

REFERENCE TITLE: tax deed; sale; affordable housing

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

HB 2598

Introduced by
Representatives Villegas: Contreras L, Crews, De Los Santos, Gutierrez,
Hernandez L, Ortiz, Quiñonez, Sandoval, Stahl Hamilton, Sun; Senator
Hernandez

AN ACT

AMENDING SECTION 42-18303, ARIZONA REVISED STATUTES; RELATING TO TAX
DEEDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-18303, Arizona Revised Statutes, is amended
3 to read:

4 42-18303. Auction and sale of land held by state under tax
5 deed; disposition of proceeds

6 A. After advertisement, pursuant to section 42-18302, the board of
7 supervisors may sell the real property in the county held by the state by
8 tax deed to the highest bidder for cash except as provided in subsections
9 E and F of this section. The property may also be posted on the
10 treasurer's website. The sale may include a live auction or an online
11 bidding process in which the board receives bids electronically over the
12 internet in a real-time, competitive bidding event.

13 B. On selling the property, the board of supervisors shall execute
14 and deliver to the purchaser, at the purchaser's cost, a deed conveying
15 the title of the state in and to the parcel purchased. The deed shall be
16 acknowledged by the chairman and clerk of the board.

17 C. The purchase money shall be paid to the county treasurer. After
18 deducting and distributing interest, penalties, fees and costs charged
19 against the parcel, the treasurer shall apportion monies to the funds of
20 the various taxing authorities in proportion to their current share of the
21 taxes charged against real property. Any balance remaining with the
22 treasurer after payment of the taxes, interest, penalties, fees and costs
23 shall be paid to the owner of the property who was dispossessed by the
24 sale.

25 D. If the property is not sold before the time for the next
26 succeeding notice of sale, the board of supervisors may omit it from the
27 notice.

28 E. The board of supervisors may accept an offer from, and sell real
29 property held by this state by tax deed to, the county or a city, town or
30 special taxing district in the county for a public purpose related to
31 AFFORDABLE HOUSING FOR LOW-INCOME PERSONS AND FAMILIES AS DETERMINED BY
32 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
33 transportation or flood control. The board of supervisors shall convey
34 the deed and apportion the monies received in the transaction in the
35 manner prescribed by this section. IF A COUNTY, CITY, TOWN OR SPECIAL
36 TAXING DISTRICT ACQUIRES REAL PROPERTY PURSUANT TO THIS SUBSECTION FOR
37 PURPOSES RELATED TO AFFORDABLE HOUSING FOR LOW-INCOME PERSONS AND FAMILIES
38 AS DETERMINED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
39 DEVELOPMENT AND DETERMINES THAT USE IS IN THE COUNTY'S, CITY'S, TOWN'S OR
40 SPECIAL TAXING DISTRICT'S BEST INTERESTS, THE COUNTY, CITY, TOWN OR
41 SPECIAL TAXING DISTRICT MAY SELL, LEASE, EXCHANGE, QUITCLAIM, CONVEY OR
42 OTHERWISE DISPOSE OF THE REAL PROPERTY OR INTEREST IN THE REAL PROPERTY
43 FOR LESS THAN FAIR MARKET VALUE AND WITHOUT HOLDING A PUBLIC AUCTION TO
44 PROVIDE THE AFFORDABLE HOUSING IF A REGULATORY AGREEMENT IS RECORDED IN
45 THE OFFICE OF THE COUNTY RECORDER IN WHICH THE AFFORDABLE HOUSING IS

1 LOCATED THAT CONTAINS COVENANTS AND CONDITIONS THAT REQUIRE THE DWELLING
2 UNITS PROVIDED FOR LOW-INCOME PERSONS AND FAMILIES UNDER THIS SUBSECTION
3 TO REMAIN CONTINUALLY AFFORDABLE TO LOW-INCOME PERSONS AND FAMILIES FOR
4 THE LONGEST FEASIBLE TIME, BUT NOT LESS THAN THIRTY YEARS.

5 F. The board of supervisors may sell real property in the county
6 held by the state by tax deed to the owner of contiguous real property
7 that is used for residential purposes, and the board may accept an offer
8 by the contiguous owner to purchase the property, if both of the following
9 conditions apply:

10 1. Both the property offered for sale and the contiguous property
11 were at one time under common ownership, or the property offered for sale
12 is part of a common area maintained by a homeowners' association as
13 determined by the county assessor.

14 2. The property offered for sale cannot be separately used for
15 residential purposes pursuant to applicable building codes and ordinances
16 of the jurisdiction in which the property is located due to its size,
17 configuration or recorded common area restrictions.

18 G. If an offer under subsection E or F of this section is pending
19 at the time of the auction under this section, the board of supervisors
20 shall remove the property from the auction.

21 H. Subsection F of this section does not apply if there is more
22 than one contiguous parcel of property that meets the requirements
23 prescribed by subsection F of this section.