

REFERENCE TITLE: housing trust fund; shelter services

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

## **SB 1263**

Introduced by  
Senator Livingston

AN ACT

AMENDING SECTIONS 35-751 AND 41-3955, ARIZONA REVISED STATUTES; RELATING TO THE HOUSING TRUST FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-751, Arizona Revised Statutes, is amended to  
3 read:

4 35-751. Earnings of the corporation and exemption from  
5 restrictions

6 A. The corporation ~~shall be~~ IS a nonprofit corporation, and no part  
7 of its net earnings remaining after payment of its expenses shall inure to  
8 the benefit of any individual, firm or corporation.

9 B. A project shall be exempt from any requirement of competitive  
10 bidding or other restrictions imposed on the procedure for the financing  
11 of public improvements or the award of contracts for the construction of  
12 public improvements and shall also be exempt from any restrictions imposed  
13 on municipalities, counties or political subdivisions relating to the  
14 leasing, sale or other disposition of property or funds.

15 C. At the end of each fiscal year, the Arizona industrial  
16 development authority shall ~~:-~~

17 ~~1. transfer all unencumbered monies in excess of the authority's~~  
18 ~~operating costs generated after August 6, 2016 from single family mortgage~~  
19 ~~programs that were in existence before August 6, 2016 to the housing trust~~  
20 ~~fund established by section 41-3955.~~

21 ~~2. After the transfer is made pursuant to paragraph 1 of this~~  
22 ~~subsection, transfer all unencumbered monies in excess of the authority's~~  
23 ~~operating costs to the economic development fund established by section~~  
24 ~~41-5302.~~

25 Sec. 2. Section 41-3955, Arizona Revised Statutes, is amended to  
26 read:

27 41-3955. Housing trust fund; purpose; annual report

28 A. The housing trust fund is established, and the director shall  
29 administer the fund. The fund consists of monies from unclaimed property  
30 deposited in the fund pursuant to section 44-313, monies transferred  
31 pursuant to section 35-751 and investment earnings.

32 B. On notice from the department, the state treasurer shall invest  
33 and divest monies in the fund as provided by section 35-313, and monies  
34 earned from investment shall be credited to the fund.

35 C. Except as provided in subsection D of this section, fund monies  
36 shall be spent on approval of the department for developing projects and  
37 programs connected with providing housing opportunities for low and  
38 moderate income households and for housing affordability programs.  
39 Pursuant to section 44-313, subsection A, a portion of fund monies shall  
40 be used exclusively for housing in rural areas. **MONIES TRANSFERRED**  
41 **PURSUANT TO SECTION 35-751 SHALL BE USED TO SUPPORT EMERGENCY AND**  
42 **TRANSITIONAL HOMELESS SHELTER SERVICES.**

1 D. Fund monies may be spent on constructing or renovating  
2 facilities and on housing assistance, including support services, for  
3 persons who have been determined to be seriously mentally ill and to be  
4 chronically resistant to treatment.

5 E. For the purposes of subsection C of this section, in approving  
6 the expenditure of monies, the director shall give priority to funding  
7 projects that provide for operating, constructing or renovating facilities  
8 for housing for low-income families and that provide housing and shelter  
9 to families that have children.

10 F. The director shall report annually to the legislature on the  
11 status of the housing trust fund. The report shall include a summary of  
12 facilities for which funding was provided during the preceding fiscal year  
13 and shall show the cost and geographic location of each facility and the  
14 number of individuals benefiting from the operation, construction or  
15 renovation of the facility. The report shall also include the number of  
16 individuals who benefit from housing assistance pursuant to subsection D  
17 of this section. The report shall be submitted to the president of the  
18 senate and the speaker of the house of representatives, and **PROVIDE** a copy  
19 ~~provided~~ to the secretary of state, not later than September 1 of each  
20 year.

21 G. Monies in the housing trust fund are exempt from the provisions  
22 of section 35-190 relating to lapsing of appropriations.

23 H. An amount not to exceed ten percent of the housing trust fund  
24 monies may be appropriated annually by the legislature to the department  
25 for administrative costs in providing services relating to the housing  
26 trust fund.

27 I. For any construction project financed by the department pursuant  
28 to this section, the department shall notify a city, town, county or  
29 tribal government that a project is planned for its jurisdiction and,  
30 before proceeding, shall seek comment from the governing body of the city,  
31 town, county or tribal government or an official authorized by the  
32 governing body of the city, town, county or tribal government. The  
33 department shall not interfere with or attempt to override the local  
34 jurisdiction's planning, zoning or land use regulations.