Conference Engrossed

FILED
MICHELE REAGAN
SECRETRAY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 284

HOUSE BILL 2383

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-471.05; AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-500.34; REPEALING SECTION 9-471.05, ARIZONA REVISED STATUTES; RELATING TO INVALID ANNEXATION OF TERRITORY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 9, chapter 4, article 7, Arizona Revised Statutes, is amended by adding section 9-471.05, to read:

9-471.05. Invalid annexation; procedure to return territory to the county

A. NOTWITHSTANDING ANY OTHER LAW, THE ANNEXATION OF TERRITORY BY A CITY OR TOWN IS VOID AND THE TERRITORY SHALL BE SEVERED FROM THE CITY OR TOWN AND RETURNED TO THE COUNTY IN WHICH THE LAND IS LOCATED IF THE TERRITORY IS LOCATED WITHIN A COUNTY WITH A POPULATION OF MORE THAN TWO MILLION PERSONS AND THE BOARD OF SUPERVISORS OF THE COUNTY, AFTER A PUBLIC HEARING, DETERMINES THE REQUIREMENTS OF THIS SECTION HAVE BEEN MET.

B. A TERRITORY SEEKING TO VOID ITS ANNEXATION AND BE SEVERED FROM THE CITY OR TOWN AND RETURNED TO THE COUNTY SHALL FILE THE FOLLOWING ITEMS WITH THE CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE LAND IS LOCATED WITHIN TEN YEARS AFTER THE TERRITORY'S INITIAL ANNEXATION:

1. A PETITION SIGNED BY THE OWNERS OF ONE-HALF OR MORE IN VALUE OF THE REAL AND PERSONAL PROPERTY AND MORE THAN ONE-HALF OF THE PERSONS OWNING REAL AND PERSONAL PROPERTY OF THE TERRITORY TO BE SEVERED THAT IS SUBJECT TO TAXATION BY THE CITY OR TOWN, AS SHOWN BY THE LAST ASSESSMENT OF THE PROPERTY.

2. A LEGAL DESCRIPTION AND AN ACCURATE MAP OF THE TERRITORY TO BE SEVERED.

3. AN AFFIDAVIT STATING THAT THE CITY OR TOWN THAT INITIALLY ANNEXED THE TERRITORY FAILED TO COMPLY WITH THE PROVISIONS OF SECTION 9-471 AND ANY ORDINANCES OF THE CITY OR TOWN RELATING TO ANNEXATION OF TERRITORY.

4. AN AFFIDAVIT STATING THAT THE DEVELOPER OF THE TERRITORY DID NOT COMPLETE THE REQUIREMENTS OF THE CITY'S OR TOWN'S MUNICIPAL SUBDIVISION REGULATIONS ENACTED PURSUANT TO ARTICLE 6.2 OF THIS CHAPTER OR SECTION 9-474 OR 9-475.

C. THE BOARD OF SUPERVISORS SHALL SET A HEARING DATE OF NOT LESS THAN THIRTY DAYS AND NOT MORE THAN SIXTY DAYS AFTER THE DATE OF THE FILING OF THE DOCUMENTS PROVIDED IN SUBSECTION B OF THIS SECTION AND SHALL NOTIFY THE GOVERNING BODY OF THE CITY OR TOWN IN WHICH THE TERRITORY TO BE SEVERED IS LOCATED AND EACH OWNER OF REAL PROPERTY IN THE TERRITORY TO BE SEVERED OF THE HEARING AT LEAST THIRTY DAYS BEFORE THE HEARING DATE. THE NOTIFICATION SHALL SPECIFY THAT THE AREA IS TO BE SEVERED FROM THE CITY OR TOWN AND RETURNED TO THE COUNTY IN WHICH THE AREA IS LOCATED AND THE PROPERTY SHALL CONTINUE TO BE SUBJECT TO ANY TAX LAWFULLY ASSESSED AGAINST IT FOR THE PURPOSE OF PAYING ANY INDEBTEDNESS LAWFULLY CONTRACTED BY THE GOVERNING BODY OF THE CITY OR TOWN WHILE THE PROPERTY WAS WITHIN THE CORPORATE LIMITS. THE NOTIFICATION SHALL STATE THAT THE CITY OR TOWN OR THE PROPERTY OWNER MAY PROTEST THE ACTION BY LETTER TO THE COUNTY BOARD OF SUPERVISORS BEFORE THE HEARING OR IN PERSON AT THE HEARING.

D. IF PROPERTY OWNERS OF AT LEAST FIFTY-ONE PERCENT OF THE LAND AREA OF THE TERRITORY TO BE SEVERED PROTEST THE ACTION, THE COUNTY BOARD OF

SUPERVISORS MAY NOT DECLARE THE INITIAL ANNEXATION VOID AND SEVER THE TERRITORY.

E. IF THE CITY OR TOWN DEMONSTRATES THAT THE CITY OR TOWN DID COMPLY WITH THE PROVISIONS OF SECTION 9-471 AND ANY ORDINANCES OF THE CITY OR TOWN RELATING TO ANNEXATION OF TERRITORY AND THE DEVELOPER OF THE TERRITORY COMPLETED THE APPLICABLE REQUIREMENTS OF THE CITY'S OR TOWN'S MUNICIPAL SUBDIVISION REGULATIONS ENACTED PURSUANT TO ARTICLE 6.2 OF THIS CHAPTER OR SECTION 9-474 OR 9-475, THE COUNTY BOARD OF SUPERVISORS MAY NOT DECLARE THE INITIAL ANNEXATION VOID AND SEVER THE TERRITORY.

F. AFTER DETERMINING THAT THE REQUIREMENTS OF THIS SECTION HAVE BEEN MET, HOLDING A PUBLIC HEARING AND DETERMINING THAT THE PROTESTS FILED ARE INSUFFICIENT AS PRESCRIBED IN THIS SECTION, THE COUNTY BOARD OF SUPERVISORS SHALL ORDER THE TERRITORY TO BE SEVERED FROM THE CITY OR TOWN AND RETURNED TO THE COUNTY.

G. ON THE ISSUANCE OF THE ORDER THAT THE ANNEXATION OF THE TERRITORY BY THE CITY OR TOWN IS VOID AND THE TERRITORY IS SEVERED FROM THE CITY OR TOWN, THE COUNTY BOARD OF SUPERVISORS SHALL SET FORTH BY ORDINANCE THE LEGAL DESCRIPTION OF THE TERRITORY THAT IS PROVIDED TO THE CLERK OF THE BOARD PURSUANT TO SUBSECTION B, PARAGRAPH 2 OF THIS SECTION AND DECLARE THE RETURN OF THE TERRITORY TO THE COUNTY.

H. A COPY OF THE ORDER OF THE COUNTY BOARD OF SUPERVISORS ORDERING THE TERRITORY TO BE SEVERED FROM THE CITY OR TOWN AND RETURNED TO THE COUNTY, CERTIFIED BY THE CLERK OF THE BOARD, SHALL BE RECORDED IN THE RECORDER'S OFFICE OF THE COUNTY IN WHICH THE LAND IS LOCATED. THE RECORD, OR A COPY OF THE ORDER, CERTIFIED BY THE CLERK OF THE BOARD, IS PROOF THAT THE INITIAL ANNEXATION OF THE TERRITORY IS VOID AND THE TERRITORY WAS SEVERED FROM THE CITY OR TOWN AND RETURNED TO THE COUNTY IN WHICH THE LAND IS LOCATED.

I. THE COUNTY BOARD OF SUPERVISORS SHALL NOTIFY THE STATE REAL ESTATE DEPARTMENT IF TERRITORY IS SEVERED FROM A CITY OR TOWN PURSUANT TO THIS SECTION.

J. ANY APPLICATION FOR DEVELOPMENT OF PROPERTY LOCATED WITHIN ANY TERRITORY SEVERED FROM A CITY OR TOWN PURSUANT TO THIS SECTION SHALL BE IN COMPLIANCE WITH ALL ORDINANCES, RULES AND REGULATIONS OF THE COUNTY IN WHICH THE TERRITORY IS LOCATED AS OF THE DATE OF THE APPLICATION FOR DEVELOPMENT.

Sec. 2. Title 9, chapter 4, article 8, Arizona Revised Statutes, is amended by adding section 9-500.34, to read:

9-500.34. <u>Improvements to private property not in corporate boundaries; prohibition</u>

A CITY OR TOWN MAY NOT REQUIRE THE OWNER OF PROPERTY THAT IS NOT LOCATED IN THE CITY'S OR TOWN'S CORPORATE BOUNDARIES TO MAKE AN IMPROVEMENT AS A CONDITION OF PROVIDING WATER OR WASTEWATER SERVICE UNLESS THE IMPROVEMENT HAS A SUBSTANTIAL NEXUS TO THE WATER OR WASTEWATER SERVICE THAT IS TO BE PROVIDED TO THE OWNER'S PROPERTY BY THE CITY OR TOWN.

Sec. 3. <u>Delayed repeal</u>

Section 9-471.05, Arizona Revised Statutes, is repealed from and after June 30, 2017.

APPROVED BY THE GOVERNOR APRIL 13, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2015.

Passed the House March 3, 20 15

by the following vote: 60 Ayes,

0 Nays, 0 Not Voting

Speaker of the House

☐ Pro Tempore

Chief Clerk of the House

Passed the Senate March 20, 20 15

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____M.

Secretary to the Governor

Approved this _____ day of

_____

at _____ o'clock _____M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____M.

Secretary of State

H.B. 2383

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House April 2, 2015

by the following vote: 56 Ayes,

2 Nays, 2. Not Voting

Speaker of the House

☐ Pro Tempore

Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate April 2, 2015

by the following vote: 28 Ayes,

2 Nays, 0 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

2nd day of April, 2015

at 3:43 o'clock P. M.

Secretary to the Governor

Approved this 13th day of

April

at 10:16 o'clock A M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 14th day of April, 2015

at 10:00 o'clock A M.

Secretary of State

H.B. 2383