

House Engrossed

~~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
13 fees to be paid at a time later than the issuance of construction permits,
14 the 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
3 of the development fee schedule applicable to the development. If, after
4 the 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.

- 1 2. "Development" means:
2 (a) The subdivision of land.
3 (b) The construction, reconstruction, conversion, structural
4 alteration, relocation or enlargement of any structure that adds or
5 increases the number of service units.
6 (c) Any use or extension of the use of land that increases the
7 number of service units.
- 8 3. "Facility expansion" means the expansion of the capacity of an
9 existing facility that serves the same function as an otherwise new
10 necessary public service in order that the existing facility may serve new
11 development. Facility expansion does not include the repair, maintenance,
12 modernization or expansion of an existing facility to better serve
13 existing development.
- 14 4. "Final approval" means:
15 (a) For a nonresidential or multifamily development, the approval
16 of a site plan or, if no site plan is submitted for the development, the
17 approval of a final subdivision plat.
18 (b) For a single family residential development, the approval of a
19 final subdivision plat.
- 20 5. "Infrastructure improvements plan" means a written plan that
21 identifies each necessary public service or facility expansion that is
22 proposed to be the subject of a development fee and otherwise complies
23 with the requirements of this section, and may be the municipality's
24 capital improvements plan.
- 25 6. "Land use assumptions" means projections of changes in land
26 uses, densities, intensities and population for a specified service area
27 over a period of at least ten years and pursuant to the general plan of
28 the municipality.
- 29 7. "Necessary public service" means any of the following facilities
30 that have a life expectancy of three or more years and that are owned and
31 operated by or on behalf of the municipality:
32 (a) Water facilities, including the supply, transportation,
33 treatment, purification and distribution of water, and any appurtenances
34 for those facilities.
35 (b) Wastewater facilities, including collection, interception,
36 transportation, treatment and disposal of wastewater, and any
37 appurtenances for those facilities.
38 (c) Storm water, drainage and flood control facilities, including
39 any appurtenances for those facilities.
40 (d) Library facilities of up to ten thousand square feet that
41 provide a direct benefit to development, not including equipment, vehicles
42 or appurtenances.
43 (e) Street facilities located in the service area, including
44 arterial or collector streets or roads that have been designated on an

1 officially adopted plan of the municipality, traffic signals and
2 rights-of-way and improvements thereon.

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

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

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

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

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

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

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

40 11-495. Taxpayers' information fund

41 A. A taxpayers' information fund is established in each county
42 treasury consisting of monies collected from the public records copy
43 surcharge imposed pursuant to section 11-496, the tax lien processing fee
44 imposed pursuant to section 42-18116, subsection C, fifteen dollars of
45 each judgment deed fee collected pursuant to section 42-18205, subsection

1 A, interest earned from the elderly assistance fund pursuant to section
2 42-17401, the community facilities district special assessment fee imposed
3 pursuant to section 48-721, **THE STATE AFFORDABILITY INFRASTRUCTURE**
4 **DISTRICT SPECIAL ASSESSMENT FEE IMPOSED PURSUANT TO SECTION 48-7023** and
5 the fees authorized for collecting municipal fire and emergency services
6 fees in certain areas of the county as prescribed in section 9-500.23.

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

- 10 1. Purchasing computer hardware and software.
- 11 2. Training employees to operate the system.
- 12 3. Maintaining the system, including purchasing equipment
13 maintenance agreements.
- 14 4. Updating the system hardware and software.
- 15 5. In counties with a population of more than two million persons,
16 notifying property owners of the tax and ownership status of a taxpayer's
17 parcel prior to the taxpayer's parcel being sold at a deed sale and the
18 tax and ownership status of any parcels being sold at a deed sale that are
19 adjacent to a taxpayer's parcel, prior to the deed sale.

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

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

27 11-496. Public records copy; proceeds of sale; agent duties;
28 surcharge; special district assessments; deposit

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

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

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

1 D. The county treasurer shall deposit monies collected pursuant to
2 this section in the taxpayers' information fund established by section
3 11-495.

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

6 11-1102. County development fees; imposition by counties;
7 infrastructure improvements plan; advisory
8 committee; annual report; limitation on actions;
9 definitions

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

17 B. Development fees assessed under this section are subject to the
18 following requirements:

19 1. Development fees shall result in a beneficial use to the
20 development.

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

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

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

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

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

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

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

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

43 (e) Upgrading, updating, expanding, correcting or replacing
44 existing necessary public services to provide a higher level of service to
45 existing development.

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

2 6. Any development for which development fees have been paid is
3 entitled to the use and benefit of the services for which the development
4 fees were imposed and is entitled to receive immediate service from any
5 existing facility with available capacity to serve the new service units
6 if the available capacity has not been reserved or pledged in connection
7 with the construction or financing of the facility.

8 7. Development fees may be collected if any of the following
9 occurs:

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

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

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

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

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

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

42 9. Monies received from development fees shall be placed in a
43 separate fund and accounted for separately and may only be used for the
44 purposes authorized by this section. Monies received from development
45 fees identified in an infrastructure improvements plan adopted or updated

1 pursuant to subsection E of this section shall be used to provide the same
2 category of necessary public services or facilities expansions for which
3 the development fee was assessed and for the benefit of the same service
4 area as defined in the infrastructure improvements plan in which the
5 development fees were assessed. Interest earned on monies in the separate
6 fund shall be credited to the fund.

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

39 11. If a county requires as a condition of development approval the
40 construction or improvement of, contributions to or dedication of any
41 facilities that were not included in a previously adopted infrastructure
42 improvements plan, the county shall cause the infrastructure improvements
43 plan to be amended to include the facilities and shall provide a credit
44 toward the payment of development fees for the construction, improvement,
45 contribution or dedication of the facilities to the extent that the

1 facilities will substitute for or otherwise reduce the need for other
2 similar facilities in the infrastructure improvements plan for which
3 development fees were assessed. If a county requires as a condition of
4 development approval the set aside of active or passive open space, the
5 county shall issue a credit toward any development fees identified in the
6 infrastructure improvements plan to fund any park facilities or facility
7 expansion. On request of the individual or entity seeking development
8 approval, instead of issuing a credit toward the payment of development
9 fees, the county shall provide for reimbursement from the development fees
10 paid from all development that will use those facilities or facility
11 expansions of the actual costs of the construction or improvement of,
12 contributions to or dedication of the public facilities required as a
13 condition of development approval.

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

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

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

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

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

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

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

1 3. Conduct a public hearing on the proposed development fees at any
2 time after the expiration of the thirty-day notice of intention to assess
3 development fees and at least thirty days before the scheduled date of
4 adoption of the development fees. Within sixty days after the date of the
5 public hearing on the proposed development fees, the county shall approve
6 or disapprove the imposition of the development fees. A county may not
7 adopt an ordinance, order or resolution approving development fees as an
8 emergency measure.

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

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

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

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

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

44 4. Within sixty days after completion of the updated land use
45 assumptions and infrastructure improvements plan, the county shall

1 schedule and provide notice of a public hearing to discuss and review the
2 update and shall determine whether to amend the land use assumptions and
3 infrastructure improvements plan.

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

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

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

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

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

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

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

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

43 9. If, by the date specified pursuant to paragraph 8 of this
44 subsection, a person requests in writing that the county update the land
45 use assumptions, infrastructure improvements plan or development fees, the

1 county shall cause, accept or reject an update of the land use
2 assumptions, infrastructure improvements plan or development fees to be
3 prepared pursuant to this section.

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

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

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

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

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

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

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

1 6. The total number of projected service units necessitated by and
2 attributable to new development in the service area based on the approved
3 land use assumptions and calculated pursuant to generally accepted
4 engineering and planning criteria.

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

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

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

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

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

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

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

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

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

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

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

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

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 county any perceived inequities in
32 implementing the infrastructure improvements plan or assessing the
33 development fees.

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

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

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

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

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

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

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

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

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

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

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

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

1 until the development fees have been replaced with fees that comply with
2 this section. Development fees adopted or amended by a county after
3 January 1, 2017 shall comply with this section. Any development fees
4 monies collected before January 1, 2017 remaining in a development fees
5 account:

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

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

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

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

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

23 1. The amount assessed by the county for each type of development
24 fee.

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

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

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

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

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

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

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

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

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

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

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

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

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

22 U. Through January 1, 2018, development fees adopted before January
23 1, 2017 may be used to finance construction of a facility and may be
24 pledged to repay debt service obligations if:

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

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

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

35 V. For the purposes of this section:

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

39 2. "Development" means:

40 (a) The subdivision of land.

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

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

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

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

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

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

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

22 (a) Water facilities, including the supply, transportation,
23 treatment, purification and distribution of water, and any appurtenances
24 for those facilities.

25 (b) Wastewater facilities, including collection, interception,
26 transportation, treatment and disposal of wastewater, and any
27 appurtenances for those facilities.

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

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

42 (e) Neighborhood parks and recreational facilities on real property
43 up to thirty acres in area, or parks and recreational facilities larger
44 than thirty acres if the facilities provide a direct benefit to the
45 development. Parks and recreational facilities do not include vehicles,

1 equipment of that portion of any facility that is used for amusement
2 parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural
3 facilities, bandstand and orchestra facilities, bathhouses, boathouses,
4 clubhouses, community centers greater than three thousand square feet in
5 floor area, environmental education centers, equestrian facilities,
6 trails, golf course facilities, greenhouses, lakes, museums, theme parks,
7 water reclamation or riparian areas, wetlands, zoo facilities or similar
8 recreational facilities, but may include swimming pools and equipment or
9 improvements constituting accessory or incidental amenities to a park or
10 recreational facility allowed under this section.

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

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

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

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

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

29 CHAPTER 40

30 STATE AFFORDABILITY INFRASTRUCTURE DISTRICTS

31 ARTICLE 1. GENERAL PROVISIONS

32 48-7001. Definitions

33 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

42 3. "AUTHORITY" MEANS THE ARIZONA FINANCE AUTHORITY ESTABLISHED BY
43 SECTION 41-5352.

44 4. "BOARD" MEANS THE BOARD OF DIRECTORS OF A DISTRICT CREATED
45 PURSUANT TO THIS CHAPTER.

- 1 5. "BONDS":
2 (a) MEANS ANY BOND PRESCRIBED BY THIS CHAPTER AND ISSUED BY A
3 DISTRICT.
4 (b) INCLUDES GENERAL OBLIGATION BONDS, ASSESSMENT BONDS, REVENUE
5 BONDS AND REFUNDING BONDS.
6 6. "CLERK" MEANS THE PERSON APPOINTED BY THE BOARD TO BE THE
7 DISTRICT CLERK.
8 7. "COUNTY" MEANS THE COUNTY IN WHICH A DISTRICT IS FORMED PURSUANT
9 TO THIS CHAPTER.
10 8. "DEBT SERVICE" MEANS THE PRINCIPAL OF, INTEREST ON AND PREMIUM,
11 IF ANY, ON THE BONDS, WHEN DUE, WHETHER AT MATURITY OR PRIOR REDEMPTION
12 AND FEES AND COSTS OF REGISTRARS, TRUSTEES, PAYING AGENTS OR OTHER AGENTS
13 NECESSARY TO HANDLE THE BONDS AND THE COSTS OF CREDIT ENHANCEMENT OR
14 LIQUIDITY SUPPORT.
15 9. "DISTRICT" MEANS A STATE AFFORDABILITY INFRASTRUCTURE DISTRICT
16 FORMED PURSUANT TO THIS CHAPTER.
17 10. "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE
18 AUTHORITY OR THE EXECUTIVE DIRECTOR'S DESIGNEE.
19 11. "FINANCING PLAN" MEANS THE DISTRICT'S CAPITAL PLAN CONTAINING
20 FINANCIAL PROJECTIONS, ENGINEERING STUDIES, COST ALLOCATION, SEQUENCING
21 AND MARKET-VALUE ANALYSES.
22 12. "FORMATION ORDER" MEANS THE WRITTEN ORDER ISSUED BY THE
23 AUTHORITY EVIDENCING ITS FINAL APPROVAL OF THE FORMATION OF A DISTRICT
24 PURSUANT TO THIS CHAPTER.
25 13. "GENERAL PLAN" MEANS THE GENERAL PLAN DESCRIBED IN SECTION
26 48-7002, SUBSECTION B, AS THE PLAN MAY BE AMENDED.
27 14. "MARKET VALUE" HAS THE SAME MEANING AS PRESCRIBED IN SECTION
28 28-7091, AS INDICATED BY AN APPRAISAL OF THE REAL PROPERTY BY AN APPRAISER
29 WHO IS LICENSED OR CERTIFIED PURSUANT TO TITLE 32, CHAPTER 36.
30 15. "MAXIMUM AUTHORIZED TAX RATE" MEANS THE MAXIMUM TAX RATE FOR AD
31 VALOREM TAXES PLEDGED TO SECURE GENERAL OBLIGATION BONDS APPROVED AT AN
32 ELECTION AUTHORIZING THE LEVY OF AD VALOREM TAXES AND THE ISSUANCE OF
33 GENERAL OBLIGATION BONDS AND INDICATED IN THE PETITION, PROVIDED THAT THE
34 MAXIMUM AUTHORIZED TAX RATE SHALL NOT EXCEED \$10 PER \$100 OF NET LIMITED
35 ASSESSED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE
36 DISTRICT, AND PROVIDED FURTHER THAT IF, AS OF THE DATE THE PETITION TO
37 FORM THE DISTRICT IS SUBMITTED, THE TOTAL COUNTYWIDE PRIMARY AND SECONDARY
38 TAX RATE PER \$100 OF NET LIMITED ASSESSED PROPERTY VALUATION IN THE COUNTY
39 IN WHICH THE DISTRICT IS LOCATED EXCEEDS ONE HUNDRED TWENTY-FIVE PERCENT
40 OF THE STATEWIDE AVERAGE TOTAL COUNTYWIDE PRIMARY AND SECONDARY RATE, AS
41 SHOWN IN THE MOST RECENT ABSTRACT OF THE ASSESSMENT ROLL OR SIMILAR REPORT
42 PUBLISHED BY THE DEPARTMENT OF REVENUE, THEN THE MAXIMUM AUTHORIZED TAX
43 RATE SHALL NOT EXCEED \$6 PER \$100 OF NET LIMITED ASSESSED PROPERTY
44 VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT, UNLESS THE
45 GOVERNING BODY OF THE MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED, OR IF

1 THE DISTRICT IS LOCATED IN AN UNINCORPORATED AREA, THE COUNTY IN WHICH THE
2 DISTRICT IS LOCATED, APPROVES A HIGHER MAXIMUM AUTHORIZED TAX RATE BY
3 WRITTEN CONSENT OR BY RESOLUTION.

4 16. "MUNICIPALITY" MEANS A CITY OR TOWN IN WHICH A DISTRICT IS
5 FORMED PURSUANT TO THIS CHAPTER.

6 17. "NET PREMIUM" MEANS THE DIFFERENCE BETWEEN THE PAR AMOUNT OF
7 THE GENERAL OBLIGATION BOND ISSUE AND THE GENERAL OBLIGATION BOND ISSUE
8 PRICE THAT IS DETERMINED PURSUANT TO UNITED STATES DEPARTMENT OF THE
9 TREASURY REGULATIONS.

10 18. "O/M TAX" MEANS A SECONDARY PROPERTY TAX LEVIED TO PAY THE
11 EXPENSES OF OPERATING, MAINTAINING AND ADMINISTERING THE DISTRICT AND THE
12 PUBLIC INFRASTRUCTURE FINANCED BY THE DISTRICT, INCLUDING LEGAL EXPENSES
13 AND EXPENSES ASSOCIATED WITH INSURANCE COVERAGE, AS APPROVED BY THE
14 DISTRICT IN ITS BUDGET.

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

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

20 21. "PETITIONER" MEANS THE PERSON OR ENTITY THAT INITIATES THE
21 FORMATION OF A DISTRICT BY SUBMITTING A PETITION TO THE AUTHORITY PURSUANT
22 TO THIS CHAPTER AND INCLUDES ANY SUCCESSOR OR ASSIGNEE OF THAT PERSON OR
23 ENTITY THAT THE AUTHORITY RECOGNIZES AS THE PETITIONER FOR THE PURPOSES OF
24 THE PETITION AND FORMATION ORDER.

25 22. "PUBLIC INFRASTRUCTURE" MEANS ALL IMPROVEMENTS LISTED IN THIS
26 PARAGRAPH THAT WILL RESULT IN A BENEFICIAL USE PRINCIPALLY TO LAND WITHIN
27 THE GEOGRAPHICAL LIMITS OF THE DISTRICT AND MAY INCLUDE A DISTRICT'S SHARE
28 OF ANY IMPROVEMENTS LISTED IN THIS PARAGRAPH IF THE DISTRICT BOARD
29 DETERMINES SUCH SHARE IS PROPORTIONATE TO THE BENEFICIAL USE OF SUCH
30 IMPROVEMENTS TO LAND WITHIN THE GEOGRAPHICAL LIMITS OF THE DISTRICT,
31 IMPROVEMENTS WITHIN OR OUTSIDE THE GEOGRAPHICAL LIMITS OF THE DISTRICT,
32 NECESSARY OR INCIDENTAL WORK, INCLUDING LAND CLEARANCE AND ENVIRONMENTAL
33 REMEDIATION ACTIVITIES, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING,
34 AND ALL NECESSARY OR DESIRABLE APPURTENANCES. FOR THE PURPOSES OF THIS
35 PARAGRAPH, ADOPTION BY THE DISTRICT BOARD OF A RESOLUTION OF INTENT
36 PURSUANT TO SECTION 48-7008 SHALL CONCLUSIVELY ESTABLISH THAT THE
37 IMPROVEMENTS OR, IF APPLICABLE, SHARE OF THE IMPROVEMENTS THAT ARE THE
38 SUBJECT OF THE RESOLUTION WILL RESULT IN A BENEFICIAL USE PRINCIPALLY TO
39 LAND WITHIN THE GEOGRAPHICAL LIMITS OF THE DISTRICT. PUBLIC INFRASTRUCTURE
40 IMPROVEMENTS ARE:

41 (a) WATER, WASTEWATER, SEWER, STORMWATER AND FLOOD CONTROL
42 FACILITIES AND APPURTENANCES USED FOR THE DEVELOPMENT, TREATMENT, STORAGE,
43 CONVEYANCE, CONTROL, REUSE, DISTRIBUTION, CONNECTION AND LAWFUL
44 DISPOSITION OF POTABLE AND NONPOTABLE WATER, WASTEWATER, STORMWATER AND
45 FLOODWATERS FOR RESIDENTIAL, COMMERCIAL, GOVERNMENTAL, IRRIGATION AND

1 FIRE-SUPPRESSION USES, EXCLUDING INFRASTRUCTURE DEDICATED PRIMARILY TO
2 AGRICULTURAL IRRIGATION FACILITIES IMPACTED BY OTHER IMPROVEMENTS
3 AUTHORIZED BY THIS CHAPTER AND ENERGY AND UTILITY FACILITIES AND
4 APPURTENANCES USED FOR THE GENERATION, INTERCONNECTION, TRANSMISSION,
5 DISTRIBUTION, STORAGE AND CONTROL OF ELECTRIC POWER AND OTHER ENERGY
6 RESOURCES AND NATURAL GAS AND ALTERNATIVE FUEL PIPELINE AND DISTRIBUTION
7 FACILITIES, ALL TO THE EXTENT LOCATED WITHIN OR NECESSARY TO SERVE THE
8 DISTRICT.

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

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

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

33 (e) COMMUNICATIONS AND DIGITAL INFRASTRUCTURE, INCLUDING
34 FIBEROPTIC, WIRELESS AND BROADBAND FACILITIES, CONDUITS, TOWERS, ANTENNAS,
35 DATA TRANSMISSION SYSTEMS, NETWORK EQUIPMENT, PUBLIC SAFETY COMMUNICATIONS
36 FACILITIES, AND RELATED APPURTENANCES AND RIGHTS-OF-WAY.

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

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

41 23. "PUBLIC INFRASTRUCTURE PURPOSE" MEANS:

42 (a) PLANNING, DESIGNING, ENGINEERING, CONSTRUCTING, ACQUIRING OR
43 INSTALLING OF PUBLIC INFRASTRUCTURE.

44 (b) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING
45 FACILITIES FOR PUBLIC INFRASTRUCTURE.

1 (c) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE.
2 (d) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES IN ORDER TO
3 SECURE PAYMENT OF DEBT SERVICE ON BONDS.
4 (e) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON
5 BONDS FOR A PERIOD OF NOT TO EXCEED THREE YEARS AFTER THEIR DATE OF
6 ISSUANCE AND COSTS OF ISSUANCE OF THE BONDS AND UNDERWRITER AND PLACEMENT
7 AGENT FEES.
8 (f) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON
9 INDEBTEDNESS OF THE DISTRICT OR OF DEVELOPMENT FEES OR SIMILAR EXACTIONS
10 IMPOSED BY A MUNICIPALITY OR OTHER PUBLIC ENTITY, TO THE EXTENT THOSE
11 CHARGES ARE IMPOSED TO FUND PUBLIC INFRASTRUCTURE THAT IS LOCATED WITHIN,
12 PRIMARILY SERVES OR IS NECESSITATED BY DEVELOPMENT WITHIN THE DISTRICT.
13 (g) REFINANCING ANY MATURED OR UNMATURED BONDS WITH NEW BONDS.
14 (h) INCURRING EXPENSES OF THE DISTRICT THAT ARE INCIDENTAL TO AND
15 REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS
16 PARAGRAPH.
17 24. "QUALIFIED ELECTOR" MEANS A PERSON WHO IS A QUALIFIED ELECTOR
18 PURSUANT TO TITLE 16 AND WHO RESIDES WITHIN THE BOUNDARIES OF A DISTRICT.
19 25. "TREASURER" MEANS THE PERSON APPOINTED BY THE BOARD TO BE THE
20 DISTRICT TREASURER.
21 48-7002. Petition to form district; contents of petition;
22 filings; limitation of liability
23 A. A STATE AFFORDABILITY INFRASTRUCTURE DISTRICT MAY BE FORMED
24 PURSUANT TO THIS CHAPTER BY PETITION OF ALL INDIVIDUALS AND ENTITIES
25 HAVING FEE-TITLE OWNERSHIP OF ALL REAL PROPERTY IN THE PROPOSED DISTRICT.
26 THE PETITION SHALL BE SUBMITTED TO THE AUTHORITY. THE DISTRICT MAY
27 INCLUDE CONTIGUOUS OR NONCONTIGUOUS PROPERTY, PROVIDED THAT ALL
28 NONCONTIGUOUS PROPERTY SHALL BE LOCATED IN THE SAME COUNTY AND SHALL LIE
29 WITHIN FIVE MILES OF THE BOUNDARY OF OTHER PROPERTY WITHIN THE DISTRICT,
30 MEASURED IN A STRAIGHT LINE BETWEEN SUCH PARCEL BOUNDARIES. IF ANY
31 PORTION OF A DISTRICT IS LOCATED WITHIN THE CORPORATE LIMITS OF A
32 MUNICIPALITY, THE ENTIRE DISTRICT SHALL AT ALL TIMES BE LOCATED WITHIN THE
33 CORPORATE LIMITS OR WITHIN THE ADOPTED PLANNING AREA OF THAT MUNICIPALITY,
34 AS SUCH LIMITS OR PLANNING AREA MAY BE AMENDED FROM TIME TO TIME.
35 B. THE PETITION SHALL CONTAIN ALL OF THE FOLLOWING:
36 1. A METES AND BOUNDS DESCRIPTION AND A MAP OF THE DISTRICT
37 BOUNDARIES.
38 2. THE PROPOSED NAME OF THE DISTRICT.
39 3. A GENERAL PLAN SETTING OUT A GENERAL DESCRIPTION OF THE PUBLIC
40 INFRASTRUCTURE FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED AND FOR
41 WHICH BONDS MAY BE ISSUED, THE GENERAL AREAS TO BE IMPROVED AND THE
42 ESTIMATED COSTS OF CONSTRUCTING OR ACQUIRING THE PUBLIC INFRASTRUCTURE TO
43 BE FINANCED, CONSTRUCTED OR ACQUIRED BY THE DISTRICT.

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

1 17. A DESCRIPTION OF THE PETITIONER, INCLUDING:
2 (a) THE LEGAL NAME OF EACH ENTITY OR INDIVIDUAL HAVING FEE-TITLE
3 OWNERSHIP OF ANY REAL PROPERTY IN THE PROPOSED DISTRICT.
4 (b) THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE PRIMARY CONTACT
5 FOR THE PETITIONER.
6 (c) THE NAMES OF ANY LEGAL REPRESENTATIVES, ENGINEERS, ARCHITECTS,
7 FINANCIAL CONSULTANTS OR OTHER CONSULTANTS THAT ARE SIGNIFICANTLY INVOLVED
8 IN THE PETITION.
9 (d) A GENERAL DESCRIPTION OF THE PETITIONER'S EXPERIENCE WITH
10 SIMILAR TYPES OF DEVELOPMENTS THAT THE DISTRICT WILL SUPPORT.
11 C. ANY FINANCIAL BURDEN OF A DISTRICT IS BORNE SOLELY BY THE
12 DISTRICT AND IS NOT BORNE BY THE AUTHORITY, THIS STATE OR ANY
13 MUNICIPALITY, COUNTY OR OTHER POLITICAL SUBDIVISION OF THIS STATE. ANY
14 LIABILITY, JUDGMENT OR CLAIM AGAINST A DISTRICT IS THE SOLE RESPONSIBILITY
15 OF THE DISTRICT AND DOES NOT CONSTITUTE A LIABILITY, JUDGMENT OR CLAIM
16 AGAINST THE AUTHORITY, THIS STATE OR ANY MUNICIPALITY, COUNTY OR OTHER
17 POLITICAL SUBDIVISION OF THIS STATE.
18 D. THE PETITION SHALL BE FILED WITH THE AUTHORITY. THE PETITIONER
19 SHALL PROVIDE WRITTEN NOTICE OF THE FILING OF THE PETITION TO EACH
20 AFFECTED MUNICIPALITY AND, IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED
21 AREA, TO THE COUNTY. THE NOTICE SHALL STATE THAT THE DISTRICT WILL BE
22 FORMED NOT LESS THAN THIRTY DAYS AND NOT MORE THAN SIXTY DAYS AFTER
23 SUBMITTING THE PETITION, SUBJECT TO APPROVAL BY THE AUTHORITY, AND THAT
24 THE MUNICIPALITY OR THE COUNTY, AS APPLICABLE, MAY SUBMIT TO THE AUTHORITY
25 WITHIN THIRTY DAYS AFTER THE FILING OF THE PETITION A WRITTEN NOTICE THAT
26 IDENTIFIES A BASIS FOR DENIAL OF THE PETITION PURSUANT TO SECTION 48-7003,
27 SUBSECTION D, PARAGRAPH 4.
28 E. IF THE AUTHORITY DETERMINES THAT THE PETITION IS INCOMPLETE OR
29 DEFICIENT, THE PETITIONER SHALL HAVE A PERIOD OF SIXTY DAYS AFTER WRITTEN
30 NOTICE OF THE DEFICIENCIES TO SUBMIT CORRECTIONS OF THE DEFICIENCIES. IF
31 THE CORRECTIONS OF THE DEFICIENCIES ARE NOT SUBMITTED TO THE AUTHORITY
32 WITHIN SIXTY DAYS AFTER NOTICE OR DO NOT CORRECT THE DEFICIENCIES,
33 THE AUTHORITY MAY REJECT THE PETITION PURSUANT TO SECTION 48-7003,
34 SUBSECTION D.
35 F. FOR THE PURPOSES OF THIS CHAPTER, ALL CERTIFICATIONS,
36 DETERMINATIONS, APPROVALS, FINDINGS AND ACTIONS REQUIRED TO BE MADE BY THE
37 AUTHORITY SHALL BE MADE BY THE EXECUTIVE DIRECTOR. NO ACTION, APPROVAL,
38 RESOLUTION OR VOTE OF THE BOARD OF DIRECTORS OF THE AUTHORITY IS REQUIRED
39 FOR ANY CERTIFICATION, DETERMINATION OR ACTION TAKEN BY THE EXECUTIVE
40 DIRECTOR PURSUANT TO THIS CHAPTER. ANY ACTION TAKEN BY THE EXECUTIVE
41 DIRECTOR PURSUANT TO THIS CHAPTER IS DEEMED AN ACTION OF THE AUTHORITY.

1 3. A GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THAT THE
2 DISTRICT MAY FINANCE.

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

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

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

9 7. THE NAMES AND INITIAL TERMS OF THE INITIAL BOARD OF DIRECTORS
10 AND THAT THE DISTRICT WILL BE GOVERNED BY DIRECTORS WHO ARE CHOSEN
11 PURSUANT TO THIS CHAPTER.

12 8. A STATEMENT THAT:

13 (a) THE FORMATION OF THE DISTRICT MAY RESULT IN THE LEVY OF AD
14 VALOREM TAXES OR ASSESSMENTS TO PAY THE COSTS OF AUTHORIZED PUBLIC
15 INFRASTRUCTURE THAT IS CONSTRUCTED BY THE DISTRICT AND FOR OPERATING AND
16 MAINTAINING THE AUTHORIZED PUBLIC INFRASTRUCTURE.

17 (b) ANY AD VALOREM TAX THAT IS LEVIED FOR THE PAYMENT OF GENERAL
18 OBLIGATION BONDS MAY NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM
19 AUTHORIZED TAX RATE THAT IS APPROVED AT THE ELECTION THAT AUTHORIZED THE
20 LEVY AND THE ISSUANCE OF THE BONDS.

21 (c) ANY BONDS OR OTHER OBLIGATIONS OF THE DISTRICT WILL NOT BE A
22 DEBT, LEGAL OR MORAL, OF THIS STATE OR ANY MUNICIPALITY OR ANY COUNTY OF
23 THIS STATE, ARE NOT OBLIGATIONS OF THIS STATE OR ANY MUNICIPALITY OR ANY
24 COUNTY OF THIS STATE AND ARE OBLIGATIONS OF THE DISTRICT AND ARE PAYABLE
25 ONLY FROM THE SOURCES PLEDGED FOR THEIR PAYMENT.

26 D. THE AUTHORITY SHALL APPROVE FORMATION OF THE DISTRICT AND ISSUE
27 THE FORMATION ORDER IF THE AUTHORITY DETERMINES THAT THE PETITION AND
28 ACCOMPANYING MATERIALS MEET THE STATUTORY REQUIREMENTS OF THIS CHAPTER.
29 THE AUTHORITY'S REVIEW IS LIMITED TO CONFIRMING THAT THE STATUTORY
30 REQUIREMENTS OF THIS CHAPTER HAVE BEEN SATISFIED AND THE AUTHORITY MAY
31 DENY A PETITION ONLY UPON A WRITTEN FINDING OF ONE OF THE FOLLOWING:

32 1. THE PETITION IS INCOMPLETE.

33 2. THE FINANCIAL INFORMATION SUBMITTED IN CONNECTION WITH THE
34 PETITION, INCLUDING ANY APPRAISAL OR THIRD-PARTY MARKET STUDY, IS
35 INCOMPLETE OR ILLUSTRATES THAT THE DISTRICT WILL NOT HAVE THE FINANCIAL
36 ABILITY TO DISCHARGE ITS PROPOSED INDEBTEDNESS WITHIN THE MAXIMUM
37 AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS
38 APPLICABLE.

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

43 4. THE FORMATION OF THE PROPOSED DISTRICT WILL MATERIALLY VIOLATE
44 ANY EXISTING AND APPLICABLE DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH
45 THE MUNICIPALITY OR THE COUNTY THAT RELATES TO PUBLIC INFRASTRUCTURE AND

1 THAT IS RECORDED AGAINST THE LAND INCLUDED WITHIN THE BOUNDARIES OF THE
2 DISTRICT WITH RESPECT TO THE DESIGN, CONSTRUCTION, CONVEYANCE, OPERATION
3 OR MAINTENANCE OF THE PUBLIC INFRASTRUCTURE.

4 E. IF THE AUTHORITY DOES NOT ISSUE THE FORMATION ORDER WITHIN SIXTY
5 DAYS AFTER SUBMISSION OF A COMPLETE PETITION, THE AUTHORITY SHALL PROVIDE
6 A WRITTEN BASIS FOR NOT ADOPTING THE FORMATION ORDER AND SHALL IDENTIFY
7 THE SPECIFIC CHANGES THAT ARE NEEDED FOR THE PETITION TO BE APPROVED AND
8 FOR THE DISTRICT TO BE FORMED. SUCH ACTION WILL NOT CONSTITUTE A DENIAL
9 OF THE PETITION AND THE PETITION MAY BE REVISED AND RESUBMITTED AT ANY
10 TIME.

11 F. ON ISSUANCE OF THE FORMATION ORDER BY THE AUTHORITY, THE
12 DISTRICT SHALL CAUSE THE FORMATION ORDER TO BE RECORDED IN THE REAL
13 PROPERTY RECORDS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED AND SHALL
14 CAUSE A COPY OF THE FORMATION ORDER TO BE DELIVERED TO THE COUNTY ASSESSOR
15 AND THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE DISTRICT IS
16 LOCATED, TO ANY MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED AND TO THE
17 DEPARTMENT OF REVENUE. ON RECORDING THE FORMATION ORDER, THE DISTRICT IS
18 ESTABLISHED AS A POLITICAL SUBDIVISION OF THIS STATE.

19 G. BEFORE RECORDING A FORMATION ORDER UNDER THIS SECTION, A GENERAL
20 PLAN FOR THE DISTRICT SHALL BE RECORDED WITH THE COUNTY RECORDER OF THE
21 COUNTY IN WHICH THE DISTRICT IS LOCATED THAT SETS OUT A GENERAL
22 DESCRIPTION OF THE IMPROVEMENTS FOR WHICH THE DISTRICT IS PROPOSED TO BE
23 FORMED AND THE AREAS TO BE IMPROVED.

24 H. ON FORMATION, THE DISTRICT IS A SPECIAL PURPOSE DISTRICT FOR THE
25 PURPOSES OF ARTICLE IX, SECTION 19, CONSTITUTION OF ARIZONA, A TAX LEVYING
26 PUBLIC IMPROVEMENT DISTRICT FOR THE PURPOSES OF ARTICLE XIII, SECTION 7,
27 CONSTITUTION OF ARIZONA, AND A MUNICIPAL CORPORATION FOR ALL PURPOSES OF
28 TITLE 35, CHAPTER 3, ARTICLES 3, 3.1, 3.2, 4 AND 5. A DISTRICT THAT
29 DISTRIBUTES OR SELLS GROUNDWATER IS A PRIVATE WATER COMPANY ONLY FOR THE
30 PURPOSES OF TITLE 45, CHAPTERS 2 AND 3.1. EXCEPT AS OTHERWISE PROVIDED IN
31 THIS SECTION, A DISTRICT IS CONSIDERED TO BE A MUNICIPAL CORPORATION AND
32 POLITICAL SUBDIVISION OF THIS STATE, SEPARATE AND APART FROM ANY
33 MUNICIPALITY OR COUNTY IN WHICH THE DISTRICT IS LOCATED. NOTWITHSTANDING
34 ANY OTHER LAW, A DISTRICT FORMED PURSUANT TO THIS CHAPTER DOES NOT HAVE
35 THE POWER OF EMINENT DOMAIN AND DOES NOT HAVE THE POWER TO ENACT ZONING
36 ORDINANCES.

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

39 J. FEES AND OTHER CHARGES ASSESSED BY THE AUTHORITY IN CONNECTION
40 WITH THE SUBMISSION AND CONSIDERATION OF A PETITION TO FORM A DISTRICT MAY
41 NOT EXCEED \$15,000. IF A PETITION IS DENIED BY THE AUTHORITY, IT MAY NOT
42 ASSESS A FEE OR OTHER CHARGE IN CONNECTION WITH SUBMITTING AND CONSIDERING
43 A SUBSTANTIALLY SIMILAR PETITION THAT IS SUBMITTED WITHIN ONE YEAR AFTER
44 THE DENIAL. FEES AND OTHER CHARGES ASSESSED BY A DISTRICT IN CONNECTION
45 WITH ADMINISTERING THE DISTRICT, INCLUDING THE ISSUANCE AND SALE OF BONDS,

1 MAY NOT EXCEED THE ACTUAL EXPENSE INCURRED BY THE DISTRICT FOR STAFF AND
2 CONSULTANT SERVICES AND SUPPORT FACILITIES SUPPLIED BY THE DISTRICT OR THE
3 FINANCIAL, LEGAL AND ADMINISTRATIVE COSTS OF THE DISTRICT THAT ARE NOT
4 REIMBURSED FROM PROCEEDS OF THE BONDS OR OTHER DISTRICT REVENUE.

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

12 1. DESCRIBE THE PROPOSED AMENDMENTS TO THE FORMATION ORDER AND
13 GENERAL PLAN.

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

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

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

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

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

37 48-7004. District governance; board of directors; elections;
38 powers and duties

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

43 B. SUBJECT TO SUBSECTION J OF THIS SECTION, EACH DIRECTOR SHALL
44 EITHER HOLD A FEE TITLE TO REAL PROPERTY WITHIN THE DISTRICT OR BE AN
45 INDIVIDUAL WHO IS DESIGNATED OR APPOINTED BY A HOLDER OF A FEE TITLE TO

1 REAL PROPERTY WITHIN THE DISTRICT. A DIRECTOR WILL RESIGN FROM THE BOARD
2 OF DIRECTORS IF AT ANY TIME DURING SUCH DIRECTOR'S TERM THE DIRECTOR IS NO
3 LONGER AN OWNER OF REAL PROPERTY WITHIN THE DISTRICT OR, IF SUCH DIRECTOR
4 WAS DESIGNATED OR APPOINTED BY AN OWNER OF REAL PROPERTY WITHIN THE
5 DISTRICT, SUCH OWNER OF REAL PROPERTY WITHIN THE DISTRICT IS NO LONGER AN
6 OWNER OF REAL PROPERTY WITHIN THE DISTRICT. SUCH DIRECTOR'S VACANCY WILL
7 BE FILLED PURSUANT TO SUBSECTION H OF THIS SECTION.

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

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

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

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

24 3. AN ELECTION FOR DISSOLUTION OF THE DISTRICT.

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

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

38 G. THE BOARD SHALL:

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

40 2. AUTHORIZE AND APPROVE THE ISSUANCE OF BONDS OF THE DISTRICT AS
41 PROVIDED BY THIS CHAPTER.

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

1 4. MANAGE AND ADMINISTER THE AFFAIRS OF THE DISTRICT, INCLUDING
2 OPERATING, MAINTAINING AND REPAIRING PUBLIC INFRASTRUCTURE THAT IS OWNED
3 OR OPERATED BY THE DISTRICT.

4 5. ADOPT ANNUAL BUDGETS, STATEMENTS AND ESTIMATES FOR THE DISTRICT.

5 6. ADMINISTER DISTRICT ELECTIONS OR ENTER INTO INTERGOVERNMENTAL
6 AGREEMENTS WITH THE COUNTY AND OTHER QUALIFIED PUBLIC ENTITIES TO
7 ADMINISTER DISTRICT ELECTIONS.

8 7. PERFORM ALL OTHER ACTS THAT ARE NECESSARY OR CONVENIENT TO CARRY
9 OUT THE PURPOSES OF THIS CHAPTER.

10 H. IF A VACANCY OCCURS ON THE BOARD BECAUSE OF A DEATH, A
11 RESIGNATION OR AN INABILITY OF THE DIRECTOR TO DISCHARGE THE DUTIES OF
12 DIRECTOR, THE VACANCY SHALL BE FILLED BY APPOINTMENT MADE BY THE REMAINING
13 DIRECTORS WITHIN THIRTY DAYS OF A VACANCY. THE BOARD SHALL PROVIDE
14 WRITTEN NOTICE TO THE AUTHORITY THAT THE VACANCY HAS BEEN FILLED BY
15 APPOINTMENT WITHIN THIRTY DAYS OF THE APPOINTMENT OR, IF THE REMAINING
16 DIRECTORS HAVE NOT FILLED THE VACANCY BY APPOINTMENT, WRITTEN NOTICE TO
17 THE AUTHORITY THAT THE VACANCY HAS NOT BEEN FILLED BY APPOINTMENT WITHIN
18 THIRTY DAYS OF THE VACANCY. A DIRECTOR APPOINTED BY THE REMAINING
19 DIRECTORS SHALL HOLD OFFICE FOR THE REMAINDER OF THE UNEXPIRED TERM UNTIL
20 THE DIRECTOR'S SUCCESSOR IS ELECTED AS PROVIDED BY THIS ARTICLE.
21 A DIRECTOR SHALL NOT BE AN ELECTED OFFICIAL OF A MUNICIPALITY IN WHICH THE
22 DISTRICT IS LOCATED OR AN INDIAN TRIBE OR COMMUNITY OR AN EMPLOYEE OR
23 AGENT OF A MUNICIPALITY OR INDIAN TRIBE OR COMMUNITY BUT MAY BE A DIRECTOR
24 OF MORE THAN ONE DISTRICT.

25 I. THE MEMBERS OF THE BOARD ARE NOT ELIGIBLE TO RECEIVE
26 COMPENSATION FOR THEIR SERVICES AS MEMBERS OF THE BOARD.

27 J. IF A VACANCY OCCURS ON THE BOARD BECAUSE OF DEATH, RESIGNATION
28 OR INABILITY OF THE DIRECTOR TO DISCHARGE THE DUTIES OF DIRECTOR, AND
29 THERE ARE NO OWNERS OF REAL PROPERTY WITHIN THE DISTRICT OR INDIVIDUALS
30 DESIGNATED OR APPOINTED BY AN OWNER OF REAL PROPERTY WITHIN THE DISTRICT,
31 WHO ARE WILLING TO FILL SUCH VACANCY, THE AUTHORITY SHALL APPOINT A
32 DIRECTOR TO FILL THE VACANCY. THE DIRECTOR APPOINTED BY THE AUTHORITY IS
33 NOT REQUIRED TO BE A FEE-TITLE OWNER OF REAL PROPERTY WITHIN THE DISTRICT
34 OR AN INDIVIDUAL DESIGNATED OR APPOINTED BY A FEE-TITLE OWNER OF REAL
35 PROPERTY WITHIN THE DISTRICT. THE DIRECTOR APPOINTED BY THE AUTHORITY
36 SHALL HOLD OFFICE FOR THE REMAINDER OF THE UNEXPIRED TERM AND UNTIL THE
37 DIRECTOR'S SUCCESSOR IS ELECTED, UNLESS A FEE-TITLE OWNER OF REAL PROPERTY
38 WITHIN THE DISTRICT SUBMITS A WRITTEN REQUEST TO THE AUTHORITY AND THE
39 BOARD TO REPLACE THE DIRECTOR APPOINTED BY THE AUTHORITY. IN THAT EVENT,
40 THE AUTHORITY SHALL, AS SOON AS PRACTICABLE, APPOINT THAT FEE-TITLE OWNER
41 OF REAL PROPERTY WITHIN THE DISTRICT TO REPLACE THE DIRECTOR APPOINTED BY
42 THE AUTHORITY.

43 K. THE BOARD SHALL COMPLY WITH TITLE 38, CHAPTER 3, ARTICLE 3.1 AS
44 A SEPARATE POLITICAL SUBDIVISION.

1 48-7005. Records; open meetings

2 A. A DISTRICT SHALL KEEP THE FOLLOWING RECORDS, WHICH SHALL BE
3 MAINTAINED BY THE CLERK AND OPEN TO PUBLIC INSPECTION:

- 4 1. MINUTES OF ALL BOARD MEETINGS.
- 5 2. ALL RESOLUTIONS.
- 6 3. ACCOUNTS SHOWING ALL MONIES RECEIVED AND DISBURSED.
- 7 4. THE ANNUAL BUDGET.
- 8 5. ALL OTHER RECORDS REQUIRED TO BE MAINTAINED BY LAW.

9 B. THE BOARD SHALL COMPLY WITH THE REQUIREMENTS OF TITLE 38,
10 CHAPTER 3, ARTICLE 3.1 AS A SEPARATE POLITICAL SUBDIVISION.

11 48-7006. District powers

12 A. IN ADDITION TO THE POWERS OTHERWISE GRANTED TO A DISTRICT
13 PURSUANT TO THIS CHAPTER, A DISTRICT, TO FURTHER IMPLEMENT THE GENERAL
14 PLAN, MAY:

15 1. ENTER INTO CONTRACTS AND EXPEND MONIES FOR ANY PUBLIC
16 INFRASTRUCTURE PURPOSE WITH RESPECT TO THE DISTRICT, INCLUDING IN
17 CONNECTION WITH THE ACQUISITION, CONSTRUCTION OR INSTALLATION OF PUBLIC
18 INFRASTRUCTURE, PROVIDED THAT A DISTRICT MAY NOT BE THE CONTRACTING PARTY
19 ON ANY CONSTRUCTION CONTRACT FOR PUBLIC INFRASTRUCTURE AND THE DISTRICT'S
20 ROLE WITH RESPECT TO THE CONSTRUCTION OF SUCH PUBLIC INFRASTRUCTURE SHALL
21 BE LIMITED TO ACQUIRING OR REIMBURSING THE COSTS OF SUCH PUBLIC
22 INFRASTRUCTURE.

23 2. ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THIS STATE, A
24 COUNTY, A MUNICIPALITY OR ANY OTHER PUBLIC AGENCY THAT IS AUTHORIZED BY
25 LAW TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR THE PLANNING, DESIGN,
26 INSPECTION, OWNERSHIP, CONTROL, MAINTENANCE, OPERATION OR REPAIR OF PUBLIC
27 INFRASTRUCTURE.

28 3. ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THE COUNTY, A
29 MUNICIPALITY OR ANOTHER QUALIFIED PUBLIC ENTITY FOR THE ADMINISTRATION OF
30 DISTRICT ELECTIONS, INCLUDING AGREEMENTS TO REIMBURSE THE PUBLIC ENTITY
31 FOR THE REASONABLE COSTS OF DISTRICT ELECTIONS.

32 4. SELL, LEASE OR OTHERWISE DISPOSE OF DISTRICT PROPERTY IF THE
33 SALE, LEASE OR CONVEYANCE IS NOT A VIOLATION OF THE TERMS OF ANY CONTRACT,
34 BOND RESOLUTION OR TRUST INDENTURE OF THE DISTRICT.

35 5. OPERATE, MAINTAIN AND REPAIR PUBLIC INFRASTRUCTURE THAT IS OWNED
36 OR OPERATED BY THE DISTRICT.

37 6. ESTABLISH, CHARGE AND COLLECT USER FEES, RATES OR OTHER CHARGES
38 FOR THE USE OF ANY SERVICE OR PUBLIC INFRASTRUCTURE OF THE DISTRICT OTHER
39 THAN STREETS, ROADS OR HIGHWAYS.

40 7. EMPLOY OR CONTRACT FOR STAFF, COUNSEL AND CONSULTANTS, INCLUDING
41 ENGINEERS, ATTORNEYS, ACCOUNTANTS, FINANCIAL ADVISORS, UNDERWRITERS,
42 ADMINISTRATORS AND ELECTION OFFICIALS, TO ASSIST WITH DISTRICT AND BOARD
43 ADMINISTRATION, FINANCING AND ELECTION MATTERS.

1 8. INCUR AND REPAY LOANS, ADVANCES OR OTHER OBLIGATIONS FOR ANY
2 PUBLIC INFRASTRUCTURE PURPOSE, INCLUDING TO PROVIDE FOR THE PRESENT
3 FINANCING OF COSTS TO BE REIMBURSED FROM FUTURE DISTRICT REVENUES OR
4 REIMBURSEMENTS RELATED TO PUBLIC INFRASTRUCTURE.

5 9. ENTER INTO AGREEMENTS WITH LANDOWNERS AND WITH A MUNICIPALITY OR
6 COUNTY FOR THE COLLECTION OF FEES AND CHARGES FROM LANDOWNERS FOR PUBLIC
7 INFRASTRUCTURE PURPOSES, FOR THE ADVANCE OF MONIES BY LANDOWNERS FOR
8 PUBLIC INFRASTRUCTURE PURPOSES OR FOR THE GRANTING OF REAL PROPERTY OR
9 INTERESTS IN REAL PROPERTY BY A LANDOWNER FOR PUBLIC INFRASTRUCTURE
10 PURPOSES, AND TO RECOGNIZE, ASSIGN, CONFIRM OR CONSENT TO THE ASSIGNMENT
11 BY SUCH LANDOWNERS OF THEIR RIGHTS TO RECEIVE ANY REIMBURSEMENTS OR
12 PAYMENTS FROM THE DISTRICT FOR PUBLIC INFRASTRUCTURE COSTS, INCLUDING TO
13 OR IN FAVOR OF LENDERS, TRUSTEES OR OTHER FINANCING PARTIES.

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

18 11. PAY THE FINANCIAL, LEGAL AND ADMINISTRATIVE COSTS OF THE
19 DISTRICT.

20 12. ENTER INTO CONTRACTS, AGREEMENTS AND TRUST INDENTURES TO OBTAIN
21 CREDIT ENHANCEMENT OR LIQUIDITY SUPPORT FOR ITS BONDS AND TO PROVIDE FOR
22 THE ISSUANCE, REGISTRATION, TRANSFER AND PAYMENT OF ITS BONDS AND FOR THE
23 DISBURSEMENT AND INVESTMENT OF BOND PROCEEDS.

24 13. ENTER INTO AGREEMENTS WITH PERSONS OUTSIDE OF THE DISTRICT TO
25 PROVIDE SERVICES TO PERSONS AND PROPERTY OUTSIDE OF THE DISTRICT AND TO
26 RECEIVE COMPENSATION FOR THOSE SERVICES.

27 14. USE PUBLIC EASEMENTS AND RIGHTS-OF-WAY IN OR ACROSS PUBLIC
28 PROPERTY, ROADWAYS, HIGHWAYS, STREETS OR OTHER THOROUGHFARES AND OTHER
29 PUBLIC EASEMENTS AND RIGHTS-OF-WAY, WHETHER IN OR OUT OF THE GEOGRAPHICAL
30 LIMITS OF THE DISTRICT, A MUNICIPALITY OR A COUNTY, SUBJECT TO APPLICABLE
31 LAW, PERMITTING RESTRICTIONS AND THE RIGHTS OF THE PUBLIC.

32 B. IN CONNECTION WITH ANY POWER AUTHORIZED BY STATUTE, THE DISTRICT
33 MAY:

- 34 1. CONTRACT.
- 35 2. ENTER INTO INTERGOVERNMENTAL AGREEMENTS PURSUANT TO TITLE 11,
36 CHAPTER 7, ARTICLE 3.
- 37 3. ADOPT AND CHANGE A SEAL.
- 38 4. SUE AND BE SUED.
- 39 5. ENTER INTO DEVELOPMENT AGREEMENTS AS DEFINED IN SECTION
40 9-500.05.

41 C. A DISTRICT IS NOT EMPOWERED TO EXERCISE LAND USE OR ZONING
42 AUTHORITY AND MAY NOT ADOPT, AMEND OR ENFORCE ZONING ORDINANCES OR SIMILAR
43 LAND USE REGULATIONS.

1 D. PUBLIC INFRASTRUCTURE OTHER THAN PERSONALTY MAY BE LOCATED ONLY
2 IN OR ON LANDS OWNED BY THIS STATE, A COUNTY, A MUNICIPALITY OR THE
3 DISTRICT OR DEDICATED OR OTHERWISE DESIGNATED AS PUBLIC ROADWAYS,
4 HIGHWAYS, STREETS, THOROUGHFARES, EASEMENTS OR RIGHTS-OF-WAY, WHETHER IN
5 OR OUT OF THE DISTRICT OR A MUNICIPALITY. PERSONALTY MAY BE USED ONLY FOR
6 PURPOSES AUTHORIZED BY THE BOARD.

7 E. AN AGREEMENT PURSUANT TO SUBSECTION A, PARAGRAPH 9 OF THIS
8 SECTION MAY INCLUDE AGREEMENTS TO REPAY ALL OR PART OF SUCH ADVANCES, FEES
9 AND CHARGES FROM THE PROCEEDS OF BONDS IF ISSUED OR FROM ADVANCES, FEES
10 AND CHARGES COLLECTED FROM OTHER LANDOWNERS OR USERS OR THOSE HAVING A
11 RIGHT TO USE ANY INFRASTRUCTURE. A PERSON DOES NOT HAVE AUTHORITY TO
12 COMPEL THE ISSUANCE OR SALE OF THE BONDS OF THE DISTRICT OR THE EXERCISE
13 OF ANY TAXING POWER OF THE DISTRICT TO MAKE REPAYMENT UNDER ANY AGREEMENT.

14 48-7007. District finances; revenue

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

- 17 1. PROCEEDS RECEIVED FROM THE SALE OF BONDS OF THE DISTRICT.
- 18 2. MONIES OF A MUNICIPALITY OR INDIAN TRIBE OR COMMUNITY THAT ARE
19 CONTRIBUTED TO THE DISTRICT.
- 20 3. ASSESSMENTS.
- 21 4. AD VALOREM TAXES.
- 22 5. PRIVATE CONTRIBUTIONS.
- 23 6. USER, LANDOWNER AND OTHER FEES AND CHARGES.
- 24 7. PROCEEDS OF LOANS OR ADVANCES.
- 25 8. ANY OTHER MONIES AVAILABLE TO THE DISTRICT BY LAW.

26 48-7008. Project review by authority; hearing; notice; fees

27 A. BEFORE CONSTRUCTING OR ACQUIRING ANY PUBLIC INFRASTRUCTURE, THE
28 BOARD SHALL CAUSE A STUDY OF THE FEASIBILITY AND BENEFITS OF THE PROJECT
29 THAT SHALL BE PREPARED BY ENGINEERS AND OTHER QUALIFIED PERSONS AND THAT
30 SHALL INCLUDE A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED
31 OR ACQUIRED AND ALL OTHER INFORMATION USEFUL TO UNDERSTAND THE PROJECT, A
32 MAP SHOWING, IN GENERAL, THE LOCATION OF THE PROJECT, AN ESTIMATE OF THE
33 COST TO CONSTRUCT, ACQUIRE, OPERATE AND MAINTAIN THE PROJECT, AN ESTIMATED
34 SCHEDULE FOR COMPLETION OF THE PROJECT, A MAP OR DESCRIPTION OF THE AREA
35 TO BE BENEFITED BY THE PROJECT AND THE FINANCING PLAN FOR THE PROJECT.
36 WITHIN SIXTY DAYS AFTER RECEIVING THE REPORT, THE BOARD SHALL HOLD A
37 PUBLIC HEARING ON THE REPORT AND PROVIDE NOTICE OF THE HEARING BY
38 PUBLICATION NOT LESS THAN TEN DAYS IN ADVANCE IN THE OFFICIAL NEWSPAPER OF
39 THE MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED OR, IF NONE IN THE
40 MUNICIPALITY OR IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED AREA, A
41 NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY AND BY MAIL TO THE
42 GOVERNING BODY OF THE MUNICIPALITY. WITHIN SIXTY DAYS AFTER THE HEARING,
43 THE BOARD MAY REJECT, AMEND OR APPROVE THE REPORT. IF THE REPORT IS
44 AMENDED SUBSTANTIALLY, A NEW HEARING SHALL BE HELD WITHIN SIXTY DAYS AFTER
45 THE DATE THE AMENDED REPORT IS RECEIVED AND BEFORE APPROVAL. IF THE

1 REPORT IS APPROVED, THE BOARD SHALL ADOPT A RESOLUTION THAT IDENTIFIES THE
2 PUBLIC INFRASTRUCTURE OF THE PROJECT, THE AREAS BENEFITED, THE EXPECTED
3 METHOD OF FINANCING, INCLUDING THE NATURE AND TIMING OF THE ISSUANCE OF
4 BONDS, IF ANY, AND AN APPROPRIATE SYSTEM OF PROVIDING REVENUES TO OPERATE
5 AND MAINTAIN THE PROJECT, IF APPLICABLE. THE BOARD SHALL EXECUTE THE
6 PROVISIONS OF THE REPORT WITHIN THE TIME FRAMES IDENTIFIED IN THE APPROVED
7 REPORT.

8 B. BEFORE CONSTRUCTING OR ACQUIRING ANY PUBLIC INFRASTRUCTURE AND
9 BEFORE THE BOARD HAS HELD THE PUBLIC HEARING PRESCRIBED IN SUBSECTION A OF
10 THIS SECTION, THE BOARD SHALL CAUSE THE STUDY OF THE FEASIBILITY AND
11 BENEFITS OF THE PROJECT PRESCRIBED IN SUBSECTION A OF THIS SECTION TO BE
12 PROVIDED TO THE AUTHORITY. IN ADDITION TO THE STUDY OF THE FEASIBILITY
13 AND BENEFITS OF THE PROJECT PRESCRIBED IN SUBSECTION A OF THIS SECTION,
14 THE BOARD SHALL CAUSE THE FOLLOWING INFORMATION TO BE PROVIDED TO THE
15 AUTHORITY:

16 1. THE PROPOSED MAXIMUM PRINCIPAL AMOUNT OF BONDS TO BE ISSUED, THE
17 MAXIMUM INTEREST RATE AND A PRELIMINARY DEBT SERVICE SCHEDULE FOR THE
18 BONDS.

19 2. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
20 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS, A
21 REPORT INDICATING THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND
22 IMPROVEMENTS IN THE DISTRICT AFTER THE PUBLIC INFRASTRUCTURE TO BE
23 CONSTRUCTED OR ACQUIRED BY THE DISTRICT WITH THE PROCEEDS OF SUCH BONDS IS
24 COMPLETED PLUS THE VALUE OF THE PUBLIC INFRASTRUCTURE OWNED BY THE
25 DISTRICT AND TO BE CONSTRUCTED OR ACQUIRED BY THE DISTRICT WITH THE
26 PROCEEDS OF SUCH BONDS.

27 3. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
28 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS, A
29 THIRD-PARTY MARKET STUDY THAT INCLUDES PROJECTIONS OF THE LIMITED PROPERTY
30 VALUE OF REAL PROPERTY IN THE DISTRICT FOR EACH YEAR IN WHICH GENERAL
31 OBLIGATION BONDS ARE PROPOSED TO BE OUTSTANDING, TOGETHER WITH A
32 PROJECTION OF THE AD VALOREM TAX RATE THAT IS REQUIRED TO SUPPORT DEBT
33 SERVICE ON THE GENERAL OBLIGATION BONDS, WHICH PROJECTED RATE DOES NOT
34 EXCEED THE MAXIMUM AUTHORIZED TAX RATE.

35 4. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
36 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF ASSESSMENT BONDS, AN
37 APPRAISAL INDICATING THE AGGREGATE AS-IS MARKET VALUE OF REAL PROPERTY IN
38 THE DISTRICT AND THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND
39 IMPROVEMENTS IN THE DISTRICT AFTER COMPLETION OF THE PUBLIC INFRASTRUCTURE
40 PROPOSED TO BE FINANCED WITH SUCH ASSESSMENT BONDS.

41 5. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS
42 PROPOSED TO BE FINANCED WITH THE PROCEEDS OF ASSESSMENT BONDS, THE MAXIMUM
43 AGGREGATE ASSESSMENT AND THE MAXIMUM PER-LOT ASSESSMENT TO BE LEVIED IN
44 CONNECTION WITH THE ASSESSMENT BONDS.

1 6. THE ANTICIPATED BUILD-OUT SCHEDULE AND ASSOCIATED VALUATION
2 INCREASES.
3 7. THE CURRENTLY OUTSTANDING AGGREGATE PRINCIPAL AMOUNT OF ALL
4 BONDS OF THE DISTRICT AND THE CURRENT AD VALOREM TAX RATE OF THE DISTRICT,
5 IF ANY.
6 8. THE PROPOSED FINANCING TEAM, INCLUDING THE UNDERWRITER OR
7 PLACEMENT AGENT AND THE DISTRICT'S BOND COUNSEL.
8 9. A CERTIFICATION AS TO THE REASONABLENESS OF ASSUMPTIONS THAT ARE
9 USED IN THE MARKET VALUE AND GROWTH PROJECTIONS.
10 10. A CERTIFICATION THAT THE CONSTRUCTION OR ACQUISITION OF THE
11 PUBLIC INFRASTRUCTURE, AS APPLICABLE, WILL NOT CONFLICT WITH ANY EXISTING
12 AND APPLICABLE DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH THE
13 MUNICIPALITY OR THE COUNTY THAT RELATES TO THE LAND INCLUDED WITHIN THE
14 BOUNDARIES OF THE DISTRICT THAT WAS SUBMITTED TO THE AUTHORITY IN
15 CONNECTION WITH THE PETITION.
16 C. THE AUTHORITY SHALL REVIEW THE INFORMATION SUBMITTED PURSUANT TO
17 SUBSECTION B OF THIS SECTION TO CONFIRM, SOLELY ON THE BASIS OF THE
18 INFORMATION SUBMITTED AND WITHOUT ANY INDEPENDENT DETERMINATION OF
19 FEASIBILITY OR VALUE, THAT ALL INFORMATION REQUIRED PURSUANT TO SUBSECTION
20 B OF THIS SECTION HAS BEEN SUBMITTED AND THAT THE CONSTRUCTION OR
21 ACQUISITION OF THE PUBLIC INFRASTRUCTURE, OR BOTH, AS APPLICABLE, COMPLIES
22 WITH THE FORMATION ORDER AND THE GENERAL PLAN AND DOES NOT OTHERWISE
23 VIOLATE THE PROVISIONS OF THIS CHAPTER.
24 D. THE AUTHORITY SHALL PROVIDE WRITTEN NOTICE TO THE DISTRICT
25 WITHIN THIRTY DAYS AFTER RECEIVING THE INFORMATION SUBMITTED PURSUANT TO
26 SUBSECTION B OF THIS SECTION IF THE SUBMITTED INFORMATION IS INCOMPLETE OR
27 HAS NOT BEEN SUBMITTED OR IF THE SUBMITTED INFORMATION INDICATES THAT THE
28 CONSTRUCTION OR ACQUISITION OF THE PUBLIC INFRASTRUCTURE DOES NOT COMPLY
29 WITH THE FORMATION ORDER OR THE GENERAL PLAN OR DOES NOT OTHERWISE COMPLY
30 WITH THE PROVISIONS OF THIS CHAPTER, WHICH WRITTEN NOTICE SHALL IDENTIFY
31 ANY DEFICIENCIES. THE BOARD MAY NOT HOLD THE PUBLIC HEARING DESCRIBED IN
32 SUBSECTION A OF THIS SECTION UNTIL THIRTY DAYS HAS ELAPSED SINCE THE
33 SUBMISSION OF THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION B OF THIS
34 SECTION AND THE DISTRICT HAS NOT RECEIVED FROM THE AUTHORITY THE NOTICE
35 PRESCRIBED IN THIS SUBSECTION.
36 E. FEES AND OTHER CHARGES THAT ARE ASSESSED BY THE AUTHORITY IN
37 CONNECTION WITH THE REVIEW OF THE INFORMATION SUBMITTED PURSUANT TO
38 SUBSECTION B OF THIS SECTION SHALL NOT EXCEED \$15,000 FOR EACH
39 SUBMISSION. ANY SUCH FEES SHALL BE IN ADDITION TO THE FEES AND OTHER
40 CHARGES THAT ARE ASSESSED BY THE AUTHORITY IN CONNECTION WITH THE
41 SUBMISSION AND CONSIDERATION OF AN APPLICATION AND PETITION TO FORM A
42 DISTRICT PURSUANT TO SECTION 48-7003, SUBSECTION J.

ARTICLE 2. FINANCIAL PROVISIONS

48-7021. General obligation bonds debt limitations; maximum authorized tax rate

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

B. ANY AD VALOREM TAX LEVIED TO PAY THE DEBT SERVICE ON ALL GENERAL OBLIGATION BONDS OF THE DISTRICT SHALL NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE. THE MAXIMUM AUTHORIZED TAX RATE SHALL BE INDICATED IN THE PETITION AND THE FORMATION ORDER AND SHALL BE APPROVED AT AN ELECTION HELD PURSUANT TO SECTION 48-7041 EXCEPT THAT THE MAXIMUM AUTHORIZED TAX RATE SHALL NOT EXCEED \$10 PER \$100 OF NET LIMITED ASSESSED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT, AND PROVIDED FURTHER THAT IF, AS OF THE DATE THE PETITION TO FORM THE DISTRICT IS SUBMITTED, THE TOTAL COUNTYWIDE PRIMARY AND SECONDARY TAX RATE PER \$100 OF NET LIMITED ASSESSED PROPERTY VALUATION IN THE COUNTY IN WHICH THE DISTRICT IS LOCATED EXCEEDS ONE HUNDRED TWENTY-FIVE PERCENT OF THE STATEWIDE AVERAGE TOTAL COUNTYWIDE PRIMARY AND SECONDARY RATE, AS SHOWN IN THE MOST RECENT ABSTRACT OF THE ASSESSMENT ROLL OR SIMILAR REPORT PUBLISHED BY THE DEPARTMENT OF REVENUE, THEN THE MAXIMUM AUTHORIZED TAX RATE SHALL NOT EXCEED \$6 PER \$100 OF NET LIMITED ASSESSED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT, UNLESS THE GOVERNING BODY OF THE MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED, OR IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED AREA, THE COUNTY IN WHICH THE DISTRICT IS LOCATED, APPROVES A HIGHER MAXIMUM AUTHORIZED TAX RATE BY WRITTEN CONSENT OR BY RESOLUTION. THE AUTHORITY SHALL NOT OTHERWISE RESTRICT THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM ASSESSMENT ASSESSED BY A DISTRICT OR THE MAXIMUM AGGREGATE AMOUNT OF BONDS ISSUED BY A DISTRICT EXCEPT AS EXPRESSLY PROVIDED IN THIS CHAPTER.

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

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

1 B. IF GENERAL OBLIGATION BONDS ARE APPROVED AT AN ELECTION, THE
2 BOARD MAY ISSUE AND SELL GENERAL OBLIGATION BONDS OF THE DISTRICT, THE
3 TERM OF WHICH MAY NOT EXCEED THIRTY YEARS, SUBJECT TO THE LIMITATION THAT
4 ANY AD VALOREM TAX LEVIED TO PAY THE DEBT SERVICE ON THE GENERAL
5 OBLIGATION BONDS SHALL NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM
6 AUTHORIZED TAX RATE.

7 C. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
8 GENERAL OBLIGATION BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED
9 THIRTY YEARS. IF GENERAL OBLIGATION BONDS ARE ISSUED TO REFUND ANY
10 GENERAL OBLIGATION BONDS OF THE DISTRICT, AN ELECTION ON THE ISSUANCE OF
11 SUCH REFUNDING BONDS IS NOT REQUIRED, BUT ANY AD VALOREM TAX LEVIED TO PAY
12 THE DEBT SERVICE ON SUCH REFUNDING BONDS SHALL NOT BE LEVIED AT A RATE
13 THAT EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE. AD VALOREM TAXES LEVIED TO
14 PAY GENERAL OBLIGATION BONDS OF A DISTRICT ARE LIMITED TAXES SUBJECT TO
15 THE MAXIMUM AUTHORIZED TAX RATE APPROVED AT ELECTION AND DO NOT CONSTITUTE
16 UNLIMITED AD VALOREM TAXES.

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

35 E. MONIES DERIVED FROM THE LEVY OF THE TAX PROVIDED IN THIS SECTION
36 WHEN COLLECTED CONSTITUTE FUNDS TO PAY THE DEBT SERVICE ON THE BONDS AND
37 SHALL BE KEPT SEPARATELY FROM OTHER FUNDS OF THE DISTRICT. AMOUNTS LEVIED
38 FOR DEBT SERVICE ON BONDS PAYABLE FROM THE SECONDARY TAX ARE AND SHALL BE
39 CONSIDERED SPECIAL REVENUES OF THE DISTRICT, SHALL BE KEPT IN A SPECIAL,
40 SEGREGATED FUND, ARE NOT AND SHALL NOT BE GENERAL PROPERTY TAXES AND MAY
41 NOT BE USED FOR ANY OTHER PURPOSE OF THE DISTRICT.

42 F. ALL GENERAL OBLIGATION BONDS, HERETOFORE AND HEREAFTER ISSUED,
43 ARE SECURED BY A LIEN ON ALL REVENUES RECEIVED PURSUANT TO THE AD VALOREM
44 TAX LEVY. THE LIEN ARISES AUTOMATICALLY WITHOUT THE NEED FOR ANY ACTION
45 OR AUTHORIZATION BY THE DISTRICT OR THE BOARD. THE LIEN IS VALID AND

1 BINDING FROM THE TIME OF THE ISSUANCE OF THE GENERAL OBLIGATION BONDS.
2 THE REVENUES RECEIVED PURSUANT TO THE LEVY OF THE AD VALOREM TAX ARE
3 IMMEDIATELY SUBJECT TO THE LIEN. THE LIEN ATTACHES IMMEDIATELY TO THE
4 REVENUES AND IS EFFECTIVE, BINDING AND ENFORCEABLE AGAINST THE DISTRICT,
5 THE DISTRICT'S SUCCESSORS, TRANSFEREES AND CREDITORS AND ALL OTHER PARTIES
6 ASSERTING RIGHTS IN THE REVENUES, IRRESPECTIVE OF WHETHER THE PARTIES HAVE
7 NOTICE OF THE LIEN, WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY,
8 RECORDATION, FILING OR FURTHER ACT.

9 48-7023. Assessments; assessment lien bonds; judicial review

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

31 B. AFTER ADOPTION BY THE BOARD OF A RESOLUTION LEVYING AN
32 ASSESSMENT ON PROPERTY IN THE DISTRICT, THE BOARD MAY ISSUE AND SELL
33 ASSESSMENT BONDS, THE TERM OF WHICH MAY NOT EXCEED THIRTY YEARS, PAYABLE
34 FROM AMOUNTS COLLECTED FROM THE ASSESSMENTS, FROM AMOUNTS AVAILABLE FROM
35 TIME TO TIME IN ANY RESERVE FUND ESTABLISHED FOR THOSE BONDS AND FROM ANY
36 OTHER AMOUNTS AVAILABLE FOR THOSE PURPOSES AS PRESCRIBED BY SECTION
37 48-7007. THE DISTRICT AND THE COUNTY TREASURER FOR THE COUNTY IN WHICH
38 THE DISTRICT IS LOCATED MAY ENTER INTO AN AGREEMENT FOR THE COUNTY
39 TREASURER TO COLLECT THE DISTRICT'S ASSESSMENTS IN THE MANNER AND BY THE
40 OFFICERS PROVIDED BY LAW FOR THE COLLECTION AND ENFORCEMENT OF GENERAL
41 TAXES. THE DISTRICT AND THE COUNTY TREASURER MAY PROVIDE BY AGREEMENT FOR
42 THE PAYMENT OF THE COUNTY TREASURER'S COLLECTION EXPENSES DIRECTLY RELATED
43 TO THE LEVY OF THE ASSESSMENT AND, IF SO PROVIDED, THE LEVY OF THE
44 ASSESSMENT MAY INCLUDE AN AMOUNT FOR COMPENSATION OF THE COUNTY TREASURER
45 DIRECTLY RELATED TO THE COLLECTION OF THE ASSESSMENT. THE COMPENSATION

1 RECEIVED BY THE COUNTY TREASURER PURSUANT TO THE AGREEMENT SHALL BE
2 GOVERNED BY SECTION 11-496. THE BOARD MAY ALSO ISSUE AND SELL BOND
3 ANTICIPATION NOTES PURSUANT TO THE PROCEDURES PRESCRIBED IN SECTION
4 48-2081 OR WITH PROCEDURES AS SIMILAR TO THOSE AS IS PRACTICABLE. THE
5 ASSESSMENT SHALL BE A FIRST LIEN ON THE PROPERTY ASSESSED SUBJECT ONLY TO
6 GENERAL PROPERTY TAXES AND PRIOR ASSESSMENTS. IN THE EVENT OF NONPAYMENT
7 OF AN ASSESSMENT AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT BETWEEN
8 THE DISTRICT AND THE COUNTY TREASURER PURSUANT TO THIS SECTION, THE
9 PROCEDURES FOR COLLECTION OF DELINQUENT ASSESSMENTS, SALE OF DELINQUENT
10 PROPERTY AND ISSUANCE AND EFFECT OF THE DEED PRESCRIBED BY SECTIONS 48-601
11 THROUGH 48-607 APPLY, AS NEARLY AS PRACTICABLE, EXCEPT THAT THE DISTRICT,
12 A MUNICIPALITY, A COUNTY OR THE STATE IS NOT REQUIRED TO PURCHASE THE
13 DELINQUENT LAND AT THE SALE IF THERE IS NO OTHER PURCHASER. IF THE
14 LANDOWNER OWNS MORE THAN ONE PARCEL IN THE DISTRICT, THE BOARD MAY PROVIDE
15 PROCEDURES FOR THE COLLECTION AND ENFORCEMENT OF ASSESSMENTS AS THE BOARD
16 DEEMS APPROPRIATE BY CONTRACT WITH A LANDOWNER TO ALLOW THE SALE OF ANY OR
17 ALL OF THE LANDOWNER'S PARCELS IN THE DISTRICT IF THE LANDOWNER BECOMES
18 DELINQUENT AS TO ANY PARCEL THAT THE LANDOWNER OWNS IN THE DISTRICT.

19 C. ON ADOPTION OF THE RESOLUTION, BUT BEFORE ISSUANCE OF THE
20 ASSESSMENT BONDS, THE DISTRICT MAY DIRECT THE TREASURER TO MAKE DEMAND ON
21 THE OWNERS OF THE PROPERTY SO ASSESSED, AS SHOWN ON THE PROPERTY TAX ROLL,
22 FOR ADVANCE PAYMENT OF THE AMOUNT ASSESSED. THE DEMAND SHALL STATE A DATE
23 NOT LESS THAN TWENTY DAYS AFTER THE DATE OF ADOPTION OF THE RESOLUTION
24 AFTER WHICH THE TREASURER MAY REFUSE TO ACCEPT ADVANCE PAYMENTS OF THE
25 ASSESSMENT. THE TREASURER SHALL CERTIFY TO THE CLERK ON OR AFTER THE DATE
26 SPECIFIED IN THE DEMAND THE AMOUNT COLLECTED AND THE ASSESSMENTS REMAINING
27 UNPAID AGAINST EACH PARCEL OF LAND ASSESSED. ASSESSMENT BONDS MAY NOT BE
28 ISSUED IN AN AMOUNT IN EXCESS OF THE AMOUNT ASSESSED IN THE RESOLUTION OR,
29 IF ADVANCE PAYMENTS ARE DEMANDED, THE AMOUNT CERTIFIED TO THE CLERK. THE
30 DISTRICT MAY ADOPT PROCEDURES FOR PREPAYMENT AND PROVISIONS FOR PAYMENT
31 AND REALLOCATION OF ASSESSMENTS.

32 D. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
33 ASSESSMENT BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED THIRTY
34 YEARS.

35 48-7024. Revenue bonds

36 A. AT ANY TIME AFTER THE HEARING ON FORMATION OF THE DISTRICT, THE
37 BOARD MAY HOLD A HEARING ON THE QUESTION OF AUTHORIZING THE BOARD TO ISSUE
38 REVENUE BONDS OF THE DISTRICT TO PROVIDE MONIES FOR ANY INFRASTRUCTURE
39 PURPOSES CONSISTENT WITH THE GENERAL PLAN.

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

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

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

8 E. IF, IN THE RESOLUTION OF THE BOARD, THE REVENUES TO BE PLEDGED
9 ARE LIMITED TO CERTAIN TYPES OF REVENUES, ONLY THOSE TYPES OF REVENUES MAY
10 BE PLEDGED AND ONLY THOSE REVENUES MUST BE MAINTAINED.

11 F. A HOLDER OF REVENUE BONDS ISSUED UNDER THIS CHAPTER MAY NOT
12 COMPEL ANY EXERCISE OF THE TAXING POWER OF THE DISTRICT, A MUNICIPALITY,
13 THE COUNTY OR THIS STATE TO PAY THE BONDS OR THE INTEREST ON THE BONDS.
14 REVENUE BONDS ISSUED UNDER THIS CHAPTER ARE NOT A DEBT OF THE DISTRICT, A
15 MUNICIPALITY, THE COUNTY OR THIS STATE, NOR IS THE PAYMENT OF REVENUE
16 BONDS ENFORCEABLE OUT OF ANY MONIES OTHER THAN THE REVENUE PLEDGED TO THE
17 PAYMENT OF THE BONDS.

18 G. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
19 REVENUE BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED THIRTY
20 YEARS.

21 48-7025. Terms of bonds

22 A. WITH RESPECT TO ANY BONDS, THE BOARD SHALL PRESCRIBE THE
23 DENOMINATIONS OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE
24 BONDS AND SHALL ESTABLISH THE MATURITIES, INTEREST PAYMENT DATES AND
25 INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING THE MAXIMUM RATE
26 STATED IN THE NOTICE OF THE ELECTION OR THE RESOLUTION OF THE BOARD. THE
27 BONDS MAY BE SOLD BY COMPETITIVE BID OR NEGOTIATED SALE FOR PUBLIC OR
28 PRIVATE OFFERING AT, BELOW OR ABOVE PAR. IF THE BONDS ARE SOLD BELOW PAR,
29 THE AGGREGATE AMOUNT OF DISCOUNT AND INTEREST TO BE PAID ON THE BONDS
30 SHALL NOT EXCEED THE AMOUNT OF INTEREST THAT WOULD HAVE BEEN PAYABLE ON
31 THOSE BONDS PURSUANT TO THE MATURITY SCHEDULE PRESCRIBED BY THE BOARD AT
32 THE MAXIMUM RATE SET OUT IN THE BOND RESOLUTION.

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

36 1. TO PAY ANY OR ALL COSTS INCURRED IN ISSUING THE GENERAL
37 OBLIGATION BONDS.

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

40 C. IF USED FOR ANY PURPOSE OTHER THAN AS PRESCRIBED IN SUBSECTION B
41 OF THIS SECTION, AND IF THE DISTRICT HAS GENERAL OBLIGATION BOND VOTER
42 AUTHORIZATION AND AVAILABLE CAPACITY UNDER ITS DEBT LIMITATIONS PRESCRIBED
43 BY SECTION 48-7021, SUBSECTION A, THE AMOUNT OF NET PREMIUM USED FOR THAT
44 PURPOSE SHALL REDUCE IN AN EQUAL AMOUNT BOTH THE AVAILABLE AGGREGATE
45 INDEBTEDNESS CAPACITY OF THE DISTRICT PRESCRIBED IN SECTION 48-7021,

1 SUBSECTION A AND THE PRINCIPAL AMOUNT AUTHORIZED AT THE GENERAL OBLIGATION
2 BOND ELECTION FOR THE DISTRICT FROM WHICH THE ISSUE OF GENERAL OBLIGATION
3 BONDS IS BEING SOLD. ANY NET PREMIUM THAT IS USED AS PRESCRIBED IN THIS
4 SUBSECTION SHALL BE AMORTIZED FOR ALL DEBT LIMITATION PURPOSES ON A PRO
5 RATA BASIS EACH YEAR BY MULTIPLYING THE NET PREMIUM USED BY A PERCENTAGE
6 EQUAL TO THE PERCENTAGE OF THE TOTAL PRINCIPAL AMOUNT OF THE GENERAL
7 OBLIGATION BOND ISSUE THAT MATURES IN THAT YEAR.

8 D. THE PROCEEDS OF THE SALES SHALL BE DEPOSITED WITH THE TREASURER,
9 OR WITH A TRUSTEE OR AGENT DESIGNATED BY THE BOARD, TO THE CREDIT OF THE
10 DISTRICT TO BE WITHDRAWN FOR THE PURPOSES PROVIDED BY THIS CHAPTER.
11 PENDING THAT USE, THE PROCEEDS MAY BE INVESTED AS DETERMINED BY THE
12 DISTRICT. THE BONDS MAY CONTAIN TERMS, CONDITIONS, COVENANTS AND
13 AGREEMENTS AS THE BOARD DEEMS PROPER. THE BONDS MAY BE PAYABLE FROM ANY
14 COMBINATION OF AD VALOREM TAXES, REVENUES OR ASSESSMENTS OF THE TYPES
15 DESCRIBED IN THIS CHAPTER AND AS SPECIFIED IN THE BONDS IF ALL APPLICABLE
16 REQUIREMENTS ARE MET.

17 48-7026. O/M taxes; election; annual financial estimate and
18 budget; hearing

19 A. AT ANY TIME AFTER THE RECORDING OF A FORMATION ORDER, THE BOARD
20 MAY CALL AN ELECTION TO SUBMIT TO THE PERSONS WHO ARE ELIGIBLE TO VOTE IN
21 THE DISTRICT AS PRESCRIBED IN SECTION 48-7041 THE QUESTION OF AUTHORIZING
22 THE BOARD TO LEVY AN O/M TAX ON THE NET LIMITED ASSESSED PROPERTY
23 VALUATION OF PROPERTY IN THE DISTRICT AT A RATE OR RATES THAT DO NOT
24 EXCEED THE MAXIMUM RATE OR RATES SPECIFIED IN THE BALLOT. THE MAXIMUM
25 RATE SPECIFIED IN THE ORIGINAL BALLOT MUST BE APPROVED BY A MAJORITY OF
26 THE PERSONS WHO ARE ELIGIBLE TO VOTE IN THE DISTRICT AS PRESCRIBED IN
27 SECTION 48-7041, VOTING IN A REGULAR OR SPECIAL ELECTION AT LEAST EVERY
28 SEVEN YEARS AFTER THE DATE OF THE INITIAL IMPOSITION, IF AN ELECTION IS
29 NOT REQUIRED TO LEVY AN O/M TAX AT THE RATE DETERMINED BY THE BOARD TO BE
30 NECESSARY TO MAINTAIN THE DISTRICT'S FACILITIES AND IMPROVEMENTS AND
31 ENSURE REPAYMENT OF THE DISTRICT'S OUTSTANDING BONDS AND OBLIGATIONS. ALL
32 O/M TAXES SHALL BE USED FOR THE OPERATION AND MAINTENANCE EXPENSES OF THE
33 DISTRICT, INCLUDING LEGAL EXPENSES AND EXPENSES THAT ARE ASSOCIATED WITH
34 INSURANCE COVERAGE, AND SHALL NOT EXCEED AN AMOUNT EQUAL TO \$.30 PER \$100
35 OF ASSESSED VALUATION FOR ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT.
36 THE BOARD BY SIMPLE MAJORITY VOTE MAY REDUCE OR ELIMINATE ANY PORTION OF
37 THE O/M TAX IMPOSED BY THE DISTRICT THAT THE BOARD DETERMINES IS NOT
38 NECESSARY TO MAINTAIN THE DISTRICT'S FACILITIES AND IMPROVEMENTS. IF NO
39 BONDS OR OBLIGATIONS REMAIN OUTSTANDING, A DISTRICT SHALL NOT LEVY AN O/M
40 TAX IN ANY YEAR FOLLOWING COMPLETION OF ALL WORK TO BE PERFORMED UNDER THE
41 DISTRICT'S GENERAL PLAN.

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

1 C. WHEN LEVYING AN O/M TAX, THE BOARD SHALL MAKE ANNUAL STATEMENTS
2 AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT
3 AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE
4 PROPOSED TO BE PAID FROM THE O/M TAX LEVY OR LEVIES, ALL OF WHICH SHALL BE
5 PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE
6 ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE DISTRICT. THE
7 BOARD SHALL FILE THE ANNUAL STATEMENTS AND ESTIMATES WITH THE CLERK. THE
8 BOARD SHALL PUBLISH A NOTICE OF THE FILING OF THE ESTIMATE, SHALL HOLD
9 HEARINGS ON THE PORTIONS OF THE ESTIMATE NOT RELATING TO DEBT SERVICE ON
10 BONDS AND SHALL ADOPT A BUDGET. THE BOARD, ON OR BEFORE THE DATE SET BY
11 LAW FOR CERTIFYING THE ANNUAL BUDGET OF THE COUNTY OR MUNICIPALITY, SHALL
12 FIX, LEVY AND ASSESS THE AMOUNTS TO BE RAISED BY O/M TAXES OF THE DISTRICT
13 AND SHALL CAUSE CERTIFIED COPIES OF THE ORDER TO BE DELIVERED TO THE BOARD
14 OF SUPERVISORS AND TO THE DEPARTMENT OF REVENUE. ALL STATUTES RELATING TO
15 THE LEVY AND COLLECTION OF GENERAL COUNTY TAXES, INCLUDING THE COLLECTION
16 OF DELINQUENT TAXES AND SALE OF PROPERTY FOR NONPAYMENT OF TAXES, APPLY TO
17 THE DISTRICT TAXES PROVIDED FOR BY THIS SECTION.

18 48-7027. Budget; hearing

19 ON OR BEFORE JULY 15 EACH YEAR, THE TREASURER SHALL PREPARE A
20 PROPOSED BUDGET FOR THE ENSUING FISCAL YEAR TO BE SUBMITTED TO THE BOARD
21 FOR APPROVAL. THE BOARD SHALL INDICATE ITS APPROVAL OF THE BUDGET BY
22 RESOLUTION, WHICH SHALL PROVIDE FOR A HEARING ON THE BUDGET AS APPROVED.
23 THE PARTICIPATING ENTITIES MAY REVIEW THE PROPOSED ANNUAL BUDGET AND MAY
24 SUBMIT WRITTEN COMMENTS TO THE BOARD FOR ITS ASSISTANCE AND INFORMATION IN
25 ADOPTING ITS ANNUAL BUDGET. AT THE CONCLUSION OF THE BUDGET HEARING, THE
26 BOARD, BY RESOLUTION, SHALL ADOPT THE BUDGET AS FINALLY APPROVED BY THE
27 BOARD. THE BUDGET SHALL BE ADOPTED BEFORE OCTOBER 1 EACH YEAR.

28 48-7028. Display of district taxes and assessments on
29 property tax bills

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

33 1. STATES THAT THE DISTRICT IS "STATE-CERTIFIED" TO INDICATE THAT
34 ITS FORMATION WAS APPROVED BY THE AUTHORITY.

35 2. IDENTIFIES THE NAME OF THE DISTRICT.

36 B. ANY ASSESSMENT THAT IS LEVIED BY A DISTRICT PURSUANT TO THIS
37 CHAPTER AND THAT IS COLLECTED BY THE COUNTY TREASURER SHALL BE SHOWN ON
38 EACH PROPERTY TAX BILL AS A SEPARATE LINE ITEM THAT:

39 1. STATES THAT THE DISTRICT IS "STATE-CERTIFIED" TO INDICATE THAT
40 ITS FORMATION WAS APPROVED BY THE AUTHORITY.

41 2. IDENTIFIES THE NAME OF THE DISTRICT.

ARTICLE 3. OPERATIONS

48-7041. Notice and conduct of elections; eligible voters

A. ANY ELECTION UNDER THIS ARTICLE SHALL BE A NONPARTISAN ELECTION AND NOT A GENERAL ELECTION AND IS NOT SUBJECT TO THE REQUIREMENTS APPLICABLE TO ELECTIONS FOR GENERAL GOVERNMENTAL BODIES, INCLUDING ONE-PERSON-ONE-VOTE PRINCIPLES. AN ELECTION UNDER THIS ARTICLE SHALL BE CALLED BY POSTING NOTICES IN THREE PUBLIC PLACES WITHIN THE BOUNDARIES OF THE DISTRICT NOT LESS THAN TWENTY DAYS BEFORE THE ELECTION. ANY ELECTION MAY BE CONDUCTED AS A MAIL BALLOT ELECTION IN THE MANNER PRESCRIBED IN TITLE 16, CHAPTER 4, ARTICLE 8.1 AS NEARLY AS PRACTICABLE. IF THE ELECTION NOTICE IS NOT MAILED TO THE PROPERTY OWNERS AND, IF APPLICABLE, TO THE QUALIFIED ELECTORS, THE NOTICE SHALL ALSO BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY, OR IF THERE IS NO NEWSPAPER SO CIRCULATED IN THE MUNICIPALITY OR IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED AREA, IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE DISTRICT IS LOCATED ONCE A WEEK FOR TWO CONSECUTIVE WEEKS BEFORE THE ELECTION. THE NOTICE SHALL STATE:

1. THE PLACE OF HOLDING THE ELECTION.

2. THE HOURS DURING THE DAY, NOT LESS THAN SIX, IN WHICH THE POLLS WILL BE OPEN.

3. IF IT IS A BOND ELECTION, THE AMOUNT OF BONDS TO BE AUTHORIZED FOR THE DISTRICT, THE MAXIMUM RATE OF INTEREST TO BE BORNE ON THE BONDS, THE MAXIMUM TERM OF THE BONDS, NOT EXCEEDING THIRTY YEARS, AND THE PURPOSES FOR WHICH THE MONIES RAISED WILL BE USED.

4. IF IT IS AN AD VALOREM TAX LEVY ELECTION PURSUANT TO SECTION 48-7022 OR 48-7023, THE MAXIMUM TAX RATE PER \$100 OF NET ASSESSED LIMITED PROPERTY VALUATION TO BE IMPOSED, THE PURPOSES FOR WHICH THE MONIES RAISED WILL BE USED AND THE EXISTING MAXIMUM AUTHORIZED TAX RATE.

5. IF IT IS AN ASSESSMENT LEVY ELECTION PURSUANT TO SECTION 48-7023, THE MAXIMUM ASSESSMENT RATE TO BE IMPOSED, THE PURPOSES FOR WHICH THE MONIES RAISED WILL BE USED AND THE EXISTING MAXIMUM ASSESSMENT RATE, IF ANY.

6. THAT A GENERAL PLAN IS ON FILE WITH THE CLERK.

B. THE BOARD SHALL DETERMINE THE DATE OF THE ELECTION AND, IF APPLICABLE, THE POLLING PLACES FOR THE ELECTION AND MAY CONSOLIDATE PRECINCTS. THE CLERK OF THE BOARD SHALL PREPARE A LIST OF ELIGIBLE VOTERS IN THE ELECTION. A PROSPECTIVE LANDOWNER VOTER SHALL EXECUTE AN AFFIDAVIT STATING THAT THE VOTER IS THE OWNER OF LAND IN THE DISTRICT AND IS QUALIFIED TO VOTE PURSUANT TO THIS SECTION AND STATING THE PARCEL NUMBER OWNED BY THE VOTER. ELECTION BOARD MEMBERS MAY ADMINISTER OATHS OR TAKE ALL AFFIRMATIONS FOR THESE PURPOSES. AN ELECTION HELD PURSUANT TO THIS ARTICLE IS NOT SUBJECT TO TITLE 16, CHAPTER 2, ARTICLE 3.

C. ONLY THE OWNERS OF REAL PROPERTY IN THE DISTRICT AND THEIR DESIGNATED REPRESENTATIVES ARE ELIGIBLE TO VOTE IN AN ELECTION REGARDING AN AD VALOREM TAX LEVY ELECTION, AN ASSESSMENT ELECTION, AN O/M TAX

1 ELECTION, AN ELECTION FOR THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AN
2 ELECTION FOR DISSOLUTION. VOTING ELIGIBILITY IS BASED ON OWNERSHIP OF
3 REAL PROPERTY SUBJECT TO TAXATION OR ASSESSMENT BY THE DISTRICT.
4 CORPORATIONS, PARTNERSHIPS AND OTHER BUSINESS ENTITIES ARE ELIGIBLE TO
5 VOTE AS PROPERTY OWNERS, BUT ONLY ONE VOTE MAY BE CAST FOR EACH
6 ONE-SEVENTH OF AN ACRE OF REAL PROPERTY IN THE DISTRICT, EXCEPT THAT ANY
7 FRACTION OF OWNERSHIP OF REAL PROPERTY THAT IS LESS THAN ONE-SEVENTH OF AN
8 ACRE ENTITLES THE OWNER TO CAST ONE VOTE. A MAJORITY OF THE ACREAGE AS
9 REPRESENTED BY THE VOTES CAST AT AN ELECTION CONDUCTED SOLELY UNDER THE
10 ACREAGE SYSTEM SHALL DETERMINE THE RESULT. AN ACREAGE SYSTEM ELECTION
11 SHALL BE CONDUCTED PURSUANT TO THE PROCEDURES PRESCRIBED IN SECTIONS
12 48-3042 THROUGH 48-3051 AS NEARLY AS PRACTICABLE. QUALIFIED ELECTORS ARE
13 ELIGIBLE TO VOTE IN AN ELECTION REGARDING GENERAL OBLIGATION BONDS.

14 D. EXCEPT AS OTHERWISE PROVIDED BY THIS ARTICLE, THE ELECTION SHALL
15 COMPLY WITH THE GENERAL ELECTION LAWS OF THIS STATE, EXCEPT THAT THE WORDS
16 TO APPEAR ON THE BALLOTS SHALL BE FOR A BOND ELECTION "BONDS, YES" AND
17 "BONDS, NO", FOR A TAX ELECTION IF NO TAX IS IN PLACE "TAX, YES" AND "TAX,
18 NO", FOR AN ASSESSMENT LEVY ELECTION "ASSESSMENT, YES" AND "ASSESSMENT,
19 NO" AND FOR A TAX ELECTION TO CHANGE AN EXISTING MAXIMUM OR ELIMINATE AN
20 EXISTING TAX "TAX CHANGE, YES" AND "TAX CHANGE, NO". THE RETURNS OF
21 ELECTION SHALL BE MADE TO THE BOARD.

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

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

37 G. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF NO
38 PERSON HAS REGISTERED TO VOTE WITHIN THE DISTRICT WITHIN FIFTY DAYS
39 IMMEDIATELY PRECEDING ANY SCHEDULED ELECTION DATE, ANY ELECTION REQUIRED
40 TO BE HELD PURSUANT TO THIS ARTICLE SHALL BE HELD WITH THE VOTE BY THE
41 OWNERS OF LAND WITHIN THE DISTRICT WHO ARE QUALIFIED ELECTORS OF THIS
42 STATE AND OTHER LANDOWNERS ACCORDING TO SECTION 48-3043. EACH OWNER HAS
43 THE NUMBER OF VOTES OR PORTION OF VOTES EQUAL TO THE NUMBER OF ACRES OR
44 PORTION OF ACRES ROUNDED UPWARD TO THE NEAREST ONE-FIFTH OF AN ACRE OWNED
45 IN THE DISTRICT BY THAT PERSON.

1 H. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF THE
2 DISTRICT RECEIVES A CONSENT TO WAIVER SIGNED BY OWNERS OF ALL OF THE LAND
3 IN THE DISTRICT, THE DISTRICT MAY WAIVE ANY OR ALL REQUIREMENTS OF
4 POSTING, PUBLICATION, MAILING, NOTICE, HEARING AND LANDOWNER ELECTION
5 OTHERWISE REQUIRED IN CONNECTION WITH ASSESSMENTS OR ASSESSMENT BONDS. ON
6 RECEIPT OF SUCH CONSENT TO WAIVER, THE DISTRICT MAY LEVY THE ASSESSMENT
7 AND ISSUE THE ASSESSMENT BONDS WITHOUT BEING REQUIRED TO COMPLY WITH THE
8 PROVISIONS OF THIS ARTICLE FOR POSTING, PUBLICATION, MAILING, NOTICE,
9 HEARING OR LANDOWNER ELECTION.

10 48-7042. Recording documents

11 THE DISTRICT SHALL FILE AND RECORD WITH THE COUNTY RECORDER THE
12 FORMATION ORDER, THE GENERAL PLAN OF THE DISTRICT, THE CANVASS OF ANY
13 GENERAL OBLIGATION BOND ELECTION AND ANY ASSESSMENTS LEVIED BY THE
14 DISTRICT. COPIES OF ALL SUCH INFORMATION SHALL BE PROVIDED TO THE STATE
15 REAL ESTATE DEPARTMENT.

16 48-7043. District website; required content; coordination
17 with seller disclosures

18 A. THE BOARD SHALL ESTABLISH AND MAINTAIN AN OFFICIAL WEBSITE THAT
19 IS ELECTRONICALLY SEARCHABLE BY THE PUBLIC AND THAT CONTAINS A
20 COMPREHENSIVE DATABASE OF DISTRICT CONTRACTS, PUBLIC NOTICES, MEETING
21 MINUTES, RESOLUTIONS AND ACCOUNTS SHOWING, ON AN AGGREGATE AND SUMMARY
22 BASIS, ALL MONIES RECEIVED AND DISBURSED, THE ANNUAL BUDGET AND OTHER
23 RECORDS REQUIRED TO BE MAINTAINED BY LAW. THE BOARD SHALL PROVIDE A LINK
24 TO THE DATABASE ON THE DISTRICT'S MAIN WEBSITE MAINTAINED BY THE BOARD AND
25 SHALL PROVIDE A LINK TO THAT DATABASE TO THE DEPARTMENT OF ADMINISTRATION.
26 THE DATABASE MAY NOT INCLUDE:

- 27 1. TAX PAYMENT OR REFUND DATA THAT INCLUDES CONFIDENTIAL TAXPAYER
28 INFORMATION.
- 29 2. WORK PRODUCT IN ANTICIPATION OF LITIGATION OR OTHER INFORMATION
30 THAT IS SUBJECT TO ATTORNEY-CLIENT PRIVILEGE.
- 31 3. ANY OTHER INFORMATION THAT IS DESIGNATED BY LAW AS CONFIDENTIAL.

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

- 35 1. THE DISTRICT'S LEGAL NAME, COMMON NAME, IF ANY, STATUTORY
36 AUTHORITY, FORMATION DATE AND THE BOUNDARIES OF THE DISTRICT, INCLUDING AT
37 LEAST ONE MAP IN A DOWNLOADABLE FORMAT.
- 38 2. A COPY OF THE FORMATION ORDER AND THE GENERAL PLAN.
- 39 3. A STATEMENT THAT THE FORMATION OF THE DISTRICT WAS REVIEWED AND
40 APPROVED BY THE AUTHORITY DESIGNATED PURSUANT TO THIS CHAPTER, AND THAT
41 THE DISTRICT IS A SEPARATE POLITICAL SUBDIVISION FROM THE MUNICIPALITY AND
42 THE COUNTY IN WHICH IT IS LOCATED AND THAT ANY AD VALOREM TAXES,
43 ASSESSMENTS, FEES OR CHARGES IMPOSED BY THE DISTRICT ARE LEVIED BY THE
44 DISTRICT AND ARE NOT TAXES, ASSESSMENTS, FEES OR CHARGES OF THE
45 MUNICIPALITY OR THE COUNTY.

1 4. A PLAIN-LANGUAGE DESCRIPTION OF THE PURPOSE FOR WHICH THE
2 DISTRICT WAS FORMED AND THE PUBLIC INFRASTRUCTURE THE DISTRICT IS
3 AUTHORIZED TO FINANCE, IDENTIFYING WHICH CATEGORIES OF PUBLIC
4 INFRASTRUCTURE ARE REQUIRED BY THE APPLICABLE MUNICIPALITY OR COUNTY AND
5 WHICH CATEGORIES ARE NOT REQUIRED BUT HAVE BEEN ELECTED TO BE FINANCED BY
6 THE DISTRICT.

7 5. THE CURRENT YEAR'S ADOPTED BUDGET FOR THE DISTRICT AND THE TWO
8 MOST RECENT PRIOR YEARS' ADOPTED BUDGETS.

9 6. A SCHEDULE OF ALL AD VALOREM TAXES, ASSESSMENTS, FEES AND
10 CHARGES IMPOSED BY THE DISTRICT FOR THE CURRENT FISCAL YEAR.

11 7. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM
12 OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT,
13 CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED
14 PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE
15 SOURCES PLEDGED FOR REPAYMENT.

16 8. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED
17 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM
18 AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.

19 9. THE NAMES, OFFICIAL TITLES AND CONTACT INFORMATION FOR THE
20 BOARD, THE CLERK AND THE TREASURER.

21 10. NOTICES OF ALL REGULAR AND SPECIAL MEETINGS OF THE BOARD,
22 AGENDAS AND MINUTES, POSTED IN A TIMELY MANNER.

23 11. ANY ANNUAL REPORTS, AUDITS OR FINANCIAL REVIEWS REQUIRED TO BE
24 FILED WITH A COUNTY, THIS STATE OR ANY OTHER PUBLIC BODY AND ANY
25 ADDITIONAL REPORTS THE DISTRICT ELECTS TO PROVIDE FOR PUBLIC TRANSPARENCY.

26 12. A SUMMARY OF THE ANTICIPATED COMMUNITY BENEFITS OF FORMING THE
27 DISTRICT, INCLUDING EXPECTED IMPACTS ON PUBLIC INFRASTRUCTURE TIMING,
28 HOUSING ATTAINABILITY AND ECONOMIC DEVELOPMENT, TOGETHER WITH A
29 DESCRIPTION OF ANY MATERIAL RISKS ASSOCIATED WITH DISTRICT FORMATION AND
30 IMPLEMENTATION OF THE GENERAL PLAN, INCLUDING POTENTIAL TAX, ASSESSMENT
31 AND FISCAL IMPACTS ON OWNERS OF REAL PROPERTY IN THE DISTRICT.

32 C. THE DISTRICT SHALL ALSO MAKE AVAILABLE ON THE WEBSITE, IN A FORM
33 THAT CAN BE DOWNLOADED AND PROVIDED TO A PURCHASER, A STANDARDIZED
34 "DISTRICT DISCLOSURE NOTICE" THAT INCLUDES:

35 1. A BRIEF DESCRIPTION OF THE DISTRICT AND ITS POWERS TO LEVY AD
36 VALOREM TAXES, ASSESSMENTS, FEES AND CHARGES.

37 2. THE MOST RECENT AD VALOREM TAX RATE OR ASSESSMENT RATE IMPOSED
38 BY THE DISTRICT AND A SAMPLE CALCULATION OF THE ESTIMATED ANNUAL AD
39 VALOREM TAX OR ASSESSMENT ON A HYPOTHETICAL RESIDENTIAL PROPERTY VALUE
40 SELECTED BY THE BOARD.

41 3. A STATEMENT THAT ACTUAL AD VALOREM TAXES, ASSESSMENTS, FEES AND
42 CHARGES ON A PARTICULAR PROPERTY MAY DIFFER BASED ON CHANGES IN TAX RATES,
43 ASSESSED VALUE AND DISTRICT FINANCING DECISIONS.

44 4. A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THE DISTRICT IS
45 AUTHORIZED TO FINANCE, IDENTIFYING WHICH CATEGORIES OF PUBLIC

1 INFRASTRUCTURE ARE REQUIRED BY THE APPLICABLE MUNICIPALITY OR COUNTY AND
2 WHICH CATEGORIES ARE NOT REQUIRED BUT HAVE BEEN ELECTED TO BE FINANCED BY
3 THE DISTRICT.

4 5. A STATEMENT DIRECTING PROSPECTIVE PURCHASERS TO THE DISTRICT
5 WEBSITE FOR ADDITIONAL AND UPDATED INFORMATION.

6 D. A SELLER OF PROPERTY LOCATED IN THE DISTRICT WHO IS REQUIRED BY
7 LAW TO PROVIDE A DISTRICT DISCLOSURE TO A PURCHASER MAY SATISFY ANY
8 REQUIREMENT TO DESCRIBE THE DISTRICT'S PURPOSES, POWERS, TAX RATES OR
9 INDEBTEDNESS BY:

10 1. PROVIDING THE PURCHASER WITH A CURRENT COPY OF THE STANDARDIZED
11 DISTRICT DISCLOSURE NOTICE DESCRIBED IN SUBSECTION C OF THIS SECTION.

12 2. IDENTIFYING IN WRITING THE DISTRICT'S WEBSITE ADDRESS ON OR
13 BEFORE THE DATE THE PURCHASER SIGNS A BINDING CONTRACT TO ACQUIRE THE
14 PROPERTY.

15 E. THE FAILURE OF THE DISTRICT TO TIMELY UPDATE ALL INFORMATION ON
16 THE WEBSITE DOES NOT RELIEVE A SELLER FROM ANY DUTY UNDER OTHER APPLICABLE
17 DISCLOSURE LAWS, BUT A SELLER WHO, IN GOOD FAITH, RELIES ON INFORMATION
18 POSTED BY THE DISTRICT ON ITS WEBSITE AT THE TIME OF DISCLOSURE IS NOT
19 LIABLE FOR AN INACCURACY IN THAT INFORMATION UNLESS THE SELLER HAD ACTUAL
20 KNOWLEDGE OF THE INACCURACY.

21 48-7044. Annual report; bond report

22 A. NOT LATER THAN ONE HUNDRED EIGHTY DAYS AFTER THE END OF EACH
23 FISCAL YEAR, THE DISTRICT SHALL SUBMIT TO THE AUTHORITY AN ANNUAL REPORT
24 CONTAINING:

25 1. THE CURRENT YEAR'S ADOPTED BUDGET FOR THE DISTRICT AND THE TWO
26 MOST RECENT PRIOR YEARS' ADOPTED BUDGETS.

27 2. A SCHEDULE OF ALL AD VALOREM TAXES, ASSESSMENTS, FEES AND
28 CHARGES IMPOSED BY THE DISTRICT FOR THE CURRENT FISCAL YEAR.

29 3. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM
30 OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT,
31 CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED
32 PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE
33 SOURCES PLEDGED FOR REPAYMENT.

34 4. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED
35 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM
36 AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.

37 5. THE NAMES, OFFICIAL TITLES AND CONTACT INFORMATION FOR THE
38 BOARD, THE CLERK AND THE TREASURER.

39 6. A BRIEF DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THE DISTRICT
40 HAS ACQUIRED OR CONSTRUCTED.

41 7. THE NUMBER OF RESIDENTIAL HOUSING UNITS CONSTRUCTED WITHIN THE
42 DISTRICT.

1 B. NOT LATER THAN THIRTY DAYS AFTER THE ISSUANCE OF ANY BONDS, THE
2 DISTRICT SHALL SUBMIT TO THE AUTHORITY A BOND ISSUANCE REPORT CONTAINING:

3 1. THE FINAL OFFERING DOCUMENT, IF ANY, PURSUANT TO WHICH THE BONDS
4 WERE SOLD.

5 2. A DEBT SERVICE SCHEDULE FOR THE BONDS.

6 3. A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE FINANCED WITH THE
7 PROCEEDS OF THE BONDS.

8 4. IF THE BONDS ARE GENERAL OBLIGATION BONDS, A PROJECTION OF THE
9 AD VALOREM TAX RATE THAT IS REQUIRED TO SUPPORT DEBT SERVICE ON THE BONDS,
10 WHICH PROJECTED RATE DOES NOT EXCEED THE MAXIMUM AUTHORIZED TAX RATE.

11 5. IF THE BONDS ARE ASSESSMENT BONDS, THE MAXIMUM AGGREGATE
12 ASSESSMENT AND THE MAXIMUM PER-LOT ASSESSMENT LEVIED IN CONNECTION WITH
13 THE BONDS.

14 6. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM
15 OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT,
16 CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED
17 PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE
18 SOURCES PLEDGED FOR REPAYMENT.

19 48-7045. Seller disclosure; form of notice

20 A. THIS SECTION APPLIES TO THE SALE OR OTHER CONVEYANCE OF ANY
21 RESIDENTIAL REAL PROPERTY THAT IS LOCATED WITHIN THE BOUNDARIES OF A
22 DISTRICT FORMED UNDER THIS CHAPTER AND THAT IS AUTHORIZED TO LEVY AN AD
23 VALOREM TAX, ASSESSMENT, FEE OR CHARGE THAT APPEARS AS A SEPARATE LINE
24 ITEM ON THE PROPERTY TAX BILL FOR THAT PROPERTY.

25 B. A SELLER OF RESIDENTIAL REAL PROPERTY TO WHICH THIS SECTION
26 APPLIES SHALL PROVIDE TO EACH PROSPECTIVE PURCHASER A WRITTEN "DISTRICT
27 DISCLOSURE NOTICE" THAT CONTAINS, AT A MINIMUM, THE INFORMATION DESCRIBED
28 IN SECTION 48-7043, SUBSECTION C AND THAT SUBSTANTIALLY COMPLIES WITH THE
29 FORM PRESCRIBED BY THE DISTRICT.

30 C. THE SELLER SHALL DELIVER THE DISTRICT DISCLOSURE NOTICE AS
31 FOLLOWS:

32 1. FOR A TRANSACTION IN WHICH THE PURCHASER SIGNS A WRITTEN OFFER,
33 THE SELLER SHALL DELIVER THE NOTICE TO THE PURCHASER ON OR BEFORE THE DATE
34 ON WHICH THE PURCHASER SIGNS A BINDING PURCHASE CONTRACT FOR THE PROPERTY.

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

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

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

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

43 3. INCLUDES A BRIEF DESCRIPTION OF THE DISTRICT'S PURPOSES AND
44 POWERS, INCLUDING ITS AUTHORITY TO LEVY AD VALOREM TAXES, ASSESSMENTS,
45 FEES OR CHARGES AND A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THE

1 DISTRICT IS AUTHORIZED TO FINANCE, IDENTIFYING WHICH CATEGORIES OF PUBLIC
2 INFRASTRUCTURE ARE REQUIRED BY THE APPLICABLE MUNICIPALITY OR COUNTY AND
3 WHICH CATEGORIES ARE NOT REQUIRED BUT HAVE BEEN ELECTED TO BE FINANCED BY
4 THE DISTRICT.

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

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

10 6. STATES THAT THE FORMATION OF THE DISTRICT WAS REVIEWED AND
11 APPROVED BY THE AUTHORITY DESIGNATED PURSUANT TO THIS CHAPTER AND THAT THE
12 DISTRICT IS A SEPARATE POLITICAL SUBDIVISION FROM THE MUNICIPALITY AND THE
13 COUNTY IN WHICH IT IS LOCATED AND THAT ANY AD VALOREM TAXES, ASSESSMENTS,
14 FEES OR CHARGES IMPOSED BY THE DISTRICT ARE LEVIED BY THE DISTRICT AND ARE
15 NOT TAXES, ASSESSMENTS, FEES OR CHARGES OF THE MUNICIPALITY OR THE COUNTY.

16 7. PROVIDES THE INTERNET WEBSITE ADDRESS FOR THE DISTRICT AND
17 ADVISES THE PURCHASER THAT ADDITIONAL AND UPDATED INFORMATION REGARDING
18 THE DISTRICT'S FINANCES, MEETINGS AND OPERATIONS IS AVAILABLE ON THAT
19 WEBSITE.

20 E. A SELLER MAY SATISFY THE DISCLOSURE REQUIREMENTS OF THIS SECTION
21 BY:

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

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

27 F. A SELLER WHO, IN GOOD FAITH, RELIES ON INFORMATION CONTAINED IN
28 THE STANDARDIZED DISTRICT DISCLOSURE NOTICE PROVIDED BY THE DISTRICT OR
29 POSTED ON THE DISTRICT'S WEBSITE AT THE TIME OF DISCLOSURE IS NOT LIABLE
30 FOR AN INACCURACY IN THAT INFORMATION UNLESS THE SELLER HAD ACTUAL
31 KNOWLEDGE OF THE INACCURACY.

32 G. A SELLER'S COMPLIANCE WITH THIS SECTION DOES NOT SATISFY OR
33 LIMIT ANY OBLIGATION OF A SUBDIVIDER OR OTHER SELLER TO OBTAIN AND DELIVER
34 A SUBDIVISION PUBLIC REPORT UNDER TITLE 32, CHAPTER 20, ARTICLE 4, AND
35 DOES NOT LIMIT ANY DISCLOSURE OBLIGATIONS IMPOSED BY SECTION 33-423 OR ANY
36 OTHER PROVISION OF LAW.

37 48-7046. Change in district boundaries or general plan

38 A. AFTER FORMATION OF A DISTRICT, AN AREA MAY BE DELETED FROM THE
39 DISTRICT ONLY FOLLOWING A HEARING AFTER NOTICE TO THE OWNERS OF LAND IN
40 THE DISTRICT, ADOPTION OF A RESOLUTION OF INTENTION TO DO SO BY THE BOARD
41 AND APPROVAL BY THE OWNERS OF LAND IN THE DISTRICT PURSUANT TO SECTION
42 48-7041, SUBSECTION C. DELETED AREAS REMAIN SUBJECT TO THE LEVY FOR DEBT
43 SERVICE ON ANY BONDS ISSUED BEFORE THE DATE OF DELETION.

44 B. AFTER FORMATION OF A DISTRICT, AN AREA MAY BE ADDED TO THE
45 DISTRICT ON APPROVAL BY THE BOARD FOLLOWING RECEIPT OF A PETITION FOR

1 ADDITION SIGNED BY THE OWNERS OF ALL OF THE REAL PROPERTY IN THE PROPOSED
2 ADDITION AREA. THE PETITION MUST INCLUDE A WAIVER OF ANY REQUIREMENT FOR
3 A SEPARATE RESOLUTION OF INTENTION BY THE BOARD AND A WAIVER OF ANY
4 REQUIREMENT OF POSTING, PUBLICATION, MAILING, NOTICE, HEARING AND ELECTION
5 AS TO THAT ADDITION TO THE DISTRICT. THE ADDITION OF PROPERTY TO A
6 DISTRICT PURSUANT TO THIS SECTION DOES NOT CONSTITUTE THE FORMATION OF A
7 NEW DISTRICT AND DOES NOT REQUIRE COMPLIANCE WITH THE PROCEDURES
8 APPLICABLE TO INITIAL DISTRICT FORMATION OR TO AMENDING THE FORMATION
9 ORDER PURSUANT TO SECTION 48-7041, SUBSECTION K.

10 C. FOLLOWING A HEARING ON NOTICE TO OWNERS OF LAND IN THE DISTRICT
11 GIVEN IN THE MANNER PRESCRIBED FOR THE DELETION OF AN AREA FROM THE
12 DISTRICT, THE BOARD MAY AMEND THE GENERAL PLAN IN ANY MANNER THAT IT
13 DETERMINES WILL NOT SUBSTANTIALLY REDUCE THE BENEFITS TO BE RECEIVED BY
14 ANY LAND IN THE DISTRICT FROM THE PUBLIC INFRASTRUCTURE ON COMPLETION OF
15 THE WORK TO BE PERFORMED UNDER THE GENERAL PLAN.

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

19 48-7047. Other districts or improvements

20 A. THE FORMATION OF A DISTRICT UNDER THIS CHAPTER DOES NOT PREVENT
21 THE SUBSEQUENT ESTABLISHMENT OF SIMILAR DISTRICTS OR THE IMPROVEMENT OR
22 ASSESSMENT OF LAND IN THE DISTRICT BY THE MUNICIPALITY OR COUNTY PURSUANT
23 TO, CHAPTER 4, ARTICLE 2 OF THIS TITLE OR THE EXERCISE BY THE MUNICIPALITY
24 OR COUNTY OF ANY OF ITS POWERS ON THE SAME BASIS AS ON ALL OTHER LAND IN
25 ITS CORPORATE BOUNDARIES.

26 B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A DISTRICT MAY NOT
27 BE FORMED IF ANY PORTION OF THE LAND TO BE INCLUDED WITHIN THE DISTRICT IS
28 ALREADY INCLUDED WITHIN THE BOUNDARIES OF A COMMUNITY FACILITIES DISTRICT
29 OR REVITALIZATION DISTRICT IF THE COMMUNITY FACILITIES DISTRICT OR
30 REVITALIZATION DISTRICT HAS DEBT OUTSTANDING THAT IS SECURED BY AD VALOREM
31 TAXES OR ASSESSMENTS.

32 48-7048. Perpetual succession; dissolution of district

33 A. THE DISTRICT HAS PERPETUAL SUCCESSION, EXCEPT THAT THE DISTRICT
34 MAY BE DISSOLVED AS PROVIDED IN THIS SECTION AND, IF THE DISTRICT DOES NOT
35 HAVE ANY BONDS OR OTHER OBLIGATIONS OUTSTANDING, SHALL BE DISSOLVED TEN
36 YEARS AFTER THE DATE OF FORMATION UNLESS THE AUTHORITY BY RESOLUTION
37 EXTENDS THE DISTRICT BY AN ADDITIONAL PERIOD OF TEN YEARS.

38 B. THE BOARD SHALL ADOPT A RESOLUTION DISSOLVING THE DISTRICT IF
39 THE FOLLOWING CONDITIONS EXIST:

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

41 2. THE AUTHORITY VERIFIES THAT THE DISTRICT HAS NO BONDS OR
42 OBLIGATIONS OUTSTANDING.

43 3. THE AUTHORITY APPROVES THE DISSOLUTION ORDER ON RECEIPT OF A
44 DISSOLUTION PETITION EXECUTED BY THE OWNERS OF A MAJORITY OF THE REAL
45 PROPERTY IN THE DISTRICT.

1 C. A DISTRICT SHALL BE DISSOLVED AUTOMATICALLY AND WITHOUT ANY
2 ACTION FROM THE BOARD OR THE QUALIFIED ELECTORS IN THE YEAR THAT IS FIVE
3 YEARS AFTER COMPLETION OF ALL WORK TO BE PERFORMED UNDER THE DISTRICT'S
4 GENERAL PLAN, AS LONG AS THE AUTHORITY HAS VERIFIED THAT NO BONDS OR
5 OBLIGATIONS REMAIN OUTSTANDING. IF ANY BONDS OR OBLIGATIONS REMAIN
6 OUTSTANDING AFTER THE YEAR, THE DISTRICT SHALL BE DISSOLVED IN THE YEAR
7 AFTER THE BONDS OR OBLIGATIONS ARE PAID IN FULL.

8 D. ON SATISFACTION OF THE CONDITIONS PRESCRIBED BY SUBSECTION B OR
9 C OF THIS SECTION, THE AUTHORITY SHALL APPROVE THE DISSOLUTION AND ISSUE A
10 DISSOLUTION ORDER. THE BOARD SHALL CAUSE THE DISSOLUTION ORDER TO BE
11 RECORDED IN THE OFFICE OF THE COUNTY RECORDER AND SHALL CAUSE A COPY OF
12 THE DISSOLUTION ORDER TO BE DELIVERED TO THE COUNTY ASSESSOR AND THE BOARD
13 OF SUPERVISORS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED, TO ANY
14 MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED AND TO THE DEPARTMENT OF
15 REVENUE.

16 E. ALL PROPERTY IN THE DISTRICT, EXCEPT FEDERAL, STATE, COUNTY AND
17 MUNICIPAL PROPERTY, REMAINS SUBJECT TO THE LIEN FOR THE PAYMENT OF AD
18 VALOREM TAXES LEVIED, AND ANY PROPERTY SUBJECT TO AN ASSESSMENT LIEN
19 REMAINS SUBJECT TO THE LIEN NOTWITHSTANDING DISSOLUTION OF THE DISTRICT.
20 THE DISTRICT MAY NOT BE DISSOLVED IF ANY GENERAL OBLIGATION BONDS, REVENUE
21 BONDS OR ASSESSMENT BONDS OF THE DISTRICT REMAIN OUTSTANDING UNLESS AN
22 AMOUNT OF MONEY SUFFICIENT, TOGETHER WITH INVESTMENT INCOME THEREON, TO
23 MAKE ALL PAYMENTS DUE ON THE BONDS EITHER AT MATURITY OR PRIOR REDEMPTION
24 HAS BEEN DEPOSITED WITH A TRUSTEE OR ESCROW AGENT AND PLEDGED TO THE
25 PAYMENT AND REDEMPTION OF THE BONDS. THE DISTRICT MAY CONTINUE TO OPERATE
26 AFTER DISSOLUTION ONLY AS NEEDED TO COLLECT MONIES AND MAKE PAYMENTS ON
27 ANY OUTSTANDING BONDS.

28 48-7049. Local involvement; preservation of municipal and
29 county authority

30 A. A DISTRICT FORMED PURSUANT TO THIS ARTICLE HAS NO ZONING,
31 SUBDIVISION, BUILDING CODE, PERMITTING OR OTHER LAND USE OR DEVELOPMENT
32 APPROVAL AUTHORITY. ALL LAND USE REGULATION, DEVELOPMENT PLANNING,
33 PLATTING, PERMITTING, INSPECTION AND CODE ENFORCEMENT AUTHORITY WITHIN THE
34 BOUNDARIES OF A DISTRICT REMAINS EXCLUSIVELY WITH THE MUNICIPALITY OR
35 COUNTY IN WHICH THE LAND IS LOCATED, AND ALL DEVELOPMENT WITHIN A DISTRICT
36 IS SUBJECT TO THE SAME GENERAL PLANS, SPECIFIC OR AREA PLANS, ZONING
37 ORDINANCES, SUBDIVISION REGULATIONS, ENGINEERING STANDARDS, BUILDING AND
38 FIRE CODES AND OTHER APPLICABLE LAWS, STANDARDS AND PROCEDURES AS
39 COMPARABLE DEVELOPMENT OUTSIDE A DISTRICT.

40 B. A MUNICIPALITY OR COUNTY RETAINS FULL AUTHORITY TO ADOPT, AMEND,
41 ADMINISTER AND ENFORCE ITS GENERAL PLAN, SPECIFIC OR AREA PLANS, ZONING
42 ORDINANCES, SUBDIVISION AND DEVELOPMENT REGULATIONS, ENGINEERING AND
43 DESIGN STANDARDS, BUILDING AND FIRE CODES AND ANY OTHER LAWS, REGULATIONS
44 OR POLICIES GOVERNING THE PLANNING, ENTITLEMENT, CONSTRUCTION, INSPECTION,
45 ACCEPTANCE, OPERATION OR MAINTENANCE OF PUBLIC INFRASTRUCTURE OR PRIVATE

1 DEVELOPMENT WITHIN ITS JURISDICTION, WITHOUT REGARD TO WHETHER THE LAND IS
2 LOCATED WITHIN A DISTRICT.

3 C. A DISTRICT MAY FINANCE, CONSTRUCT OR ACQUIRE PUBLIC
4 INFRASTRUCTURE THAT IS INTENDED TO BE CONVEYED TO AND OWNED, OPERATED OR
5 MAINTAINED BY A MUNICIPALITY OR COUNTY ONLY IF THE PUBLIC INFRASTRUCTURE
6 IS DESIGNED AND CONSTRUCTED IN ACCORDANCE WITH THE GENERALLY APPLICABLE
7 PLANS, ORDINANCES, CODES, STANDARDS, REGULATIONS AND STANDARD-FORM
8 AGREEMENTS OF THE MUNICIPALITY OR COUNTY FOR COMPARABLE PUBLIC
9 INFRASTRUCTURE IN THE JURISDICTION. A MUNICIPALITY OR COUNTY MAY ACCEPT
10 OR REJECT ANY SUCH PUBLIC INFRASTRUCTURE IN ACCORDANCE WITH THE
11 MUNICIPALITY'S OR COUNTY'S GENERALLY APPLICABLE ORDINANCES, CODES,
12 STANDARDS, REGULATIONS, STANDARD-FORM SUBDIVISION OR IMPROVEMENT
13 AGREEMENTS OR OTHER WRITTEN INSTRUMENTS, INCLUDING ANY APPLICABLE
14 DEVELOPMENT AGREEMENT OR INTERGOVERNMENTAL AGREEMENT, AND IS NOT REQUIRED
15 TO ACCEPT PUBLIC INFRASTRUCTURE THAT THE MUNICIPALITY OR COUNTY IS NOT
16 OTHERWISE REQUIRED TO ACCEPT UNDER APPLICABLE LAW.

17 D. BEFORE A DISTRICT CONVEYS TO A MUNICIPALITY OR COUNTY ANY PUBLIC
18 INFRASTRUCTURE THAT IS FINANCED, CONSTRUCTED OR ACQUIRED BY THE DISTRICT,
19 THE DISTRICT SHALL OBTAIN A CERTIFICATION FROM THE ENGINEER OR OTHER
20 OFFICIAL DESIGNATED BY THE MUNICIPALITY OR COUNTY STATING THAT THE PUBLIC
21 INFRASTRUCTURE HAS BEEN COMPLETED IN ACCORDANCE WITH THE APPLICABLE PLANS,
22 SPECIFICATIONS AND STANDARDS OF THE MUNICIPALITY OR COUNTY. THE TIMING,
23 FORM AND CONTENT OF THE CERTIFICATION AND OF ANY CONVEYANCE INSTRUMENTS
24 SHALL CONFORM TO THE MUNICIPALITY'S OR COUNTY'S GENERALLY APPLICABLE
25 REQUIREMENTS FOR COMPARABLE PUBLIC INFRASTRUCTURE. ACCEPTANCE OF A
26 DISCRETE SECTION OF PUBLIC INFRASTRUCTURE PURSUANT TO THIS SECTION DOES
27 NOT MODIFY THE ASSURANCES AND WARRANTY REQUIREMENTS OF A MUNICIPALITY OR
28 COUNTY PRESCRIBED BY A MUNICIPAL OR COUNTY CODE OR ORDINANCE OR AS
29 OUTLINED IN A DEVELOPMENT AGREEMENT ENTERED INTO PURSUANT TO SECTION
30 9-500.05 OR 11-1101.

31 E. THE FORMATION OR EXISTENCE OF A DISTRICT DOES NOT CREATE ANY
32 OBLIGATION FOR A MUNICIPALITY OR COUNTY TO PROVIDE SERVICES, FACILITIES OR
33 FINANCIAL SUPPORT TO THE DISTRICT OR TO ANY LAND WITHIN THE DISTRICT THAT
34 THE MUNICIPALITY OR COUNTY WOULD NOT OTHERWISE BE REQUIRED TO PROVIDE IF
35 THE LAND WERE NOT LOCATED IN THE DISTRICT. A MUNICIPALITY OR COUNTY IS
36 NOT REQUIRED, SOLELY BECAUSE A DISTRICT HAS BEEN FORMED OR PUBLIC
37 INFRASTRUCTURE HAS BEEN FINANCED, CONSTRUCTED OR ACQUIRED BY A DISTRICT,
38 TO ACCEPT OWNERSHIP, OPERATION OR MAINTENANCE RESPONSIBILITY FOR ANY
39 PUBLIC INFRASTRUCTURE OR TO INCUR ANY ADDITIONAL FINANCIAL OBLIGATION OR
40 LIABILITY WITH RESPECT TO A DISTRICT OR ITS PUBLIC INFRASTRUCTURE, EXCEPT
41 TO THE EXTENT THAT THE MUNICIPALITY OR COUNTY EXPRESSLY AGREES IN A
42 DEVELOPMENT AGREEMENT, INTERGOVERNMENTAL AGREEMENT OR OTHER WRITTEN
43 INSTRUMENT THAT IS AUTHORIZED BY LAW.

1 F. THIS ARTICLE DOES NOT AUTHORIZE A DISTRICT TO PLEDGE THE FULL
2 FAITH AND CREDIT OR THE TAXING POWER OF A MUNICIPALITY OR COUNTY. ANY
3 BONDS OR OTHER OBLIGATIONS OF A DISTRICT ARE OBLIGATIONS ONLY OF THE
4 DISTRICT AND ARE PAYABLE ONLY FROM THE SOURCES THAT ARE PLEDGED FOR THEIR
5 PAYMENT.

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

11 Sec. 6. Legislative findings; purpose

12 A. The legislature finds and declares that:

13 1. The provision of public infrastructure in advance of development
14 is essential to housing affordability, economic development and orderly
15 growth.

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

18 (a) Protects taxpayers through limited tax rates and debt
19 limitations.

20 (b) Ensures transparency and public accountability.

21 (c) Facilitates early delivery of public infrastructure at lower
22 cost.

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

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

28 B. The legislature further finds and declares that:

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

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

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

39 4. Elections conducted pursuant to this chapter are fiscal
40 determinations relating to property-based obligations and are not general
41 political elections.

42 Sec. 7. Short title

43 This act may be cited as the "State Affordability Infrastructure
44 District Act".