

Official Title

A Town Code Ordinance

Amending Chapter 35: Purchasing, of the Town Code of Payson, Arizona to Require Direct Election by Qualified Electors of the Town for any Bond Issuance or Contract Debt by the Town secured in whole or part by Town revenue.

Text of Proposed Ordinance

Be it enacted by the People of the Town of Payson:

Section 1. Title.

This Town Code Ordinance shall be known as the:

“Transparency in Payson Debt Obligation Ordinance.”

Section 2. Purpose and Intent.

- A. This Ordinance is intended to secure the right of the People of Payson, Arizona to know the full and complete source of funding for publicly financed projects, in whole or part, and to provide information to Payson Arizona voters needed to make informed financial decisions.
- B. To secure this right, this Town Code Ordinance requires a direct vote for any Bond Issuance as allowed under Arizona Revised Statutes, Title 9, that has a ‘Combination’ / ‘Double Barrel’ feature in the indenture agreement, or elsewhere, be treated as a ‘General Obligation Bond’ requiring a direct vote to enact / fund.
- C. A Combination Bond is defined as a municipal bond with the coupon and principal guaranteed both by the general revenue of the Town issuing the bond and by the revenue of the project the bond finances.
- D. To further secure this right, this Town Code Ordinance requires a direct vote for any Contract / Lease Debt incurred by the Town with an original amount of one million dollars (\$1,000,000.00) or greater requiring a direct vote to enact / fund.
- E. By adopting this Town Code Ordinance, the People of Payson, Arizona affirm their desire to stop unfunded / underfunded liabilities without direct consent.

Section 3. Chapter 35, Payson Code of Ordinances, is amended by adding Section 35.04, as follows:

Section 35.04. People’s Right to Know Debt Obligation.

- A. Any Revenue Bond for Financing or Debt that has a Combination and or Double Barrel feature in the indenture agreement, or elsewhere in the Bond terms, shall be treated as a General Obligation Bond, requiring a vote of the Qualified Electors to enact and or fund.
- B. For any Contract / Lease Debt incurred by the Town with an original amount of one million dollars (\$1,000,000.00) or greater requiring a direct vote to enact / fund.
- C. For the purpose of this Ordinance **FINANCING** or **DEBT** shall be defined as any debt, bond, note, loan, interfund loan, fund transfer, or other debt service obligation used to finance the development or expansion of a capital facility or lease of a facility.
- D. For the purpose of this Ordinance the virgule shall be interpreted as “and” “and or” “or” as appropriate and inclusive of all forms.

Section 4. Severability.

The People of Payson, Arizona declare their intention that the provisions of this Town Code Ordinance are severable. If any provision of this Town Code Ordinance is held invalid for any reason, the remaining provisions of this Town Code Ordinance will be severed from the void portion and given the fullest possible force and application.

Section 5. Submission to voters.

The Town of Payson Clerk shall submit this Town Code Ordinance to the voters at the next general election as provided by the Constitution of Arizona.

Section 6. Effective date and implementation.

- A. If approved by the voters, this Town Code Ordinance shall apply, as provided herein, occurring January 1, 2019.
- B. The Town Council and Town staff shall promptly make such changes in and additions to any related Town documents to include, but not be limited to, Debt Manual and Debt Management Policy.
- C. The Town Clerk shall publicize the requirements of this provision.
- D. Nothing in this Town Code Ordinance shall have the effect of preventing The Town from adhering to requirements more stringent than those required by this Town Code Ordinance or as required by law.
- E. The rights established by this Section shall be construed broadly.

Section 7. Legal Defense.

The People of Payson, Arizona desire that this Town Code Ordinance, if approved by the voters, be defended if it is challenged in court. They therefore declare that the political committee registered to circulate petitions and campaign in support of the adoption of this Town Code Ordinance, or any one or more of its officers, have standing to defend this Town Code Ordinance on behalf of and as the agent of the People of Payson Arizona in any legal action brought to challenge the validity of this Town Code Ordinance.

**APPLICATION FOR INITIATIVE PETITION SERIAL NUMBER
TO: TOWN CLERK, TOWN OF PAYSON**

The undersigned intends to circulate and file an INITIATIVE petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes 19-111, attached hereto is the full text, in no less than eight point type, of the MEASURE intended to be INITIATED at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed measure that will appear in that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

The Transparency in Payson Debt Obligation initiative establishes Your Right to control town spending. The Town will be required that any Revenue Bond that has a Combination feature in the indenture agreement, or elsewhere in the Bond terms, or any Contract or Lease Debt in excess of one million dollars (\$1,000,000.00) be treated as a General Obligation Bond, requiring a vote of the Qualified Electors to enact and or fund. This will maintain the 'spirit' of the general obligation bond requirement; placing funding choices with Citizens.

Signature of Applicant

Name of Organization

Printed Name of Applicant

Address

Address

City State Zip

City State Zip

Telephone Number

Telephone Number

Name of Officer and Title

Date of Application _____

Address

Signatures Required _____

City State Zip

Deadline for Filing _____

Telephone Number

Serial Number Issued _____

Name of Office and Title

Address

City State Zip

Telephone Number