



ARIZONA STATE SENATE
Fifty-First Legislature, Second Regular Session

AMENDED
FACT SHEET FOR H.B. 2148

municipalities; counties; transfer; right-of-way

Purpose

Requires a transfer of property to be treated by the receiving municipality as if the transferred property was newly annexed territory and establishes requirements for the conversion of a Street Light Improvement District (SLID) from a county to a municipality.

Background

Statute outlines procedures that must be followed in order for cities and towns to extend and increase their corporate limits by annexation. As an alternative to those procedures, a county right-of-way or roadway may be transferred to an adjacent city or town by mutual consent of the governing bodies of the county and municipality if the property transferred is adjacent to the annexing city or town and if those entities each approve the proposed transfer as a published agenda item at one of their regular public meetings (A.R.S. § 9-471).

Statute allows an improvement district to be established by a governing body of a municipality or a county board of supervisors (BOS) for the purpose of making local improvements or for the benefit of the district. (A.R.S. §§ 48-50 and 48-902). A SLID is a special taxing district formed to purchase and not generate energy for the lighting of public streets and parks within an improvement district. Expenses of a SLID must be paid by a tax levied on the assessed valuation or apportioned according to square footage of each lot. A SLID is prohibited from issuing bonds and engaging in any activity other than contracting for and purchasing energy for street and public park lighting (A.R.S. § 48-960). In the event the entire area or part of a SLID becomes annexed to a city or town and the municipality is willing to continue the lighting of streets, the board of directors may, by resolution, summarily delete from the district the area annexed and, if necessary, reconstitute the SLID from the balance of the original SLID (A.R.S. § 48-960).

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

Provisions

1. Requires a transfer of property to be treated by the receiving city or town as if the transferred property was newly annexed territory.
2. Specifies that the property transferred must be adjacent to the *receiving* city or town rather than the *annexing* city or town.

3. Requires a county SLID that is entirely annexed into a municipality to be converted from a county SLID to a municipal SLID on:
 - a) adoption of a resolution by the municipality declaring its intent to assume jurisdiction over the SLID and conversion of the county SLID to a municipal SLID as outlined;
 - b) delivery of a certified copy of the resolution to the county BOS clerk that includes the legal description of the affected property; and
 - c) recordation of the resolution with the appropriate county recorder as specified.
4. States that, beginning on the specified resolution date adopted by a municipal governing body, certain SLID sections of statute no longer apply and that the specified SLID statutes become effective.
5. Requires, on the dates outlined, the existing county governing body of the county district to continue operating the district and to continue complying with existing power or energy usage agreements.
6. Requires the municipal and county governing bodies to have concurrent jurisdiction to take all actions reasonably necessary to provide for the assessment and levy of a tax for the fiscal year following a conversion for the maintenance, repair and replacement of a district's street lighting facilities and to purchase energy for street and public park lighting.
7. Requires the county treasurer to pay over to the municipality that is assuming jurisdiction over the SLID all unobligated monies collected on behalf of the SLID as specified.
8. Specifies that the conversion of a SLID does not establish a new political subdivision of this state.
9. Exempts the municipal governing body that assumes jurisdiction over the county SLID from complying with statutes relating to boundary change notices.
10. Contains an applicability clause.
11. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Establishes requirements for the conversion of a county SLID that is entirely annexed into a city or town to a municipal SLID.
2. Prescribes the procedures and outlines governance guidelines for the converted municipal SLID.
3. Contains an applicability clause.

FACT SHEET – Amended

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House Action

GOV	1/28/14	DP	6-0-0-2
3 rd Read	2/24/14		59-0-1-0

Senate Action

GE	3/10/14	DP	6-0-1-0
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Prepared by Senate Research

April 15, 2014

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