FREE CONFERENCE COMMITTEE AMENDMENTS TO H.B. 2402 (Reference to Senate engrossed House bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 9-526, Arizona Revised Statutes, is amended to read:

9-526. <u>Form of ballot</u>

- A. EXCEPT AS PROVIDED BY SUBSECTION B OF THIS SECTION, at the election the ballot shall contain the phrases "for the bonds" and "against the bonds.—" AND to the right of and opposite each phrase shall be placed a square approximately the size of squares placed opposite the names of candidates on ballots. The voter shall indicate his THE VOTER'S vote "for the bonds" or "against the bonds" by inserting the mark "X" in the square opposite such phrase.
- B. IF THE BONDS ARE TO BE TAX SECURED BONDS, THE ELECTION BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454. SUBSECTION C.
- C. No other question, word or figure need be printed on the ballot. The ballot need not be any particular size, nor need sample ballots be printed, posted or distributed. A number of ballots, exceeding by not less than ten per cent PERCENT the number of registered voters whose names appear on the precinct register of the precinct, town or city for which printed, shall be printed and furnished TO each polling place.

Sec. 2. Section 11-374, Arizona Revised Statutes, is amended to read:

11-374. Ballots

- A. EXCEPT AS PROVIDED BY SUBSECTION B OF THIS SECTION, at the election the ballot shall contain the words "for the bonds" and "against the bonds" and to the right of and opposite each thereof PHRASE shall be placed a square approximately the size of the squares placed opposite the names of candidates on ballots. The voter shall indicate his THE VOTER'S vote "for the bonds" or "against the bonds" by inserting the mark "X" in the square opposite such words.
- B. IF THE BONDS ARE TO HAVE ADDITIONAL SECURITY PURSUANT TO SECTION 11-377, SUBSECTION I FROM THE COUNTY'S PLEDGE OF ITS FULL FAITH AND CREDIT OBLIGATION TO PAY THE BONDS, WITH INTEREST, TO THE SAME EXTENT AS OTHER GENERAL OBLIGATION BONDS OF THE COUNTY, THE ELECTION BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454, SUBSECTION C.
- C. No other question, word or figure need be printed on any ballot. The ballot shall not be of any particular size, and sample ballots may or may not be printed, posted or distributed. A number of ballots exceeding by not less than ten per cent PERCENT the number of registered voters whose names appear on the precinct register prepared for the precinct shall be printed for and furnished to each polling place.
- Sec. 3. Section 15-491, Arizona Revised Statutes, is amended to read:

15-491. Elections on school property; exceptions

- A. The governing board of a school district may, and on petition of fifteen per cent PERCENT of the school electors as shown by the poll list at the last preceding annual school election shall, call an election for the following purposes:
 - 1. To locate or change the location of school buildings.
- 2. To purchase or sell school sites or buildings or sell school sites pursuant to section 15-342 or to build school buildings, but the

- 2 -

authorization by vote of the school district shall not necessarily specify the site to be purchased.

- 3. To decide whether the bonds of the school district shall be issued and sold for the purpose of raising money for purchasing or leasing school lots, for building or renovating school buildings, for supplying school buildings with furniture, equipment and technology, for improving school grounds, for purchasing pupil transportation vehicles or for liquidating any indebtedness already incurred for such purposes. Bonds issued for furniture, equipment and technology, other than fixtures, shall mature no later than the July 1 that follows the fifth year after the bonds were issued. A school district shall not issue class B bonds until the school district has obligated in contract the entire proceeds of any class A bonds issued by the school district. The total amount of class A and class B bonds issued by a school district shall not exceed the debt limitations prescribed in article IX, sections 8 and 8.1, Constitution of Arizona.
- 4. To lease for ten or more years, as lessor or as lessee, school buildings or grounds. Approval by a majority of the school district electors voting authorizes the governing board to negotiate for and enter into a lease. The ballot shall list the school buildings or grounds for which a lease is sought. If the governing board does not enter into a lease of ten or more years of the school buildings or grounds listed on the ballot within ten years of the date of the election and the board continues to seek such a lease, the governing board shall call a special election to reauthorize the board to negotiate for and to enter into a lease of ten or more years.
- 5. To change the list of capital projects or the purposes authorized by prior voter approval to issue bonds.
- 6. To extend from six to ten years the time period to issue class B bonds authorized in 2009 or earlier. Elections pursuant to this paragraph may not be held later than the sixth November after the election approving the issuance of the bonds.

- 3 -

- B. No petition shall be required for the holding of the first election to be held in a joint common school district for any of the purposes specified in subsection A of this section. The notice of election required by section 15-492 shall be published in each of the counties that comprise the joint common school district. The certification of election results required by section 15-493 shall be made to the board of supervisors of the jurisdictional county.
- C. When the election is called to determine whether or not bonds of the school district shall be issued and sold for the purposes enumerated in the call for the election, the question shall be submitted to the vote of the qualified electors of the school district as defined in section 15-401 and subject to section 15-402.
- D. The governing board shall order the election to be held in the manner prescribed in title 35, chapter 3, article 3. If a petition for an election has been filed with the governing board as provided in subsection A of this section, the board shall act on the petition within sixty days by ordering the election to be held as provided in this subsection. If a school district bond election is scheduled for the same date a school district will hold an override election, the governing body shall deliver a copy of the notice of election and ballot to the county school superintendent who shall include the notice of election and ballot with the information report and ballot prepared for the override election. Mailing of the information required for both the override and bond elections shall constitute compliance with the notice provisions of this section.
- E. The elections to be held pursuant to this section shall only be held on dates prescribed by section 16-204, except that elections held pursuant to this section to decide whether class B bonds shall be issued, or any other obligation incurred that will require the assessment of secondary property taxes, shall only be held on the first Tuesday after the first Monday of November.

- 4 -

1 F. Subsection A, paragraph 2 of this section does not apply to the 2 sale of school property if the market value of the school property is less 3 than fifty thousand dollars. 4 G. Bond counsel fees, financial advisory fees, printing costs and 5 paying agent and registrar fees for bonds issued pursuant to an election 6 under this section shall be paid from either the amount authorized by the 7 qualified electors of the school district or current operating 8 funds. Bond election expenses shall be paid from current operating funds 9 only. 10 H. For any election conducted to decide whether class B bonds will be issued pursuant to this section: 11 1. Except as provided in paragraph 2 of this subsection, the ballot 12 shall include the following statement: 13 14 The capital improvements that are proposed to be funded 15 through this bond issuance are to exceed the state standards and are in addition to monies provided by the state. 16 17 _____ school district is proposing to issue class B general obligation bonds totaling \$ to fund 18 19 capital improvements over and above those funded by the state. Under the students first capital funding system, _____ 20 21 school district is entitled to state monies for new 22 construction and renovation of school buildings in accordance 23 with state law. 24 THE ISSUANCE OF THESE BONDS WILL RESULT IN A PROPERTY TAX INCREASE TO PAY DEBT SERVICE ON THE BONDS. FOR A HOME 25 VALUED AT \$ (MEDIAN FULL CASH VALUE OF RESIDENTIAL PROPERTY 26 IN THE DISTRICT) , THESE BONDS WILL COST \$_____ ANNUALLY 27 AND \$ OVER THE TERM OF THE BONDS. 28 29 2. For a school district that is a joint technical education district, the ballot shall include the following statement: 30 _____, a joint technical education district, is 31

proposing to issue class B general obligation bonds totaling

32

\$_____ to fund capital improvements at a campus owned or operated and maintained by the joint technical education district. THE ISSUANCE OF THESE BONDS WILL RESULT IN A PROPERTY TAX INCREASE TO PAY DEBT SERVICE ON THE BONDS. FOR A HOME VALUED AT \$ (MEDIAN FULL CASH VALUE OF RESIDENTIAL PROPERTY IN THE DISTRICT) , THESE BONDS WILL COST \$_____ ANNUALLY AND \$ OVER THE TERM OF THE BONDS.

- 3. The ballot shall contain the words "bond approval, yes" and "bond approval, no", and the voter shall signify the voter's desired choice.
- 4. The ballot shall also contain the phrase "the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds".
- 5. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the Arizona legislative council. The director of the Arizona legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the Arizona legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.
- 6. No later than thirty-five days before a class B bond election conducted pursuant to this section, the school district shall mail a publicity pamphlet to each household that contains a qualified elector in the school district. The publicity pamphlet shall contain, at a minimum, the following information:
- (a) An executive summary of the school district's most recent capital plan submitted to the school facilities board.

- 6 -

- (b) A complete list of each proposed capital improvement that will be funded with the proceeds of the bonds and a description of the proposed cost of each improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.
- (c) The tax rate associated with each of the proposed capital improvements and the estimated cost of each capital improvement for the owner of a single family home that is valued at one hundred thousand dollars.
- I. For any election conducted to decide whether impact aid revenue bonds shall be issued pursuant to this section:
 - 1. The ballot shall include the following statement:

The capital improvements that are proposed to be funded through this bond issuance are to exceed the state standards and are in addition to monies provided by the state.

_____ school district is proposing to issue impact aid revenue bonds totaling \$_____ to fund capital improvements over and above those funded by the state. Under the students first capital funding system, _____ school district is entitled to state monies for new construction and renovation of school buildings in accordance with state law.

- 2. The ballot shall contain the words "bond approval, yes" and "bond approval, no", and the voter shall signify the voter's desired choice.
- 3. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the legislative council. The director of the legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the

- 7 -

director's objections and the school district shall resubmit revised ballot language to the director for approval.

- 4. No later than thirty-five days before an impact aid revenue bond election conducted pursuant to this section, the school district shall mail a publicity pamphlet to each household that contains a qualified elector in the school district. The publicity pamphlet shall contain, at a minimum, the following information:
 - (a) The date of the election.
 - (b) The voter's polling place and the times it is open.
- (c) An executive summary of the school district's most recent capital plan submitted to the school facilities board.
- (d) A complete list of each proposed capital improvement that will be funded with the proceeds of the bonds and a description of the proposed cost of each improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.
- (e) A statement that impact aid revenue bonds will be fully funded by aid that the school district receives from the federal government and do not require a levy of taxes in the district.
- (f) A statement that if the bonds are approved, the first priority for the impact aid will be to pay the debt service for the bonds and that other uses of the monies are prohibited until the debt service obligation is met.
- (g) A statement that if the impact aid revenue bonds are approved, the school district shall not issue or sell class B bonds while the district has existing indebtedness from impact aid revenue bonds, except for bonds issued to refund any bonds issued by the board.
- J. If the voters approve the issuance of school district class B bonds or impact aid revenue bonds, the school district shall not use the bond proceeds for any purposes other than the proposed capital improvements listed in the publicity pamphlet, except that up to ten per cent PERCENT of the bond proceeds may be used for general capital

- 8 -

expenses, including cost overruns of proposed capital improvements. The proposed capital improvements may be changed by a subsequent election as provided by this section.

- K. Each school district that issues bonds under this section is required to hold a public meeting each year between September 1 and October 31, until the bond proceeds are spent, at which an update of the progress of capital improvements financed through bonding is discussed and at which the public is permitted an opportunity to comment. At a minimum, the update shall include a comparison of the current status and the original projections on the construction of capital improvements, the costs of capital improvements and the costs of capital improvements in progress or completed since the prior meeting and the future capital bonding plans of the school district. The school district shall include in the public meeting a discussion of the school district's use of state capital aid and voter-approved capital overrides in funding capital improvements, if any.
- L. If an election is held to change the purpose or list of capital projects authorized by prior voter approval to issue bonds pursuant to subsection A, paragraph 5 of this section, the following requirements apply:
- 1. The election may be held only on the first Tuesday after the first Monday in November.
- 2. No later than thirty-five days before the election, the school district shall mail a publicity pamphlet to each household in the school district that contains a qualified elector. The publicity pamphlet shall contain, at a minimum, the following information:
 - (a) The date of the election.
 - (b) The voter's polling place and the times it is open.
 - (c) A statement as to why the election was called.
- (d) A complete list of each proposed capital improvement that is in addition to the initial capital improvements presented in the publicity pamphlet when the bonds were approved and the proposed cost of each

- 9 -

improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.

- (e) A complete list of each capital improvement that was presented in the publicity pamphlet when the bonds were initially approved and that is proposed to be eliminated or to have its cost reduced, and the proposed cost of each improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.
- (f) Arguments for and against the proposed change, if submitted, as provided by section 15-481, subsection B, paragraph 9.
- 3. The ballot shall contain the words "change capital improvements, yes" and "change capital improvements, no", and the voter shall signify the voter's desired choice.
- 4. If the election is to add a purpose that was not on the initial ballot, the ballot shall list the purpose that is proposed to be added.
- M. If an election is held to extend the time to issue bonds pursuant to subsection A, paragraph 6 of this section, the following requirements apply:
- 1. The election may be held only on the first Tuesday after the first Monday in November.
- 2. No later than thirty-five days before the election, the school district shall mail a publicity pamphlet to each household in the school district that contains a qualified elector. The publicity pamphlet shall contain, at a minimum, the following information:
 - (a) The date of the election.
 - (b) The voter's polling place and the times it is open.
 - (c) A statement as to why the election was called.
- (d) Arguments for and against the proposed change, if submitted, as provided in section 15-481, subsection B, paragraph 9.
- 3. The ballot shall contain the words "extend time to issue bonds, yes" and "extend time to issue bonds, no", and the voter shall signify the voter's desired choice."

1 Renumber to conform

2 Page 3, strike lines 7 through 24, insert:

- "C. For any proposed general obligation bond authorization where FOR WHICH 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".
- 1. 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,
- 2. The ballot shall contain the words "bond approval, yes" and "bond approval, no", and the voter shall signify the voter's desired choice.
 - 3. The ballot shall $\frac{also}{}$ contain the following statement:

A "yes" vote shall will authorize the (NAME OF COUNTY, CITY, TOWN OR DISTRICT) governing body to issue and sell \$ of __(NAME OF COUNTY, CITY, TOWN OR DISTRICT) bonds of __(NAME OF COUNTY, CITY, TOWN OR DISTRICT) bonds of __(NAME OF COUNTY, CITY, TOWN OR DISTRICT) bonds of __(NAME OF COUNTY, CITY IN A PROPERTY IN A PROPERTY IN A PROPERTY IN A PROPERTY IN THE BONDS IN A HOME VALUED AT A HOME VALUED AT A HOME VALUED AT ANNUALLY AND A HOME VALUED AT ANNUALLY AND ANNUALLY

A "no" vote shall not authorize the _____ governing body WILL DENY THE _____ (NAME OF COUNTY, CITY, TOWN OR DISTRICT) GOVERNING BODY THE AUTHORITY to issue and sell such bonds of the district."

- 11 -

1 Page 3, after line 44, insert:

"H. THE REQUIREMENTS OF THIS SECTION DO NOT APPLY TO ANY SPECIAL TAXING DISTRICT THAT MEASURES ITS TAX LEVY OR ASSESSMENT BY ACREAGE OR BY ANY OTHER MEASUREMENT THAT DOES NOT USE THE ASSESSED VALUATION OF PROPERTY.

Sec. 5. Section 48-685, Arizona Revised Statutes, is amended to read:

48-685. <u>Ballots</u>

- A. EXCEPT AS PROVIDED BY SUBSECTION B OF THIS SECTION, at the election the ballot shall contain the words "for the bonds" and "against the bonds" and to the right of and opposite each thereof PHRASE shall be placed a square approximately the size of the squares placed opposite the names of candidates on ballots. The voter shall indicate his THE VOTER'S vote "for the bonds" or "against the bonds" by inserting a mark as defined in section 16-400 in the square opposite such words.
- B. IF THE BONDS ARE TO HAVE ADDITIONAL SECURITY PURSUANT TO SECTION 48-688, SUBSECTION H FROM THE CITY'S OR TOWN'S PLEDGE OF ITS FULL FAITH AND CREDIT OBLIGATION TO PAY THE BONDS, WITH INTEREST, TO THE SAME EXTENT AS OTHER GENERAL OBLIGATION BONDS OF THE CITY OR TOWN, THE ELECTION BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454. SUBSECTION C.
- C. No other question, word or figure need be printed on any ballot. The ballot shall not be of any particular size, and sample ballots may or may not be printed, posted or distributed. A number of ballots exceeding by not less than two per cent PERCENT the number of registered voters whose names appear on the precinct register prepared for the precinct, town or city shall be printed for and furnished to each polling place.

- 12 -

Sec. 6. Section 48-707, Arizona Revised Statutes, is amended to read:

48-707. Notice and conduct of elections; waiver

- A. Any election under this article shall be a nonpartisan election called by posting notices in three public places within the boundaries of the district not less than twenty days before the election. Notice shall also be published in a newspaper of general circulation in the municipality or county or if there is no newspaper so circulated in the municipality in a newspaper of general circulation in the county in which the municipality is located once a week for two consecutive weeks before the election. The notice shall state:
 - 1. The place of holding the election.
- 2. The hours during the day, not less than six, in which the polls will be open.
- 3. If it is a formation election, the boundaries of the proposed district.
- 4. If it is a bond election, the amount of bonds to be authorized for the district, the maximum rate of interest to be borne on the bonds, the maximum term of the bonds, not exceeding twenty-five years, and the purposes for which the monies raised will be used.
- 5. If it is an ad valorem tax levy election pursuant to section 48-723, the maximum tax rate per one hundred dollars of assessed valuation to be imposed, the purposes for which the monies raised will be used and the existing maximum tax rate, if any.
 - 6. That a general plan is on file with the clerk.
- B. The district board or the governing body, as applicable, shall determine the date of the election and the polling places for the election and may consolidate county precincts. For other than a formation election pursuant to section 48-705, subsection B, and an election held pursuant to subsection G of this section, precinct registers shall be used. The county recorder shall submit precinct registers on the request of the clerk, and if the district includes land lying partly in and partly out of

- 13 -

any county election precinct, the precinct registers may contain the names of all registered voters in the precinct and the election boards at those precincts shall require that a prospective elector execute an affidavit stating that the elector is also a qualified elector of the district. For formation elections and elections held pursuant to subsection G of this section, a prospective elector shall execute an affidavit stating that the elector is the owner of land in the proposed district and is a qualified elector of this state or otherwise qualified to vote pursuant to section 48-3043 and stating the area of land in acres owned by the elector. Election board members may administer oaths or take all affirmations for these purposes. A community facilities district election held pursuant to this article is not subject to title 16, chapter 2, article 3.

- C. Except as otherwise provided by this article, the election shall comply with the general election laws of this state, except that the words to appear on the ballots shall be for a formation election "district, yes" and "district, no", for a bond election "bonds, yes" and "bonds, no", for a tax election if no tax is in place "tax, yes" and "tax, no" and for a tax election to change an existing maximum or eliminate an existing tax "tax change, yes" and "tax change, no". FOR AN ELECTION TO APPROVE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE DISTRICT PURSUANT TO SECTION 48-719, THE BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454, SUBSECTION C. The returns of election shall be made to the governing body or, if after formation, to the district board.
- D. Within fourteen days after an election, the governing body, or if after formation, the district board, shall meet and canvass the returns, and if a majority of the votes cast at the election is in favor of formation, issuing the bonds, imposing the tax or changing the tax, the governing body or the district board, as appropriate, shall enter that fact on its minutes. The canvass may be continued from time to time. Failure of a majority to vote in favor of the matter submitted does

- 14 -

not prejudice the submission of the same or similar matters at a later election.

- E. If a person listed on the assessment roll is no longer the owner of land in the district and the name of the successor owner becomes known and is verified by recorded deed or other similar evidence of transfer of ownership, the successor owner is deemed to be the owner for the purposes of this article.
- F. Notwithstanding any other provision of this article, if a petition for formation is signed by owners of all of the land in the district described in the petition and is approved by the municipality or county, the municipality or county may waive any or all requirements of posting, publication, mailing, notice, hearing and landowner election. On receipt of such a petition, and after approval by an election of resident electors, if any, the municipality or county shall declare the district formed without being required to comply with the provisions of this article for posting, publication, mailing, notice, hearing or landowner election.
- G. Notwithstanding any other provision of this article, if no person has registered to vote within the district within fifty days immediately preceding any scheduled election date, any election required to be held pursuant to this article shall be held with the vote by the owners of land within the district who are qualified electors of this state and other landowners according to section 48-3043. Each owner has the number of votes or portion of votes equal to the number of acres or portion of acres rounded upward to the nearest one-fifth of an acre owned in the district by that person.
- H. For a district that is proposed to be formed by a county, a district may be formed only if a petition for formation is signed by the owners of all of the land in the district that is described in the petition and if it is approved by the county. If the district is proposed to be formed in a county island, as defined in section 11-251.12, in existence on the effective date of this amendment to this section

- 15 -

SEPTEMBER 21, 2006, the petition must be signed by the owners of all of the land in the district that is described in the petition and the district must be approved by the county and by the municipality or all municipalities that form the county island. If the petition is signed by the owners of all of the land in the district, the county may waive any or all requirements of posting, publication, mailing, notice, hearing and landowner election. On receipt of such a petition, and after approval by an election of one hundred per cent PERCENT of the resident electors, if any, the county shall declare the district formed without being required to comply with the provisions of this article for posting.

Sec. 7. Section 48-806, Arizona Revised Statutes, is amended to read:

48-806. Bond election: issuance and sale of bonds

- A. Except for a district formed pursuant to section 48-851, the district board or the elected chief and secretary-treasurer may order an election by the qualified electors of the district to be held pursuant to title 16, chapter 2, article 1 to determine whether bonds shall be issued on behalf of the district. The order shall specify the maximum principal amount of bonds to be issued, the maximum number of years bonds of any issue or series may run from their date not exceeding thirty years, the purpose for which the bonds are to be issued, the maximum rate of interest which THAT the bonds are to bear, the date and hours of the election and the location of the polling places. Copies of the order shall be posted in three public places within the district not less than twenty days prior to the date of the election, and if a newspaper is published within the county having a general circulation within the district, the order shall be published in the newspaper not less than once a week during each of the three calendar weeks preceding the calendar week of the election.
- B. A district board formed pursuant to section 48-851 shall not order an election for or issue bonds under this section.
- C. Instead of publishing the notice described in subsection A of this section, the board of directors may mail a notice of election to each

household containing a qualified elector of the district. The notice shall contain the same information described in subsection A of this section except that the notice shall not contain the location of all the polling places for that election. The notice shall contain the location of the polling place for that household's qualified electors. The notice shall be mailed at least thirty-five days before the election.

- D. At the election the ballot shall contain the phrases "for the bonds" and "against the bonds". There shall be placed a square or other designated marking space in the same manner as used for candidates on ballots. The voter shall indicate a vote "for the bonds" or "against the bonds" APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454, SUBSECTION C. No other question, word or figure need be printed on the ballot. The ballot need not be any particular size, nor need sample ballots be printed, posted or distributed but ballots shall comply with standards otherwise provided by law, including requirements for electronic voting, if applicable.
- E. If a majority of the qualified electors of the district voting at the election approves the issuance of bonds, the district board or the elected chief and secretary-treasurer, as appropriate, may issue bonds in an aggregate principal amount not exceeding the lesser of six per cent PERCENT of the value of the taxable property in the district as shown on the last property tax assessment roll before issuing the bonds or the maximum amount specified in the election order.
- F. Bonds may be in such denominations, may be in registered or bearer form either as to principal or interest, or both, may mature at such times not exceeding the maximum maturity specified in the election order and may be subject to redemption prior to maturity, all as specified by the district board or elected chief and secretary-treasurer, as appropriate, as provided in subsection E of this section. The district may engage the services of a depository to administer a book entry system for the bonds. The costs and expenses of such depository and any registrar or paying agent for the bonds shall be deemed to be interest

- 17 -

expenses that may also be paid from the tax levy made pursuant to subsection I of this section.

- G. Bonds shall be executed by the manual or facsimile signatures of the chairman and clerk of the district board or elected chief and secretary-treasurer of the district. Coupons attached to the bonds shall bear the facsimile signature of the chairman of the district board or the elected chief of the district, as appropriate.
- H. The district board may sell the bonds at public or private sale or through an on-line ONLINE bidding process. In addition, the district board may negotiate loan agreements or loan repayment agreements with the greater Arizona development authority in lieu of selling bonds where authority to sell bonds has been granted by the district's voters. The proceeds of sale on the bonds shall be deposited in an account of the fire district fund to be known as the capital fund to be applied for the purpose for which the bonds were issued.
- I. After the bonds are issued, the district board or elected chief and secretary-treasurer, as appropriate, shall enter on the district's minutes a record of the bonds sold and shall annually determine the amount of the tax levy to pay the bonds and certify such amount to the board of supervisors of the county. The board of supervisors shall annually cause to be levied and collected a tax, at the same time and in the same manner as other taxes are levied and collected upon ON all taxable property in the district, sufficient to pay principal of and interest on the bonds as they become due and payable. Monies derived from the levy of the tax when collected shall be deposited in the debt service fund and shall be applied only to payment of the principal of and interest on the bonds. On payment of the outstanding bonded indebtedness of the district, any monies remaining in the debt service fund shall be used to reduce the district's property tax levy in the next fiscal year.

- 18 -

Sec. 8. Section 48-1037, Arizona Revised Statutes, is amended to read:

48-1037. Notice and conduct of elections; waiver

- A. Any election under this article shall be called by posting notices in three public places within the boundaries of the district not less than twenty days before the election. Notice shall also be published in a newspaper of general circulation in the county once a week for two consecutive weeks before the election. The notice shall state:
 - 1. The place of holding the election.
- 2. The hours during the day, not less than six, when the polls will be open.
- 3. If it is a formation election, the boundaries of the proposed district.
- 4. If it is a bond election, the amount of bonds to be authorized for the district, the maximum rate of interest to be borne on the bonds, the maximum term of the bonds, not exceeding thirty years, and the purposes for which the monies raised will be used.
- B. A bond election under this section must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection $\frac{1}{100}$, $\frac{$
- C. The district board or the board of supervisors, as applicable, shall determine the polling places for the election and may consolidate county precincts. For other than a formation election, precinct registers shall be used. The county recorder shall submit precinct registers on the request of the clerk, and if the district includes land lying partly in and partly out of any county election precinct, the precinct registers may contain the names of all registered voters in the precinct and the election boards at such precincts shall require that a prospective elector execute an affidavit stating that he is also a qualified elector of the district. For formation elections a prospective elector shall execute an affidavit stating that he is the owner of land in the district, is a qualified elector of this state and stating the area of land in acres

- 19 -

owned by the elector. Election board members may give oaths or take all affirmations for these purposes.

- D. Except as otherwise provided by this article, the election shall comply with the general election laws of this state, except that the words to appear on the ballots shall be for a formation election "district, yes" and "district, no" or for a bond election "bonds, yes" and "bonds, no". FOR AN ELECTION TO APPROVE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE DISTRICT PURSUANT TO SECTION 48-1045, THE BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454, SUBSECTION C. The returns of election shall be made to the district board.
- E. On the seventh day after the election or within seven days of the election, the board of supervisors, or if after formation, the district board, shall meet and canvass the returns, and if a majority of the votes cast at the election is in favor of formation or issuing the bonds, the board shall enter that fact on its minutes. The board may continue the canvass from time to time.
- F. Notwithstanding any other provision of this article, a petition for formation signed by owners of all of the land in the district described and approved by the board of supervisors waives any requirements of posting, publication, mailing, notice, hearing and election. On receipt of such a petition, the board of supervisors shall declare the district formed without being required to comply with this article for posting, publication, mailing, notice, hearing or election.
- Sec. 9. Section 48-1409, Arizona Revised Statutes, is amended to read:

48-1409. Conduct of election

- A. The election shall be held, except as otherwise provided by this article, in conformity with the general election laws of the state, except that:
- 1. The election shall be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection $\frac{B}{F}$, paragraph 1, subdivision (d) F.

- 20 -

2. The words to appear on the ballots shall be "bonds, yes. (), "bonds, no. ()".

- 2. THE BALLOT SHALL APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454. SUBSECTION C.
- 3. The returns of election shall be made to the board of trustees of the district.
- B. On the seventh day after the election at 1:00 p.m., the board of trustees shall meet and canvass the returns, and if a majority of the votes cast at the election is in favor of issuing the bonds, then the board of trustees shall make an entry of that fact upon their ON THE BOARD'S minutes,— and certify to the board of supervisors all proceedings had in the premises.
- Sec. 10. Section 48-4543, Arizona Revised Statutes, is amended to read:

48-4543. General obligation bond election; results

- A. On determining the amount of money that is necessary to be raised for any of the purposes set forth in section 48-4542 and that may be subject to repayment under section 48-4503, subsection B, paragraph 1, the board shall immediately call an election to submit to the electors of the district the question of whether the bonds of the district shall be issued in the amount so determined. The election must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection $\frac{1}{8}$, $\frac{1}{8}$,
- B. Notice of the election shall be posted in three public places in each election precinct of the district for at least twenty days and by publication in a newspaper published in the county in which the office of the board of directors of the district is located once a week for at least two consecutive weeks. The notice shall state the date of the election, the amount of bonds proposed to be issued, the maximum rate of interest to be borne on the bonds and the denominations.
- C. The election shall be held and the results shall be determined and declared in a manner as nearly as practicable as provided by section

- 21 -

48-4433 governing the election of board members. Informalities in conducting the election do not invalidate the election if it has been otherwise fairly conducted.

"bonds - yes" and "bonds - no" APPEAR IN THE FORM AND CONTAIN THE STATEMENT PRESCRIBED BY SECTION 35-454, SUBSECTION C. If a majority of the votes cast at the election is "bonds -- yes" APPROVE THE BONDS, the board of directors shall cause the bonds to be issued. If a majority of the votes cast is "bonds -- no" REJECT THE BONDS, the result of the election shall be declared by the board of directors and entered on its record, and at any time thereafter when a petition signed by one-fourth or more of the qualified electors of the district is presented to the board of directors, the board shall record such presentation in its minutes and shall again submit the question to the electors of the district in the same manner and with similar effect as at the previous election."

16 Amend title to conform

03/29/2016 5:33 PM C: meb

- 22 -