



ARIZONA STATE SENATE
Fifty-First Legislature, First Regular Session

FACT SHEET FOR S.B. 1370

municipal franchise elections; rates; estimate

Purpose

Details the requirements to be included on the ballot for a proposed franchise agreement.

Background

Public utilities enter into franchise agreements with cities and towns to set forth the terms and conditions related to business conduct. According to Arizona Revised Statutes (A.R.S.), an incorporated city or town is prohibited from granting a franchise for a public utility unless authorized by a majority vote of the qualified electors (A.R.S. § 9-501). The franchise must be presented to the governing body of the incorporated city or town and if deemed beneficial, the governing body is required to pass a resolution and submit the question to the qualified electors. The proposed franchise must be published in a newspaper of general circulation in the incorporated city or town for at least 30 consecutive days prior to the election. A public utility franchise may not be granted to a public utility for more than 25 years (A.R.S. § 9-505).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires that a ballot to approve a proposed franchise must include an estimate of the utility rates that an average residential ratepayer would pay and identify any proposed fees or taxes under the franchise agreement.
2. Makes technical and conforming changes.
3. Becomes effective on the general effective date.

Prepared by Senate Research
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