House Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 48

HOUSE BILL 2109

AN ACT

AMENDING SECTION 35-454, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL INDEBTEDNESS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 35-454, Arizona Revised Statutes, is amended to read:

35-454. Informational pamphlet for election; review; ballot; election; return; canvass of vote; certificate of election

A. The governing body or board of the political subdivision shall:

1. Not less than thirty-five days before the bond election, mail a copy of an informational pamphlet to every household within the political subdivision that contains a registered voter. The pamphlet shall contain information on the:

(a) Amount of the bond authorization.

(b) Maximum interest rate of the bonds.

(c) Estimated debt retirement schedule for the current amount of bonds outstanding, showing both principal and interest payments, the current net assessed valuation as reported by the department of revenue and the current adopted and estimated tax rates. For the purposes of this paragraph, "net assessed valuation" may include the values used to determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

(d) Estimated debt retirement schedule for the proposed bond authorization, showing both the estimated principal and interest payments and the estimated average annual tax rate for the proposed bond authorization. In preparing this information and the information prescribed by subdivision (c) OF THIS PARAGRAPH, the projected total annual increase in net assessed valuation for any future year shall not exceed:

(i) For the first five years of the estimated debt retirement schedule, the average of the annual percentage growth for the previous ten years in the net assessed valuation of the political subdivision.

(ii) For the remaining years of the estimated debt retirement schedule, twenty ~~per cent~~ PERCENT of the average of the annual percentage growth for the previous ten years in the net assessed valuation of the political subdivision.

(e) Source of repayment.

(f) Estimated issuance costs.

(g) Estimated tax impact of debt service for the bonds on an owner-occupied residence classified as class three pursuant to section 42-12003, on commercial property classified as class one pursuant to section 42-12001, paragraph 12 and on agricultural or other vacant property classified as class two pursuant to section 42-12002, assuming the net assessed valuation of the property increases annually at the lesser of five ~~per cent~~ PERCENT or fifty ~~per cent~~ PERCENT of the projected total annual increase in net assessed valuation as determined pursuant to subdivision (d) of this paragraph over the term of the bonds using the same average annual tax rate as under subdivision (d) of this paragraph, as follows:

The tax impact over the term of the bonds on an owner-occupied residence valued by the county assessor at $250,000 is estimated to be $___ per year for __ years, or $___ total cost.

The tax impact over the term of the bonds on commercial property valued by the county assessor at $1,000,000 is estimated to be $____ per year for __ years, or $_____ total cost.

The tax impact over the term of the bonds on agricultural or other vacant property valued by the county assessor at $100,000 is estimated to be $____ per year for ___ years, or $_____ total cost.

(h) In bold-faced type, estimated total cost of the proposed bond authorization, including principal and interest.

(i) Current outstanding general obligation debt and constitutional debt limitation.

(j) Projects and expenditures for which the bonds are to be issued. The purpose statement shall only present factual information in a neutral manner. Advocacy for the expenditures is strictly limited to the arguments submitted pursuant to subdivision (n) of this paragraph.

(k) Purpose for which the bonds are to be issued and, if applicable, in bold-faced type, that the amount of the proposed bond authorization combined with the current outstanding debt exceeds the political subdivision's constitutional debt limit.

(l) Polling location for the addressee.

(m) Hours during the day when the polls will be open.

(n) Arguments for and against the authorization of one or more of the bond propositions.

2. Set a deadline to submit arguments for and against the authorization of one or more of the bond propositions at a public meeting and publish the deadline in a newspaper of general circulation in the jurisdiction of the political subdivision.

3. Submit a copy of the informational pamphlet to the department of revenue within thirty days after the bond election. The department of revenue shall maintain copies of the pamphlets.

B. The failure of any one or more electors to receive the informational pamphlet shall not be grounds to invalidate the election. The election shall conform with the general election laws of the state. The return of the election held in a county shall be made to the board of supervisors and, in any other case, to the governing body or board of the municipal corporation or district within twelve days after the election.

C. For any proposed general obligation bond authorization where the principal and interest will be paid by a levy of property taxes, the ballot shall contain the phrase "the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds".

Any written information provided by the political subdivision pertaining to the bond election shall include financial information showing the estimated average tax rate for the proposed bond authorization. IF THE BONDS ARE TO BE REPAID WITH SECONDARY PROPERTY TAXES, THE BALLOT SHALL CONTAIN THE WORDS "BOND APPROVAL, YES" AND "BOND APPROVAL, NO", AND THE VOTER SHALL SIGNIFY THE VOTER'S DESIRED CHOICE. THE BALLOT SHALL ALSO CONTAIN THE FOLLOWING STATEMENT:

A "YES" VOTE SHALL AUTHORIZE THE _____ GOVERNING BODY TO ISSUE AND SELL $_____ OF _____ BONDS OF THE DISTRICT TO BE REPAID WITH SECONDARY PROPERTY TAXES.

A "NO" VOTE SHALL NOT AUTHORIZE THE _____ GOVERNING BODY TO ISSUE AND SELL SUCH BONDS OF THE DISTRICT.

D. If the governing body intends to use revenues other than property taxes to pay the debt on proposed general obligation bonds, the ballot shall contain the phrase "the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds, unless the governing body provides for payment from other sources".

E. The board of supervisors, governing body or governing board shall hold a special meeting within twenty days after the election to canvass the votes cast and certify the result. The certificate of the result shall be prima facie evidence of full performance of all conditions and requirements precedent to holding the election.

F. The governing board or body shall file and record in the office of the county recorder a certificate disclosing the purpose of the election, the total number of votes cast and the total number of votes for and against creating the indebtedness, and stating whether or not the indebtedness is ordered. Upon filing and recording the certificate, the governing board or body shall carry out the purpose of the election.

G. Variations between the estimates required by subsection A of this section and the actual debt retirement schedules, issuance costs, annual and total costs and tax rates shall not invalidate either the election or the bonds.

APPROVED BY THE GOVERNOR MARCH 23, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 23, 2015.

Passed the House February 24, 2015

by the following vote: 36 Ayes,

24 Nays, 0 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate March 18, 2015

by the following vote: 17 Ayes,

12 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

19th day of March, 2015

at 8:35 o'clock A. M.

Secretary to the Governor

Approved this 23rd day of

March

at 11:01 o'clock A M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 23rd day of March, 2015

at 3:33 o'clock P. M.

Secretary of State

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