

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2425

AN ACT

AMENDING TITLE 42, CHAPTER 11, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-11132; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 42, chapter 11, article 3, Arizona Revised Statutes,
3 is amended by adding section 42-11132, to read:
4 42-11132. Exemption for low income housing projects
5 A. PROPERTY THAT IS NOT USED OR HELD FOR PROFIT AND THAT IS
6 EXCLUSIVELY FOR RENTAL HOUSING AND RELATED FACILITIES AND THAT IS OWNED AND
7 OPERATED BY, OR IS A WHOLLY OWNED SUBSIDIARY OF, A RELIGIOUS, HOSPITAL,
8 SCIENTIFIC OR CHARITABLE FUND, FOUNDATION OR CORPORATION, INCLUDING A LIMITED
9 PARTNERSHIP IN WHICH THE MANAGING GENERAL PARTNER IS AN ELIGIBLE NONPROFIT
10 CORPORATION, IS EXEMPT FROM TAXATION IF EITHER OF THE FOLLOWING APPLIES:
11 1. THE ACQUISITION, REHABILITATION, DEVELOPMENT OR OPERATION OF THE
12 PROPERTY, OR ANY COMBINATION OF THESE FACTORS, IS FINANCED WITH TAX EXEMPT
13 MORTGAGE REVENUE BONDS OR GENERAL OBLIGATION BONDS OR IS FINANCED BY LOCAL,
14 STATE OR FEDERAL LOANS OR GRANTS AND THE RENTS OF THE OCCUPANTS DO NOT EXCEED
15 THE RENTS THAT ARE PRESCRIBED BY DEED RESTRICTIONS OR BY REGULATORY
16 AGREEMENTS PURSUANT TO THE FINANCING OR FINANCIAL ASSISTANCE TERMS.
17 2. THE OWNER OF THE PROPERTY IS ELIGIBLE FOR AND RECEIVES TAX CREDITS
18 FOR LOW INCOME RESIDENTIAL HOUSING ESTABLISHED UNDER SECTION 42 OF THE
19 INTERNAL REVENUE CODE.
20 B. TO QUALIFY UNDER THIS SECTION, THE OWNER OF THE PROPERTY SHALL:
21 1. FOR ANY CLAIM THAT IS FILED IN ANY FISCAL YEAR, CERTIFY AND ENSURE,
22 SUBJECT TO PARAGRAPH 2 OF THIS SUBSECTION, THAT THERE IS AN ENFORCEABLE AND
23 VERIFIABLE AGREEMENT WITH A PUBLIC AGENCY, A RECORDED DEED RESTRICTION OR ANY
24 OTHER LEGAL DOCUMENT THAT RESTRICTS THE USE OF THE PROPERTY AND REQUIRES THAT
25 THE RENTS DO NOT EXCEED THE TERMS THAT ARE PRESCRIBED BY THE FINANCING OR
26 FINANCIAL ASSISTANCE TERMS. IN THE CASE OF A LIMITED PARTNERSHIP IN WHICH
27 THE MANAGING GENERAL PARTNER IS AN ELIGIBLE NONPROFIT CORPORATION, THE
28 REQUIREMENTS UNDER THIS PARAGRAPH SHALL BE CONTAINED IN AN ENFORCEABLE AND
29 VERIFIABLE AGREEMENT WITH A PUBLIC AGENCY OR IN A RECORDED DEED CERTIFIED BY
30 THE LIMITED PARTNERSHIP.
31 2. CERTIFY THAT THE MONIES THAT WOULD HAVE BEEN NECESSARY TO PAY THE
32 PROPERTY TAXES ARE USED TO MAINTAIN THE AFFORDABILITY OF OR OTHERWISE REDUCE
33 THE RENTS OF THE UNITS THAT ARE OCCUPIED BY ELIGIBLE LOW INCOME HOUSEHOLDS.