

PROPOSED

SENATE AMENDMENTS TO S.B. 1067

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 9-571, Arizona Revised Statutes, is amended to
3 read:

4 9-571. Wastewater treatment and drinking water treatment
5 facilities and nonpoint source projects; financial
6 assistance loan repayment agreements; definitions

7 A. Notwithstanding any other law, a city or town may construct,
8 acquire from a willing seller or improve a wastewater treatment facility,
9 drinking water facility or nonpoint source project with monies borrowed
10 from or financial assistance including forgivable principal provided by the
11 water infrastructure finance authority of Arizona.

12 B. To repay financial assistance from the water infrastructure
13 finance authority of Arizona a city or town may enter into a financial
14 assistance loan repayment agreement with the authority. A financial
15 assistance loan repayment agreement is payable from any revenues otherwise
16 authorized by law to be used to repay long-term obligations. If revenue
17 from a property tax assessment is the designated source of repayment under
18 the agreement, the property tax assessed and levied is a secondary property
19 tax levy for purposes of article IX, Constitution of Arizona.

20 C. For any city or town, the following apply:

21 1. For a city or town with a population of more than ~~one hundred~~
22 ~~fifty thousand~~ THREE HUNDRED THOUSAND persons, the governing body of the
23 city or town shall submit the question of entering and performing a
24 financial assistance loan repayment agreement to the qualified electors
25 voting at a regular or special election in the city or town, except that if

1 revenue from a secondary property tax levy is the designated source of
2 repayment or if the project is constructed with an improvement district,
3 the question shall be submitted to the qualified electors at an election
4 held on the first Tuesday following the first Monday in November.

5 2. For a city or town with a population of ~~one hundred fifty~~
6 ~~thousand~~ THREE HUNDRED THOUSAND persons or less, the revenues of the city's
7 or town's utility system or systems may be pledged to the payment of the
8 repayment agreement without an election, if the pledge of revenues does not
9 violate any covenant pertaining to the utility system or systems or the
10 revenues pledged to secure outstanding bonds or other obligations of the
11 city or town.

12 3. An election is not required if voter approval has previously been
13 obtained for substantially the same project with another funding source.

14 4. If a majority of the qualified electors voting on the question:

15 (a) Approves, the governing body may execute, deliver and perform
16 the financial assistance loan repayment agreement.

17 (b) Disapproves, the governing body shall not execute a financial
18 assistance loan repayment agreement.

19 D. Payments made pursuant to a financial assistance loan repayment
20 agreement are not subject to section 42-17106.

21 E. A financial assistance loan repayment agreement entered into
22 pursuant to this section shall contain the covenants and conditions
23 pertaining to ~~the construction, acquisition~~ CONSTRUCTING, ACQUIRING or
24 ~~improvement of~~ IMPROVING a wastewater treatment or drinking water facility
25 or nonpoint source project and ~~repayment of~~ REPAYING the loan as the water
26 infrastructure finance authority of Arizona deems proper. Financial
27 assistance loan repayment agreements may provide for ~~the payment of~~ PAYING
28 interest on the unpaid principal balance of such agreement at the rates
29 established in the agreement. The agreement may also provide for ~~payment~~
30 ~~of~~ PAYING the city's or town's proportionate share of the expenses of
31 administering the clean water and drinking water revolving funds
32 established by sections 49-1221 and 49-1241 and may provide that the city

1 or town pay financing and loan administration fees approved by the water
2 infrastructure finance authority. These costs may be included in the levy
3 or assessment amounts pledged to repay the financial assistance. Cities
4 and towns are bound by and shall fully perform the loan repayment
5 agreements, and the agreements are incontestable after the loan is funded
6 by the water infrastructure finance authority of Arizona. The city or town
7 shall also agree to pay the authority's costs in issuing bonds or otherwise
8 borrowing to fund a loan.

9 F. A financial assistance loan repayment agreement under this
10 section does not create a debt of the city or town, and the authority shall
11 not require that payment of a financial assistance loan repayment agreement
12 be made from other than those sources ~~permitted~~ ALLOWED in subsection B of
13 this section and as prescribed by sections 49-1225 and 49-1245.

14 G. A city or town may employ attorneys, accountants, financial
15 consultants and such other experts in their field as deemed necessary to
16 perform services with respect to the financial assistance loan repayment
17 agreement.

18 H. This section is supplemental and alternative to any other law
19 under which a city or town may borrow money or issue bonds. This section
20 ~~shall not be construed as~~ IS NOT the exclusive authorization to enter into
21 loan agreements with the authority.

22 I. A city or town may borrow additional monies or enter into
23 additional financial assistance loan repayment agreements with the water
24 infrastructure finance authority in an amount up to the amount approved by
25 the voters pursuant to subsection C of this section less the amount that
26 the city or town is already obligated to repay to the water infrastructure
27 finance authority pursuant to a financial assistance loan repayment
28 agreement.

29 J. For the purposes of this section:

30 1. "City" includes both cities formed pursuant to this title and
31 charter cities.

1 2. "Nonpoint source project" has the same meaning prescribed in
2 section 49-1201.

3 Sec. 2. Emergency

4 This act is an emergency measure that is necessary to preserve the
5 public peace, health or safety and is operative immediately as provided by
6 law."

7 Amend title to conform

SINE KERR

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