect real property owners, it is reasonable and
15 constitutionally permissible to allocate voting power in district
16 elections based on land ownership and acreage.

17 4. Elections conducted pursuant to this chapter are fiscal
18 determinations relating to property-based obligations and are not general
19 political elections.

20 Sec. 7. Short title

21 This act may be cited as the "State Affordability Infrastructure
22 District Act".