



STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY  
GOVERNOR

EXECUTIVE OFFICE

March 30, 2017

The Honorable Michele Reagan  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 1<sup>st</sup> Regular Session, which I signed on March 30, 2017:

HB 2213 - GPLET reform; K-12 taxes  
HB 2226 - compact; balanced budget; convention

Sincerely,

Douglas A. Ducey  
Governor  
State of Arizona

cc: Senate Secretary  
Chief Clerk of the House of Representatives  
Arizona News Service

Senate Engrossed House Bill

**FILED**

**MICHELE REAGAN**

**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-third Legislature  
First Regular Session  
2017

**CHAPTER 120**  
**HOUSE BILL 2213**

AN ACT

AMENDING SECTIONS 42-6202, 42-6203, 42-6204, 42-6206 AND 42-6209, ARIZONA  
REVISED STATUTES; RELATING TO GOVERNMENT PROPERTY LEASE EXCISE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-6202, Arizona Revised Statutes, is amended to  
3 read:

4 42-6202. Commercial government property lease excise tax:  
5 database

6 A. A government lessor shall levy and the county treasurer shall  
7 collect an annual excise tax on each prime lessee for the use or occupancy  
8 of each government lessor's government property improvement.

9 B. A government lessor may not own or operate a government property  
10 improvement unless one of the following applies:

11 1. The improvement is subject to the government property lease  
12 excise tax under this article with respect to the improvement.

13 2. The improvement is exempt from tax under section 42-6208.

14 3. Tax on the improvement has been abated under section 42-6209.

15 C. Within thirty days after entering into a lease for the occupancy  
16 of a government property improvement, the government lessor shall:

17 1. Record a memorandum of lease in the office of the county  
18 recorder in the county in which the government property improvement is  
19 located. The memorandum of lease must include the basic lease terms,  
20 including the names of the parties, the leased property, the lease term,  
21 including the beginning and ending dates, and any options to renew the  
22 lease or to purchase any of the government property improvement or  
23 government owned land.

24 2. Submit to the county treasurer ~~and the department of revenue~~  
25 copies of the lease or an abstract of the lease.

26 D. The ~~department of revenue~~ GOVERNMENT LESSOR shall maintain a  
27 public database by county, city and town AS APPLICABLE, OR POST ITS LEASE  
28 AGREEMENTS ON A COUNTY, CITY OR TOWN WEBSITE WHERE THE GOVERNMENT PROPERTY  
29 IMPROVEMENT IS LOCATED, of all government property leases that are subject  
30 to the tax under this article.

31 E. THE GOVERNMENT LESSOR SHALL SUBMIT A CURRENT LINK TO THE PUBLIC  
32 DATABASE AS DESCRIBED IN SUBSECTION D OF THIS SECTION TO THE DEPARTMENT OF  
33 REVENUE AND NOTIFY THE DEPARTMENT WHEN THE DATABASE NO LONGER CONTAINS ANY  
34 ACTIVE LEASES.

35 F. THE DEPARTMENT OF REVENUE SHALL PLACE LINKS TO ALL OF THE  
36 GOVERNMENT LESSORS' DATABASES WITH ACTIVE LEASES ON THEIR WEBSITE.

37 ~~F.~~ G. If a county assessor becomes aware of a government property  
38 improvement that is or should be subject to the tax under this article,  
39 the assessor shall notify the county treasurer and the ~~department of~~  
40 ~~revenue~~ GOVERNMENT LESSOR for confirmation that the improvement is  
41 included in their ~~databases~~ DATABASE.

1           Sec. 2. Section 42-6203, Arizona Revised Statutes, is amended to  
2 read:

3           42-6203. Rates of tax

4           A. Except as otherwise provided in this section, if a lease of a  
5 government property improvement was entered into before June 1, 2010, or  
6 if a development agreement, ordinance or resolution was approved by the  
7 governing body of the government lessor before June 1, 2010 that  
8 authorized a lease on the occurrence of specified conditions and the lease  
9 was entered into within ten years after the date the development agreement  
10 was entered into or the ordinance or resolution was approved by the  
11 governing body AND THE LEASE WAS DETERMINED BY THE DEPARTMENT OF REVENUE  
12 TO BE IN COMPLIANCE WITH THIS SUBSECTION:

13           1. The tax authorized by this article shall be levied and collected  
14 at the following rates:

15           (a) One dollar per square foot of gross building space for office  
16 buildings with one floor above ground.

17           (b) One dollar twenty-five cents per square foot of gross building  
18 space for office buildings with more than one but fewer than eight floors  
19 above ground.

20           (c) One dollar seventy-five cents per square foot of gross building  
21 space for office buildings with eight floors or more above ground.

22           (d) One dollar fifty cents per square foot of retail building  
23 space, including space that is devoted to the sale of tangible personal  
24 property, restaurants, health clubs, hair salons, dry cleaners, travel  
25 agencies and other retail services.

26           (e) One dollar fifty cents per square foot of hotel or motel  
27 building space.

28           (f) Seventy-five cents per square foot of warehouse or industrial  
29 building space.

30           (g) Fifty cents per square foot of residential rental building  
31 space.

32           (h) One hundred dollars per parking space located in a parking  
33 garage or deck.

34           (i) One dollar per square foot of all other government property  
35 improvements not included in subdivisions (a) through (h) of this  
36 paragraph.

37           2. The tax rate for government property improvements for which the  
38 original certificate of occupancy was issued:

39           (a) At least ten years but less than twenty years before the date  
40 the tax is due is eighty ~~per cent~~ PERCENT of the rate provided in  
41 paragraph 1 of this subsection.

42           (b) At least twenty years but less than thirty years before the  
43 date the tax is due is sixty ~~per cent~~ PERCENT of the rate provided in  
44 paragraph 1 of this subsection.

1 (c) At least thirty but less than forty years before the date the  
2 tax is due is forty ~~per cent~~ PERCENT of the rate provided in paragraph 1  
3 of this subsection.

4 (d) At least forty but less than fifty years before the date the  
5 tax is due is twenty ~~per cent~~ PERCENT of the rate provided in paragraph 1  
6 of this subsection.

7 (e) Fifty or more years before the date the tax is due is zero.

8 3. If no certificate of occupancy can be located, dated aerial  
9 photographs or other evidence of substantial completion may be used to  
10 determine the age of the building for purposes of paragraph 2 of this  
11 subsection.

12 4. A lease or development agreement, originally subject to this  
13 subsection, that is subsequently amended remains subject to this  
14 subsection if the amended lease or development agreement meets all of the  
15 following requirements:

16 (a) The government lessor determines that the amendment furthers  
17 the original purpose of the lease or development agreement.

18 (b) Any land added under the amendment is contiguous to the land  
19 under the original lease or development agreement and does not increase  
20 the land area under the original lease or development agreement by more  
21 than fifty ~~per cent~~ PERCENT.

22 (c) Any government property improvement added under the amendment  
23 does not increase the area of gross building space of government property  
24 improvements under the original lease or development agreement by more  
25 than one hundred ~~per cent~~ PERCENT.

26 B. Except as otherwise provided in this section, if a lease of a  
27 government property improvement does not meet the conditions for applying  
28 subsection A of this section:

29 1. Subject to paragraphs 2 and 3 of this subsection, the tax  
30 authorized by this article shall be levied and collected at the following  
31 base rates, which apply through December 31, 2011:

32 (a) Two dollars per square foot of gross building space for office  
33 buildings with one floor above ground.

34 (b) Two dollars thirty cents per square foot of gross building  
35 space for office buildings with more than one but fewer than eight floors  
36 above ground.

37 (c) Three dollars ten cents per square foot of gross building space  
38 for office buildings with eight floors or more above ground.

39 (d) Two dollars fifty-one cents per square foot of retail building  
40 space, including space that is devoted to the sale of tangible personal  
41 property, restaurants, health clubs, hair salons, dry cleaners, travel  
42 agencies and other retail services.

43 (e) Two dollars per square foot of hotel or motel building space.

1 (f) One dollar thirty-five cents per square foot of warehouse or  
2 industrial building space.

3 (g) Seventy-six cents per square foot of residential rental  
4 building space.

5 (h) Two hundred dollars per parking space located in a parking  
6 garage or deck.

7 (i) Two dollars per square foot of all other government property  
8 improvements not included in subdivisions (a) through (h) of this  
9 paragraph.

10 2. If, in the tax year in which the lease of the government  
11 property improvement is entered into, the aggregate of all ad valorem  
12 property tax rates of all taxing jurisdictions in which the government  
13 property improvement is located is at least ninety ~~per cent~~ PERCENT of the  
14 countywide average combined property tax rates, the rate of tax prescribed  
15 by paragraph 1 of this subsection, as currently adjusted pursuant to  
16 paragraph 3 of this subsection, applies with respect to that government  
17 property improvement. If, in the tax year in which the lease of the  
18 government property improvement is entered into, the aggregate of all ad  
19 valorem property tax rates of all taxing jurisdictions in which the  
20 government property improvement is located is less than ninety ~~per cent~~  
21 PERCENT of the countywide average combined property tax rates, the rate of  
22 tax prescribed by paragraph 1 of this subsection, as currently adjusted  
23 pursuant to paragraph 3 of this subsection, shall be reduced by ten ~~per~~  
24 ~~cent~~ PERCENT.

25 3. On or before December 1, 2011 and December 1 of each year  
26 thereafter, for all government property leases that are subject to this  
27 subsection, the department of revenue shall adjust the tax rates that  
28 apply under paragraphs 1 and 2 of this subsection in the following  
29 calendar year for each property use according to the average annual  
30 positive or negative percentage change for the two most recent fiscal  
31 years in the producer price index for new construction or its successor  
32 index published by the United States bureau of labor statistics. On or  
33 before December 15 of each year, the department shall post the adjusted  
34 rates for the following calendar year on its official website and transmit  
35 the adjusted rates to each county treasurer.

36 C. The tax rate for a government property improvement that was  
37 constructed pursuant to a lease or development agreement entered into from  
38 and after June 30, 1996 and that is located outside a slum or blighted  
39 area established pursuant to title 36, chapter 12, article 3 is one and  
40 one-half times the rate established by subsections A and B of this  
41 section.

42 D. Within the first twenty years after the issuance of the original  
43 certificate of occupancy, the tax rate on the use or occupancy of a  
44 government property improvement is twenty ~~per cent~~ PERCENT of the rate

1 established in subsections A and B of this section for any of the  
2 following:

3 1. Government property improvements that are subject to leases or  
4 agreements that were entered into before April 1, 1985, and options and  
5 rights contained in the leases or agreements.

6 2. Government property improvements that are subject to leases  
7 entered into based on a redevelopment contract, as defined in section  
8 36-1471, entered into before April 1, 1985.

9 3. Government property improvements that are subject to leases  
10 entered into based on an agreement for a redevelopment project for which  
11 federal grant monies have been received and that was entered into before  
12 April 1, 1985.

13 4. Government property improvements that are located at an airport  
14 that was owned on or before January 1, 1988 by a county having a  
15 population of four hundred thousand persons or less or by a city or town  
16 that is located in a county having a population of four hundred thousand  
17 persons or less if the property is used primarily for manufacturing,  
18 retail, distribution, research or commercial purposes. For the purposes  
19 of this paragraph, "commercial" includes facilities for office,  
20 recreational, hotel, motel and service uses.

21 E. Within the first ten years after the issuance of the certificate  
22 of occupancy, the tax rate on the use or occupancy of a government  
23 property improvement that is located in a slum or blighted area  
24 established pursuant to title 36, chapter 12, article 3, that resulted or  
25 will result in an increase in property value of at least one hundred ~~per~~  
26 ~~cent~~ PERCENT and that is not eligible for abatement pursuant to section  
27 42-6209 is eighty ~~per cent~~ PERCENT of the rate established in subsections  
28 A and B of this section.

29 F. The tax rate to be applied under subsection A or B of this  
30 section shall be determined by the predominant use to which the government  
31 property improvement is devoted, except that in all cases the tax rate  
32 prescribed by subsection A, paragraph 1, subdivision (h) or subsection B,  
33 paragraph 1, subdivision (h) of this section shall be applied to any  
34 parking garage or deck. If there is no single predominant use, the tax  
35 shall be determined by applying the appropriate tax rate to the building  
36 space devoted to each use identified in that subsection. For the purposes  
37 of this subsection, in applying the tax rates under subsection A of this  
38 section the functional area of a government property improvement does not  
39 include subsidiary, auxiliary or servient areas such as lobbies,  
40 stairwells, mechanical rooms and meeting and banquet rooms. For the  
41 purposes of this subsection, "predominant use" means the use to which  
42 eighty-five ~~per cent~~ PERCENT or more of the functional area of a  
43 government property improvement is devoted.

1 G. Prime lessees of government property improvements who become  
2 taxable or whose taxable status terminates during the calendar year in  
3 which the taxes are due, including prime lessees subject to exemption or  
4 abatement under sections 42-6208 and 42-6209, shall pay tax for that  
5 calendar year on a pro rata basis.

6 Sec. 3. Section 42-6204, Arizona Revised Statutes, is amended to  
7 read:

8 42-6204. Payment; return; interest; penalty; annual reports

9 A. The taxes that are levied pursuant to this article are:

10 1. Due and payable to the county treasurer annually on or before  
11 December 1.

12 2. Delinquent if not paid on or before that date.

13 B. ~~The prime lessee, if subject to the tax or qualified for an~~  
14 ~~abatement under this article, shall~~ THE GOVERNMENT LESSOR SHALL CALCULATE  
15 THE EXCISE TAX FOR EACH PRIME LESSEE, submit a return to the county  
16 treasurer on a return form prescribed by the department of revenue and  
17 submit a copy of the return to the ~~government lessor~~ PRIME LESSEE. If the  
18 prime lessee is exempt from the tax pursuant to section 42-6208, the ~~prime~~  
19 ~~lessee~~ GOVERNMENT LESSOR shall keep and maintain the information required  
20 in this subsection. The return form shall be made available by the county  
21 treasurer at least sixty days before the taxes are due and payable and  
22 shall include:

23 1. The name and address of the prime lessee.

24 2. The location of the government property improvement.

25 3. The amount of gross building space or number of parking garage  
26 or deck spaces. The prime lessee may submit an initial statement of gross  
27 building space that is certified by a person who is professionally  
28 credentialed in this state as an architect, general contractor, surveyor  
29 or appraiser and thereafter shall file an annual statement with the  
30 return, under penalty of perjury, that the gross building space is  
31 unchanged from the amount previously certified.

32 4. The date of the original certificate of occupancy.

33 5. The use or uses of the property.

34 6. If an abatement under section 42-6209 applies, a certification  
35 under penalty of perjury that all elements necessary to qualify for the  
36 abatement are satisfied for the year covered by the return.

37 7. Any other pertinent information that is required by the return  
38 form.

39 C. If any part of the tax is not paid before it becomes delinquent,  
40 interest accrues on the unpaid amount at the rate and in the manner  
41 prescribed by section ~~42-1123~~ 42-18053 until it is paid. Interest on  
42 overpayments accrues at the rate and in the manner prescribed by section  
43 ~~42-1123~~ 42-18053 until the refund is paid by the county treasurer.

1 D. The county treasurer shall assess and collect a penalty of five  
2 percent of any part of the tax that is not paid before it becomes  
3 delinquent.

4 E. The county treasurer shall issue a receipt to the GOVERNMENT  
5 LESSOR AND prime lessee for payments under this article.

6 F. On or before February 15 of each year, the county treasurer  
7 shall submit a report to:

8 1. The department of revenue of all returns and payments received  
9 for the preceding calendar year under this section. The report shall be  
10 in a form and contain data prescribed by the department of revenue.

11 ~~2. Each government lessor of all returns and payments received for~~  
12 ~~the preceding calendar year with respect to leases of government property~~  
13 ~~improvements owned by the government lessor. These reports shall contain~~  
14 ~~the same data prescribed pursuant to paragraph 1 of this subsection.~~

15 ~~3.~~ 2. The joint legislative budget committee of all returns and  
16 payments received for the preceding calendar year with respect to leases  
17 of government property improvements owned by the government lessor. These  
18 reports shall contain the same data prescribed in paragraph 1 of this  
19 subsection.

20 G. The county treasurer is entitled to rely on any information  
21 contained in any abatement certification described in subsection B,  
22 paragraph 6 of this section unless the county treasurer has actual  
23 knowledge that the certification is inaccurate.

24 Sec. 4. Section 42-6206, Arizona Revised Statutes, is amended to  
25 read:

26 42-6206. Leases and development agreements; notice of tax  
27 liability; approval requirements; default

28 A. Each lease or development agreement between a prime lessee and a  
29 government lessor entered into after June 30, 1996 shall include:

30 1. A notice of the tax liability under this article.

31 2. A provision that failure by the prime lessee to pay the tax  
32 after notice and an opportunity to cure is an event of default that could  
33 result in divesting the prime lessee of any interest in or right of  
34 occupancy of the government property improvement.

35 B. Except as provided by subsection C of this section, each lease  
36 or development agreement between a prime lessee and a government lessor  
37 for a government property improvement located in a slum or blighted area  
38 that is established pursuant to title 36, chapter 12, article 3, that is  
39 entered into from and after May 31, 2010 and that does not meet the  
40 conditions provided in section 42-6203, subsection A:

41 1. Shall not be approved unless the government lessor:

42 (a) Notifies the governing bodies of the county and any city, town  
43 and school district in which the government property improvement is  
44 located at least sixty days before the approval. The notice must include  
45 the name and address of the intended prime lessee, the location and

1 proposed use of the government property improvement and the proposed term  
2 of the lease or development agreement.

3 (b) Determines that, within the term of the lease or development  
4 agreement, the economic and fiscal benefit to this state and the county,  
5 city or town in which the government property improvement is located will  
6 exceed the benefits received by the prime lessee as a result of the  
7 development agreement or lease on the basis of an estimate of those  
8 benefits prepared by an independent third party in a manner and method  
9 acceptable to the governing body of the government lessor. The estimate  
10 must be provided to the government lessor and the governing bodies of the  
11 county and any city, town and school district in which the government  
12 property improvement is located at least thirty days before the vote of  
13 the governing body. A lease or development agreement between a prime  
14 lessee and a government lessor involving residential rental housing is  
15 exempt from the economic estimate analysis requirements of this  
16 ~~subdivision~~ SUBSECTION.

17 2. Must be approved by a simple majority vote of the governing body  
18 without the use of a consent calendar.

19 C. A lease or development agreement that is subject to subsection B  
20 of this section must provide that the lease begins within ten years after  
21 approval of the development agreement and the term of the lease does not  
22 exceed twenty-five years, including any abatement period authorized under  
23 section 42-6209, and regardless of whether the lease is transferred or  
24 conveyed to subsequent prime lessees during that period. As soon as  
25 reasonably practicable but within twelve months after the expiration date  
26 of the lease the government lessor must convey to the current prime lessee  
27 title to the government property improvement and underlying land UNLESS  
28 THE PARCEL IS CONTROLLED BY AN AIRPORT SUBJECT TO FEDERAL REGULATION OR BY  
29 THE LOCAL FEDERAL TRANSIT AUTHORITY. Property conveyed to the prime  
30 lessee under this ~~subdivision~~ SUBSECTION does not qualify for  
31 classification as class six property or for any other discounted  
32 assessment regardless of the location or condition of the property.

33 D. Subsections B and C of this section do not apply if the  
34 government lessor is acting as a commercial landlord without a development  
35 agreement in a lease for a use ancillary to a government property  
36 improvement used for a public purpose.

37 E. No later than June 30 of each year the government lessor shall  
38 provide the county assessor with a complete list of development agreements  
39 between the government lessor and the prime lessees, including the  
40 commencement and termination dates of the agreements, the names and  
41 addresses of the prime lessees and the locations of the properties that  
42 are subject to the agreements.

1           Sec. 5. Section 42-6209, Arizona Revised Statutes, is amended to  
2 read:

3           42-6209. Abatement of tax for government property  
4                   improvements in single central business district

5           A. A city or town may abate the tax provided for under this article  
6 for a limited period beginning when the certificate of occupancy is issued  
7 and ending eight years after the certificate of occupancy is issued on a  
8 government property improvement that is constructed either before or after  
9 July 20, 1996 and that meets the following requirements:

10           1. The improvement is located in a single central business district  
11 in the city or town and is subject to a lease or development agreement  
12 entered into on or after April 1, 1985. For the purposes of this section:

13           (a) A city or town shall not designate more than one central  
14 business district within its corporate boundaries.

15           (b) A city or town shall not approve or enter into a development  
16 agreement or lease for a government property improvement within one year  
17 after the designation of the central business district in which the  
18 improvement is located.

19           (c) "Central business district" means a single and contiguous  
20 geographical area THAT IS designated by resolution of the governing body  
21 of the city or town and meeting THAT IS BOTH OF the following  
22 requirements:

23           (i) ~~The central business district is~~ Located entirely within a slum  
24 or blighted area that is established pursuant to title 36, chapter 12,  
25 article 3.

26           (ii) ~~The central business district is~~ Geographically compact and no  
27 larger than the greater of five ~~per cent~~ PERCENT of the total land area  
28 within the exterior boundaries of the city or town or six hundred forty  
29 acres.

30           2. The government property improvement resulted or will result in  
31 an increase in property value of at least one hundred ~~per cent~~ PERCENT.

32           B. The prime lessee shall notify the county treasurer and the  
33 government lessor and apply for the abatement before the taxes under this  
34 article are due and payable in the first year after the certificate of  
35 occupancy is issued.

36           C. Except as provided by subsection D OF THIS SECTION, each lease  
37 between a prime lessee and a government lessor for which the tax is abated  
38 under this section and that is entered into from and after May 31, 2010,  
39 and that does not meet the conditions provided in section 42-6203,  
40 subsection A, must be approved by a simple majority vote of the governing  
41 body without the use of a consent calendar and shall not be approved  
42 unless:

43           1. The government lessor notifies the governing bodies of the  
44 county and any city, town and school district in which the government  
45 property improvement is located at least sixty days before the approval.

1 The notice must include the name and address of the intended prime lessee,  
2 the location and proposed use of the government property improvement and  
3 the proposed term of the lease or development agreement.

4 2. The government lessor determines that, within the term of the  
5 lease or development agreement, the economic and fiscal benefit to this  
6 state and the county, city or town in which the government property  
7 improvement is located will exceed the benefits received by the prime  
8 lessee as a result of the development agreement or lease on the basis of  
9 an estimate of those benefits prepared by an independent third party in a  
10 manner and method acceptable to the governing body of the government  
11 lessor. The estimate must be provided to the government lessor and the  
12 governing bodies of the county and any city, town and school district in  
13 which the government property improvement is located at least thirty days  
14 before the vote of the governing body. A lease or development agreement  
15 between a prime lessee and a government lessor involving residential  
16 rental housing is exempt from the economic estimate analysis requirements  
17 of this paragraph.

18 3. The lease or development agreement provides that the government  
19 lessor may not approve an amendment to change the use of the government  
20 property improvement during the period of abatement unless:

21 (a) The government lessor notifies the governing bodies of the  
22 county and any city, town and school district in which the government  
23 property improvement is located at least sixty days before the approval.  
24 The notice must include the name and address of the prime lessee, the  
25 location and proposed use of the government property improvement and the  
26 remaining term of the lease or development agreement.

27 (b) The government lessor determines that, within the remaining  
28 term of the lease or development agreement, the economic and fiscal  
29 benefit to this state and the county, city or town in which the government  
30 property improvement is located will exceed the benefits received by the  
31 prime lessee as a result of the change in the lease or development  
32 agreement on the basis of an estimate of those benefits prepared by an  
33 independent third party in a manner and method acceptable to the governing  
34 body of the government lessor. The estimate must be provided to the  
35 government lessor and the governing bodies of the county and any city,  
36 town and school district in which the government property improvement is  
37 located at least thirty days before the vote of the governing body. A  
38 change in use under a lease or development agreement between a prime  
39 lessee and a government lessor to residential rental housing is exempt  
40 from the economic estimate analysis requirements of this subdivision.

41 D. Subsection C OF THIS SECTION does not apply if:

42 1. The tax is not abated under this section.

43 2. The government lessor is acting as a commercial landlord without  
44 a development agreement in a lease for a use ancillary to a government  
45 property improvement used for a public purpose.

1 E. NOTWITHSTANDING SECTION 42-6206, SUBSECTION C, BEGINNING WITH  
2 DEVELOPMENT AGREEMENTS, ORDINANCES OR RESOLUTIONS FOR THE LEASE OF  
3 GOVERNMENT PROPERTY IMPROVEMENTS APPROVED BY THE GOVERNING BODY OF THE  
4 GOVERNMENT LESSOR FROM AND AFTER DECEMBER 31, 2016, THE LEASE PERIOD FOR A  
5 PROPERTY FOR WHICH THE TAX IS ABATED UNDER THIS SECTION MAY NOT EXCEED  
6 EIGHT YEARS, INCLUDING ANY ABATEMENT PERIOD, REGARDLESS OF WHETHER THE  
7 LEASE IS TRANSFERRED OR CONVEYED TO SUBSEQUENT PRIME LESSEES DURING THAT  
8 PERIOD. AS SOON AS REASONABLY PRACTICABLE BUT WITHIN TWELVE MONTHS AFTER  
9 THE EXPIRATION DATE OF THE LEASE, THE GOVERNMENT LESSOR MUST CONVEY TO THE  
10 CURRENT PRIME LESSEE TITLE TO THE GOVERNMENT PROPERTY IMPROVEMENT AND THE  
11 UNDERLYING LAND. PROPERTY CONVEYED TO THE PRIME LESSEE UNDER THIS  
12 SUBSECTION DOES NOT QUALIFY FOR CLASSIFICATION AS CLASS SIX PROPERTY OR  
13 FOR ANY OTHER DISCOUNTED ASSESSMENT REGARDLESS OF THE LOCATION OR  
14 CONDITION OF THE PROPERTY. THIS SUBSECTION DOES NOT APPLY TO LEASES OR  
15 THE DEVELOPMENT AGREEMENTS FOR THE LEASE OF GOVERNMENT PROPERTY IF EITHER  
16 OF THE FOLLOWING OCCURRED BEFORE JANUARY 1, 2017:  
17 1. A CORRESPONDING RESOLUTION OR ORDINANCE FOR THE LEASE OR INTENT  
18 TO LEASE SUCH PROPERTY SUBJECT TO THIS SECTION WAS APPROVED BY THE  
19 GOVERNING BODY OF THE GOVERNMENT LESSOR.  
20 2. A PROPOSAL WAS SUBMITTED TO THE GOVERNMENT LESSOR IN RESPONSE TO  
21 A REQUEST FOR PROPOSALS.

**APPROVED BY THE GOVERNOR MARCH 30, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 30, 2017.**

Passed the House February 22, 2017

Passed the Senate March 27, 2017

by the following vote: 50 Ayes,

by the following vote: 29 Ayes,

9 Nays, 1 Not Voting

0 Nays, 1 Not Voting

[Signature]  
Speaker of the House  
 Pro Tempore

[Signature]  
President of the Senate

[Signature]  
Chief Clerk of the House

[Signature]  
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

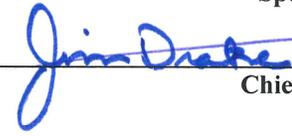
H.B. 2213

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

March 29, 2017,

by the following vote: 56 Ayes,

0 Nays, 4 Not Voting

  
\_\_\_\_\_  
Speaker of the House  
  
\_\_\_\_\_  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this  
29<sup>th</sup> day of March, 2017,

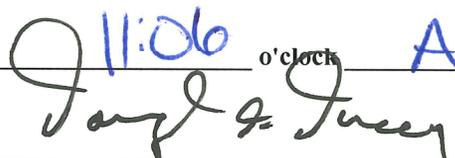
at 2:33 o'clock P. M.

  
\_\_\_\_\_  
Secretary to the Governor

Approved this 30<sup>th</sup> day of

March, 2017,

at 11:06 o'clock A. M.

  
\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 29<sup>30</sup> day of March, 2017,

at 11:31 o'clock P M.

  
\_\_\_\_\_  
Secretary of State

H.B. 2213