

REFERENCE TITLE: housing; inventory; sales

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

## **HB 2264**

Introduced by  
Representative Cano

### AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-461.18; AMENDING TITLE 11, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-810.01; AMENDING TITLE 41, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-807; AMENDING SECTION 41-3955, ARIZONA REVISED STATUTES; RELATING TO PLANNING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 4, article 6, Arizona Revised Statutes,  
3 is amended by adding section 9-461.18, to read:

4 9-461.18. Housing; inventory; hearing; sales; surplus real  
5 estate

6 A. ON OR BEFORE JULY 1, 2025 AND EVERY THREE YEARS THEREAFTER, EACH  
7 MUNICIPALITY SHALL PREPARE AN INVENTORY OF ALL REAL PROPERTY THAT IS  
8 WITHIN ITS JURISDICTION TO WHICH THE MUNICIPALITY HOLDS TITLE AND THAT IS  
9 APPROPRIATE FOR USE AS AFFORDABLE HOUSING. THE INVENTORY MUST INCLUDE THE  
10 ADDRESS AND LEGAL DESCRIPTION OF EACH PIECE OF REAL PROPERTY AND SPECIFY  
11 WHETHER THE PROPERTY IS VACANT OR IMPROVED.

12 B. THE GOVERNING BODY OF THE MUNICIPALITY SHALL HOLD A PUBLIC  
13 HEARING AT WHICH THE INVENTORY LIST IS REVIEWED. THE GOVERNING BODY MAY  
14 REVISE THE INVENTORY LIST AT THE CONCLUSION OF THE PUBLIC HEARING. THE  
15 GOVERNING BODY SHALL ADOPT A RESOLUTION THAT INCLUDES THE INVENTORY LIST  
16 AT THE CONCLUSION OF THE PUBLIC HEARING.

17 C. PROPERTIES ON THE INVENTORY LIST IDENTIFIED AS APPROPRIATE FOR  
18 USE AS AFFORDABLE HOUSING MAY BE OFFERED FOR SALE AND THE PROCEEDS MAY BE  
19 USED TO PURCHASE LAND FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.  
20 PROPERTIES ON THE INVENTORY LIST MAY BE:

21 1. SOLD WITH A RESTRICTION THAT REQUIRES THE DEVELOPMENT OF THE  
22 PROPERTY AS PERMANENT AFFORDABLE HOUSING.

23 2. DONATED TO A NONPROFIT HOUSING ORGANIZATION FOR CONSTRUCTION OF  
24 PERMANENT AFFORDABLE HOUSING.

25 3. MADE AVAILABLE FOR USE OR THE PRODUCTION AND PRESERVATION OF  
26 PERMANENT AFFORDABLE HOUSING.

27 Sec. 2. Title 11, chapter 6, article 1, Arizona Revised Statutes,  
28 is amended by adding section 11-810.01, to read:

29 11-810.01. Housing; inventory; hearing; sales; surplus real  
30 estate

31 A. ON OR BEFORE JULY 1, 2025 AND EVERY THREE YEARS THEREAFTER, EACH  
32 COUNTY SHALL PREPARE AN INVENTORY OF ALL REAL PROPERTY THAT IS WITHIN ITS  
33 JURISDICTION TO WHICH THE COUNTY HOLDS TITLE AND THAT IS APPROPRIATE FOR  
34 USE AS AFFORDABLE HOUSING. THE INVENTORY MUST INCLUDE THE ADDRESS AND  
35 LEGAL DESCRIPTION OF EACH PIECE OF REAL PROPERTY AND SPECIFY WHETHER THE  
36 PROPERTY IS VACANT OR IMPROVED.

37 B. THE BOARD OF SUPERVISORS OF THE COUNTY SHALL HOLD A PUBLIC  
38 HEARING AT WHICH THE INVENTORY LIST IS REVIEWED. THE BOARD MAY REVISE THE  
39 INVENTORY LIST AT THE CONCLUSION OF THE PUBLIC HEARING. THE BOARD SHALL  
40 ADOPT A RESOLUTION THAT INCLUDES THE INVENTORY LIST AT THE CONCLUSION OF  
41 THE PUBLIC HEARING.

42 C. PROPERTIES ON THE INVENTORY LIST IDENTIFIED AS APPROPRIATE FOR  
43 USE AS AFFORDABLE HOUSING MAY BE OFFERED FOR SALE AND THE PROCEEDS MAY BE  
44 USED TO PURCHASE LAND FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.  
45 PROPERTIES ON THE INVENTORY LIST MAY BE:

1           1. SOLD WITH A RESTRICTION THAT REQUIRES THE DEVELOPMENT OF THE  
2 PROPERTY AS PERMANENT AFFORDABLE HOUSING.

3           2. DONATED TO A NONPROFIT HOUSING ORGANIZATION FOR CONSTRUCTION OF  
4 PERMANENT AFFORDABLE HOUSING.

5           3. MADE AVAILABLE FOR USE OR THE PRODUCTION AND PRESERVATION OF  
6 PERMANENT AFFORDABLE HOUSING.

7           Sec. 3. Title 41, chapter 4, article 7, Arizona Revised Statutes,  
8 is amended by adding section 41-807, to read:

9           41-807. Surplus real estate; inventory; sale

10           NOTWITHSTANDING ANY OTHER LAW, ON OR BEFORE JULY 1, 2025 AND EVERY  
11 THREE YEARS THEREAFTER, ALL STATE AGENCIES SHALL CREATE AN INVENTORY OF  
12 SURPLUS REAL ESTATE WITHIN THE AGENCY JURISDICTION TO WHICH THE STATE  
13 HOLDS TITLE AND PROVIDE THE INVENTORY TO THE DEPARTMENT. THE INVENTORY  
14 MUST INCLUDE THE ADDRESS AND LEGAL DESCRIPTION OF EACH PIECE OF REAL  
15 PROPERTY AND SPECIFY WHETHER THE PROPERTY IS VACANT OR IMPROVED. THE  
16 DEPARTMENT SHALL MAKE THE SURPLUS REAL ESTATE LISTED ON THE INVENTORIES  
17 AVAILABLE FOR SALE. MONIES RECEIVED FROM THE SALE OF SURPLUS REAL ESTATE  
18 OWNED BY THE STATE SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND  
19 35-147, IN THE HOUSING TRUST FUND ESTABLISHED BY SECTION 41-3955.

20           Sec. 4. Section 41-3955, Arizona Revised Statutes, is amended to  
21 read:

22           41-3955. Housing trust fund; purpose; annual report

23           A. The housing trust fund is established, and the director shall  
24 administer the fund. The fund consists of monies from unclaimed property  
25 deposited in the fund pursuant to section 44-313, monies transferred  
26 pursuant to section 35-751, MONIES DEPOSITED PURSUANT TO SECTION 41-807  
27 and investment earnings.

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

31           C. Except as provided in subsection D of this section, fund monies  
32 shall be spent on approval of the department for developing projects and  
33 programs connected with providing housing opportunities for low and  
34 moderate income households and for housing affordability programs.  
35 ~~Pursuant to section 44-313, subsection A,~~ A portion of fund monies shall  
36 be used exclusively for housing in rural areas.

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

41           E. For the purposes of subsection C of this section, in approving  
42 the expenditure of monies, the director shall give priority to funding  
43 projects that provide for operating, constructing or renovating facilities  
44 for housing for low-income families and that provide housing and shelter  
45 to families that have children.

1 F. The director shall report annually to the legislature on the  
2 status of the housing trust fund. The report shall include a summary of  
3 facilities for which funding was provided during the preceding fiscal year  
4 and shall show the cost and geographic location of each facility and the  
5 number of individuals benefiting from the operation, construction or  
6 renovation of the facility. The report shall also include the number of  
7 individuals who benefit from housing assistance pursuant to subsection D  
8 of this section. The report shall be submitted to the president of the  
9 senate and the speaker of the house of representatives, and a copy  
10 provided to the secretary of state, not later than September 1 of each  
11 year.

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

14 H. An amount not to exceed ten percent of the housing trust fund  
15 monies may be appropriated annually by the legislature to the department  
16 for administrative costs in providing services relating to the housing  
17 trust fund.

18 I. For any construction project financed by the department pursuant  
19 to this section, the department shall notify a city, town, county or  
20 tribal government that a project is planned for its jurisdiction and,  
21 before proceeding, shall seek comment from the governing body of the city,  
22 town, county or tribal government or an official authorized by the  
23 governing body of the city, town, county or tribal government. The  
24 department shall not interfere with or attempt to override the local  
25 jurisdiction's planning, zoning or land use regulations.