

REFERENCE TITLE: municipal improvement districts; petitions; authorization

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1652

Introduced by
Senator Bennett

AN ACT

AMENDING SECTIONS 48-571, 48-574, 48-575 AND 48-576, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-623; RELATING TO MUNICIPAL IMPROVEMENT DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-571, Arizona Revised Statutes, is amended to
3 read:

4 48-571. Definitions; appointment of officer

5 A. In this article and article 1 of this chapter, unless the
6 context otherwise requires:

7 1. "Assessment" or "assessment roll" means a special assessment
8 made under the provisions of this article.

9 2. "Block" means any parcel of ground, whether regular or
10 irregular, ~~which~~ THAT is bounded by streets, or by one or more streets and
11 by one or more boundary lines of the city or town.

12 3. "Clerk" includes any person or official who performs the duties
13 of clerk of the city or town.

14 4. "Contractor" includes the contractor's personal representative
15 or assignee.

16 5. "Council" or "governing body" includes and means the body or
17 board ~~which~~ THAT by law is constituted the legislative department of an
18 incorporated city or town.

19 6. "Delinquency" means delinquency in the payment of an assessment
20 made under the provisions of this article.

21 7. "Designated area" means an area of the municipality ~~which~~ THAT
22 is either designated pursuant to section 36-1479 as a slum or blighted
23 area or designated as a pocket of poverty or a neighborhood strategy area
24 by the United States department of housing and urban development, pursuant
25 to title I of the housing and community development act of 1977, as
26 amended (P.L. 95-128; 42 United States Code sections 5301 through 5320)
27 and the department of housing and urban development act (P.L. 89-174; 42
28 United States Code section 3535(d)).

29 8. "Engineer" includes any person who, under whatever official
30 name, is the civil engineer or surveyor of the city or town, and where
31 there is no elected or appointed official, then the engineer is the person
32 who may be appointed or employed by the council to perform the duties
33 required of an engineer under the provisions of this article.

34 9. "Improvement bond" means a bond issue under the provisions of
35 this article.

36 10. "Lighting plants" includes electric light plants, electric power
37 plants, gas plants, distribution systems, poles, parts, pipes, conduits,
38 wires, tanks, reservoirs, generators for gas or electricity, transmission
39 lines, towers, lamps, transformers of every character, machinery,
40 apparatus, equipment and all appliances and structures necessary or
41 incidental to the construction, installation or operation of a complete
42 municipal electric light, power and gas plant and distribution system,
43 placed on the streets improved, though extended beyond.

1 11. "Lot" includes any portion, piece, parcel or subdivision of
2 land, and includes property owned or controlled by any person as a
3 railroad right-of-way.

4 12. "Mayor" includes the chairman or president of the governing
5 body.

6 13. "Municipality" or "city" includes incorporated cities and towns.

7 14. "Owner" means the person in whom, on the day the action or
8 proceeding is commenced, appears the legal title to the lot by deed
9 recorded in the recorder's office, or the person in possession of the lot
10 under claim of title, or exercising acts of ownership over the lot for the
11 person, or as the personal representative of the owner.

12 15. "Railroad" includes street railroad and interurban railroad.

13 16. "Sewers" includes tunnels, excavations, ditches, drains,
14 conduits, channels, outlets, outfalls, cesspools, manholes, catch basins,
15 flush tanks, septic tanks, connecting sewers of every character,
16 machinery, apparatus, equipment and all appliances and structures
17 necessary or incidental to the construction, installation or operation of
18 a complete sewer system, for either sanitary or drainage purposes.

19 17. "Street" includes avenues, alleys, highways, lanes, crossings,
20 intersections, courts, places and grounds now open or dedicated or
21 hereafter opened or dedicated to public use, **INCLUDING ON-STREET PARKING**,
22 and public ways.

23 18. "Street superintendent" or "superintendent" includes any person
24 who, under whatever official name, is charged with the care or supervision
25 of the streets of the city or town.

26 19. "Time of delinquency" means the time fixed when assessments
27 become delinquent.

28 20. "Treasurer" includes any person who, under whatever official
29 name, is the custodian of the funds of the city or town.

30 21. "Waterworks" includes pipes, hydrants, reservoirs, wells, pumps,
31 pumping plants, conduits, settling basins, filtering plants of every
32 character, machinery, apparatus, equipment and all appliances and
33 structures necessary or incidental to the construction, installation or
34 operation of a complete municipal waterworks system, for fire protection,
35 or for domestic irrigation, mechanical or power purposes, placed on the
36 streets improved, though extended beyond.

37 22. "Work" or "improvement" includes any or all of the improvements
38 mentioned and authorized to be made in this **ARTICLE** and article 1 of this
39 chapter and the construction, reconstruction and repair of all or any
40 portion of the improvements, and all labor, services, incidental expenses
41 and material necessary or incidental to the construction, reconstruction
42 or repair.

43 B. In any city or town having no officer in this article
44 designated, or performing like duties, the governing body may appoint a
45 suitable person to discharge the duties.

1 Sec. 2. Section 48-574, Arizona Revised Statutes, is amended to
2 read:

3 48-574. Improvement districts for operation, maintenance,
4 repair and improvement of pedestrian malls,
5 off-street parking facilities, retention and
6 detention basins and parkings and parkways

7 A. In addition to the purposes for which an improvement district
8 may be formed under ~~the provisions of~~ section 48-572, an improvement
9 district may be formed for the sole purpose of the operation, maintenance,
10 repair and improvements of pedestrian malls, off-street parking
11 facilities, retention and detention basins and parkings and parkways.

12 B. Subject to the powers granted and the limitations contained in
13 this section, the powers and duties of the governing body of the
14 municipality and the procedure to be followed shall be as provided in this
15 article for other types of special improvement districts.

16 C. If a petition for the formation of an improvement district under
17 the provisions of this section is presented to the governing body
18 purporting to be signed by all of the real property owners in the proposed
19 district, exclusive of mortgagees and other lienholders, the governing
20 body, after verifying the property ownership and making a finding of that
21 fact, shall adopt a resolution of intention to order the improvement
22 pursuant to ~~the provisions of~~ section 48-576 and shall have immediate
23 jurisdiction to adopt the resolution ordering the improvement pursuant to
24 ~~the provisions of~~ section 48-581, without the necessity of the publication
25 and posting of the resolution of intention provided for in section 48-578.
26 FOR IMPROVEMENT DISTRICTS FORMED PURSUANT TO THIS SECTION AFTER MAY 1,
27 2024, THE GOVERNING BODY MAY NOT ORDER THE IMPROVEMENTS PRESCRIBED BY
28 SUBSECTION A OF THIS SECTION UNTIL AFTER THE GOVERNING BODY HAS RECEIVED A
29 PETITION PRESCRIBED BY SECTION 48-623.

30 D. The governing body shall make annual statements and estimates of
31 the expenses of the district, which shall be provided for either:

32 1. By the levy and collection of ad valorem taxes ~~upon~~ ON the
33 assessed value of all the real and personal property in the district.

34 2. By assessment of the total sum ~~upon~~ ON the several lots, each
35 respectively in proportion to the benefits to be received by each lot.

36 E. If the expenses of the district are provided for by ad valorem
37 taxes, the governing body shall publish notice, have hearings and adopt
38 the taxes at the times and in the manners provided for incorporated cities
39 and towns by the applicable portions of title 42, chapter 17,
40 article 3. The governing body, on or before the third Monday in August of
41 each year, shall fix, levy and assess the amount to be raised by ad
42 valorem taxes ~~upon~~ ON all of the property of the district. If the
43 expenses of the district are assessed ~~upon~~ ON the several lots in
44 proportion to the benefits received by each lot, the governing body shall
45 follow the procedures established in section 48-575 for the assessment and

1 collection of the assessments. All statutes providing for the levy and
2 collection of general county taxes, including the collection of delinquent
3 taxes and sale of property for nonpayment of taxes, shall be applicable to
4 the district taxes provided for under this section.

5 F. An improvement district formed under ~~the provisions of~~ this
6 section shall not be authorized to issue improvement bonds.

7 G. No improvement district formed under ~~the provisions of~~ this
8 section shall be authorized to engage in any activity other than as
9 provided in subsection A of this section. If the municipality is willing
10 to participate in the cost of the district, the governing body ~~may~~, by
11 resolution, **MAY** summarily order such participation.

12 H. The formation of an improvement district under ~~the provisions of~~
13 this section shall not prevent the subsequent establishment of improvement
14 districts for any other purpose authorized by law.

15 I. If, in the opinion of the governing body, any portion of the
16 territory of a district formed under this section is no longer benefited
17 by being a part of the district, the governing body ~~may~~, by resolution,
18 **MAY** summarily delete from the district formed under this section any area
19 and may form a new district from the balance of the original district
20 formed under this section.

21 J. If, in the opinion of the governing body, territory adjacent to
22 a district formed under this section would benefit from being a part of
23 the district, the governing body, by resolution, may include the territory
24 in the district formed under this section if the following conditions are
25 met:

26 1. Improvements that meet the standards and specifications
27 established by the governing body have been constructed in the territory
28 and will be used for the purposes of the district.

29 2. Any required public dedications of property have been made or
30 will be made before the inclusion of the territory in the district.

31 3. Including the territory in the district will not adversely
32 affect the district.

33 4. Notice of the proposed inclusion of the territory in the
34 district has been published in five consecutive issues of a daily
35 newspaper or two consecutive issues of a weekly or semiweekly newspaper of
36 general circulation published in the municipality and a public hearing has
37 been held to consider the inclusion of the territory in the district.

38 5. Notice has been sent by first class mail at least ten days ~~prior~~
39 ~~to~~ **BEFORE** the hearing specified in paragraph 4 of this subsection with an
40 accurate map of the territory proposed for inclusion in the district to
41 each owner of real and personal property within the district and in the
42 proposed area of inclusion as shown on the statement furnished pursuant to
43 subsection K of this section that is now or would be subject to taxation
44 by the district in the event of inclusion of the proposed area.

1 K. The county assessor and the department of revenue, respectively,
2 shall furnish to the district within thirty days after a request a
3 statement in writing showing the name and the address of each owner of
4 real and personal property within the district and in the proposed area of
5 inclusion that is now or that would be subject to taxation by the district
6 in the event of inclusion of the proposed area.

7 L. Within ten days after the governing body adopts a resolution
8 pursuant to subsection J of this section, the municipality shall record
9 the resolution in the office of the county recorder in the county in which
10 the district is located to give notice of the inclusion of the territory
11 in the district to all property owners in the district. If, before the
12 governing body adopts the resolution pursuant to subsection J of this
13 section, a majority of the property owners, by area, of either the
14 original district formed under this section or the territory proposed to
15 be included in the district files with the governing board written
16 objections to the proposed inclusion of the territory, the territory shall
17 not be included in the district. **THE GOVERNING BODY MAY ADOPT A
18 RESOLUTION PURSUANT TO SUBSECTION J OF THIS SECTION WITHOUT REQUIRING A
19 PETITION TO BE FILED PURSUANT TO SECTION 48-623.**

20 M. Within ten days after adoption of the resolution of intention to
21 order the improvement pursuant to section 48-576, the municipality shall
22 record the resolution in the office of the county recorder in the county
23 in which the district is located to give notice of formation of the
24 district to all property owners within the district.

25 N. For the purposes of this subsection, a property owner is an
26 owner of real property, exclusive of mortgagees and other lienholders,
27 that is within an improvement district that was formed as prescribed by
28 this section. A property owner may petition the governing body to dissolve
29 the district pursuant to the following procedures:

30 1. A property owner shall file with the clerk of the governing body
31 in which the district is located a written notice of the property owner's
32 intent to circulate a petition to dissolve the district. The notice shall
33 include the name, address and telephone number of at least one property
34 owner living within the district who intends to circulate the petition,
35 the name, location and general purpose of the district ~~which~~ **THAT** is to be
36 dissolved and a true and concise statement of two hundred words or less
37 explaining the advantages of dissolving the district. A petition shall
38 not be circulated for thirty days after the property owner files with the
39 governing body the notice of intent to circulate a dissolution petition.

40 2. The governing body may provide a form of petition to be used to
41 dissolve the district. Any petition shall include the statement provided
42 in the notice of intent to circulate a petition regarding the advantages
43 of dissolving the district.

1 3. The governing body may provide a true and concise written
2 statement of two hundred words or less regarding the petition or
3 dissolution of the district. If so provided, the property owner must
4 circulate this statement affixed to the petition.

5 4. Property owners shall submit to the clerk of the governing body
6 a petition for the dissolution of an improvement district formed under
7 this section that purports to be signed by more than fifty ~~per cent~~
8 PERCENT of the property owners in the district.

9 5. Within twenty days ~~of~~ AFTER receipt of the signed petition, the
10 governing body shall verify that the petition is signed by more than fifty
11 ~~per cent~~ PERCENT of the property owners as set forth in paragraph 4 of
12 this subsection.

13 6. If the governing body finds the petition contains valid
14 signatures of more than fifty ~~per cent~~ PERCENT of the property owners, the
15 governing body shall set the date for dissolution of the district within
16 ninety days. The district may continue to operate after dissolution only
17 as needed to collect money and make payments on any outstanding district
18 obligations.

19 7. Each property in the district with outstanding assessments or
20 liens attached shall remain subject to those assessments or liens for
21 payment of the existing obligations of the district, notwithstanding
22 dissolution of the district.

23 8. If a district formed under this section subsequently dissolves
24 as prescribed in this subsection, the governing body may not attempt to
25 form any district for the same purpose for at least two years after the
26 date the district is dissolved if the proposed district includes lands
27 formerly located within the dissolved district.

28 9. Districts that are located in slum or blighted areas as defined
29 in section 36-1471 are exempt from subsection N of this section.

30 Sec. 3. Section 48-575, Arizona Revised Statutes, is amended to
31 read:

32 48-575. Improvement districts for enhanced municipal services

33 A. In addition to the purposes for which an improvement district
34 may be formed under ~~the provisions of~~ section 48-572, an improvement
35 district may be formed within a designated area to provide public service
36 within the district at a higher level or greater degree than provided in
37 the remainder of the community, including such services as public safety,
38 fire protection, refuse collection, street or sidewalk cleaning or
39 landscape maintenance in public areas, planning, promotion, transportation
40 and public parking.

41 B. The powers and duties of the governing body of the municipality
42 and the procedure to be followed shall be as provided in this article for
43 other types of special improvement districts.

44 C. If a petition for the formation of an improvement district under
45 ~~the provisions of~~ this section is presented to the governing body

1 purporting to be signed by all of the real property owners in the proposed
2 district, exclusive of mortgagees and other lienholders, the governing
3 body, after verifying such ownership and making a finding of such fact,
4 shall adopt a resolution of intention to order the improvement pursuant to
5 ~~the provisions of~~ section 48-576 and shall have immediate jurisdiction to
6 adopt the resolution ordering the improvement pursuant to ~~the provisions~~
7 ~~of~~ section 48-581, without the necessity of the publication and posting of
8 the resolution of intention provided for in section 48-578. FOR
9 IMPROVEMENT DISTRICTS FORMED PURSUANT TO THIS SECTION AFTER MAY 1, 2024,
10 THE GOVERNING BODY MAY NOT ORDER THE IMPROVEMENTS PRESCRIBED BY SUBSECTION
11 A OF THIS SECTION UNTIL AFTER THE GOVERNING BODY HAS RECEIVED A PETITION
12 PRESCRIBED BY SECTION 48-623.

13 D. The engineer shall make duplicate diagrams of the property
14 contained within the improvement district. The diagram shall show each
15 separate lot numbered consecutively, the area in square feet of each lot,
16 and the area in square feet of any building or buildings located on each
17 lot. ~~Prior to~~ BEFORE making any assessment ~~upon~~ ON the district, the
18 diagram shall be approved by the governing body.

19 E. The governing body shall make annual statements and estimates of
20 the expenses of the district, and shall assess the total sum ~~upon~~ ON the
21 several lots, each respectively in proportion to the benefits to be
22 received by each lot. When the assessments have been completed, the
23 governing body shall fix a time when it will hear and pass ~~upon~~ ON the
24 assessments and the prior proceedings relating thereto, which shall not be
25 less than twenty days ~~from~~ AFTER the date of the notice. Notice of
26 hearing shall be given in the manner provided by section 48-590,
27 subsection E. Any person owning real property affected by the assessment
28 who has any objection to the legality of the assessment, or to any of the
29 previous proceedings connected therewith, ~~may prior to~~ BEFORE the time
30 fixed for the hearing MAY file a written notice briefly specifying the
31 grounds of the objection. At the time fixed for the hearing or at any
32 time not later than ten days thereafter to which the hearing may be
33 postponed, the governing body shall hear and pass ~~upon~~ ON the
34 objections. The decision of the governing body shall be final and
35 conclusive ~~upon~~ ON all persons entitled to object as to all errors,
36 informalities and irregularities ~~which~~ THAT the governing body might have
37 remedied or avoided any time during the progress of the proceedings.

38 F. The assessments for the annual expenses shall be collectible in
39 the manner and by the officers provided by law for the collection and
40 enforcement of general taxes the municipality is authorized to levy. All
41 statutes providing for the levy and collection of county and city taxes,
42 including the collection of delinquent taxes and sale of property for
43 nonpayment of taxes, shall be applicable to the district assessments
44 provided for under this section.

1 G. An improvement district formed under ~~the provisions of~~ this
2 section shall not be authorized to issue improvement bonds.

3 H. No improvement district formed under ~~the provisions of~~ this
4 section shall be authorized to engage in any activity other than as
5 provided in subsection A of this section. If the municipality is willing
6 to participate in the cost of the district, the governing body ~~may~~, by
7 resolution, **MAY** summarily order such participation.

8 I. The formation of an improvement district under ~~the provisions of~~
9 this section shall not prevent the subsequent establishment of improvement
10 districts for any other purpose authorized by law.

11 J. If, in the opinion of the governing body, any territory of a
12 district formed under this section is not benefited by being a part of the
13 district, the governing body ~~may~~, by resolution, **MAY** exempt such territory
14 from assessment under this chapter, or if any portion of the territory of
15 a district formed under this section is no longer benefited by being a
16 part of the district, the governing body ~~may~~, by resolution, **MAY** summarily
17 delete from the district formed under this section any such area and may
18 form a new district from the balance of the original district formed under
19 this section.

20 K. Any real property that is within the boundaries of the district,
21 that is ~~utilized~~ **USED** for residential purposes and that is not
22 specifically benefited by the public services at a higher level or greater
23 degree shall be exempt from assessment pursuant to this section for that
24 year. Existing improved real property ~~utilized~~ **USED** for residential
25 purposes with four units or less per building at the time of formation of
26 the district is presumed to not be specifically benefited by a public
27 service at a higher level or greater degree.

28 L. Within ten days after adoption of the resolution of intention to
29 order the improvement, the municipality shall record the resolution in the
30 office of the county recorder in the county in which the district is
31 located in such a way as to give notice of formation of the district to
32 all property owners within the district.

33 M. If, in the opinion of the governing body of the municipality,
34 territory adjacent to a district formed under this section would benefit
35 from being a part of the district, the governing body, by resolution, may
36 include the territory in the district formed under this section if all of
37 the following conditions are met:

38 1. Including the territory in the district will not adversely
39 affect the district.

40 2. Notice of the proposed inclusion of the territory in the
41 district has been published in five consecutive issues of a daily
42 newspaper or two consecutive issues of a weekly or semiweekly newspaper of
43 general circulation published in the municipality and a public hearing has
44 been held to consider the inclusion of the territory in the district.

1 3. Notice, including an accurate map of the territory proposed for
2 inclusion in the district, has been sent by first class mail at least ten
3 days before the hearing prescribed in paragraph 2 to each owner of
4 property listed on the tax roll within the district and in territory that
5 is now or would be subject to taxation by the district in the event of
6 inclusion of the territory.

7 N. Within ten days after the governing body of the municipality
8 adopts a resolution pursuant to subsection M of this section, the
9 municipality shall record the resolution in the office of the county
10 recorder in the county in which the district is located to give notice of
11 the inclusion of the territory in the district to all property owners in
12 the district. If, before the governing body of the municipality adopts
13 the resolution pursuant to subsection M of this section, a majority of the
14 property owners, by area, of either the original district formed under
15 this section or the territory proposed to be included in the district
16 files with the governing body of the municipality written objections to
17 the proposed inclusion of the territory, the territory shall not be
18 included in the district. ~~THE GOVERNING BODY MAY ADOPT A RESOLUTION~~
19 ~~PURSUANT TO SUBSECTION M OF THIS SECTION WITHOUT REQUIRING A PETITION TO~~
20 ~~BE FILED PURSUANT TO SECTION 48-623.~~

21 O. An improvement district to provide enhanced municipal services
22 may continue to exist in an area that is no longer in a designated area as
23 defined in section 48-571, if at the time of district formation all of the
24 following apply:

25 1. The area contained in the improvement district has been in a
26 designated area for five or more years.

27 2. Not more than ten ~~per cent~~ PERCENT of the frontage of the
28 property fronting on the proposed improvement, or if the cost of the
29 improvement is to be made chargeable on a district, not more than ten ~~per~~
30 ~~cent~~ PERCENT of the frontage of the property contained within the limits
31 of the improvement district, is owned by the same person.

32 3. Not more than one-third of the property owners by frontage of
33 the area contained in the improvement district files with the governing
34 body of the municipality written objections to the improvement district.

35 4. The municipality otherwise complies with ~~the provisions of~~ this
36 article for the process of forming the improvement district.

37 Sec. 4. Section 48-576, Arizona Revised Statutes, is amended to
38 read:

39 48-576. Resolution or ordinance of intention to order
40 improvement; petition

41 A. Before ordering an improvement authorized by this article ~~AND~~
42 ~~AFTER RECEIVING A PETITION SIGNED BY THE OWNERS OF REAL PROPERTY IN THE~~
43 ~~PROPOSED DISTRICT AS PRESCRIBED BY SECTION 48-623~~, the governing body of
44 the municipality shall ~~comply with both of the following~~:

1 ~~1.~~ Pass a resolution or ordinance of intention ~~so~~ to ~~do~~ MAKE AN
2 IMPROVEMENT, briefly describing the improvement. By the resolution or
3 ordinance and the proceedings subsequent thereto, one or more improvements
4 may be made on one or more streets and shall constitute one improvement
5 and be constructed under one or more contracts. The resolution or
6 ordinance of intention may be combined in a single resolution or ordinance
7 of intention to open, extend, widen, straighten or close public streets or
8 off-street parking areas pursuant to section 48-505. If the work proposed
9 is already done for a lot, the lot shall be excepted from the assessment
10 therefor to the extent of the work done.

11 ~~2. If the governing body determines that the district should be~~
12 ~~formed after the final resolution of any protests made pursuant to section~~
13 ~~48-579, the governing body shall submit within one hundred twenty days to~~
14 ~~the city or town clerk a petition to form the district that is signed by~~
15 ~~owners of more than one-half of the taxable property units within the area~~
16 ~~of the proposed district and that is signed by persons owning collectively~~
17 ~~more than one-half of the assessed valuation of the property within the~~
18 ~~area of the proposed district. Property that is exempt pursuant to title~~
19 ~~42, chapter 11, article 3 is not considered in determining the total~~
20 ~~assessed valuation of the proposed district and owners of property that is~~
21 ~~not subject to taxation are not eligible to sign the petition. On~~
22 ~~verification of the petition signatures, the governing body may form the~~
23 ~~improvement district and order the improvement as otherwise provided by~~
24 ~~law.~~

25 B. When the proposed improvement, in the opinion of the governing
26 body, is of more than local or ordinary public benefit, it may order the
27 expense of the improvement chargeable ~~upon~~ ON a district, and shall
28 describe the extent of the district in general terms in its resolution or
29 ordinance of intention, either by reference to street lines or block
30 numbers, or by designating its exterior boundaries by their courses and
31 distances from the street or streets the improvement of which is
32 contemplated, and may refer for a more particular description thereof to a
33 map on file with the city or town engineer, showing the exterior boundary
34 lines of the district, and delineating block and lot numbers or containing
35 such details as will show the location of the lines. A city or town shall
36 not assess the costs of an improvement ~~which~~ THAT is for the general
37 public benefit against land in an assessment district. If a portion of
38 the expense of an improvement is for general public benefit, the city or
39 town shall assess the district only that portion of the expense ~~which~~ THAT
40 benefits the property within the district.

41 C. The governing body, in the resolution or ordinance of intention,
42 may provide that the improvement described therein may be made according
43 to any of several alternative plans and specifications, or methods,
44 classes or kinds of construction, or classes and kinds of material to be
45 thereafter determined by the legislative body.

1 Sec. 5. Title 48, chapter 4, article 2, Arizona Revised Statutes,
2 is amended by adding section 48-623, to read:

3 48-623. Petition to establish improvement district;
4 verification; deposit; applicability

5 A. BEGINNING ON MAY 1, 2024, BEFORE THE GOVERNING BODY MAY ORDER AN
6 IMPROVEMENT AND ADOPT A RESOLUTION OF INTENTION TO DO SO AS PRESCRIBED BY
7 SECTION 48-576, THE GOVERNING BODY MUST RECEIVE A PETITION THAT IS FILED
8 WITH THE CLERK, SIGNED BY BOTH OF THE FOLLOWING:

9 1. A MAJORITY OF THE PERSONS OWNING REAL PROPERTY WITHIN THE AREA
10 OF THE PROPOSED DISTRICT.

11 2. THE OWNERS OF FIFTY-ONE PERCENT OR MORE OF THE REAL PROPERTY,
12 DETERMINED BY ACREAGE, WITHIN THE AREA OF THE PROPOSED DISTRICT.

13 B. TO DETERMINE A MAJORITY OF THE PERSONS OWNING REAL PROPERTY
14 WITHIN THE AREA OF THE PROPOSED DISTRICT, THE GOVERNING BODY AND OTHER
15 PERSONS MAY RELY ON THE TAXABLE PROPERTY UNITS AS DETERMINED BY THE COUNTY
16 ASSESSOR AS OF THE DATE OF THE PETITION. THIS DETERMINATION OF A MAJORITY
17 OF THE PERSONS OWNING REAL PROPERTY SHALL INCLUDE REAL PROPERTY THAT IS
18 NOT SUBJECT TO GENERAL PROPERTY TAXES, BUT MAY NOT INCLUDE THE OWNERS OF
19 PUBLIC PROPERTY PRESCRIBED BY SECTION 48-582 OR RIGHTS-OF-WAY OWNED BY
20 THOSE OWNERS OF PUBLIC PROPERTY. TO DETERMINE THE ACREAGE WITHIN THE AREA
21 OF THE PROPOSED DISTRICT, PUBLIC PROPERTY AND RIGHTS OF WAY SHALL BE
22 EXCLUDED. PUBLIC PROPERTY MAY STILL BE INCLUDED WITHIN THE PROPOSED
23 IMPROVEMENT DISTRICT SUBJECT TO THE DECLARATION OF THE GOVERNING BODY IN
24 THE RESOLUTION OF INTENTION PURSUANT TO SECTION 48-576.

25 C. A PETITION WITH THE REQUIRED NUMBER OF SIGNATURES MAY NOT BE
26 DECLARED VOID AS A RESULT OF ANY ALLEGED DEFECT, AND THE GOVERNING BODY
27 SHALL ALLOW THE PETITION TO BE AMENDED IN FORM AND SUBSTANCE TO CONFORM TO
28 THE REQUIREMENTS OF THIS ARTICLE. ONE OR MORE SIMILAR PETITIONS OR COPIES
29 OF THE SAME PETITION WITH ADDITIONAL SIGNATURES TO ESTABLISH ANY
30 IMPROVEMENT DISTRICT MAY BE FILED BEFORE THE GOVERNING BODY ORDERS THE
31 IMPROVEMENT AND ADOPTS A RESOLUTION OF INTENTION TO DO SO, AND SHALL BE
32 DEEMED TO BE FILED WITH THE FIRST PETITION. THE PETITION SHALL BE
33 PRESUMED TO CONTAIN THE SIGNATURES OF THE PERSONS WHOSE SIGNATURES APPEAR
34 ON THE PETITION, UNLESS PROVEN OTHERWISE. THE GOVERNING BODY MAY PROVIDE
35 A FORM OF PETITION TO THE OWNERS.

36 D. THE PETITION SHALL SET FORTH ALL OF THE FOLLOWING:

37 1. THE NAME OF THE PROPOSED IMPROVEMENT DISTRICT.

38 2. THE NECESSITY FOR THE PROPOSED IMPROVEMENT DISTRICT.

39 3. THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE
40 PROMOTED BY ESTABLISHING THE IMPROVEMENT DISTRICT AND THAT THE PROPERTY TO
41 BE INCLUDED IN THAT IMPROVEMENT DISTRICT WILL BE BENEFITED.

42 4. A LEGAL DESCRIPTION OF THE BOUNDARIES OF THE PROPOSED
43 IMPROVEMENT DISTRICT, AND A MAP THAT SHOWS GENERALLY THE LOCATION OF THE
44 PROPOSED IMPROVEMENT DISTRICT.

45 5. A GENERAL DESCRIPTION OF THE PROPOSED IMPROVEMENT.

1 6. THAT THE PETITIONERS CONSENT TO ASSESSMENT, EXCEPT THAT AN
2 ASSESSMENT WILL NOT BE LEVIED WITHOUT THE GOVERNING BODY'S COMPLIANCE WITH
3 SECTIONS 48-577 THROUGH 48-594.

4 7. THE ASSESSOR'S PARCEL NUMBER FOR EACH LOT TO BE INCLUDED IN THE
5 PROPOSED DISTRICT. EACH PETITION SIGNER SHALL INDICATE THE APPLICABLE
6 ASSESSOR'S PARCEL NUMBER THAT CORRESPONDS TO THE LOT OWNED BY THE SIGNER.

7 8. ANY OTHER MATTERS THAT ARE REQUIRED BY THIS ARTICLE.

8 E. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, IF THE
9 PETITION IS SIGNED BY OWNERS OF ALL OF THE REAL PROPERTY WITHIN THE
10 PROPOSED IMPROVEMENT DISTRICT, OTHER THAN PUBLIC PROPERTY AS PRESCRIBED BY
11 SECTION 48-582 AND IS APPROVED BY THE MUNICIPALITY, THE MUNICIPALITY AND
12 THOSE OWNERS MAY ENTER INTO A WRITTEN AGREEMENT WAIVING ANY OR ALL
13 REQUIREMENTS RELATING TO POSTING, PUBLICATION, MAILING, NOTICE, PROTEST
14 AND OBJECTION, INCLUDING THE PROVISIONS OF SECTIONS 48-578, 48-579 AND
15 48-580, AND THE WRITTEN REQUIREMENT REGARDING ALTERNATIVE PLANS IN SECTION
16 48-584, SUBSECTION C. ON RECEIPT OF A PETITION PRESCRIBED BY THIS
17 SUBSECTION, THE GOVERNING BODY, AFTER VERIFICATION OF THE PETITION AS
18 PRESCRIBED BY SUBSECTION F OF THIS SECTION, SHALL ADOPT A RESOLUTION OF
19 INTENTION TO ORDER THE IMPROVEMENT PURSUANT TO SECTION 48-576 AND SHALL
20 HAVE IMMEDIATE JURISDICTION TO ADOPT THE RESOLUTION ORDERING THE
21 IMPROVEMENT PURSUANT TO SECTION 48-581, AND MAY COMBINE THOSE RESOLUTIONS
22 INTO ONE RESOLUTION.

23 F. THE CLERK SHALL VERIFY PROPERTY OWNERSHIP AS OF THE DATE OF THE
24 PETITION BASED ON THE OFFICIAL RECORDS OF THE RECORDER OF THE COUNTY AND
25 AS OTHERWISE PRESCRIBED BY SUBSECTION A OF THIS SECTION. FOR PURPOSES OF
26 THIS SECTION, OWNERS DO NOT INCLUDE MORTGAGEES OR OTHER LIENHOLDERS, OR
27 PERSONS HOLDING AN INTEREST IN REAL PROPERTY PURSUANT TO A PURCHASE
28 CONTRACT. FOLLOWING VERIFICATION OF THE PROPERTY OWNERSHIP, THE CLERK
29 SHALL ADD A WRITTEN VERIFICATION OF THE CLERK TO THE VERIFIED PETITION.
30 THE RESOLUTION OF INTENTION TO ORDER THE IMPROVEMENT SHALL RATIFY THE
31 VERIFICATION OF THE PROPERTY OWNERSHIP AS A FINDING OF FACT AND APPROVE
32 THE AREA TO BE INCLUDED WITH THE PROPOSED IMPROVEMENT DISTRICT IN
33 ACCORDANCE WITH THE VERIFIED PETITION, EXCEPT THAT ANY SUCH LEGISLATIVE
34 ACTION IS AT THE SOLE AND ABSOLUTE DISCRETION OF THE GOVERNING BODY. THE
35 CLERK MAY, AND AT THE DIRECTION OF THE GOVERNING BODY OR THE PETITIONERS
36 SHALL, RECORD A COPY OF THE VERIFIED PETITION.

37 G. COSTS INCURRED BY THE PETITIONERS OR THE MUNICIPALITY IN
38 CONNECTION WITH THE PETITION MAY BE INCLUDED AS INCIDENTAL EXPENSES AS
39 PROVIDED FOR IN THIS ARTICLE.

40 H. ON RECEIPT OF THE PETITION PURSUANT TO THIS SECTION, OR AT ANY
41 TIME AFTER RECEIPT BUT BEFORE CONSIDERATION OF THE RESOLUTION OF INTENTION
42 ORDERING THE IMPROVEMENT, THE MUNICIPALITY MAY REQUIRE THE PETITIONERS TO
43 DEPOSIT MONIES OR FILE A BOND, WITH SECURITY APPROVED BY THE GOVERNING
44 BODY, THAT IS SUFFICIENT TO PAY THE EXPENSES CONNECTED WITH THE
45 PROCEEDINGS IF THE GOVERNING BODY REFUSES TO ESTABLISH THE IMPROVEMENT

1 DISTRICT. AT ANY TIME DURING THE PROCEEDINGS, IF THE GOVERNING BODY
2 DETERMINES THE DEPOSIT OR BOND TO BE INSUFFICIENT, IT MAY ORDER THE
3 DEPOSIT OF AN ADDITIONAL AMOUNT OR THE FILING OF AN ADDITIONAL BOND WITHIN
4 A SPECIFIC TIME THAT IS NOT LESS THAN TEN DAYS AFTER THE DATE OF ITS
5 ORDER. ON FAILURE OF THE PETITIONERS TO PROVIDE FOR AN ADDITIONAL DEPOSIT
6 OR TO FILE THE ADDITIONAL BOND, THE PETITION MAY BE DISMISSED BY THE
7 GOVERNING BODY.

8 I. FOR PURPOSES OF A COMMUNITY FACILITIES DISTRICT ISSUING SPECIAL
9 ASSESSMENT BONDS PURSUANT TO SECTION 48-721, THIS SECTION DOES NOT APPLY
10 AND A PETITION IS NOT REQUIRED.