

House Engrossed

**FILED**

**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-third Legislature  
First Regular Session  
2017

**CHAPTER 156**

**HOUSE BILL 2367**

AN ACT

AMENDING SECTIONS 18-304, 35-501, 35-502 AND 35-504, ARIZONA REVISED  
STATUTES; RELATING TO PUBLIC DEBT REPORTING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 18-304, Arizona Revised Statutes, is amended to  
3 read:

4 18-304. Debt reporting by state and local governments;  
5 database

6 A. State government and all local governments shall report to the  
7 ~~state treasurer~~ DEPARTMENT OF ADMINISTRATION all incurred debt, including  
8 THE date of issue, purpose, original amount, current balance, interest  
9 paid to date and principal and interest paid in the latest full fiscal  
10 year according to a schedule determined by the ~~treasurer~~ DEPARTMENT.

11 B. The ~~state treasurer~~ DEPARTMENT OF ADMINISTRATION shall maintain  
12 an online accessible and searchable database and, subject to approval by  
13 the joint legislative budget committee, may require additional information  
14 THAT IS not listed in this section.

15 Sec. 2. Section 35-501, Arizona Revised Statutes, is amended to  
16 read:

17 35-501. Records of bond issues; debt-level analysis and  
18 report

19 A. By June 30 of each year, the ~~state treasurer~~ DEPARTMENT OF  
20 ADMINISTRATION shall ascertain and record in its office all issues of  
21 bonds, certificates of participation or other securities issued for a term  
22 in excess of one year by ~~the~~ THIS state or a county, city, town, school  
23 district, irrigation district, other political subdivision or municipal  
24 property corporation within ~~the~~ THIS state. The record shall show the  
25 date of issuance, amount, denomination, rates of interest, maturity, dates  
26 of the bonds, certificates of participation or securities and other  
27 information the ~~state treasurer~~ DEPARTMENT OF ADMINISTRATION requires.

28 B. The reports relating to the issuance of bonds and securities  
29 required under subsection A OF THIS SECTION shall be filed with the ~~state~~  
30 ~~treasurer~~ DEPARTMENT OF ADMINISTRATION within sixty days ~~of~~ AFTER the  
31 issuance and shall contain the following information:

32 1. The par amount of the bonds or securities.  
33 2. The interest rate, by maturity of the bonds or securities.  
34 3. The repayment schedule, showing both principal and interest for  
35 the issue.

36 4. The sources of repayment.  
37 5. The original issue price and any premium or discount, by  
38 maturity, for the issue.

39 6. A detailed listing of all issuance costs, regardless of source  
40 of payment, including underwriter's compensation, bond counsel fees,  
41 financial advisor fees, verification agent fees, placement agent fees,  
42 investment securities brokerage fees, registrar fees, trustee fees, credit  
43 enhancement fees, rating agency fees, printing costs, registration fees,  
44 transfer and recording fees and any other costs directly or indirectly

1 earned or paid as a result of the issuance of the bonds or securities, as  
2 determined by the ~~state treasurer~~ DEPARTMENT OF ADMINISTRATION.

3 7. The total amount of parity bonds or securities outstanding,  
4 including the issue, at the time of issuance.

5 8. The total amount of any bonds or securities, senior or  
6 subordinate to the issue outstanding at the time of issuance.

7 9. The amount of any constitutional or statutory limitation on the  
8 issuance of bonds or securities of the type issued.

9 10. The remaining amount of bonds or securities that may be issued  
10 within the limitation determined in paragraph 9 OF THIS SUBSECTION.

11 11. The amount of any constitutional or statutory voter  
12 authorization applicable to the issuance of bonds or securities of the  
13 type issued.

14 12. The remaining amount of bonds or securities that may be issued  
15 within the authorization determined in paragraph 9 OF THIS SUBSECTION.

16 13. Any other similar or related information the ~~state treasurer~~  
17 DEPARTMENT OF ADMINISTRATION may determine.

18 C. By December 15 of each year, the ~~state treasurer~~ DEPARTMENT OF  
19 ADMINISTRATION shall provide to the governor, the president of the senate  
20 and the speaker of the house of representatives a report of the  
21 information collected pursuant to subsection A OF THIS SECTION. This  
22 report shall include an analysis of the outstanding indebtedness of each  
23 jurisdiction and the relationship of the outstanding indebtedness to the  
24 appropriate debt limitations in article IX, sections 5, 8 and 8.1,  
25 Constitution of Arizona.

26 D. If as a result of the analysis conducted pursuant to subsection  
27 C OF THIS SECTION the ~~state treasurer~~ DEPARTMENT OF ADMINISTRATION  
28 determines that the outstanding indebtedness of a jurisdiction is in  
29 excess of the debt limitation prescribed by the Constitution or statutes  
30 of Arizona, the ~~state treasurer~~ DEPARTMENT OF ADMINISTRATION shall notify  
31 the governing body or board of the jurisdiction, the governor, the  
32 president of the senate, the speaker of the house of representatives and,  
33 in the case of a school district, the superintendent of public  
34 instruction.

35 E. The ~~state treasurer~~ DEPARTMENT OF ADMINISTRATION shall notify  
36 the person or governing body responsible for complying with this section  
37 of a failure to comply in whole or in part with the requirements of this  
38 section. Any person or governing body so notified shall comply within  
39 thirty days. Any county, city, town, school district, irrigation district  
40 or other political subdivision of ~~the~~ THIS state that fails to comply  
41 fully with ~~the provisions of~~ this article shall not issue any additional  
42 bonds or other securities.

1           Sec. 3. Section 35-502, Arizona Revised Statutes, is amended to  
2 read:

3           35-502. Reports; omission or refusal to comply; violation;  
4                                   classification

5           A. The governing body of the county, city, town, district or other  
6 political subdivision shall make such reports to the ~~state treasurer~~  
7 DEPARTMENT OF ADMINISTRATION as the ~~treasurer~~ DEPARTMENT requires relating  
8 to the issuance of the bonds and securities provided by section  
9 35-501, and shall notify the ~~treasurer~~ DEPARTMENT of the retirement of  
10 any such bonds, and of all payments of interest ~~thereon~~ ON THE BONDS,  
11 immediately ~~upon~~ ON retirement of the bond or payment of interest.

12           B. Any person or member of any governing body knowingly omitting or  
13 refusing to comply with the orders of the ~~state treasurer~~ DEPARTMENT OF  
14 ADMINISTRATION issued pursuant to this article is guilty of a class 2  
15 misdemeanor.

16           Sec. 4. Section 35-504, Arizona Revised Statutes, is amended to  
17 read:

18           35-504. Debt oversight commission; membership; compensation;  
19                                   duties; commission termination

20           A. In order to provide more accurate and meaningful information to  
21 the public regarding bond issues, the debt oversight commission is  
22 established in the ~~office of the state treasurer~~ DEPARTMENT OF  
23 ADMINISTRATION.

24           B. The commission consists of the ~~state treasurer~~ DIRECTOR OF THE  
25 DEPARTMENT OF ADMINISTRATION, who serves as chairman, and four private  
26 citizens WHO ARE knowledgeable in the area of finance or bond financing,  
27 one WHO IS appointed by the governor and three WHO ARE appointed jointly  
28 by the president of the senate and the speaker of the house of  
29 representatives. The terms of appointive members are three years.

30           C. An appointment to fill a vacancy on the commission resulting  
31 from other than expiration of term is for the unexpired portion of the  
32 term.

33           D. The ~~office of the state treasurer~~ DEPARTMENT OF ADMINISTRATION  
34 shall provide secretarial and staff support services to the commission.

35           E. The private citizen members of the commission are eligible to  
36 receive fifty dollars per day for time spent in the performance of their  
37 duties. These monies shall be paid from monies appropriated to the ~~state~~  
38 ~~treasurer~~ DEPARTMENT OF ADMINISTRATION.

39           F. The commission shall meet at least annually and, in addition, at  
40 the call of the chairman. The commission shall meet at such times and  
41 places as convenient or necessary to conduct its affairs and shall render  
42 its findings, reports and recommendations in writing to the governor and  
43 to the legislature.

1 G. The commission shall:

2 1. Review the information provided to the ~~state treasurer~~  
3 DEPARTMENT OF ADMINISTRATION as prescribed in section 35-501.

4 2. Ascertain the bonded indebtedness of all taxing jurisdictions  
5 and the relationship to the appropriate debt limitation.

6 H. The commission established by this section ends on July 1, 2026  
7 pursuant to section 41-3103.

**APPROVED BY THE GOVERNOR APRIL 17, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2017.**

Passed the House February 23, 20 17

Passed the Senate April 13, 20 17

by the following vote: 60 Ayes,

by the following vote: 29 Ayes,

0 Nays, 0 Not Voting

0 Nays, 1 Not Voting

[Signature]  
Speaker of the House  
 Pro Tempore

[Signature]  
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  
13<sup>th</sup> day of April, 20 17

at 2:28 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 17<sup>th</sup> day of

April, 2017

at 11:04 o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State  
this 17 day of April, 20 17

at 3:31 o'clock P. M.

[Signature]  
Secretary of State