

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2381

AN ACT

AMENDING SECTION 9-463.05, ARIZONA REVISED STATUTES; RELATING TO DEVELOPMENT FEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-463.05, Arizona Revised Statutes, is amended to
3 read:

4 9-463.05. Development fees; imposition by cities and towns;
5 capital improvements plan; annual report;
6 definitions

7 A. A municipality may assess development fees to offset costs to the
8 municipality ~~associated with~~ OF providing ~~necessary~~ public services to a
9 development. PUBLIC SERVICES MAY INCLUDE GENERAL GOVERNMENT IMPROVEMENTS AND
10 APPURTENANCES USED FOR MUNICIPAL SERVICES NECESSARY TO PROVIDE PUBLIC
11 SERVICES TO DEVELOPMENT. FOR THE PURPOSES OF THIS SECTION, PUBLIC SERVICES
12 DO NOT INCLUDE AIRPLANES OR ARTS OR CULTURAL FACILITIES OR APPURTENANCES TO
13 THOSE FACILITIES. THIS SECTION DOES NOT APPLY TO MUNICIPAL ORDINANCES
14 IMPOSING A REQUIREMENT FOR ART INSTALLATION OR RELATED IN LIEU FEES AS A
15 CONDITION OF DEVELOPMENT.

16 B. Development fees assessed by a municipality under this section are
17 subject to the following requirements:

18 1. ~~Development fees shall~~ PUBLIC SERVICES THAT ARE THE SUBJECT OF A
19 DEVELOPMENT FEE SHALL BE ADDRESSED IN A CAPITAL IMPROVEMENTS PLAN FORMALLY
20 ADOPTED BY THE GOVERNING BODY OF THE MUNICIPALITY BEFORE THE INITIAL
21 ASSESSMENT OF THE DEVELOPMENT FEE. A CAPITAL IMPROVEMENTS PLAN MAY BE
22 PREPARED AS PART OF AND INCLUDED IN THE BUDGET OF THE MUNICIPALITY PREPARED
23 IN ACCORDANCE WITH TITLE 42, CHAPTER 17, ARTICLE 3. THE CAPITAL IMPROVEMENTS
24 PLAN, FOR EACH PUBLIC SERVICE THAT IS THE SUBJECT OF A DEVELOPMENT FEE, SHALL
25 IDENTIFY THE ESTIMATED COST OF PROVIDING THE PUBLIC SERVICE, THE LEVEL OF
26 SERVICE ON WHICH THE COST ESTIMATE IS BASED AND THE ESTIMATED TIME WHEN THE
27 COST WILL BE INCURRED AND:

28 (a) A MUNICIPALITY SHALL GIVE AT LEAST SIXTY DAYS' ADVANCE NOTICE OF
29 INTENTION TO ADOPT OR AMEND A CAPITAL IMPROVEMENTS PLAN. THE NOTICE MAY BE
30 GIVEN IN CONJUNCTION WITH THE MUNICIPALITY'S SCHEDULE TO ADOPT AN ANNUAL
31 BUDGET PURSUANT TO TITLE 42, CHAPTER 17, ARTICLE 3. CONCURRENT WITH THE
32 NOTICE, THE MUNICIPALITY SHALL RELEASE TO THE PUBLIC A WRITTEN REPORT
33 INCLUDING ALL DOCUMENTATION THAT SUPPORTS THE PROPOSED CAPITAL IMPROVEMENTS
34 PLAN OR AMENDMENT TO THE CAPITAL IMPROVEMENTS PLAN.

35 (b) THE MUNICIPALITY SHALL CONDUCT A PUBLIC HEARING ON THE PROPOSED
36 CAPITAL IMPROVEMENTS PLAN OR AMENDMENT AT ANY TIME AFTER THE EXPIRATION OF
37 THE SIXTY DAY NOTICE OF INTENTION TO ADOPT OR AMEND A CAPITAL IMPROVEMENTS
38 PLAN AND AT LEAST THIRTY DAYS BEFORE THE SCHEDULED DATE OF ADOPTION OF THE
39 CAPITAL IMPROVEMENTS PLAN OR AMENDMENT. THE PUBLIC HEARING MAY BE HELD IN
40 CONJUNCTION WITH THE PUBLIC HEARING REQUIRED TO BE HELD BY THE MUNICIPALITY
41 FOR ADOPTION OF ITS ANNUAL ESTIMATE OF EXPENDITURES PURSUANT TO TITLE 42,
42 CHAPTER 17, ARTICLE 3 IF THE HEARING OCCURS AT LEAST THIRTY DAYS BEFORE THE
43 SCHEDULED DATE OF ADOPTION OF THE CAPITAL IMPROVEMENTS PLAN OR AMENDMENT.

44 (c) A MUNICIPALITY MAY AMEND A CAPITAL IMPROVEMENTS PLAN WITHOUT
45 NOTICE OR A PUBLIC HEARING PURSUANT TO THIS SECTION TO INCLUDE REAL PROPERTY

1 AND PUBLIC INFRASTRUCTURE NOT THEN INCLUDED IN THE MUNICIPALITY'S ADOPTED
2 CAPITAL IMPROVEMENTS PLAN IF THE REAL PROPERTY OR PUBLIC INFRASTRUCTURE
3 COMPRISES PUBLIC SERVICES CONSISTING OF REAL PROPERTY AND PUBLIC
4 INFRASTRUCTURE FOR WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION OR FIRE
5 PROTECTION PURPOSES, WATER RESOURCES, SANITARY SEWAGE SYSTEMS, SOLID WASTE
6 FACILITIES, DRAINAGE AND FLOOD CONTROL SYSTEMS, STREETS, ROADWAYS, BRIDGES
7 AND PARKING FACILITIES, AREAS FOR PEDESTRIAN, BICYCLE OR OTHER NONMOTOR
8 VEHICLE USE, PUBLIC SAFETY FACILITIES, FIRE PROTECTION FACILITIES, LIGHTING
9 SYSTEMS, EQUIPMENT REPAIR FACILITIES AND TRAFFIC CONTROL SYSTEMS AND DEVICES
10 AND ALL NECESSARY OR DESIRABLE APPURTENANCES INCLUDING EQUIPMENT, VEHICLES,
11 FURNISHINGS AND OTHER PERSONALTY.

12 (d) A MUNICIPALITY MAY AMEND A CAPITAL IMPROVEMENTS PLAN WITHOUT
13 NOTICE OR A PUBLIC HEARING PURSUANT TO THIS SECTION TO ADJUST THE ESTIMATED
14 COST OF PROVIDING REAL PROPERTY OR PUBLIC INFRASTRUCTURE, OR BOTH, OR TO
15 ADJUST THE ESTIMATED TIME AT WHICH THE COST WILL BE INCURRED.

16 (e) IF NEW DEVELOPMENT IS REQUIRED, AS A CONDITION TO THE GOVERNING
17 BODY'S APPROVAL OF LAND USES PURSUANT TO ARTICLE 6.1 OF THIS CHAPTER, TO
18 PROVIDE REAL PROPERTY OR PUBLIC INFRASTRUCTURE NOT THEN INCLUDED IN THE
19 MUNICIPALITY'S ADOPTED CAPITAL IMPROVEMENTS PLAN BUT THE REAL PROPERTY OR
20 PUBLIC INFRASTRUCTURE COMPRISES A PUBLIC SERVICE INCLUDED OR INTENDED IN THE
21 FUTURE TO BE INCLUDED IN THE MUNICIPALITY'S ADOPTED CAPITAL IMPROVEMENTS
22 PLAN, THE MUNICIPALITY MAY AMEND THE CAPITAL IMPROVEMENTS PLAN TO INCLUDE THE
23 REAL PROPERTY OR PUBLIC INFRASTRUCTURE WITHOUT NOTICE OR A PUBLIC HEARING
24 PURSUANT TO THIS SECTION IF NOTICE OF THE AMENDMENT IS GIVEN IN CONJUNCTION
25 WITH THE NOTICE REQUIRED IN CONNECTION WITH THE GOVERNING BODY'S APPROVAL OF
26 SUCH LAND USES PURSUANT TO ARTICLE 6.1 OF THIS CHAPTER.

27 2. A MUNICIPALITY SHALL GIVE AT LEAST SIXTY DAYS' ADVANCE NOTICE OF
28 THE INTENTION TO ADOPT OR AMEND A DEVELOPMENT FEE. THE MUNICIPALITY SHALL
29 RELEASE TO THE PUBLIC A WRITTEN REPORT INCLUDING ALL DOCUMENTATION THAT
30 SUPPORTS THE PROPOSED DEVELOPMENT FEE OR AMENDMENT TO THE DEVELOPMENT FEE.
31 FOR EACH PUBLIC SERVICE THAT IS THE SUBJECT OF A PROPOSED DEVELOPMENT FEE,
32 THE REPORT SHALL:

33 (a) ESTABLISH ONE OR MORE SERVICE AREAS.

34 (b) IDENTIFY THE EXISTING LEVEL OF SERVICE IN THE MUNICIPALITY AND THE
35 LEVEL OF SERVICE TO BE PROVIDED IN EACH SERVICE AREA.

36 (c) INCLUDE A DETERMINATION BY THE MUNICIPALITY THAT THE PUBLIC
37 SERVICE WILL result in a beneficial use to the development SUBJECT TO THE
38 FEE.

39 (d) IDENTIFY THE ESTIMATED COSTS OF PROVIDING EACH PUBLIC SERVICE TO
40 EXISTING AND NEW DEVELOPMENT, AS APPLICABLE, AND THE ESTIMATED DATES WHEN THE
41 COSTS WILL BE INCURRED. ESTIMATED COSTS MAY INCLUDE INTEREST CHARGES AND
42 OTHER COSTS OF FINANCING IF A DEVELOPMENT FEE WILL BE USED TO PAY PRINCIPAL
43 AND INTEREST ON DEBT SERVICE IDENTIFIED IN THE CAPITAL IMPROVEMENTS PLAN AND
44 ISSUED BY THE MUNICIPALITY TO PAY THE COSTS OF PROVIDING THE PUBLIC SERVICE
45 FOR WHICH THE DEVELOPMENT FEE IS ASSESSED.

1 (e) IDENTIFY THE ESTIMATED CONTRIBUTION MADE OR TO BE MADE IN CASH OR
2 BY TAXES, FEES OR ASSESSMENTS BY THE PROPERTY OWNER, ANY CONTRIBUTION
3 RECEIVED FROM THE FEDERAL OR STATE GOVERNMENT OR ANY POLITICAL SUBDIVISION OF
4 THE FEDERAL OR STATE GOVERNMENT AND PROCEEDS OF ANY TRANSACTION PRIVILEGE TAX
5 ON CONSTRUCTION CONTRACTING INDUSTRY BUSINESS CLASSIFICATIONS, AS DEFINED IN
6 SECTION 9-500.26, USED TO OFFSET COSTS OF REAL PROPERTY OR PUBLIC
7 INFRASTRUCTURE COMPRISING THE PUBLIC SERVICE FOR WHICH THE DEVELOPMENT FEE IS
8 ASSESSED.

9 (f) TO THE EXTENT ANY PORTION OF THE COST OF THE PUBLIC SERVICE IS
10 ATTRIBUTABLE TO EXISTING DEVELOPMENT, IDENTIFY THE ANTICIPATED SPECIFIC MEANS
11 AND METHODS AND ESTIMATED TIME BY WHICH THE MUNICIPALITY WILL FUND THAT
12 PORTION OF THE COST.

13 (g) DISCLOSE ANY WRITTEN AGREEMENTS THAT INCLUDE COMMITMENTS FOR USAGE
14 OF CAPACITY IN EXISTENCE AT THE TIME THE DEVELOPMENT FEE WITH RESPECT TO THE
15 PUBLIC SERVICE IS ESTABLISHED.

16 ~~2-~~ 3. Monies received from A development ~~fees~~ FEE assessed pursuant
17 to this section shall be placed in a separate fund and accounted for
18 separately and may only be used for the ~~purposes authorized by this section~~
19 PUBLIC SERVICE THAT IS THE SUBJECT OF THE DEVELOPMENT FEE. Interest earned
20 on monies in the separate fund shall be credited to the fund. IF THE PUBLIC
21 SERVICE THAT IS THE SUBJECT OF A DEVELOPMENT FEE IS NOT PROVIDED TO
22 DEVELOPMENT IN THE SERVICE AREA THAT IS SUBJECT TO THE DEVELOPMENT FEE,
23 MONIES RECEIVED FROM THE DEVELOPMENT FEE SHALL BE RETURNED TO THE PAYORS OF
24 THE DEVELOPMENT FEE WITH EARNED INTEREST, IF ANY.

25 ~~3-~~ 4. The schedule for payment of fees shall be provided by the
26 municipality. The municipality shall provide FOR a credit toward the payment
27 of a development fee for the required dedication of ~~public sites and~~ REAL
28 PROPERTY OR improvements COMPRISING ALL OR PART OF THE PUBLIC SERVICE THAT IS
29 THE SUBJECT OF THE DEVELOPMENT FEE AND provided by the developer ~~for~~ TO which
30 ~~that~~ THE development fee is assessed. The developer of residential dwelling
31 units shall be required to pay development fees when construction permits for
32 the dwelling units are issued.

33 ~~4-~~ 5. The amount of any development fees assessed pursuant to this
34 section must bear a reasonable relationship to the burden imposed upon the
35 municipality to provide additional ~~necessary~~ public services to the
36 development SUBJECT TO THE DEVELOPMENT FEES AND SHALL NOT INCLUDE ANY PORTION
37 OF THE COST OF THE PUBLIC SERVICES ATTRIBUTABLE TO EXISTING DEVELOPMENT. ~~The~~
38 ~~municipality, in determining~~ THE AMOUNT OF ANY DEVELOPMENT FEE ASSESSED ON OR
39 AFTER AUGUST 1, 2006 ~~the extent of the burden imposed by the development,~~
40 ~~shall consider, among other things, the~~ SHALL BE BASED ON LAND USES APPROVED
41 PURSUANT TO ARTICLE 6.1 OF THIS CHAPTER OR THE ADOPTED GENERAL PLAN OR, WHERE
42 THE PERIOD COVERED BY THE CAPITAL IMPROVEMENTS PLAN EXTENDS BEYOND THE PERIOD
43 COVERED BY THE ADOPTED GENERAL PLAN, OTHER PROJECTED LAND USE PLAN ADOPTED BY
44 THE GOVERNING BODY OF THE MUNICIPALITY, THE ESTIMATED COST OF PROVIDING THE
45 PUBLIC SERVICE TO EXISTING DEVELOPMENT, IF APPLICABLE, AND TO NEW DEVELOPMENT

1 AND THE ESTIMATED TIMES AT WHICH THE COST WILL BE INCURRED. THE AMOUNT OF
2 ANY DEVELOPMENT FEE ASSESSED PURSUANT TO THIS SECTION SHALL BE REDUCED BY THE
3 ESTIMATED contribution made or to be made TO THE COST OF PROVIDING THE PUBLIC
4 SERVICE THAT IS THE SUBJECT OF THE FEE in the future in cash or by taxes,
5 fees or assessments by the property owner, ~~towards the capital costs of the~~
6 ~~necessary public service covered by the development fee~~ ANY CONTRIBUTION
7 RECEIVED FROM THE FEDERAL OR STATE GOVERNMENT OR ANY POLITICAL SUBDIVISION OF
8 THE FEDERAL OR STATE GOVERNMENT AND PROCEEDS OF TRANSACTION PRIVILEGE TAXES
9 ON CONSTRUCTION CONTRACTING INDUSTRY BUSINESS CLASSIFICATIONS, AS DEFINED IN
10 SECTION 9-500.26, USED TO OFFSET COSTS OF REAL PROPERTY OR PUBLIC
11 INFRASTRUCTURE COMPRISING THE PUBLIC SERVICE FOR WHICH THE DEVELOPMENT FEE IS
12 BEING ASSESSED.

13 ~~5.~~ 6. If development fees are assessed by a municipality, such fees
14 shall be assessed in a ~~non-discriminatory~~ NONDISCRIMINATORY manner.

15 ~~6.~~ 7. In determining and assessing a development fee applying to land
16 in a community facilities district established under title 48, chapter 4,
17 article 6, the municipality shall take into account all public infrastructure
18 provided by the district ~~and capital costs paid by the district~~ for ~~necessary~~
19 public services THAT ARE THE SUBJECT OF THE DEVELOPMENT FEE and shall not
20 assess ALL OR a portion of the development fee based on the PUBLIC
21 infrastructure ~~or costs~~ PROVIDED BY THE DISTRICT.

22 C. A DEVELOPMENT FEE ADOPTED OR AMENDED PURSUANT TO THIS SECTION SHALL
23 NOT BE EFFECTIVE UNTIL THIRTY DAYS AFTER ITS FORMAL ADOPTION OR AMENDMENT BY
24 THE GOVERNING BODY OF THE MUNICIPALITY.

25 D. IF A PUBLIC SERVICE THAT IS THE SUBJECT OF A DEVELOPMENT FEE
26 ASSESSED BY A MUNICIPALITY IS ADDRESSED IN A CAPITAL IMPROVEMENTS PLAN OR
27 AMENDMENT TO CAPITAL IMPROVEMENTS PLAN ADOPTED PURSUANT TO THIS SECTION, THE
28 MUNICIPALITY MAY ADJUST SUCH DEVELOPMENT FEE WITHOUT FURTHER AMENDMENT OF THE
29 CAPITAL IMPROVEMENTS PLAN IF THE ADJUSTMENT IS BASED ON A RECOGNIZED INDEX
30 APPLICABLE TO THE COST OF THE PUBLIC SERVICE THAT IS THE SUBJECT OF THE
31 DEVELOPMENT FEE. A municipality shall give at least sixty days' advance
32 notice of intention to ~~assess a new or increased~~ ADJUST A development fee
33 PURSUANT TO THIS SUBSECTION and shall release to the public a written report
34 including all documentation that supports the ~~assessment of a new or~~
35 ~~increased~~ ADJUSTMENT IN THE development fee. The municipality shall conduct
36 a public hearing on the proposed ~~new or increased development fee~~ ADJUSTMENT
37 at any time after the expiration of the sixty day notice of intention to
38 ~~assess a new or increased~~ ADJUST THE development fee and at least fourteen
39 days ~~prior to~~ BEFORE the scheduled date of adoption of the ~~new or increased~~
40 ~~fee~~ ADJUSTMENT by the governing body. ~~A~~ AN ADJUSTMENT IN A development fee
41 assessed pursuant to this section shall not be effective until ~~ninety~~ THIRTY
42 days after its formal adoption by the governing body of the municipality.
43 Nothing in this subsection shall affect any development fee adopted ~~prior to~~
44 ~~July 24, 1982~~ BEFORE AUGUST 1, 2006 PROVIDED SUCH DEVELOPMENT FEE COMPLIES
45 WITH THE REQUIREMENTS OF SUBSECTION B, PARAGRAPHS 2, 5 AND 6 OF THIS SECTION.

1 ~~D.~~ E. Each municipality that assesses development fees shall submit
2 an annual report accounting for the collection and use of the fees. The
3 annual report shall include the following:

4 1. The amount assessed by the municipality for each type of
5 development fee.

6 2. The balance of each fund maintained for each type of development
7 fee assessed as of the beginning and end of the fiscal year.

8 3. The amount of interest or other earnings on the monies in each fund
9 as of the end of the fiscal year.

10 4. The amount of development fee monies used to repay:

11 (a) Bonds issued by the municipality to pay the cost of a capital
12 improvement project that is the subject of a development fee ~~assessment~~.

13 (b) Monies advanced by the municipality from funds other than the
14 funds established for development fees in order to pay the cost of a capital
15 improvement project that is the subject of a development fee ~~assessment~~.

16 5. The amount of development fee monies spent on each capital
17 improvement project that is the subject of a development fee ~~assessment~~ and
18 the physical location of each capital improvement project.

19 6. The amount of development fee monies spent for each purpose other
20 than a capital improvement project that is the subject of a development fee
21 ~~assessment~~.

22 ~~E.~~ F. Within ninety days following the end of each fiscal year, each
23 municipality shall submit a copy of the annual report to the city clerk.
24 Copies shall be made available to the public on request. The annual report
25 may contain financial information that has not been audited.

26 ~~F.~~ G. A municipality that fails to file the report required by this
27 section shall not collect development fees until the report is filed.

28 H. A MUNICIPALITY SHALL HAVE TWO YEARS FROM THE DATE THAT A
29 DEVELOPMENT FEE ASSESSED UNDER THIS SECTION IS PAID OR PAYABLE TO THE
30 MUNICIPALITY TO NOTIFY THE PAYOR OF THE DEVELOPMENT FEE OF ANY DISCREPANCY IN
31 THE ASSESSMENT AND COLLECTION OF THE DEVELOPMENT FEE AND IF NO SUCH NOTICE IS
32 PROVIDED, NO ACTION MAY BE TAKEN TO COLLECT ANY ADDITIONAL AMOUNT FOR SUCH
33 DEVELOPMENT FEE.

34 I. FOR THE PURPOSES OF THIS SECTION:

35 1. "CAPITAL IMPROVEMENTS PLAN" MEANS ONE OR MORE WRITTEN PLANS THAT
36 INDIVIDUALLY OR COLLECTIVELY IDENTIFY EACH PUBLIC SERVICE THAT IS PROPOSED TO
37 BE THE SUBJECT OF A DEVELOPMENT FEE AND OTHERWISE COMPLIES WITH THE
38 REQUIREMENTS OF THIS SECTION.

39 2. "DEVELOPMENT" MEANS THE IMPROVEMENT OF REAL PROPERTY THROUGH THE
40 CONSTRUCTION, INSTALLATION, RECONSTRUCTION, REDEVELOPMENT, CONVERSION,
41 STRUCTURAL ALTERATION, ENLARGEMENT OR RENOVATION OF NEW OR EXISTING
42 STRUCTURES OR OTHER IMPROVEMENTS OR ADDITIONS TO STRUCTURES.

43 3. "LEVEL OF SERVICE" MEANS THE RATIO OF USE OF A PUBLIC SERVICE TO
44 THE TYPE OF LAND USE, INCLUDING RESIDENTIAL, COMMERCIAL, RETAIL AND
45 INDUSTRIAL LAND USES.

1 4. "PUBLIC INFRASTRUCTURE" MEANS CAPITAL IMPROVEMENTS FOR PUBLIC USE
2 AND INCLUDES THE DESIGN, ENGINEERING, CONSTRUCTION, RECONSTRUCTION,
3 UPGRADING, INSTALLATION, CONVERSION, RENOVATION OR ACQUISITION OF CAPITAL
4 IMPROVEMENTS FOR PUBLIC USE.

5 5. "PUBLIC SERVICE" MEANS PUBLIC INFRASTRUCTURE THAT PROVIDES A
6 SERVICE THAT IS WITHIN THE SCOPE OF SERVICES A MUNICIPALITY IS AUTHORIZED TO
7 PROVIDE UNDER THIS TITLE, INCLUDING WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL,
8 IRRIGATION OR FIRE PROTECTION PURPOSES, WATER RESOURCES, SANITARY SEWAGE
9 SYSTEMS, SOLID WASTE FACILITIES, DRAINAGE AND FLOOD CONTROL SYSTEMS, STREETS,
10 ROADWAYS, BRIDGES AND PARKING FACILITIES, AREAS FOR PEDESTRIAN, BICYCLE OR
11 OTHER NONMOTOR VEHICLE USE, LIBRARIES, PARKS, RECREATIONAL FACILITIES AND
12 OPEN SPACE AREAS, LANDSCAPING, PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES,
13 FIRE PROTECTION FACILITIES, LIGHTING SYSTEMS, EQUIPMENT REPAIR FACILITIES AND
14 TRAFFIC CONTROL SYSTEMS AND DEVICES, AND INCLUDES ALL NECESSARY OR DESIRABLE
15 APPURTENANCES INCLUDING EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY
16 AND THE ACQUISITION OF INTERESTS IN REAL PROPERTY FOR SUCH PUBLIC
17 INFRASTRUCTURE.

18 6. "SERVICE AREA" MEANS ALL OR ANY PORTION OF THE LAND AREA WITHIN THE
19 CORPORATE BOUNDARIES OF A MUNICIPALITY TO BE SERVED BY A PUBLIC SERVICE AND
20 MAY INCLUDE ALL OR ANY PORTION OF THE LAND AREA WITHIN THE PLANNING AREA OF
21 THE MUNICIPALITY, AS REFLECTED IN THE ADOPTED GENERAL PLAN OF THE
22 MUNICIPALITY, THAT WILL BE SERVED BY THE PUBLIC SERVICE IF SUCH PUBLIC
23 SERVICE AND THE DEVELOPMENT FEE FOR SUCH PUBLIC SERVICE ARE PROVIDED FOR IN
24 AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE MUNICIPALITY AND THE COUNTY IN
25 WHICH SUCH LAND AREA IS LOCATED.

26 Sec. 2. Retroactivity

27 Section 9-463.05, Arizona Revised Statutes, as amended by this act, is
28 effective retroactively to from and after July 31, 2006.