

PROPOSED
SENATE AMENDMENTS TO S.B. 1117
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 42-11133, Arizona Revised Statutes, is amended
3 to read:

4 42-11133. Exemption for affordable housing projects;
5 definition

6 A. Property that is used exclusively for affordable rental housing
7 pursuant to section 42 of the internal revenue code or another recorded
8 restrictive covenant imposed by financing for affordable housing and
9 related facilities are exempt from taxation if:

10 1. The property is owned and operated by, or is a wholly owned
11 subsidiary of, a corporation that is qualified pursuant to section
12 501(c)(3) or 501(c)(4) of the internal revenue code or a limited
13 partnership or limited liability company in which the general partner or
14 the managing member, as applicable, is an eligible nonprofit corporation or
15 a single purpose entity that is wholly owned by one or more eligible
16 nonprofit corporations.

17 2. Either of the following applies:

18 (a) The acquisition, rehabilitation, development or operation of the
19 property, or any combination of these factors, is financed with tax exempt
20 mortgage revenue bonds or general obligation bonds or is financed by local,
21 state or federal loans or grants and the amount of rent paid by or on
22 behalf of the occupants does not exceed the amount of rent that is
23 prescribed by deed restrictions or by regulatory agreements pursuant to the
24 property's financing or financial assistance terms.

1 (b) The owner of the property is eligible for and receives tax
2 credits for low-income or moderate-income residential housing established
3 under section 42 of the internal revenue code and the amount of rent paid
4 by or on behalf of the occupants does not exceed the amount that is
5 prescribed by deed restrictions or by regulatory agreements pursuant to the
6 property's financing or financial assistance terms.

7 ~~3. The property does not exceed two hundred units.~~

8 B. To qualify under this section, the owner of the property must:

9 1. For any claim that is filed in any fiscal year, certify and
10 ensure, subject to paragraph 2 of this subsection, that there is an
11 enforceable and verifiable agreement with a public agency, a recorded deed
12 restriction or any other legal document that restricts the use of the
13 property and requires that the rents do not exceed the terms that are
14 prescribed by the financing or financial assistance terms.

15 2. Certify that the monies that would have been necessary to pay the
16 property taxes are used to maintain the affordability of or otherwise
17 reduce the rents of the units that are occupied by eligible ~~low income~~
18 **LOW-INCOME** households.

19 C. For the purposes of this section, "eligible nonprofit
20 corporation" means a corporation that is qualified pursuant to section
21 501(c)(3) or 501(c)(4) of the internal revenue code and for which one of
22 its exempt purposes includes providing affordable housing."

23 Amend title to conform

DAVID LIVINGSTON

1117LIVINGSTON
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11:37 AM
C: ED