

PROPOSED  
SENATE AMENDMENTS TO S.B. 1262  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 35-501, Arizona Revised Statutes, is amended to  
3 read:

4 35-501. Records of bond issues; debt-level analysis and report

5 A. ~~By~~ ON OR BEFORE June 30 of each year, the department of  
6 administration shall ascertain and record in its office all issues of  
7 bonds, certificates of participation or other securities issued for a term  
8 in excess of one year by this state or a county, city, town, school  
9 district, irrigation district, other political subdivision or municipal  
10 property corporation within this state. The record shall show the date of  
11 issuance, amount, denomination, rates of interest, maturity, dates of the  
12 bonds, certificates of participation or securities and other information  
13 the department of administration requires.

14 B. The reports relating to the issuance of bonds and securities  
15 required under subsection A of this section shall be filed with the  
16 department of administration within sixty days after the issuance and shall  
17 contain the following information:

18 1. The par amount of the bonds or securities.

19 2. The interest rate, by maturity of the bonds or securities.

20 3. The repayment schedule, showing both principal and interest for  
21 the issue.

22 4. The sources of repayment.

23 5. The original issue price and any premium or discount, by  
24 maturity, for the issue.

1           6. A detailed listing of all issuance costs, regardless of source of  
2 payment, including underwriter's compensation, bond counsel fees, financial  
3 advisor fees, verification agent fees, placement agent fees, investment  
4 securities brokerage fees, registrar fees, trustee fees, credit enhancement  
5 fees, rating agency fees, printing costs, registration fees, transfer and  
6 recording fees and any other costs directly or indirectly earned or paid as  
7 a result of the issuance of the bonds or securities, as determined by the  
8 department of administration.

9           7. The total amount of parity bonds or securities outstanding,  
10 including the issue, at the time of issuance.

11           8. The total amount of any bonds or securities, senior or  
12 subordinate to the issue outstanding at the time of issuance.

13           9. The amount of any constitutional or statutory limitation on the  
14 issuance of bonds or securities of the type issued.

15           10. The remaining amount of bonds or securities that may be issued  
16 within the limitation determined in paragraph 9 of this subsection.

17           11. The amount of any constitutional or statutory voter  
18 authorization applicable to the issuance of bonds or securities of the type  
19 issued.

20           12. The remaining amount of bonds or securities that may be issued  
21 within the authorization determined in paragraph 9 of this subsection.

22           13. Any other similar or related information the department of  
23 administration may determine.

24           C. THE DEPARTMENT OF ADMINISTRATION SHALL INCLUDE THE FOLLOWING  
25 INFORMATION IN THE REPORTS PRESCRIBED BY SUBSECTION B OF THIS SECTION:

26           1. A LIST OF EACH LENDING PROGRAM AND CREDIT SUPPORT PROGRAM AND THE  
27 STATUTORY OR OTHER AUTHORITY FOR EACH PROGRAM.

28           2. THE TOTAL DOLLAR AMOUNT OF ALL MONIES OFFERED PURSUANT TO LENDING  
29 PROGRAMS, SPECIFIED BY PROGRAM.

30           3. THE TOTAL DOLLAR AMOUNT OF ALL DEBTS GUARANTEED OR TO WHICH CREDIT  
31 ENHANCEMENTS ARE GIVEN PURSUANT TO CREDIT SUPPORT PROGRAMS, SPECIFIED BY  
32 PROGRAM.

1           4. AN ESTIMATE OF THE COST OF LIKELY DEFAULTS ON LENDING PROGRAMS AND  
2 CREDIT SUPPORT PROGRAMS, SPECIFIED BY PROGRAM. IF PRACTICABLE, THE  
3 DEPARTMENT SHALL USE RECOGNIZED STANDARD ACCOUNTING PRACTICES IN THE  
4 PRIVATE SECTOR TO EVALUATE THE LIKELIHOOD AND COST OF THE DEFAULTS.

5           ~~E.~~ D. ~~By~~ ON OR BEFORE December 15 of each year, the department of  
6 administration shall provide to the governor, the president of the senate  
7 and the speaker of the house of representatives a report of the information  
8 collected pursuant to ~~subsection~~ SUBSECTIONS A AND C of this section. This  
9 report shall include an analysis of the outstanding indebtedness of each  
10 jurisdiction and the relationship of the outstanding indebtedness to the  
11 appropriate debt limitations in article IX, sections 5, 8 and 8.1,  
12 Constitution of Arizona.

13           ~~E.~~ E. If as a result of the analysis conducted pursuant to  
14 subsection ~~E~~ D of this section the department of administration determines  
15 that the outstanding indebtedness of a jurisdiction is in excess of the  
16 debt limitation prescribed by the Constitution or statutes of Arizona, the  
17 department of administration shall notify the governing body or board of  
18 the jurisdiction, the governor, the president of the senate, the speaker of  
19 the house of representatives and, in the case of a school district, the  
20 superintendent of public instruction.

21           ~~E.~~ F. The department of administration shall notify the person or  
22 governing body responsible for complying with this section of a failure to  
23 comply in whole or in part with the requirements of this section. Any  
24 person or governing body so notified shall comply within thirty days. Any  
25 county, city, town, school district, irrigation district or other political  
26 subdivision of this state that fails to comply fully with this article  
27 shall not issue any additional bonds or other securities.

28           G. FOR THE PURPOSES OF THIS SECTION:

29           1. "CREDIT SUPPORT PROGRAM" MEANS ANY PROGRAM THAT IS OPERATED BY  
30 THIS STATE OR A PUBLIC BODY THAT IS ENTIRELY CONTROLLED OR FUNDED BY THIS  
31 STATE, THAT GUARANTEES OR PROVIDES A CREDIT ENHANCEMENT, INCLUDING STATE  
32 SUPPORT FOR INTEREST OR PRINCIPAL PAYMENTS, TO THE DEBT OF A PRIVATE PARTY

1 OR POLITICAL SUBDIVISION OF THIS STATE AND THAT OFFERS MONIES IF THE  
2 PRIVATE PARTY OR POLITICAL SUBDIVISION FAILS TO PAY THE DEBT.

3 2. "LENDING PROGRAM" MEANS ANY PROGRAM THAT IS OPERATED BY THIS STATE  
4 OR A PUBLIC BODY THAT IS ENTIRELY CONTROLLED OR FUNDED BY THIS STATE AND  
5 THAT OFFERS MONIES TO A PRIVATE PARTY OR POLITICAL SUBDIVISION OF THIS  
6 STATE IF THE PRIVATE PARTY OR POLITICAL SUBDIVISION IS EXPECTED TO REPAY  
7 THE MONIES TO THIS STATE.

8 Sec. 2. Short title

9 This act may be cited as the "Arizona State Lending Transparency  
10 Act".

11 Amend title to conform

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