

REFERENCE TITLE: **municipal economic development; sale; lease**

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

# **SB 1147**

Introduced by  
Senator Leach

**AN ACT**

**AMENDING TITLE 9, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 9-403.01; RELATING TO THE SALE OR LEASE OF MUNICIPAL  
PROPERTY.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 4, article 1, Arizona Revised Statutes,  
3 is amended by adding section 9-403.01, to read:

4 9-403.01. Sale or lease of property for economic development  
5 activities; notice; exceptions; definition

6 A. NOTWITHSTANDING ANY OTHER POWERS GRANTED TO A GOVERNING BODY OF  
7 A CITY OR TOWN, THE GOVERNING BODY OF THE CITY OR TOWN MAY SELL OR LEASE  
8 FOR ECONOMIC DEVELOPMENT ACTIVITIES LAND OR BUILDINGS OWNED BY OR UNDER  
9 THE CONTROL OF THE CITY OR TOWN ONLY PURSUANT TO THE REQUIREMENTS OF THIS  
10 SECTION.

11 B. THE GOVERNING BODY OF THE CITY OR TOWN SHALL APPOINT AN  
12 EXPERIENCED, INDEPENDENT APPRAISER TO DETERMINE THE SALE OR LEASE  
13 VALUATION OF THE LAND OR BUILDING, EXCEPT THAT THE APPOINTMENT OF AN  
14 APPRAISER IS NOT REQUIRED FOR THE SALE OR LEASE OF ANY LAND OR BUILDING  
15 THAT IS VALUED AT \$50,000 OR LESS IF THE VALUE OF THE LAND OR BUILDING HAS  
16 BEEN ESTIMATED AND JUSTIFIED BY A MARKET ANALYSIS THAT IS BASED ON  
17 COMPARABLE SALES. THE GOVERNING BODY SHALL MAKE AVAILABLE TO THE PUBLIC  
18 ON THE GOVERNING BODY'S WEBSITE ANY APPRAISAL REPORT OR MARKET ANALYSIS  
19 PREPARED PURSUANT TO THIS SECTION FOR FOUR CONSECUTIVE WEEKS BEFORE THE  
20 GOVERNING BODY EXECUTES ANY SALE OR LEASE.

21 C. THE GOVERNING BODY OF THE CITY OR TOWN SHALL GIVE NOTICE OF A  
22 PROPOSED SALE OR LEASE BY PUBLICATION, ONCE EACH WEEK FOR FOUR CONSECUTIVE  
23 WEEKS BEFORE THE GOVERNING BODY EXECUTES ANY SALE OR LEASE, IN A NEWSPAPER  
24 OF GENERAL CIRCULATION IN THE CITY OR TOWN. THE NOTICE SHALL STATE ALL  
25 MATERIAL CONDITIONS OF THE PROPOSED SALE OR LEASE, INCLUDING, IF  
26 APPLICABLE, THE VALUATION OF THE LAND OR BUILDING DETERMINED PURSUANT TO  
27 THIS SECTION.

28 D. FOR THE PURPOSES OF THIS SECTION, "ECONOMIC DEVELOPMENT  
29 ACTIVITIES" HAS THE SAME MEANING PRESCRIBED IN SECTION 9-500.11.

30 Sec. 2. Purpose; applicability

31 A. This act is intended to enforce article IX, section 7,  
32 Constitution of Arizona. It is the intent of the legislature to clarify  
33 existing law relating to the state's preemption of economic development  
34 activities in this state. Economic development is regulated by the  
35 Constitution of Arizona and is of statewide concern. Therefore, the  
36 legislature intends to limit the ability of any city or town to engage in  
37 economic development activities in violation of article IX, section 7,  
38 Constitution of Arizona.

39 B. This act applies to any agreement made on or after the effective  
40 date of this act.