

COMMITTEE ON AGRICULTURE AND WATER
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1178
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 11, chapter 4, Arizona Revised Statutes, is amended
by adding article 5, to read:

ARTICLE 5. COUNTY JUDGMENT BONDS

11-681. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "BOARD" MEANS THE COUNTY BOARD OF SUPERVISORS.

2. "BOND RELATED EXPENSES" MEANS ANY EXPENSES INCURRED BY THE COUNTY
TO ISSUE AND ADMINISTER BONDS ISSUED UNDER THIS ARTICLE, INCLUDING
UNDERWRITING FEES AND COSTS, TRUSTEE FEES, FINANCIAL CONSULTANT FEES,
PRINTING AND ADVERTISING COSTS, PAYING AGENT FEES, TRANSFER AGENT FEES,
LEGAL, ACCOUNTING, FEASIBILITY CONSULTANT AND OTHER PROFESSIONAL FEES AND
EXPENSES, CREDIT ENHANCEMENT FEES, ATTORNEY AND ACCOUNTING FEES AND EXPENSES
RELATED TO CREDIT ENHANCEMENT, BOND INSURANCE OR LIQUIDITY ENHANCEMENT,
REMARKETING FEES, RATING AGENCY FEES AND COSTS, TRAVEL AND TELECOMMUNICATIONS
EXPENSES AND ALL OTHER EXPENSES CONSIDERED NECESSARY BY THE COUNTY BOARD OF
SUPERVISORS IN ORDER TO MARKET AND ADMINISTER THE BONDS.

3. "BONDS" MEANS THE BONDS ISSUED PURSUANT TO THIS ARTICLE.

4. "COUNTY JUDGMENT PURPOSE" INCLUDES THE FOLLOWING PURPOSES:

(a) THE PAYMENT OF OBLIGATIONS OF THE COUNTY RESULTING FROM A FINAL
COURT JUDGMENT AGAINST THE COUNTY, COURT COSTS AND ATTORNEY FEES, INCLUDING
OUTSIDE LEGAL COUNSEL RETAINED BY THE COUNTY, BUT NOT COSTS INCURRED BY THE
COUNTY ATTORNEY IN CONNECTION WITH THE JUDGMENT.

(b) THE PAYMENT OF BOND RELATED EXPENSES.

11-681.01. Authorization of county judgment bonds

A. THE BOARD OF SUPERVISORS MAY ISSUE NEGOTIABLE BONDS PURSUANT TO
THIS ARTICLE IN SUCH PRINCIPAL AMOUNT AS, IN THE OPINION OF THE BOARD IS
NECESSARY TO:

1. PROVIDE SUFFICIENT MONIES FOR ANY COUNTY JUDGMENT PURPOSE.

2. PAY NECESSARY BOND RELATED EXPENSES.

3. ESTABLISH AND FULLY OR PARTIALLY FUND ANY RESERVES OR SINKING
ACCOUNTS ESTABLISHED BY THE BOND RESOLUTION.

4. ISSUE REFUNDING BONDS IF THE BOARD CONSIDERS REFUNDING TO BE
EXPEDIENT. THE BOARD MAY PROVIDE FOR INVESTING AND HOLDING THE PROCEEDS OF

1 THE REFUNDING BONDS IN TRUST FOR THE BENEFIT OF THE HOLDERS OF THE BONDS
2 BEING REFUNDED.

3 5. REFUND ANY BONDS ISSUED PURSUANT TO THIS ARTICLE IF THE BONDS ARE
4 SECURED FROM THE SAME SOURCE OF REVENUES AS THE BONDS AUTHORIZED IN THIS
5 ARTICLE BY ISSUING NEW BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE
6 NOT MATURED.

7 6. ISSUE BONDS PARTLY TO REFUND OUTSTANDING BONDS AND PARTLY FOR ANY
8 COUNTY JUDGMENT PURPOSE CONSISTENT WITH THIS ARTICLE.

9 B. THE BOARD SHALL AUTHORIZE THE BONDS BY RESOLUTION. THE RESOLUTION
10 SHALL PRESCRIBE:

11 1. THE MANNER AND METHOD OF SALE.

12 2. THE RATE OR RATES OF INTEREST, WHICH MAY BE FIXED OR VARIABLE, THE
13 DATE OR DATES ON WHICH INTEREST IS PAYABLE AND THE DENOMINATIONS OF THE
14 BONDS.

15 3. THE DATE OR DATES OF THE BONDS AND MATURITY.

16 4. THE MANNER OF EXECUTING THE BONDS.

17 5. THE MEDIUM AND PLACE OF PAYMENT.

18 6. THE TERMS OF REDEMPTION, WHICH MAY PROVIDE FOR A PREMIUM FOR EARLY
19 REDEMPTION.

20 11-681.02. Issuance and sale of bonds; notice

21 A. THE BOARD SHALL ISSUE THE BONDS IN THE MANNER, METHOD, NUMBER AND
22 AMOUNT PROVIDED IN THE RESOLUTION.

23 B. THE BOARD SHALL PROVIDE NOTICE OF ITS INTENTION TO ISSUE BONDS IN A
24 MANNER CONSISTENT WITH MARKET PRACTICE.

25 C. THE BONDS MAY BE SOLD BY COMPETITIVE BID, INCLUDING AN ONLINE
26 BIDDING PROCESS, OR BY NEGOTIATED SALE FOR PUBLIC OR PRIVATE OFFERING AT THE
27 PRICE AND ON THE TERMS PRESCRIBED IN THE RESOLUTION. IF BONDS ARE SOLD
28 THROUGH AN ONLINE BIDDING PROCESS, BIDS FOR THE BONDS THAT ARE ENTERED INTO
29 THE SYSTEM MAY BE CONCEALED UNTIL A SPECIFIED TIME OR DISCLOSED IN THE
30 BIDDING PROCESS. FOR THE PURPOSES OF THIS SUBSECTION, "ONLINE BIDDING
31 PROCESS" MEANS A PROCUREMENT PROCESS IN WHICH THE BOARD RECEIVES BIDS
32 ELECTRONICALLY OVER THE INTERNET IN A REAL-TIME, COMPETITIVE BIDDING EVENT.

33 D. THE NET PROCEEDS FROM THE SALE OF THE BONDS SHALL BE DEPOSITED IN
34 THE BOND PROCEEDS FUND ESTABLISHED PURSUANT TO SECTION 11-681.03.

35 E. TITLE 35, CHAPTER 3, ARTICLE 7 APPLIES TO THE BOARD AND TO BONDS
36 ISSUED UNDER THIS ARTICLE.

37 11-681.03. Bond proceeds fund; debt service fund

1 A. IF THE COUNTY ISSUES BONDS UNDER THIS ARTICLE, THE BOARD SHALL
2 ESTABLISH A BOND PROCEEDS FUND CONSISTING OF THE NET PROCEEDS RECEIVED FROM
3 THE SALE OF THE BONDS. THE COUNTY MAY USE MONIES IN THE BOND PROCEEDS FUND
4 ONLY FOR COUNTY JUDGMENT PURPOSES.

5 B. THE BOARD SHALL ESTABLISH A DEBT SERVICE FUND DESIGNATED AND
6 DEDICATED FOR REPAYMENT OF THE BONDS, BOND RELATED EXPENSES AND RELATED
7 EXPENSES ASSOCIATED WITH REDEEMING THE BONDS, CONSISTING OF COUNTY EXCISE TAX
8 REVENUES PURSUANT TO SECTION 42-6112 AND ANY OTHER EXCISE TAX REVENUES
9 PLEDGED BY THE COUNTY FOR THAT PURPOSE. MONIES IN THE DEBT SERVICE FUND MAY
10 BE USED ONLY FOR THE PURPOSES AUTHORIZED BY THIS ARTICLE. THE BOARD MAY
11 SEGREGATE THE DEBT SERVICE FUND INTO ANY NUMBER OF ACCOUNTS OR SUBACCOUNTS
12 CONSIDERED NECESSARY TO SECURE BONDS ISSUED UNDER THIS ARTICLE.

13 C. THE COUNTY TREASURER SHALL ADMINISTER AND ACCOUNT FOR THE BOND
14 PROCEEDS FUND AND THE DEBT SERVICE FUND.

15 D. NO MONIES DERIVED FROM SELLING BONDS UNDER THIS ARTICLE OR PLEDGED
16 OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE
17 BONDS MAY BE PAID INTO, OR COMMINGLED WITH MONIES IN, THE COUNTY GENERAL
18 FUND. THE TREASURER SHALL DEPOSIT ALL SUCH MONIES IN SPECIAL ACCOUNTS OR IN
19 SEPARATE FINANCIAL INSTITUTIONS THAT THE BOARD DESIGNATES.

20 E. THE MONIES IN THE BOND PROCEEDS FUND AND DEBT SERVICE FUND SHALL BE
21 DISBURSED ONLY AS THE BOARD DIRECTS AND ACCORDING TO THE TERMS OF ANY
22 AGREEMENTS WITH THE HOLDER OR HOLDERS OF THE BONDS.

23 F. THIS SECTION DOES NOT LIMIT THE POWER OF THE BOARD TO AGREE IN
24 CONNECTION WITH THE ISSUANCE OF THE BONDS AS TO THE CUSTODY AND DISPOSITION
25 OF THE MONIES RECEIVED FROM SELLING BONDS OR FROM THE COUNTY EXCISE TAX
26 REVENUES PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR
27 HOLDERS OF THE BONDS.

28 11-681.04. Securing principal and interest

29 IN CONNECTION WITH ISSUING BONDS AUTHORIZED BY THIS ARTICLE AND TO
30 ENHANCE THE SECURITY OF THE BONDS, THE BOARD BY RESOLUTION MAY:

31 1. SEGREGATE THE DEBT SERVICE FUND INTO ONE OR MORE ACCOUNTS AND
32 SUBACCOUNTS.

33 2. PROVIDE THAT THE BONDS ISSUED UNDER THIS ARTICLE ARE SECURED BY A
34 FIRST LIEN ON THE MONIES PAID INTO THE DEBT SERVICE FUND AND PLEDGE AND
35 ASSIGN TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS
36 ALL OR PART OF THE MONIES IN THE DEBT SERVICE FUND OR AN ACCOUNT OR

1 SUBACCOUNT AS NECESSARY TO SECURE AND PAY THE PRINCIPAL, THE INTEREST AND ANY
2 PREMIUM ON THE BONDS AS THEY COME DUE.

3 3. ESTABLISH PRIORITIES AMONG BONDHOLDERS BASED ON CRITERIA ADOPTED BY
4 THE BOARD.

5 4. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING ACCOUNTS.

6 5. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT
7 WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS THE HOLDERS
8 OF WHICH MUST CONSENT TO AND THE MANNER IN WHICH THE CONSENT MAY BE GIVEN.

9 6. PROVIDE FOR PAYMENT OF BOND RELATED EXPENSES FROM THE PROCEEDS OF
10 THE SALE OF THE BONDS OR OTHER REVENUES AVAILABLE TO THE BOARD.

11 7. PROVIDE FOR THE SERVICES OF TRUSTEES, COTRUSTEES, AGENTS,
12 CONSULTANTS AND OTHER SPECIALIZED SERVICES WITH RESPECT TO THE BONDS.

13 8. PROVIDE ADDITIONAL SECURITY FOR THE BONDS IN THE FORM OF A LINE OF
14 CREDIT, LETTER OF CREDIT, INSURANCE POLICY OR OTHER SECURITY AND:

15 (a) PAY THE COST OF THE ADDITIONAL SECURITY FROM AMOUNTS PRODUCED FROM
16 THE BOND ISSUE OR FROM OTHER AVAILABLE SOURCES.

17 (b) ENTER INTO REIMBURSEMENT OBLIGATIONS IN CONNECTION WITH THE
18 ADDITIONAL SECURITY.

19 9. REFUND ANY BONDS ISSUED PURSUANT TO THIS ARTICLE, IF THE NEW BONDS
20 ARE SECURED FROM THE SAME SOURCE OF REVENUES AS THE ORIGINAL BONDS, BY
21 ISSUING NEW BONDS, WHETHER AT OR BEFORE MATURITY OF THE BONDS BEING REFUNDED.

22 10. ISSUE BONDS PARTLY TO REFUND OUTSTANDING BONDS AND PARTLY FOR ANY
23 OTHER PURPOSE CONSISTENT WITH THIS ARTICLE.

24 11. TAKE ANY OTHER ACTION THAT IN ANY WAY MAY AFFECT THE SECURITY AND
25 PROTECTION OF THE BONDS OR INTEREST ON THE BONDS.

26 11-681.05. Lien of pledge

27 A. ANY PLEDGE MADE UNDER THIS ARTICLE IS VALID AND BINDING FROM THE
28 TIME WHEN THE PLEDGE IS MADE.

29 B. THE MONIES PLEDGED AND RECEIVED BY THE BOARD TO BE PLACED IN THE
30 DEBT SERVICE FUND ARE IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT
31 ANY FUTURE PHYSICAL DELIVERY OR FURTHER ACT. ANY LIEN OF ANY PLEDGE IS VALID
32 AND BINDING AGAINST ALL PARTIES WHO HAVE CLAIMS OF ANY KIND AGAINST THE
33 COUNTY, REGARDLESS OF WHETHER THE PARTIES HAVE NOTICE OF THE LIEN. THE
34 OFFICIAL RESOLUTION OR TRUST INDENTURE OR ANY INSTRUMENT BY WHICH THIS PLEDGE
35 IS CREATED, WHEN ADOPTED BY THE BOARD, IS NOTICE TO ALL CONCERNED OF THE
36 CREATION OF THE PLEDGE, AND THOSE INSTRUMENTS NEED NOT BE RECORDED IN ANY
37 OTHER PLACE TO PERFECT THE PLEDGE.

11-681.06. Bond purchase: cancellation

THE BOARD MAY PURCHASE BONDS FOR CANCELLATION, USING ANY AVAILABLE MONIES, AT A PRICE NOT EXCEEDING THE FOLLOWING:

1. IF THE BONDS ARE REDEEMABLE AT THE TIME OF PURCHASE, THE APPLICABLE REDEMPTION PRICE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE.

2. IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE, THE APPLICABLE REDEMPTION PRICE ON THE FIRST DATE ON WHICH THE BONDS BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THAT DATE.

11-681.07. Payment of bonds

A. THE BONDS SHALL BE PAID SOLELY FROM MONIES FROM THE DEBT SERVICE FUND.

B. THE COUNTY TREASURER SHALL CANCEL ALL BONDS WHEN PAID.

11-681.08. Use of surplus monies

A. IF A BALANCE REMAINS IN THE BOND PROCEEDS FUND AFTER ALL COUNTY JUDGMENT PURPOSES HAVE BEEN PAID, THE REMAINING BALANCE SHALL BE CREDITED TO THE COUNTY GENERAL FUND.

B. IF A BALANCE REMAINS IN THE DEBT SERVICE FUND AFTER THE RETIREMENT AND PAYMENT OF ALL BONDS, INTEREST AND OTHER CHARGES RELATED TO BONDS ISSUED UNDER THIS ARTICLE, THE BOARD SHALL CREDIT THE FINAL REMAINING BALANCE TO THE COUNTY GENERAL FUND.

11-681.09. Investment of monies in the bond proceeds fund and the debt service fund

A. THE BOARD MAY AUTHORIZE THE COUNTY TREASURER TO INVEST MONIES IN THE BOND PROCEEDS FUND IN THE MANNER PRESCRIBED BY THIS SECTION. THE ORDER DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE PROCEEDS FROM THE SALE OF THE BONDS WILL BE NEEDED FOR USE, AND THE TREASURER SHALL MAKE THE INVESTMENT IN SUCH A WAY AS TO MATURE AT THE SPECIFIED DATE. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE INVESTMENT OF THE MONIES IN THE BOND PROCEEDS FUND SHALL BE CREDITED TO THE DEBT SERVICE FUND.

B. THE BOARD MAY AUTHORIZE THE COUNTY TREASURER TO INVEST AND REINVEST ANY MONIES IN THE DEBT SERVICE FUND AS PROVIDED BY THIS SECTION. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE INVESTMENT OF THE MONIES IN THE DEBT SERVICE FUND SHALL BE CREDITED TO THAT FUND.

C. THE MONIES IN EITHER THE BOND PROCEEDS FUND OR THE DEBT SERVICE FUND MAY BE INVESTED AND REINVESTED IN ANY OF THE FOLLOWING:

1. UNITED STATES TREASURY OBLIGATIONS.

2. CONSOLIDATED FARM LOAN BONDS.

1 3. OBLIGATIONS ISSUED BY THE FEDERAL INTERMEDIATE CREDIT BANKS OR BY
2 BONDS FOR COOPERATIVES ON AUTHORITY OF THE FARM CREDIT ACT OF 1933.

3 4. ANY OTHER OBLIGATIONS GUARANTEED BY THE UNITED STATES GOVERNMENT.

4 5. ANY INVESTMENTS THAT ARE AUTHORIZED BY ANY OTHER AGENCIES OF THE
5 UNITED STATES GOVERNMENT AND THAT ARE AUTHORIZED TO SECURE PUBLIC DEPOSITS.

6 6. STATE AND LOCAL GOVERNMENT SERIES UNITED STATES TREASURY
7 SECURITIES.

8 7. THE POOLED INVESTMENT FUNDS ESTABLISHED BY THE STATE TREASURER
9 PURSUANT TO SECTION 35-326.

10 8. STATE, COUNTY OR MUNICIPAL BONDS ISSUED IN THIS STATE AND ON WHICH
11 THE PAYMENTS OF INTEREST HAVE NOT BEEN DEFERRED.

12 9. INVESTMENT AGREEMENTS AND REPURCHASE AGREEMENTS COLLATERALIZED BY
13 INVESTMENTS DESCRIBED IN PARAGRAPHS 1 THROUGH 5.

14 D. THE BOARD MAY PLACE ANY RESTRICTIONS ON REINVESTMENT YIELD ON THE
15 BONDS OR ON ANY MONIES PLEDGED TO PAY THE BONDS IF NECESSARY TO COMPLY WITH
16 FEDERAL INCOME TAX LAWS AND REGULATIONS TO GAIN ANY FEDERAL TAX BENEFITS
17 AVAILABLE WITH RESPECT TO THE BONDS. MONIES SHALL BE INVESTED UNDER THIS
18 SECTION IN A MANNER THAT AVOIDS ARBITRAGE PENALTIES PRESCRIBED BY FEDERAL
19 LAW.

20 E. THE PURCHASE OF THE SECURITIES SHALL BE MADE BY THE COUNTY
21 TREASURER ON AUTHORITY OF A RESOLUTION OF THE BOARD. THE TREASURER SHALL ACT
22 AS CUSTODIAN OF ALL SECURITIES PURCHASED.

23 11-681.10. Characteristics of bonds; negotiable; obligation;
24 legal investments; exemption from taxation

25 A. SUBJECT TO ANY REGISTRATION REQUIREMENTS, THE BONDS ISSUED UNDER
26 THIS ARTICLE ARE FULLY NEGOTIABLE WITHIN THE MEANING AND FOR ALL PURPOSES OF
27 THE UNIFORM COMMERCIAL CODE REGARDLESS OF WHETHER THE BONDS ACTUALLY
28 CONSTITUTE NEGOTIABLE INSTRUMENTS UNDER THE UNIFORM COMMERCIAL CODE.

29 B. THE BONDS, THEIR TRANSFER AND THE INCOME FROM THE BONDS ARE AT ALL
30 TIMES FREE FROM TAXATION IN THIS STATE.

31 C. BONDS ISSUED UNDER THIS ARTICLE:

32 1. ARE PAYABLE ONLY ACCORDING TO THEIR TERMS.

33 2. ARE OBLIGATIONS OF THE COUNTY, AND ARE NOT GENERAL, SPECIAL OR
34 OTHER OBLIGATIONS OF THIS STATE.

35 3. DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THIS STATE OR OF THE
36 COUNTY.

5 5. ARE GOVERNMENT OBLIGATION SECURITIES SUITABLE FOR INVESTMENT BY:

8 (b) INSURANCE COMPANIES, ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN
9 INSURANCE BUSINESS.

12 (d) FIDUCIARIES.

15 6. ARE SECURITIES THAT MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES
16 OF THIS STATE AND COUNTIES, MUNICIPALITIES AND OTHER POLITICAL SUBDIVISIONS
17 OF THIS STATE FOR PURPOSES THAT REQUIRE THE DEPOSIT OF GOVERNMENT BONDS OR
18 OBLIGATIONS.

21 A. BONDS ISSUED UNDER THIS ARTICLE REMAIN VALID AND BINDING
22 OBLIGATIONS OF THE COUNTY NOTWITHSTANDING THAT BEFORE THE DELIVERY OF THE
23 BONDS ANY OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE BONDS CEASE TO BE
24 OFFICERS OF THE COUNTY.

C. THIS STATE PLEDGES TO AND AGREES WITH THE BONDHOLDERS THAT THIS STATE WILL NOT LIMIT, ALTER OR IMPAIR THE RIGHTS VESTED IN THE COUNTY TO COLLECT THE MONIES, INCLUDING COUNTY EXCISE TAX REVENUES UNDER SECTION 42-6112, OR AN EQUIVALENT SOURCE, NECESSARY TO PRODUCE SUFFICIENT REVENUE TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL ALL BONDS ISSUED UNDER THIS ARTICLE, TOGETHER WITH INTEREST ON THE BONDS, INTEREST ON ANY UNPAID INSTALLMENTS OF PRINCIPAL OR INTEREST AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE BONDHOLDERS, ARE FULLY MET AND DISCHARGED. THE BOARD MAY INCLUDE THIS PLEDGE

1 AND UNDERTAKING IN ITS RESOLUTIONS AND INDENTURES AUTHORIZING AND SECURING
2 ITS BONDS.

3 11-681.12. Validity of bonds; legal opinion

4 A. THIS ARTICLE CONSTITUTES FULL AUTHORITY FOR AUTHORIZING AND ISSUING
5 COUNTY JUDGMENT BONDS WITHOUT REFERENCE TO ANY OTHER LAW OF THIS STATE. NO
6 OTHER STATUTE WITH REGARD TO AUTHORIZING OR ISSUING OBLIGATIONS OR THAT IN
7 ANY WAY IMPEDES OR RESTRICTS PERFORMING THE ACTS AUTHORIZED BY THIS ARTICLE
8 MAY BE CONSTRUED TO APPLY TO ANY PROCEEDINGS TAKEN OR ACTS DONE PURSUANT TO
9 THIS ARTICLE.

10 B. THE BOARD MAY SUBMIT BONDS TO BE ISSUED UNDER THIS ARTICLE TO THE
11 COUNTY ATTORNEY OR OTHER LEGAL COUNSEL AFTER ALL PROCEEDINGS FOR AUTHORIZING
12 THE BONDS HAVE BEEN COMPLETED. WITHIN FIFTEEN DAYS AFTER SUBMISSION, THE
13 COUNTY ATTORNEY OR COUNSEL SHALL EXAMINE AND PASS ON THE VALIDITY OF THE
14 BONDS AND THE REGULARITY OF THE PROCEEDINGS. IF COUNSEL DETERMINES THAT THE
15 BONDS AND PROCEEDINGS COMPLY WITH THIS ARTICLE, AND IF THE BONDS WHEN
16 DELIVERED AND PAID FOR WILL CONSTITUTE BINDING AND LEGAL OBLIGATIONS OF THE
17 COUNTY, THE COUNTY ATTORNEY OR COUNSEL SHALL RENDER A LEGAL OPINION IN
18 SUBSTANCE THAT THE BONDS ARE ISSUED ACCORDING TO THE CONSTITUTION AND LAWS OF
19 THIS STATE.

20 C. THE BONDS SHALL RECITE THAT THEY ARE REGULARLY ISSUED PURSUANT TO
21 THIS ARTICLE. THAT RECITAL, TOGETHER WITH THE LEGAL OPINION UNDER SUBSECTION
22 B, CONSTITUTES PRIMA FACIE EVIDENCE OF THE LEGALITY AND VALIDITY OF THE
23 BONDS. FROM AND AFTER THE SALE AND DELIVERY OF THE BONDS, THEY ARE
24 INCONTESTABLE BY ANY PARTY.

25 Sec. 2. Title 42, chapter 6, article 3, Arizona Revised Statutes, is
26 amended by adding section 42-6112, to read:

27 42-6112. County excise tax for county judgment bonds

28 A. A COUNTY WITH A POPULATION OF AT LEAST FIFTEEN THOUSAND PERSONS BUT
29 NOT MORE THAN THIRTY THOUSAND PERSONS AT THE TIME OF THE INITIAL LEVY, BY
30 RESOLUTION THAT IS DATED ON OR BEFORE JANUARY 1, 2013 AND THAT IS APPROVED BY
31 A UNANIMOUS VOTE OF THE BOARD OF SUPERVISORS, MAY LEVY AND, IF LEVIED, THE
32 DEPARTMENT SHALL COLLECT A COUNTY EXCISE TAX ON EACH PERSON ENGAGING OR
33 CONTINUING IN THE COUNTY IN A BUSINESS TAXED UNDER CHAPTER 5, ARTICLE 1 OF
34 THIS TITLE AND UNDER SECTION 42-5352, SUBSECTION A. THE TAX AUTHORIZED BY
35 THIS SECTION IS IN ADDITION TO ANY TAX AUTHORIZED PURSUANT TO SECTION
36 42-6103.

1 B. THE EXCISE TAX LEVIED PURSUANT TO THIS SECTION SHALL BE AT A RATE
2 ADOPTED BY THE BOARD OF SUPERVISORS IN THE RESOLUTION LEVYING THE TAX,
3 APPLIED AS A PERCENTAGE OF THE TAX RATES PRESCRIBED ON THE DATE OF THE
4 RESOLUTION BY SECTION 42-5010, SUBSECTION A ON EACH CLASS OF BUSINESS SUBJECT
5 TO THE TRANSACTION PRIVILEGE TAX IMPOSED BY CHAPTER 5, ARTICLE 1 OF THIS
6 TITLE AND THE JET FUEL EXCISE TAX IMPOSED BY SECTION 42-5352, SUBSECTION A,
7 BUT NOT MORE THAN TEN PER CENT THROUGH MAY 31, 2013 AND THIRTY PER CENT
8 THEREAFTER.

9 C. EACH MONTH THE STATE TREASURER SHALL TRANSMIT THE NET REVENUES
10 COLLECTED PURSUANT TO THIS SECTION TO THE TREASURER OF THE COUNTY LEVYING THE
11 TAX FOR CREDIT TO THE COUNTY'S DEBT SERVICE FUND ESTABLISHED PURSUANT TO
12 SECTION 11-681.03.

13 D. A TAX LEVIED PURSUANT TO THIS SECTION TERMINATES WHEN ALL DEBT
14 SERVICE COSTS HAVE BEEN PAID RELATING TO COUNTY JUDGMENT BONDS ISSUED
15 PURSUANT TO TITLE 11, CHAPTER 4, ARTICLE 5. NOT MORE THAN THIRTY DAYS BEFORE
16 THE FINAL DEBT SERVICE PAYMENT IS DUE, THE BOARD OF SUPERVISORS SHALL NOTIFY
17 THE DEPARTMENT BY CERTIFIED MAIL OF THE TERMINATION OF THE TAX. ANY SURPLUS
18 MONIES THAT ARE NOT ENCUMBERED FOR DEBT SERVICE PURPOSES SHALL BE TRANSFERRED
19 TO THE CREDIT OF THE COUNTY GENERAL FUND AS PROVIDED BY SECTION 11-681.08."

20 Amend title to conform

and, as so amended, it do pass

RUSSELL JONES
Chairman

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