

Senate Engrossed House Bill

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 274

HOUSE BILL 2702

AN ACT

AMENDING SECTION 48-2011.01, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 14, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-2011.02; RELATING TO SANITARY DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-2011.01, Arizona Revised Statutes, is amended to
3 read:

4 48-2011.01. Wastewater treatment facility and nonpoint source
5 projects; financial assistance loan repayment
6 agreements; definition

7 A. Notwithstanding any other law, a sanitary district may construct or
8 improve a wastewater treatment facility or nonpoint source project with
9 monies borrowed from or financial assistance provided by the water
10 infrastructure finance authority of Arizona.

11 B. To repay financial assistance from the water infrastructure finance
12 authority of Arizona, a sanitary district may enter into a financial
13 assistance loan repayment agreement with the authority. A financial
14 assistance loan repayment agreement is payable from any revenues otherwise
15 authorized by law to be used to pay long-term obligations, including a
16 special assessment on a designated area that is levied and collected pursuant
17 to article 2 of this chapter.

18 C. The board of directors shall submit the question of entering and
19 performing a financial assistance loan repayment agreement to the qualified
20 electors in the district. Elections under this subsection must be held on
21 the first Tuesday following the first Monday in November as prescribed by
22 section 16-204, subsection B, paragraph 1, subdivision (d). An election is
23 not required if THE FINANCIAL ASSISTANCE PROVIDED BY THE WATER INFRASTRUCTURE
24 FINANCE AUTHORITY OF ARIZONA IS FOR THE PURPOSE OF PLANNING AND DESIGNING THE
25 PURCHASE OF OR AN IMPROVEMENT TO THE SYSTEM OR IF voter approval has
26 previously been obtained for substantially the same project with another
27 funding source or if the project is constructed with an assessment levied
28 against a designated area pursuant to article 2 of this chapter. If a
29 majority of the qualified electors voting on the question:

30 1. Approves, the board of directors may execute, deliver and perform
31 the financial assistance loan repayment agreement.

32 2. Disapproves, the board of directors shall not execute a financial
33 assistance loan repayment agreement.

34 D. A financial assistance loan repayment agreement entered into
35 pursuant to this section shall contain the covenants and conditions
36 pertaining to the construction of a wastewater treatment facility or nonpoint
37 source project and repayment of the loan as the water infrastructure finance
38 authority of Arizona deems proper. Financial assistance loan repayment
39 agreements may provide for the payment of interest on the unpaid principal
40 balance of such agreement at the rates established in the agreement. The
41 agreement may also provide for payment of the sanitary district's
42 proportionate share of the expenses of administering the clean water
43 revolving fund established by section 49-1221 and may provide that the
44 sanitary district pay financing and loan administration fees approved by the
45 water infrastructure finance authority. These costs may be included in the

1 levy or assessment amounts pledged to repay the financial assistance.
2 Districts are bound by and shall fully perform the loan repayment agreements,
3 and the agreements are incontestable after the loan is funded by the water
4 infrastructure finance authority of Arizona. The sanitary district shall
5 also agree to pay the authority's costs in issuing bonds or otherwise
6 borrowing to fund a loan.

7 E. A financial assistance loan repayment agreement under this section
8 does not create a debt of the sanitary district, and the authority shall not
9 require that payment of a loan agreement be made from other than those
10 sources permitted in subsection B of this section.

11 F. A sanitary district may employ or contract for the services of
12 attorneys, accountants, financial consultants and such other experts in their
13 field as deemed necessary to perform services with respect to the financial
14 assistance loan repayment agreement. Charges for these services may be
15 included in the assessment amounts pledged to repay the loan.

16 G. This section is supplemental and alternative to any other law under
17 which a sanitary district may borrow money or issue bonds. This section
18 shall not be construed as the exclusive authorization to enter into loan
19 agreements with the authority.

20 H. Any financial assistance loan repayment agreement between the
21 district and the water infrastructure finance authority of Arizona may be
22 secured by unpaid assessments certified in the manner prescribed by section
23 48-2067. The financial assistance loan repayment agreement may provide for
24 different due dates for annual installments of principal, different interest
25 payment dates, different dates of delinquency and different dates for holding
26 sales of delinquent properties than otherwise provided for in article 2 of
27 this chapter. The financial assistance loan repayment agreement may also
28 provide for mailed notice to property owners in lieu of the publication
29 requirement prescribed by sections 48-2068 and 48-2069.

30 I. A district may borrow additional monies or enter into additional
31 financial assistance loan repayment agreements with the water infrastructure
32 finance authority in an amount up to the amount approved pursuant to
33 subsection C of this section less the amount that the district is obligated
34 to repay to the water infrastructure finance authority pursuant to a
35 financial assistance loan repayment agreement.

36 J. For the purposes of this section, "nonpoint source project" has the
37 same meaning prescribed in section 49-1201.

38 Sec. 2. Title 48, chapter 14, article 1, Arizona Revised Statutes, is
39 amended by adding section 48-2011.02, to read:

40 48-2011.02. Wastewater treatment facility revenues; use

41 A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, THE BOARD OF
42 DIRECTORS OF A SANITARY DISTRICT MAY OBLIGATE BY RESOLUTION OR BY CONTRACT
43 THE REVENUES GENERATED BY ANY WASTEWATER TREATMENT FACILITY OR SYSTEM OF THE
44 DISTRICT AND TAKE ANY AND ALL OTHER ACTIONS INCIDENTAL AS ARE NECESSARY TO DO
45 ANY OF THE FOLLOWING:

- 1 1. PAY ALL MAINTENANCE AND OPERATING COSTS OF THE DISTRICT.
- 2 2. PROVIDE SUCH RESERVES AS DEEMED NECESSARY BY THE BOARD OF
- 3 DIRECTORS.
- 4 3. PAY ALL BILLING COSTS, OFFICE EXPENSES AND THE COSTS OF COLLECTION.
- 5 4. PLAN AND DESIGN THE PURCHASE OF OR AN IMPROVEMENT TO THE SYSTEM OR
- 6 PAY CONTRACTUAL OBLIGATIONS INCURRED FOR THAT PURPOSE.
- 7 B. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, AT THE OPTION
- 8 OF THE BOARD OF DIRECTORS, REVENUES IN EXCESS OF THE REQUIREMENTS OF
- 9 SUBSECTION A OF THIS SECTION MAY BE USED FOR EITHER OR BOTH OF THE FOLLOWING:
- 10 1. APPLIED TO ASSESSMENTS DUE.
- 11 2. REFUNDED TO THE PROPERTY OWNER.
- 12 C. AN OBLIGATION OF REVENUES BY THE DISTRICT THAT IS MADE PURSUANT TO
- 13 THIS SECTION IS BINDING ON ALL SUCCESSORS OR ASSIGNS UNTIL THE OBLIGATION IS
- 14 FULLY SATISFIED.
- 15 Sec. 3. Emergency
- 16 This act is an emergency measure that is necessary to preserve the
- 17 public peace, health or safety and is operative immediately as provided by
- 18 law.

APPROVED BY THE GOVERNOR APRIL 17, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2012.

Passed the House March 1, 20 12

Passed the Senate April 5, 20 12

by the following vote: 45 Ayes,

by the following vote: 22 Ayes,

10 Nays, 4 Not Voting
1 vacant

7 Nays, 1 Not Voting

[Signature]

Speaker of the House

[Signature] with Emergency

President of the Senate

[Signature]

Chief Clerk of the House

[Signature]

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20 _____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20 _____

at _____ o'clock _____ M.

Secretary of State

H.B. 2702

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 12, 2012,

by the following vote: 41 Ayes,

9 Nays, 9 Not Voting

1 vacant w/ emergency



Speaker of the House


Cheryl Laube
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

12 day of April, 2012,

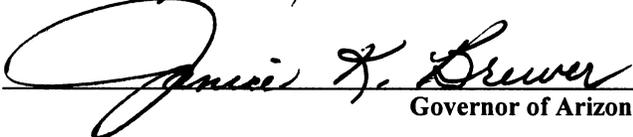
at 1:20 o'clock P M.


Secretary to the Governor

Approved this 17th day of

April, 2012,

at 12:04 o'clock P. M.


Governor of Arizona

H.B. 2702

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 17th day of April, 2012,

at 3:36 o'clock P M.


Secretary of State