

Senate Engrossed

~~insurance fees; disclosure~~
(now: affordable housing; project unit size)

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SENATE BILL 1117

AN ACT

AMENDING SECTION 42-11133, ARIZONA REVISED STATUTES; RELATING TO HOUSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-11133, Arizona Revised Statutes, is amended
3 to read:

4 42-11133. Exemption for affordable housing projects; definition

5 A. Property that is used exclusively for affordable rental housing
6 pursuant to section 42 of the internal revenue code or another recorded
7 restrictive covenant imposed by financing for affordable housing and
8 related facilities are exempt from taxation if:

9 1. The property is owned and operated by, or is a wholly owned
10 subsidiary of, a corporation that is qualified pursuant to section
11 501(c)(3) or 501(c)(4) of the internal revenue code or a limited
12 partnership or limited liability company in which the general partner or
13 the managing member, as applicable, is an eligible nonprofit corporation
14 or a single purpose entity that is wholly owned by one or more eligible
15 nonprofit corporations.

16 2. Either of the following applies:

17 (a) The acquisition, rehabilitation, development or operation of
18 the property, or any combination of these factors, is financed with tax
19 exempt mortgage revenue bonds or general obligation bonds or is financed
20 by local, state or federal loans or grants and the amount of rent paid by
21 or on behalf of the occupants does not exceed the amount of rent that is
22 prescribed by deed restrictions or by regulatory agreements pursuant to
23 the property's financing or financial assistance terms.

24 (b) The owner of the property is eligible for and receives tax
25 credits for low-income or moderate-income residential housing established
26 under section 42 of the internal revenue code and the amount of rent paid
27 by or on behalf of the occupants does not exceed the amount that is
28 prescribed by deed restrictions or by regulatory agreements pursuant to
29 the property's financing or financial assistance terms.

30 ~~3. The property does not exceed two hundred units.~~

31 B. To qualify under this section, the owner of the property must:

32 1. For any claim that is filed in any fiscal year, certify and
33 ensure, subject to paragraph 2 of this subsection, that there is an
34 enforceable and verifiable agreement with a public agency, a recorded deed
35 restriction or any other legal document that restricts the use of the
36 property and requires that the rents do not exceed the terms that are
37 prescribed by the financing or financial assistance terms.

38 2. Certify that the monies that would have been necessary to pay
39 the property taxes are used to maintain the affordability of or otherwise
40 reduce the rents of the units that are occupied by eligible ~~low-income~~
41 **LOW-INCOME** households.

42 C. For the purposes of this section, "eligible nonprofit
43 corporation" means a corporation that is qualified pursuant to section
44 501(c)(3) or 501(c)(4) of the internal revenue code and for which one of
45 its exempt purposes includes providing affordable housing.