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**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
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CHAPTER 57

SENATE BILL 1409

AN ACT

AMENDING SECTIONS 48-909 AND 48-1012, ARIZONA REVISED STATUTES; RELATING TO
COUNTY IMPROVEMENT DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-909, Arizona Revised Statutes, is amended to
3 read:

4 48-909. Purposes for which public improvements may be
5 undertaken; powers incidental to public improvements

6 A. When the public interest or convenience requires, the board of
7 directors of an improvement district may order:

8 1. The whole or any portion, either in length or width, of one or more
9 of the streets of the district graded or regraded, paved or repaved,
10 landscaped or otherwise maintained, improved or reimproved.

11 2. The acquisition, construction, reconstruction or repair of any
12 street, tunnel, subway, viaduct or conduit in, on, under or over which the
13 district may have an easement or right-of-way therefor.

14 3. The construction or reconstruction of sidewalks, crosswalks, curbs,
15 gutters, culverts, bridges, tunnels, siphons, manholes, steps, parkings and
16 parkways.

17 4. The placement, replacement or repair of pipes, hydrants and
18 appliances for fire protection.

19 5. The acquisition, construction, reconstruction, maintenance or
20 repair of wastewater treatment facilities, sewers, ditches, drains, conduits,
21 pipelines and channels for sanitary and drainage purposes, with outlets,
22 cesspools, manholes, catch basins, flush tanks, septic tanks, connecting
23 sewers, ditches, drains, conduits, channels and other appurtenances in,
24 under, over or through any street or any land of the district or any
25 right-of-way granted or obtained for such purpose, either within or without
26 the district limits.

27 6. The acquisition, construction, reconstruction or repair of
28 waterworks for the delivery of water for domestic purposes, and of wells,
29 ditches, canals, channels, conduits, pipelines and siphons, together with the
30 necessary or usual appurtenances for carrying storm water or water from
31 irrigation ditches, watercourses, streams or springs into, through or out of
32 such district in, under, over or through any street, or any land of the
33 district or any right-of-way granted or obtained for such purpose, either
34 within or without the district limits. Nothing in this section shall be
35 construed to prohibit the board of directors of an improvement district from
36 purchasing an existing domestic water delivery system within the district or
37 outside the district or constructing an initial or improving an existing
38 domestic water delivery system inside or outside the district.

39 7. The construction, reconstruction or repair of breakwater levees or
40 walls, riverbank protection or replacement of riverbanks and supporting
41 land. A district established for this purpose shall cooperate and coordinate
42 its plans and activities with the county flood control district established
43 in the county and any incorporated city or town in which the district is
44 established.

1 8. The acquisition, construction, reconstruction or repair of lighting
2 plants and poles, wire conduits, lamps, standards and other appliances for
3 the purpose of lighting and beautifying streets or other public lands.

4 9. The construction, reconstruction or repair of any work incidental
5 to or connected with any such improvement.

6 10. The acquisition, in the name of the district, by gift, purchase or
7 otherwise and the maintenance, repair, improvement or disposal of any real or
8 personal property necessary or convenient for district operation for a
9 community center, park or recreational area.

10 11. Pursuant to ~~the provisions of~~ section 48-902, the board of
11 directors of an improvement district may contract for or in any other manner
12 provide transportation services within the district.

13 B. In addition to the powers specifically granted by or reasonably
14 inferred from ~~the provisions of~~ this article, an improvement district through
15 its board of directors may:

16 1. Acquire by gift, purchase, condemnation or otherwise in the name of
17 the district and own, control, manage and dispose of any real or personal
18 property or interest in such property necessary or convenient for the
19 construction, operation and maintenance of any of the improvements provided
20 for by this article.

21 2. Join with any other improvement district, any city, town,
22 governmental agency or Indian tribe, or any agency or instrumentality of an
23 Indian tribe, or any person in the construction, operation or maintenance of
24 any of the improvements hereby authorized.

25 3. Join with any other improvement district or any city, town, county
26 or Indian tribe, or any agency or instrumentality of an Indian tribe, in
27 improving streets running upon or along the boundary of the district and levy
28 assessments and issue bonds for the district's part of the cost of such
29 improvements.

30 4. Sell, lease or otherwise dispose of any property of the district or
31 interest in such property when the property is no longer required for the
32 purposes of the district or the use of which may be permitted without
33 interfering with the use thereof by the district.

34 5. Sell or otherwise dispose of any property or material acquired in
35 the construction or operation of any improvements as a by-product or
36 otherwise, and acquire rights-of-way for such disposal by condemnation or
37 otherwise.

38 6. Accept from the state of Arizona or the federal government, or any
39 agency, department or instrumentality of either, grants for or in aid of the
40 construction of any of the improvements provided for by this chapter.

41 7. Notwithstanding any other law, sell improvement bonds to the
42 federal government, or any agency, department or instrumentality of the
43 federal government, for the construction of any of the improvements provided
44 by this chapter.

1 8. Enter into contracts with the state of Arizona or the federal
2 government, or any agency, department or instrumentality of either or both,
3 for the construction or supervision of construction by the state of Arizona
4 or the federal government, or any agency, department or instrumentality of
5 either or both, but reserving to the district the right to assess against the
6 property benefited by the improvement, and located within the district, that
7 portion of the cost of the improvement which does not qualify for aid under a
8 state or federal grant.

9 9. Operate, maintain and repair the streets within the district and
10 any improvements made pursuant to this chapter.

11 10. Do all things incidental to the exercise of the powers granted by
12 this article.

13 C. A county improvement district formed for the purpose of purchasing
14 an existing or constructing a new domestic water delivery system within the
15 district or outside the district shall have the same authority and
16 responsibility as an incorporated city or town pursuant to ~~the provisions of~~
17 title 45 and chapters 22 and 28 of this title.

18 D. An improvement district which proposes to provide domestic water
19 service within the certificated area of a public service corporation serving
20 domestic water shall provide just compensation to the public service
21 corporation pursuant to section 9-516 for the facilities or certificated area
22 taken. The right to compensation for a public service corporation from an
23 improvement district shall not apply if no facilities of the public service
24 corporation are actually acquired by the improvement district and either of
25 the following conditions exist:

26 1. At the time the law providing for compensation became effective the
27 certificated area for which compensation is sought is an area which was
28 within the boundaries of an improvement district.

29 2. A certificate is issued to a public service corporation for any
30 area which is within an improvement district at the time the certificate is
31 issued.

32 E. IF THE COUNTY BOARD OF SUPERVISORS DETERMINES THAT THE PUBLIC
33 INTEREST OR CONVENIENCE SO REQUIRES, AN IMPROVEMENT DISTRICT THAT IS FORMED
34 FOR THE PURPOSES OF PROVIDING DOMESTIC WATER SERVICE PURSUANT TO ARTICLE 4 OF
35 THIS CHAPTER MAY ALSO PROVIDE DOMESTIC WASTEWATER SERVICE.

36 Sec. 2. Section 48-1012, Arizona Revised Statutes, is amended to read:
37 48-1012. Elected board of directors; initial members;
38 qualifications; terms; filling vacancy; chairperson;
39 qualifications of electors

40 A. At the option of the board of supervisors after presentation of a
41 petition requesting the establishment of a domestic water improvement
42 district or a domestic wastewater improvement district, or upon the
43 submission of a separate petition following the establishment of an
44 improvement district as prescribed by section 48-903, and subsequent to the
45 approval of the county board of supervisors, the district shall be governed

1 by an elected board of directors. The elected board shall consist of the
2 number of members, not less than three, specified in the petition for
3 establishment of the district. The first directors of such board shall be
4 selected by the board of supervisors at the time the district is established.
5 Members of the board of directors shall be qualified electors of the district
6 and, after the members first appointed by the board of supervisors, shall be
7 elected by the qualified electors of the district.

8 B. Immediately after the selection and qualification of the first
9 directors of the board, the directors shall meet and divide themselves by lot
10 into two classes as nearly equal in number as possible. Directors of the
11 first class shall serve for a term of four years, and directors of the second
12 class shall serve for a term of two years. Every director shall continue to
13 discharge the duties of office until a successor is appointed and qualifies.
14 Thereafter, at each regular election, one director for each expired term
15 shall be elected and shall hold office for a term of four years, and until a
16 successor is elected and qualifies. The dates of elections and of expiration
17 of terms shall be specified in the petition for establishment of the
18 district.

19 C. If a vacancy in the district board occurs due to death or
20 disability or any other cause other than resignation, the board of directors
21 of the district shall appoint a qualified elector of the district to fill the
22 office for the remaining portion of that term. If there is a vacancy in the
23 district board due to resignation, the district board shall accept the
24 resignation and appoint a qualified elector to fill the remaining portion of
25 that term of office. If the district board lacks a quorum for any reason for
26 more than thirty days, the county board of supervisors may revoke the
27 authority of the appointed or elected board of directors pursuant to section
28 48-1016.

29 D. The board of directors shall annually elect a ~~chairman~~ CHAIRPERSON
30 from among its members.

31 E. If only one person files or no person files a nominating petition
32 for election to fill a position on the board of directors of the district,
33 the county board of supervisors, by resolution, may cancel the election for
34 that office and appoint the person who filed the nominating petition to fill
35 that position. If no person files a nominating petition for an election to
36 fill a district board office, the county board of supervisors, by resolution,
37 may cancel the election for those offices and those offices are deemed vacant
38 and shall be filled as otherwise provided by law. A person who is appointed
39 pursuant to this section is fully vested with the powers and duties of the
40 office as if elected to that office.

1 F. For the purposes of EITHER a domestic water improvement district OR
2 A DOMESTIC WASTEWATER IMPROVEMENT DISTRICT that is organized pursuant to this
3 article and that ~~has~~ SERVES AT THE TIME OF ORGANIZATION a population of ten
4 thousand persons or less according to the most recent United States decennial
5 census, in addition to any other qualified elector of the district, any
6 natural person who is a qualified elector of this state and who is a real
7 property owner within the district is eligible to vote in a district election
8 without regard to that person's residency AND SHALL BE DEEMED A QUALIFIED
9 ELECTOR OF THE DISTRICT FOR PURPOSES OF SERVICE ON THE BOARD OF DIRECTORS.

APPROVED BY THE GOVERNOR APRIL 6, 2006.

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