

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~~ SIX 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

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11:50 AM  
C: ED