COMMITTEE ON FINANCE

SENATE AMENDMENTS TO H.B. 2610

(Reference to House engrossed bill)

Strike everything after the enacting clause and insert:

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

42-11133. Exemption for affordable housing projects; definition

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

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

2. Either of the following applies:

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

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

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

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

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

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

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

Amend title to conform

2610FIN
03/17/2022
1:48 PM
C: ED