

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

Senate Engrossed  
**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

CHAPTER 342  
**SENATE BILL 1454**

AN ACT

AMENDING SECTIONS 48-921, 48-952 AND 48-955, ARIZONA REVISED STATUTES;  
RELATING TO COUNTY 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 48-921, Arizona Revised Statutes, is amended to  
3 read:

4 48-921. Payment of costs from other sources

5 A. When any money is available from the county, or a state or  
6 federal agency, or the general fund of the district, or from any other  
7 source, for paying the cost of the whole or any part of any of the work  
8 provided for in the resolution of intention, the board of directors may in  
9 the resolution of intention or in any resolution adopted before the  
10 assessment is finally approved, order that such money be applied to the  
11 whole or any portion of the improvements for which it is available and  
12 direct the remainder of the costs and expenses to be assessed  
13 proportionately ~~upon~~ ON the lots liable to be assessed for such  
14 improvement.

15 B. IN ADDITION TO ANY PAYMENTS MADE AS PRESCRIBED BY SUBSECTION A  
16 OF THIS SECTION, A DISTRICT MAY BE FINANCED FROM THE FOLLOWING SOURCES OF  
17 REVENUE:

- 18 1. PROCEEDS RECEIVED FROM THE SALE OF BONDS OF THE DISTRICT.
- 19 2. MONIES OF THE COUNTY THAT ARE CONTRIBUTED TO THE DISTRICT.
- 20 3. STATE OR FEDERAL GRANTS.
- 21 4. PRIVATE CONTRIBUTIONS.
- 22 5. ANY OTHER MONIES AVAILABLE TO THE DISTRICT BY LAW.

23 Sec. 2. Section 48-952, Arizona Revised Statutes, is amended to  
24 read:

25 48-952. General obligations of district

26 General obligations of the district shall be provided for by the  
27 levy and collection of taxes ~~upon~~ ON all the real and personal property in  
28 the district unless otherwise specifically authorized. General  
29 obligations shall be limited to the following:

30 1. The cost of operation, maintenance and repair of improvements  
31 made under this article, and the cost of operation and maintenance of  
32 streets within the district to the extent that any of the foregoing costs  
33 are not assumed by the county.

34 2. The payment of that portion of the cost of any improvement  
35 authorized to be assessed as a general obligation of the district by the  
36 resolution of intention and contract, including assessments on public  
37 property imposed ~~upon~~ ON the district under ~~the provisions of~~ section  
38 48-920.

39 3. The payment of the purchase price of lots sold to the district  
40 under ~~the provisions of~~ section 48-941, but the total amount of taxes  
41 levied ~~upon~~ ON all the property of the district for the purchase price of  
42 lots sold under any proceeding shall be limited to twenty ~~per cent~~ PERCENT  
43 of the aggregate amount of principal and interest on the bonds issued  
44 under this proceeding.

1           4. The payment of preliminary incidental costs for which the  
2 district has become liable by abandonment of improvement proceedings under  
3 ~~the provisions of~~ section 48-926. THE PAYMENT OF PRELIMINARY INCIDENTAL  
4 COSTS PURSUANT TO THIS PARAGRAPH MAY BE ASSESSED AND LEVIED ON A PER  
5 PARCEL BASIS OR BASED ON THE ASSESSED VALUATION OF THE PROPERTY. IF A PER  
6 PARCEL BASIS IS USED, THE AMOUNT OF TAX FOR EACH PARCEL SHALL BE  
7 DETERMINED BY DIVIDING THE NUMBER OF PARCELS IN THE DISTRICT BY THE TOTAL  
8 TAX AMOUNT. THE PROPERTY OWNER MAY PAY THE TAX FOR PRELIMINARY INCIDENTAL  
9 COSTS IN A LUMP SUM OR OVER A PERIOD OF NOT MORE THAN TEN YEARS.

10           5. Contingent liabilities required to be paid pursuant to section  
11 48-928, subsection K.

12           6. Repayment of any loans that are required by this article to be  
13 made by the district or the county.

14           7. Attorney fees and other costs of any action brought by or  
15 against the district to foreclose an assessment lien or to defend any  
16 action brought pursuant to this article.

17           Sec. 3. Section 48-955, Arizona Revised Statutes, is amended to  
18 read:

19           48-955. Levy and collection of district taxes

20           A. The board of supervisors shall levy on the property of the  
21 districts as provided by this article and collect as general county taxes  
22 are collected the amounts shown by the statements and estimates as adopted  
23 by the board of directors of the district. All statutes providing for the  
24 levy and collection of general county taxes, including collection of  
25 delinquent taxes and sale of property for nonpayment of taxes are  
26 applicable to the general obligation district taxes as provided to be  
27 levied by this article.

28           B. In a new or existing domestic water improvement district or  
29 domestic wastewater improvement district, whether governed by the board of  
30 supervisors or an elected board of directors under article 4 of this  
31 chapter, a majority of the real property owners may petition the board to  
32 apportion the tax among the lots in the district according to the area in  
33 square feet of each lot. The petition for the formation of a new district  
34 may contain a provision for assessment based on square footage unless the  
35 domestic water usage may be determined by metering and in that event the  
36 assessment shall be apportioned among the lots of the district on the  
37 basis of metering. In the event of either new or existing districts, if  
38 the petition is signed by the required number of owners of real property  
39 in the district, all subsequent taxes of the district shall be assessed  
40 and levied pursuant to this section.

41           C. In a domestic water improvement district or domestic wastewater  
42 improvement district that assesses and levies its taxes based on the  
43 square footage of the property, whether governed by the board of  
44 supervisors or an elected board of directors under article 4 of this  
45 chapter, the governing body of the district in its discretion may

1 establish by resolution a limit on the amount of tax that may be assessed  
2 and collected by the district from any single parcel of real property in  
3 the district.

4 D. IN ANY NEW OR EXISTING COUNTY ROAD IMPROVEMENT DISTRICT, THE  
5 DISTRICT BOARD MAY ASSESS AND LEVY THE TAXES FOR PAYMENT OF PRELIMINARY  
6 INCIDENTAL EXPENSES ON A PER PARCEL BASIS OR BASED ON THE ASSESSED  
7 VALUATION OF THE PROPERTY. IF A PER PARCEL BASIS IS USED, THE AMOUNT OF  
8 TAX FOR EACH PARCEL SHALL BE DETERMINED BY DIVIDING THE NUMBER OF PARCELS  
9 IN THE DISTRICT BY THE TOTAL TAX AMOUNT. THE PROPERTY OWNER MAY PAY THE  
10 TAX FOR PRELIMINARY INCIDENTAL EXPENSES IN A LUMP SUM OR OVER A PERIOD OF  
11 NOT MORE THAN TEN YEARS.

**APPROVED BY THE GOVERNOR MAY 22, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 22, 2017.**

Passed the House May 8, 2017,

Passed the Senate February 23, 2017,

by the following vote: 58 Ayes,

by the following vote: 30 Ayes,

2 Nays, 0 Not Voting

0 Nays, 0 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 was received by the Governor this  
10<sup>th</sup> day of May, 2017,

at 6:20 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 22<sup>nd</sup> day of

May, 2017,

at 5:02 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 22 day of May, 2017,

at 6:34 o'clock P. M.

[Signature]  
Secretary of State

S.B. 1454