

Senate Engrossed House Bill

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

FILED
KEN BENNETT
SECRETARY OF STATE

CHAPTER 140

HOUSE BILL 2286

AN ACT

AMENDING SECTION 35-726, ARIZONA REVISED STATUTES; AMENDING TITLE 35, CHAPTER 5, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 35-762; RELATING TO INDUSTRIAL DEVELOPMENT FINANCING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 35-726, Arizona Revised Statutes, is amended to
3 read:

4 35-726. Approval of general plan before issuing bonds; fee;
5 definition

6 A. Bonds shall not be issued by a corporation for the purpose of
7 financing single family dwelling units pursuant to section 35-706, subsection
8 A, paragraph 11 or 12 without approval of a general plan by its governing
9 body. The corporation shall submit a general plan for each respective series
10 of bonds to its governing body. The general plan shall briefly describe:

- 11 1. The amount of the proposed bonds.
- 12 2. The maximum term of the bonds.
- 13 3. The maximum interest rate on the bonds.
- 14 4. The need for the bond issue.
- 15 5. The terms and conditions for originating or purchasing mortgage
16 loans or making loans to lenders.
- 17 6. The area in which the single family dwelling units to be financed
18 may be located.

19 7. The proposed fees, charges and expenditures to be paid for
20 originators, servicers, trustees, custodians, mortgage administrators and
21 others.

22 8. All insurance requirements with respect to mortgage loans,
23 mortgaged property, mortgagors, originators, servicers and trustees.

24 9. The anticipated date of issuance of the bonds.

25 B. The governing body shall review general plans submitted by
26 corporations pursuant to subsection A of this section. In reviewing the
27 plans the governing body shall consider:

28 1. Whether the amount of the mortgage monies proposed to be made
29 available is reasonably related to the demand for the mortgage monies.

30 2. Whether the terms of the general plan are justifiable in the
31 context of the transaction and in the context of similar transactions.

32 3. Whether the fees, costs and expenditures as set forth in the
33 general plan are reasonably related to the services provided.

34 4. For projects of owner-occupied single family dwelling units to be
35 occupied by persons of low and moderate income and financed pursuant to
36 section 35-706, subsection A, paragraphs 11 and 12, whether the proposed
37 mortgage monies to be made available will fulfill a public purpose by
38 providing housing for persons of low and moderate income or by encouraging
39 single family developments in all participating jurisdictions, including such
40 jurisdictions' slum or blighted areas as defined in section 36-1471.

41 C. The governing body shall approve or disapprove the general plan not
42 later than thirty days after receipt of the plan. If the governing body does
43 not act upon the general plan within thirty days from the date of receipt,
44 the general plan shall be deemed approved. If a general plan is approved,
45 the corporation may issue the series of bonds covered by the general plan

1 with a total principal amount, maximum term and maximum interest rate no
2 greater than that which is set forth in the general plan. The origination
3 and servicing fees pertaining to mortgage loans to be financed in accordance
4 with the general plan shall not exceed those proposed in the general
5 plan. The corporation may vary other items in the general plan upon a
6 finding that the variation is minor and that the variations will not impair
7 the security for the bonds or substantially increase the cost of financing
8 the single family dwelling units and the findings of the corporation shall be
9 conclusive.

10 D. The governing body may charge any corporation submitting a general
11 plan for review a fee of not to exceed ten thousand dollars together with
12 reimbursement of its actual costs and expenses incurred in reviewing the
13 general plan.

14 E. Except for a corporation approved by a governing body of a county
15 or a municipality having a population of more than seven per cent of the
16 total state population computed according to the most recent United States
17 decennial census, a corporation shall not issue bonds, other than refunding
18 bonds the proceeds of which are used exclusively to refund a prior bond
19 issue, to finance a multifamily residential rental project, sanitarium,
20 clinic, medical hotel, rest home, nursing home, skilled nursing facility or
21 life care facility as prescribed in section 20-1801, unless the department
22 approves the project. The department, with or without a hearing, shall
23 review the project and consider at least the following factors:

24 1. The demand for and feasibility of the project in the area set forth
25 in the application to the corporation.

26 2. The terms and conditions of the proposed bonds.

27 3. The proposed use of bond proceeds.

28 4. The benefit to the public if the project provides rental housing
29 for persons of low and moderate income or encourages rental housing in slum
30 or blighted areas as defined in section 36-1471.

31 5. If the project consists of a nursing home, or a life care facility
32 as prescribed in section 20-1801, the benefit to the public of the project,
33 including the proposed rent, fees and other charges of the project in
34 relation to the level of services to be offered.

35 F. Subsection E of this section does not apply to bonds issued to
36 finance:

37 1. A sanitarium, clinic, medical hotel, rest home, nursing home,
38 skilled nursing facility, or life care facility as prescribed in section
39 20-1801, if the facility is to be owned and operated by this state or a
40 political subdivision or agency of this state.

41 2. A NURSING HOME, REST HOME, SKILLED NURSING FACILITY, LIFE CARE
42 FACILITY OR SENIOR RESIDENTIAL FACILITY PROVIDING ON-SITE MEDICAL AND SUPPORT
43 SERVICES IF THE FACILITY IS OWNED AND OPERATED BY A NONPROFIT ORGANIZATION
44 THAT IS EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OF THE UNITED STATES
45 INTERNAL REVENUE CODE.

1 G. Except for a corporation that is exempt under subsection E of this
2 section, the department with or without a hearing shall approve or disapprove
3 the project not later than thirty days after receipt of the request for
4 approval. If the project is approved the corporation may issue the bonds
5 described in the approval request with the total principal amount, maximum
6 term and maximum interest rate no greater than as set forth in the
7 request. The department shall charge each applicant submitting a project
8 approval request pursuant to this subsection a fee of not to exceed five
9 thousand dollars together with reimbursement of its actual costs and expenses
10 incurred in reviewing the project. Beginning on October 1, 2002, the
11 department shall remit the fees to the state treasurer for deposit in the
12 Arizona department of housing program fund established by section 41-3957.

13 H. For the purposes of this section, "department" means the Arizona
14 department of housing.

15 Sec. 2. Title 35, chapter 5, article 5, Arizona Revised Statutes, is
16 amended by adding section 35-762, to read:

17 35-762. Reviewing entities; approval of developments;
18 coordination; definitions

19 A. ANY REVIEWING ENTITY EXERCISING ITS STATUTORY DUTIES IN CONNECTION
20 WITH A PROJECT MAY AGREE WITH ANY OTHER REVIEWING ENTITY TO SHARE
21 INFORMATION, COORDINATE REVIEW SCHEDULES OR JOINTLY CONDUCT REVIEWS.

22 B. A REVIEWING ENTITY, IN ITS DISCRETION, MAY COOPERATE IN THE REVIEW
23 OF A PROJECT FINANCING BY ADOPTING IN WHOLE OR IN PART SUBSTANTIALLY SIMILAR
24 REVIEW WORK PERFORMED ON THE PROJECT FINANCING BY ANOTHER REVIEWING ENTITY
25 THAT IS ALSO CHARGED WITH REVIEW OF THE PROJECT FINANCING IF THE REVIEW WORK
26 COMPLETED BY THE OTHER ENTITY MEETS THE STANDARDS OF THE REVIEWING ENTITY.

27 C. A REVIEWING ENTITY THAT ADOPTS IN WHOLE OR IN PART REVIEW WORK
28 PERFORMED ON THE PROJECT FINANCING BY ANOTHER REVIEWING ENTITY IS DEEMED FOR
29 ALL PURPOSES TO HAVE COMPLIED WITH ITS REVIEW RESPONSIBILITIES AS IF THE
30 REVIEW WORK HAD BEEN PERFORMED BY THE REVIEWING ENTITY ITSELF.

31 D. FOR THE PURPOSES OF THIS SECTION:

32 1. "PROJECT" MEANS A NURSING HOME, REST HOME, SKILLED NURSING
33 FACILITY, SENIOR RESIDENTIAL FACILITY PROVIDING ON-SITE MEDICAL AND SUPPORT
34 SERVICES OR LIFE CARE FACILITY OWNED AND OPERATED BY A NONPROFIT ORGANIZATION
35 THAT IS EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OF THE UNITED STATES
36 INTERNAL REVENUE CODE THAT IS SEEKING DEBT FINANCING PURSUANT TO THIS
37 CHAPTER, A PERMIT PURSUANT TO TITLE 20, CHAPTER 8 OR BOND FINANCING PURSUANT
38 TO TITLE 36, CHAPTER 4.2.

39 2. "REVIEWING ENTITY" MEANS AN INDUSTRIAL DEVELOPMENT AUTHORITY FORMED
40 PURSUANT TO THIS CHAPTER, A GOVERNING BODY APPROVING THE FORMATION OF AN
41 INDUSTRIAL DEVELOPMENT AUTHORITY, THE ARIZONA HEALTH FACILITIES AUTHORITY OR
42 THE DEPARTMENT OF INSURANCE.

~~APPROVED BY THE GOVERNOR APRIL 22, 2014.~~

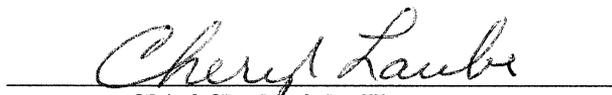
~~FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 23, 2014.~~

Passed the House February 27, 20 14

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting


Speaker of the House

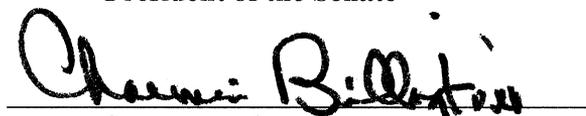

Cheryl Laube
Chief Clerk of the House

Passed the Senate April 16, 20 14

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting


President of the Senate


Channi Billington
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. 2286

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 16, 20 14,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

17th day of April, 20 14,

at 10:45 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 22nd day of

April, 20 14,

at 4:25 o'clock P. M.

[Signature]
Governor of Arizona

H.B. 2286

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 23rd day of April, 20 14,

at 9:40 o'clock a M.

[Signature]
Secretary of State