

Senate Engrossed House Bill

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

FILED
MICHELE REAGAN
SECRETARY OF STATE

CHAPTER 335

HOUSE BILL 2635

AN ACT

AMENDING SECTIONS 9-499.15 AND 48-572, ARIZONA REVISED STATUTES; RELATING TO
NOTIFICATION OF MUNICIPAL LEVIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-499.15, Arizona Revised Statutes, is amended to
3 read:

4 9-499.15. Proposed new or increased municipal taxes and fees:
5 notification; exceptions

6 A. A municipality may not levy or assess any new taxes or fees or
7 increase existing taxes or fees pursuant to statute on a business without
8 complying with this section.

9 B. A municipality that proposes to levy or assess a tax or fee shall:

10 1. PREPARE A SCHEDULE OF THE PROPOSED NEW OR INCREASED TAX OR FEE THAT
11 INCLUDES THE AMOUNT OF THE TAX OR FEE AND A WRITTEN REPORT OR DATA THAT
12 SUPPORTS THE NEW OR INCREASED TAX OR FEE. A COPY OF THE REPORT OR DATA SHALL
13 BE FILED IN THE OFFICE OF THE CLERK OF THE MUNICIPALITY.

14 ~~1.~~ 2. If the imposition of the proposed tax or fee is a new charge,
15 provide written notice of the proposed charge, THE SCHEDULE OF THE PROPOSED
16 NEW CHARGE AND THE WRITTEN REPORT OR DATA THAT SUPPORTS THE NEW CHARGE on the
17 home page of the municipality's website at least sixty days before the date
18 the proposed new tax or fee is approved or disapproved by the governing body
19 of the municipality.

20 ~~2.~~ 3. If the municipality proposes to increase the rate of an
21 existing tax or fee on a business, provide written notice of the proposed
22 increase, THE SCHEDULE OF THE PROPOSED INCREASED TAX OR FEE AND THE WRITTEN
23 REPORT OR DATA THAT SUPPORTS THE PROPOSED INCREASED TAX OR FEE on the home
24 page of the municipality's website at least sixty days before the date the
25 proposed new rate is approved or disapproved by the governing body of the
26 municipality.

27 4. PREPARE A NOTICE OF INTENT TO ESTABLISH OR INCREASE TAXES,
28 ASSESSMENTS OR FEES INCLUDING ASSESSMENTS PURSUANT TO SECTION 48-572,
29 SUBSECTION B, PARAGRAPH 1. THE NOTICE OF INTENT SHALL INCLUDE THE DATE, TIME
30 AND PLACE OF THE MEETING OF THE GOVERNING BODY OF THE MUNICIPALITY IN WHICH
31 THE PROPOSED NEW OR INCREASED TAX OR FEE WILL BE CONSIDERED AND A STATEMENT
32 THAT A SCHEDULE OF THE PROPOSED NEW OR INCREASED TAX OR FEE THAT INCLUDES THE
33 AMOUNT OF THE TAX OR FEE AND A WRITTEN REPORT OR DATA THAT SUPPORTS THE NEW
34 OR INCREASED TAX OR FEE IS AVAILABLE ON THE MUNICIPALITY'S WEBSITE. THE
35 NOTICE OF INTENT SHALL BE POSTED ON THE MUNICIPALITY'S WEBSITE AT LEAST
36 FIFTEEN DAYS BEFORE THE DATE THE PROPOSED NEW OR INCREASED TAX OR FEE WILL BE
37 APPROVED OR DISAPPROVED BY THE GOVERNING BODY OF THE MUNICIPALITY. IF THE
38 MUNICIPALITY USES SOCIAL MEDIA OR OTHER ELECTRONIC COMMUNICATION TOOLS, THE
39 NOTICE OF INTENT SHALL BE DISTRIBUTED THROUGH THE MUNICIPALITY'S SOCIAL MEDIA
40 ACCOUNTS OR OTHER ELECTRONIC COMMUNICATION TOOLS.

41 C. ALL DEPARTMENTS, BOARDS OR OTHER SUBDIVISIONS OF A MUNICIPALITY
42 THAT ARE AUTHORIZED TO ESTABLISH OR MODIFY TAXES OR FEES SHALL FOLLOW THE
43 NOTICE REQUIREMENTS PRESCRIBED IN SUBSECTION B OF THIS SECTION BEFORE THE
44 DATE OF THE ENTITY'S CONSIDERATION OF THE NEW OR INCREASED TAX OR FEE.

1 D. TECHNOLOGICAL ISSUES THAT EITHER PREVENT THE POSTING OF THE NOTICE
2 ON THE MUNICIPALITY'S WEBSITE OR DISTRIBUTION OF THE NOTICE THROUGH SOCIAL
3 MEDIA OR OTHER ELECTRONIC COMMUNICATION TOOLS DOES NOT PRECLUDE THE GOVERNING
4 BODY OF THE MUNICIPALITY FROM APPROVING OR DISAPPROVING THE NEW OR INCREASED
5 TAX OR FEE AT THE MEETING PROVIDED ON THE NOTICE OF INTENT.

6 ~~E.~~ E. A municipality shall demonstrate that the taxes or fees are
7 imposed pursuant to statute.

8 ~~D.~~ F. ~~This section does~~ SUBSECTIONS A AND B OF THIS SECTION DO not
9 apply to:

- 10 1. Any fee adopted pursuant to section 9-463.05.
- 11 2. WATER AND WASTEWATER RATES OR RATE COMPONENTS.
- 12 3. FEES FOR REGISTRATION-BASED CLASSES, PROGRAMS OR ACTIVITIES
13 PROVIDED BY THE MUNICIPALITY.
- 14 4. COURT FEES ESTABLISHED PURSUANT TO STATE LAW.
- 15 5. FEES OR CHARGES ESTABLISHED PURSUANT TO FEDERAL LAW FOR PUBLIC
16 HOUSING OR OTHER FEDERALLY FUNDED PROGRAMS.
- 17 6. OTHER FEES WHOSE AMOUNTS ARE SET BY STATE OR FEDERAL LAW.
- 18 G. IF INFORMATION IS MADE AVAILABLE RELATING TO THE FEES PROVIDED IN
19 SUBSECTION F OF THIS SECTION, THAT INFORMATION SHALL BE POSTED ON THE
20 MUNICIPALITY'S WEBSITE AND, IF THE MUNICIPALITY USES SOCIAL MEDIA OR OTHER
21 ELECTRONIC COMMUNICATION TOOLS, DISTRIBUTED THROUGH SOCIAL MEDIA OR OTHER
22 ELECTRONIC COMMUNICATION TOOLS.

23 ~~E.~~ H. In addition to any other limitation that may be imposed by law,
24 a municipality shall not levy or impose an assessment, fee or tax on hospital
25 revenues, discharges, beds or services for the purpose of receiving services
26 or payments pursuant to title 36, chapter 29.

27 Sec. 2. Section 48-572, Arizona Revised Statutes, is amended to read:

28 48-572. Purposes for which public improvements may be
29 undertaken; powers incidental to public improvements

30 A. When the public interest or convenience requires, the governing
31 body of a municipality may:

32 1. Order the whole or any portion, either in length or width, of one
33 or more of the streets of the municipality graded or regraded, paved or
34 repaved, or otherwise improved or reimproved.

35 2. Order the construction, reconstruction or repair of any tunnel,
36 subway, viaduct or conduit in, on, under or over any street, or land of the
37 municipality or any land on, under or over which the municipality may have an
38 easement or right-of-way therefor.

39 3. Order the construction or reconstruction of RAILROADS, sidewalks,
40 crosswalks, curbs, gutters, culverts, bridges, tunnels, siphons, manholes,
41 steps, parkings and parkways and also pipes, hydrants and appliances for fire
42 protection.

43 4. Order construction, reconstruction or acquisition of sewers,
44 ditches, drains, conduits, pipelines and channels for sanitary and drainage
45 purposes, or either or both thereof, with outlets, cesspools, manholes, catch

1 basins, flush tanks, septic tanks, connecting sewers, ditches, drains,
2 conduits, channels and other appurtenances in, under, over or through any
3 street, or any land of the municipality or any right-of-way granted or
4 obtained for such purpose, either within or without the limits of the
5 municipality.

6 5. Order construction, reconstruction or acquisition of waterworks,
7 ditches, canals, channels, conduits, pipelines and siphons, together with the
8 necessary or usual appurtenances for carrying storm water or water from
9 irrigation ditches, watercourses, streams or springs into, through or out of
10 the municipality, in, under, over or through any street, or any land of the
11 municipality or any right-of-way granted or obtained for such purpose, either
12 within or without the limits of the municipality.

13 6. Order construction, reconstruction or acquisition of breakwater
14 levees or walls, docks, wharves, marinas, boat harbors and related
15 facilities.

16 7. Order construction, reconstruction or acquisition of lighting
17 plants and poles, wires, conduits, lamps, standards and other appliances for
18 the purpose of lighting and beautifying the streets improved.

19 8. Order the whole or any portion of any off-street parking area and
20 entrances thereto of the municipality graded or regraded, paved or repaved,
21 or otherwise improved or reimproved, order lighting plants and poles, wires,
22 conduits, lamps, standards, and other appliances for the purpose of lighting,
23 landscaping and beautifying the streets or off-street parking areas and
24 entrances thereto to be improved and order construction on such land of
25 parking structures that may have any portion at, above or below grade. If in
26 connection with any lot or parcel within a proposed assessment district
27 adequate off-street parking facilities have been provided, such lot or parcel
28 shall be excluded from the assessment district and shall not be assessed for
29 such improvements if within the time and in the manner provided in section
30 48-579, subsection C the owner or owners file a written objection to the
31 extent of the assessment district. For purposes of this paragraph in cities
32 having a zoning code or ordinance, unless the off-street parking facilities
33 provided meet or exceed the requirements of the zoning code or ordinance for
34 a lot or parcel of that size in that zone, then such off-street parking
35 facilities shall not be deemed adequate. In cities not having a zoning code
36 or ordinance, the facilities provided shall not be deemed adequate unless
37 parking space for one motor vehicle is provided for each three hundred square
38 feet of floor space in the building served by such off-street parking site.
39 If any lot or parcel within a proposed assessment district organized for
40 improvements provided for in this paragraph is zoned and used exclusively for
41 single family residential purposes, such lot or parcel shall be excluded from
42 the assessment district and shall not be assessed for such improvements if
43 within the time and in the manner provided in section 48-579, subsection C
44 the owner or owners file a written objection to the extent of the assessment
45 district.

1 9. Order the construction or reconstruction of any work incidental to
2 or connected with the improvements set forth in this subsection.

3 10. Pursuant to section 48-622, and notwithstanding any other law,
4 construct, acquire or improve a wastewater treatment facility, drinking
5 water facility or nonpoint source project with monies borrowed from or
6 financial assistance including forgivable principal provided by the water
7 infrastructure finance authority of Arizona.

8 B. In addition to all powers specifically granted by or reasonably
9 inferred under the provisions of this article, cities and towns, acting
10 through their governing bodies, may:

11 1. Join with other cities or towns or any improvement district or
12 sanitary district or the state, or any of its departments or agencies, the
13 federal government or any of its departments, agencies or instrumentalities,
14 in the construction, operation or maintenance of improvements authorized by
15 this section.

16 2. Join with any other city, town, improvement district or sanitary
17 district in improving streets running ~~upon~~ ON or along the boundaries of the
18 city or town and levy assessments or issue bonds for the proportionate part
19 of the city or town of the cost of the improvement. A MUNICIPALITY THAT
20 PROPOSES TO LEVY AN ASSESSMENT FOR THE PROPORTIONATE PART OF THE CITY OR TOWN
21 SHALL PREPARE A NOTICE OF INTENT TO ESTABLISH OR INCREASE THE ASSESSMENTS
22 PURSUANT TO SECTION 9-499.15, SUBSECTION B, PARAGRAPH 4.

23 3. Accept from the state, or federal government, or any agency,
24 department or instrumentality of either, grants for or in aid of the
25 construction of any of the improvements provided by this article, and enter
26 into contracts with ~~the~~ THIS state, the federal government, or any agency,
27 department or instrumentality of either or both, for the construction or
28 supervision of construction by ~~the~~ THIS state, the federal government or any
29 agency, department or instrumentality of either or both of any such
30 improvements, in accordance with the plans, specifications, rules and
31 regulations of ~~the~~ THIS state, the federal government, or any agency,
32 department or instrumentality of either or both, but reserving to the city or
33 town the right to assess against the property benefited by the improvement,
34 and located within the city or town, that portion of the cost of the
35 improvement ~~which~~ THAT does not qualify for aid under the state or federal
36 grant.

APPROVED BY THE GOVERNOR MAY 18, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 18, 2016.

Passed the House February 25, 2016

Passed the Senate April 14, 2016

by the following vote: 46 Ayes,

by the following vote: 29 Ayes,

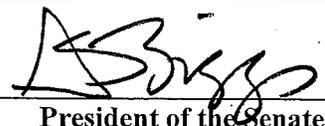
14 Nays, 0 Not Voting

0 Nays, 1 Not Voting

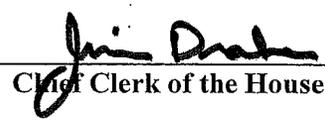


Speaker of the House

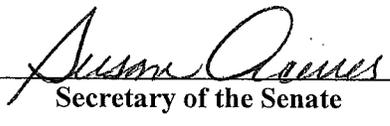
Pro Tempore



President of the Senate



Chief Clerk of the House



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. 2635

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 6, 2016,

by the following vote: 54 Ayes,

0 Nays, 6 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
6 day of May, 2016,

at 9:18 o'clock P- M.

[Signature]
Secretary to the Governor

Approved this 18th day of

May, 2016,

at 8:24 o'clock A M.

[Signature]
Governor of Arizona

H.B. 2635

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 18th day of May, 2016,

at 11:05 o'clock A M.

[Signature]
Secretary of State