

REFERENCE TITLE: low-income housing tax credits; comment

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

## **HB 2258**

Introduced by  
Representatives Ortiz: Aguilar, Austin, Crews, De Los Santos, Hernandez M,  
Schwiebert, Sun; Senators Diaz, Gabaldón, Gonzales, Hernandez

AN ACT

AMENDING SECTION 35-728, ARIZONA REVISED STATUTES; RELATING TO LOW-INCOME HOUSING TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 35-728, Arizona Revised Statutes, is amended to  
3 read:

4 35-728. Additional powers; allocating low-income housing tax  
5 credits; report; definition

6 A. In addition to the other powers granted to the department, the  
7 department may:

8 1. Adopt rules for the conduct of its business and its review of  
9 the activities described in this article.

10 2. Contract with, retain or designate financial consultants,  
11 attorneys and ~~such~~ other consultants and independent contractors as it  
12 determines necessary or appropriate to carry out the purposes of this  
13 article.

14 3. Undertake and carry out or authorize the completion of studies  
15 and analyses of housing conditions and needs within this state relevant to  
16 the purposes of this section to the extent not otherwise undertaken by  
17 other departments or agencies of this state satisfactory for such purpose.

18 B. The department is designated the housing credit agency for this  
19 state for purposes of section 42 of the United States internal revenue  
20 code and is responsible for allocating the federal low-income housing tax  
21 credits available to this state. After reviewing applications the  
22 department may assess the applicant a reasonable fee in connection with  
23 processing the applications and monitoring compliance with the  
24 program. Beginning on October 1, 2002, the department shall remit the  
25 fees to the state treasurer for deposit in the Arizona department of  
26 housing program fund established by section 41-3957.

27 C. For the activities authorized in this section, the department  
28 shall notify a city, town, county or tribal government that a multifamily  
29 rental project is planned for its jurisdiction and, ~~before proceeding,~~  
30 ~~shall request and obtain written consent from the governing body of the~~  
31 ~~city, town, county or tribal government or an official authorized by the~~  
32 ~~governing body of the city, town, county or tribal government~~ PROVIDE A  
33 REASONABLE OPPORTUNITY TO COMMENT ON THE PROJECT AS REQUIRED BY 26 UNITED  
34 STATES CODE SECTION 42 (m)(1)(A)(ii). The department shall not interfere  
35 with or attempt to override the local jurisdiction's planning, zoning or  
36 land use regulations. This subsection shall not be interpreted to  
37 interfere in any way with the requirements of state or federal fair  
38 housing laws.

39 D. The department shall provide to the governor, the president of  
40 the senate, the speaker of the house of representatives and the auditor  
41 general not later than September 30 of each year a report of the  
42 activities of the department during the preceding fiscal year. The report  
43 shall include information on the following matters:

- 1           1. An assessment of the number and geographic location of housing  
2 units or developments financed or otherwise assisted by the department or  
3 by the corporations reporting to the department.
- 4           2. An assessment of the assistance in obtaining housing provided by  
5 the department or by the corporations reporting to the department to  
6 persons of low or moderate income and to other persons.
- 7           3. An assessment of the approximate amount of money used in the  
8 housing industry as a result of the department's activities.
- 9           E. For the purposes of this section, "department" means the Arizona  
10 department of housing.