

REFERENCE TITLE: **municipal improvement districts; authorization; petitions**

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

# **HB 2596**

Introduced by  
Representative Blackman

## **AN ACT**

AMENDING SECTIONS 48-571, 48-574, 48-575 AND 48-576, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-623; RELATING TO MUNICIPAL 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 48-571, Arizona Revised Statutes, is amended to  
3 read:

4 **48-571. Definitions; appointment of officer**

5 A. In this article and article 1 of this chapter, unless the  
6 context otherwise requires:

7 1. "Assessment" or "assessment roll" means a special assessment  
8 made under the provisions of this article.

9 2. "Block" means any parcel of ground, whether regular or  
10 irregular, ~~which~~ THAT is bounded by streets, or by one or more streets and  
11 by one or more boundary lines of the city or town.

12 3. "Clerk" includes any person or official who performs the duties  
13 of clerk of the city or town.

14 4. "Contractor" includes the contractor's personal representative  
15 or assignee.

16 5. "Council" or "governing body" includes and means the body or  
17 board ~~which~~ THAT by law is constituted the legislative department of an  
18 incorporated city or town.

19 6. "Delinquency" means delinquency in the payment of an assessment  
20 made under the provisions of this article.

21 7. "Designated area" means an area of the municipality ~~which~~ THAT  
22 is either designated pursuant to section 36-1479 as a slum or blighted  
23 area or designated as a pocket of poverty or a neighborhood strategy area  
24 by the United States department of housing and urban development, pursuant  
25 to title I of the housing and community development act of 1977, as  
26 amended (P.L. 95-128; 42 United States Code sections 5301 through 5320)  
27 and the department of housing and urban development act (P.L. 89-174; 42  
28 United States Code section 3535(d)).

29 8. "Engineer" includes any person who, under whatever official  
30 name, is the civil engineer or surveyor of the city or town, and where  
31 there is no elected or appointed official, then the engineer is the person  
32 who may be appointed or employed by the council to perform the duties  
33 required of an engineer under the provisions of this article.

34 9. "Improvement bond" means a bond issue under the provisions of  
35 this article.

36 10. "Lighting plants" includes electric light plants, electric power  
37 plants, gas plants, distribution systems, poles, parts, pipes, conduits,  
38 wires, tanks, reservoirs, generators for gas or electricity, transmission  
39 lines, towers, lamps, transformers of every character, machinery,  
40 apparatus, equipment and all appliances and structures necessary or  
41 incidental to the construction, installation or operation of a complete  
42 municipal electric light, power and gas plant and distribution system,  
43 placed on the streets improved, though extended beyond.

1       11. "Lot" includes any portion, piece, parcel or subdivision of  
2 land, and includes property owned or controlled by any person as a  
3 railroad right-of-way.

4       12. "Mayor" includes the chairman or president of the governing  
5 body.

6       13. "Municipality" or "city" includes incorporated cities and towns.

7       14. "Owner" means the person in whom, on the day the action or  
8 proceeding is commenced, appears the legal title to the lot by deed  
9 recorded in the recorder's office, or the person in possession of the lot  
10 under claim of title, or exercising acts of ownership over the lot for the  
11 person, or as the personal representative of the owner.

12       15. "Railroad" includes street railroad and interurban railroad.

13       16. "Sewers" includes tunnels, excavations, ditches, drains,  
14 conduits, channels, outlets, outfalls, cesspools, manholes, catch basins,  
15 flush tanks, septic tanks, connecting sewers of every character,  
16 machinery, apparatus, equipment and all appliances and structures  
17 necessary or incidental to the construction, installation or operation of  
18 a complete sewer system, for either sanitary or drainage purposes.

19       17. "Street" includes avenues, alleys, highways, lanes, crossings,  
20 intersections, courts, places and grounds now open or dedicated or  
21 hereafter opened or dedicated to public use, **INCLUDING ON-STREET PARKING**,  
22 and public ways.

23       18. "Street superintendent" or "superintendent" includes any person  
24 who, under whatever official name, is charged with the care or supervision  
25 of the streets of the city or town.

26       19. "Time of delinquency" means the time fixed when assessments  
27 become delinquent.

28       20. "Treasurer" includes any person who, under whatever official  
29 name, is the custodian of the funds of the city or town.

30       21. "Waterworks" includes pipes, hydrants, reservoirs, wells, pumps,  
31 pumping plants, conduits, settling basins, filtering plants of every  
32 character, machinery, apparatus, equipment and all appliances and  
33 structures necessary or incidental to the construction, installation or  
34 operation of a complete municipal waterworks system, for fire protection,  
35 or for domestic irrigation, mechanical or power purposes, placed on the  
36 streets improved, though extended beyond.

37       22. "Work" or "improvement" includes any or all of the improvements  
38 mentioned and authorized to be made in this **ARTICLE** and article 1 of this  
39 chapter and the construction, reconstruction and repair of all or any  
40 portion of the improvements, and all labor, services, incidental expenses  
41 and material necessary or incidental to the construction, reconstruction  
42 or repair.

43       B. In any city or town having no officer in this article  
44 designated, or performing like duties, the governing body may appoint a  
45 suitable person to discharge the duties.

1 Sec. 2. Section 48-574, Arizona Revised Statutes, is amended to  
2 read:

3 **48-574. Improvement districts for operation, maintenance,**  
4 **repair and improvement of pedestrian malls,**  
5 **off-street parking facilities, retention and**  
6 **detention basins and parkings and parkways**

7 A. In addition to the purposes for which an improvement district  
8 may be formed under ~~the provisions of~~ section 48-572, an improvement  
9 district may be formed for the sole purpose of the operation, maintenance,  
10 repair and improvements of pedestrian malls, off-street parking  
11 facilities, retention and detention basins and parkings and parkways.

12 B. Subject to the powers granted and the limitations contained in  
13 this section, the powers and duties of the governing body of the  
14 municipality and the procedure to be followed shall be as provided in this  
15 article for other types of special improvement districts.

16 C. If a petition for the formation of an improvement district under  
17 ~~the provisions of~~ this section is presented to the governing body  
18 purporting to be signed by all of the real property owners in the proposed  
19 district, exclusive of mortgagees and other lienholders, the governing  
20 body, after verifying the property ownership and making a finding of that  
21 fact, shall adopt a resolution of intention to order the improvement  
22 pursuant to ~~the provisions of~~ section 48-576 and shall have immediate  
23 jurisdiction to adopt the resolution ordering the improvement pursuant to  
24 ~~the provisions of~~ section 48-581, without the necessity of the publication  
25 and posting of the resolution of intention provided for in section 48-578.  
26 **FOR IMPROVEMENT DISTRICTS FORMED PURSUANT TO THIS SECTION AFTER SEPTEMBER**  
27 **1, 2025, THE GOVERNING BODY MAY NOT ORDER THE IMPROVEMENTS PRESCRIBED BY**  
28 **SUBSECTION A OF THIS SECTION UNTIL AFTER THE GOVERNING BODY HAS RECEIVED A**  
29 **PETITION PRESCRIBED BY SECTION 48-623.**

30 D. The governing body shall make annual statements and estimates of  
31 the expenses of the district, which shall be provided for either:

32 1. By the levy and collection of ad valorem taxes ~~upon~~ ON the  
33 assessed value of all the real and personal property in the district.

34 2. By assessment of the total sum ~~upon~~ ON the several lots, each  
35 respectively in proportion to the benefits to be received by each lot.

36 E. If the expenses of the district are provided for by ad valorem  
37 taxes, the governing body shall publish notice, have hearings and adopt  
38 the taxes at the times and in the manners provided for incorporated cities  
39 and towns by the applicable portions of title 42, chapter 17,  
40 article 3. The governing body, on or before the third Monday in August of  
41 each year, shall fix, levy and assess the amount to be raised by ad  
42 valorem taxes ~~upon~~ ON all of the property of the district. If the  
43 expenses of the district are assessed ~~upon~~ ON the several lots in  
44 proportion to the benefits received by each lot, the governing body shall  
45 follow the procedures established in section 48-575 for the assessment and

1 collection of the assessments. All statutes providing for the levy and  
2 collection of general county taxes, including the collection of delinquent  
3 taxes and sale of property for nonpayment of taxes, shall be applicable to  
4 the district taxes provided for under this section.

5 F. An improvement district formed under ~~the provisions of~~ this  
6 section shall not be authorized to issue improvement bonds.

7 G. No improvement district formed under ~~the provisions of~~ this  
8 section shall be authorized to engage in any activity other than as  
9 provided in subsection A of this section. If the municipality is willing  
10 to participate in the cost of the district, the governing body ~~may~~, by  
11 resolution, **MAY** summarily order such participation.

12 H. The formation of an improvement district under ~~the provisions of~~  
13 this section shall not prevent the subsequent establishment of improvement  
14 districts for any other purpose authorized by law.

15 I. If, in the opinion of the governing body, any portion of the  
16 territory of a district formed under this section is no longer benefited  
17 by being a part of the district, the governing body ~~may~~, by resolution,  
18 **MAY** summarily delete from the district formed under this section any area  
19 and may form a new district from the balance of the original district  
20 formed under this section.

21 J. If, in the opinion of the governing body, territory adjacent to  
22 a district formed under this section would benefit from being a part of  
23 the district, the governing body, by resolution, may include the territory  
24 in the district formed under this section if the following conditions are  
25 met:

26 1. Improvements that meet the standards and specifications  
27 established by the governing body have been constructed in the territory  
28 and will be used for the purposes of the district.

29 2. Any required public dedications of property have been made or  
30 will be made before the inclusion of the territory in the district.

31 3. Including the territory in the district will not adversely  
32 affect the district.

33 4. Notice of the proposed inclusion of the territory in the  
34 district has been published in five consecutive issues of a daily  
35 newspaper or two consecutive issues of a weekly or semiweekly newspaper of  
36 general circulation published in the municipality and a public hearing has  
37 been held to consider the inclusion of the territory in the district.

38 5. Notice has been sent by first class mail at least ten days ~~prior~~  
39 **to** **BEFORE** the hearing specified in paragraph 4 of this subsection with an  
40 accurate map of the territory proposed for inclusion in the district to  
41 each owner of real and personal property within the district and in the  
42 proposed area of inclusion as shown on the statement furnished pursuant to  
43 subsection K of this section that is now or would be subject to taxation  
44 by the district in the event of inclusion of the proposed area.

1       K. The county assessor and the department of revenue, respectively,  
2 shall furnish to the district within thirty days after a request a  
3 statement in writing showing the name and the address of each owner of  
4 real and personal property within the district and in the proposed area of  
5 inclusion that is now or that would be subject to taxation by the district  
6 in the event of inclusion of the proposed area.

7       L. Within ten days after the governing body adopts a resolution  
8 pursuant to subsection J of this section, the municipality shall record  
9 the resolution in the office of the county recorder in the county in which  
10 the district is located to give notice of the inclusion of the territory  
11 in the district to all property owners in the district. If, before the  
12 governing body adopts the resolution pursuant to subsection J of this  
13 section, a majority of the property owners, by area, of either the  
14 original district formed under this section or the territory proposed to  
15 be included in the district files with the governing board written  
16 objections to the proposed inclusion of the territory, the territory shall  
17 not be included in the district. **THE GOVERNING BODY MAY ADOPT A**  
**RESOLUTION PURSUANT TO SUBSECTION J OF THIS SECTION WITHOUT REQUIRING A**  
**PETITION TO BE FILED PURSUANT TO SECTION 48-623.**

20     M. Within ten days after adoption of the resolution of intention to  
21 order the improvement pursuant to section 48-576, the municipality shall  
22 record the resolution in the office of the county recorder in the county  
23 in which the district is located to give notice of formation of the  
24 district to all property owners within the district.

25     N. For the purposes of this subsection, a property owner is an  
26 owner of real property, exclusive of mortgagees and other lienholders,  
27 that is within an improvement district that was formed as prescribed by  
28 this section. A property owner may petition the governing body to  
29 dissolve the district pursuant to the following procedures:

30     1. A property owner shall file with the clerk of the governing body  
31 in which the district is located a written notice of the property owner's  
32 intent to circulate a petition to dissolve the district. The notice shall  
33 include the name, address and telephone number of at least one property  
34 owner living within the district who intends to circulate the petition,  
35 the name, location and general purpose of the district **which THAT** is to be  
36 dissolved and a true and concise statement of two hundred words or less  
37 explaining the advantages of dissolving the district. A petition shall  
38 not be circulated for thirty days after the property owner files with the  
39 governing body the notice of intent to circulate a dissolution petition.

40     2. The governing body may provide a form of petition to be used to  
41 dissolve the district. Any petition shall include the statement provided  
42 in the notice of intent to circulate a petition regarding the advantages  
43 of dissolving the district.

1       3. The governing body may provide a true and concise written  
2 statement of two hundred words or less regarding the petition or  
3 dissolution of the district. If so provided, the property owner must  
4 circulate this statement affixed to the petition.

5       4. Property owners shall submit to the clerk of the governing body  
6 a petition for the dissolution of an improvement district formed under  
7 this section that purports to be signed by more than fifty ~~per cent~~  
8 ~~PERCENT~~ of the property owners in the district.

9       5. Within twenty days ~~of~~ AFTER receipt of the signed petition, the  
10 governing body shall verify that the petition is signed by more than fifty  
11 ~~per cent~~ ~~PERCENT~~ of the property owners as set forth in paragraph 4 of  
12 this subsection.

13      6. If the governing body finds the petition contains valid  
14 signatures of more than fifty ~~per cent~~ ~~PERCENT~~ of the property owners, the  
15 governing body shall set the date for dissolution of the district within  
16 ninety days. The district may continue to operate after dissolution only  
17 as needed to collect money and make payments on any outstanding district  
18 obligations.

19      7. Each property in the district with outstanding assessments or  
20 liens attached shall remain subject to those assessments or liens for  
21 payment of the existing obligations of the district, notwithstanding  
22 dissolution of the district.

23      8. If a district formed under this section subsequently dissolves  
24 as prescribed in this subsection, the governing body may not attempt to  
25 form any district for the same purpose for at least two years after the  
26 date the district is dissolved if the proposed district includes lands  
27 formerly located within the dissolved district.

28      9. Districts that are located in slum or blighted areas as defined  
29 in section 36-1471 are exempt from subsection N of this section.

30      Sec. 3. Section 48-575, Arizona Revised Statutes, is amended to  
31 read:

32      48-575. Improvement districts for enhanced municipal services

33      A. In addition to the purposes for which an improvement district  
34 may be formed under ~~the provisions of~~ section 48-572, an improvement  
35 district may be formed within a designated area to provide public service  
36 within the district at a higher level or greater degree than provided in  
37 the remainder of the community, including such services as public safety,  
38 fire protection, refuse collection, street or sidewalk cleaning or  
39 landscape maintenance in public areas, planning, promotion, transportation  
40 and public parking.

41      B. The powers and duties of the governing body of the municipality  
42 and the procedure to be followed shall be as provided in this article for  
43 other types of special improvement districts.

44      C. If a petition for the formation of an improvement district under  
45 ~~the provisions of~~ this section is presented to the governing body

1        purporting to be signed by all of the real property owners in the proposed  
2        district, exclusive of mortgagees and other lienholders, the governing  
3        body, after verifying such ownership and making a finding of such fact,  
4        shall adopt a resolution of intention to order the improvement pursuant to  
5        ~~the provisions of~~ section 48-576 and shall have immediate jurisdiction to  
6        adopt the resolution ordering the improvement pursuant to ~~the provisions~~  
7        ~~of~~ section 48-581, without the necessity of the publication and posting of  
8        the resolution of intention provided for in section 48-578. **FOR**  
9        **IMPROVEMENT DISTRICTS FORMED PURSUANT TO THIS SECTION AFTER SEPTEMBER 1,**  
10        **2025, THE GOVERNING BODY MAY NOT ORDER THE IMPROVEMENTS PRESCRIBED BY**  
11        **SUBSECTION A OF THIS SECTION UNTIL AFTER THE GOVERNING BODY HAS RECEIVED A**  
12        **PETITION PRESCRIBED BY SECTION 48-623.**

13        D. The engineer shall make duplicate diagrams of the property  
14        contained within the improvement district. The diagram shall show each  
15        separate lot numbered consecutively, the area in square feet of each lot,  
16        and the area in square feet of any building or buildings located on each  
17        lot. ~~Prior to~~ **BEFORE** making any assessment ~~upon~~ **ON** the district, the  
18        diagram shall be approved by the governing body.

19        E. The governing body shall make annual statements and estimates of  
20        the expenses of the district, and shall assess the total sum ~~upon~~ **ON** the  
21        several lots, each respectively in proportion to the benefits to be  
22        received by each lot. When the assessments have been completed, the  
23        governing body shall fix a time when it will hear and pass ~~upon~~ **ON** the  
24        assessments and the prior proceedings relating thereto, which shall not be  
25        less than twenty days ~~from~~ **AFTER** the date of the notice. Notice of  
26        hearing shall be given in the manner provided by section 48-590,  
27        subsection E. Any person owning real property affected by the assessment  
28        who has any objection to the legality of the assessment, or to any of the  
29        previous proceedings connected therewith, ~~may prior to~~ **BEFORE** the time  
30        fixed for the hearing **MAY** file a written notice briefly specifying the  
31        grounds of the objection. At the time fixed for the hearing or at any  
32        time not later than ten days thereafter to which the hearing may be  
33        postponed, the governing body shall hear and pass ~~upon~~ **ON** the objections.  
34        The decision of the governing body shall be final and conclusive ~~upon~~ **ON**  
35        all persons entitled to object as to all errors, informalities and  
36        irregularities ~~which~~ **THAT** the governing body might have remedied or  
37        avoided any time during the progress of the proceedings.

38        F. The assessments for the annual expenses shall be collectible in  
39        the manner and by the officers provided by law for the collection and  
40        enforcement of general taxes the municipality is authorized to levy. All  
41        statutes providing for the levy and collection of county and city taxes,  
42        including the collection of delinquent taxes and sale of property for  
43        nonpayment of taxes, shall be applicable to the district assessments  
44        provided for under this section.

1       G. An improvement district formed under ~~the provisions of~~ this  
2 section shall not be authorized to issue improvement bonds.

3       H. No improvement district formed under ~~the provisions of~~ this  
4 section shall be authorized to engage in any activity other than as  
5 provided in subsection A of this section. If the municipality is willing  
6 to participate in the cost of the district, the governing body ~~may~~, by  
7 resolution, **MAY** summarily order such participation.

8       I. The formation of an improvement district under ~~the provisions of~~  
9 this section shall not prevent the subsequent establishment of improvement  
10 districts for any other purpose authorized by law.

11      J. If, in the opinion of the governing body, any territory of a  
12 district formed under this section is not benefited by being a part of the  
13 district, the governing body ~~may~~, by resolution, **MAY** exempt such territory  
14 from assessment under this chapter, or if any portion of the territory of  
15 a district formed under this section is no longer benefited by being a  
16 part of the district, the governing body ~~may~~, by resolution, **MAY** summarily  
17 delete from the district formed under this section any such area and may  
18 form a new district from the balance of the original district formed under  
19 this section.

20      K. Any real property that is within the boundaries of the district,  
21 that is ~~utilized~~ **USED** for residential purposes and that is not  
22 specifically benefited by the public services at a higher level or greater  
23 degree shall be exempt from assessment pursuant to this section for that  
24 year. Existing improved real property ~~utilized~~ **USED** for residential  
25 purposes with four units or less per building at the time of formation of  
26 the district is presumed to not be specifically benefited by a public  
27 service at a higher level or greater degree.

28      L. Within ten days after adoption of the resolution of intention to  
29 order the improvement, the municipality shall record the resolution in the  
30 office of the county recorder in the county in which the district is  
31 located in such a way as to give notice of formation of the district to  
32 all property owners within the district.

33      M. If, in the opinion of the governing body of the municipality,  
34 territory adjacent to a district formed under this section would benefit  
35 from being a part of the district, the governing body, by resolution, may  
36 include the territory in the district formed under this section if all of  
37 the following conditions are met:

38       1. Including the territory in the district will not adversely  
39 affect the district.

40       2. Notice of the proposed inclusion of the territory in the  
41 district has been published in five consecutive issues of a daily  
42 newspaper or two consecutive issues of a weekly or semiweekly newspaper of  
43 general circulation published in the municipality and a public hearing has  
44 been held to consider the inclusion of the territory in the district.

1       3. Notice, including an accurate map of the territory proposed for  
2 inclusion in the district, has been sent by first class mail at least ten  
3 days before the hearing prescribed in paragraph 2 to each owner of  
4 property listed on the tax roll within the district and in territory that  
5 is now or would be subject to taxation by the district in the event of  
6 inclusion of the territory.

7       N. Within ten days after the governing body of the municipality  
8 adopts a resolution pursuant to subsection M of this section, the  
9 municipality shall record the resolution in the office of the county  
10 recorder in the county in which the district is located to give notice of  
11 the inclusion of the territory in the district to all property owners in  
12 the district. If, before the governing body of the municipality adopts  
13 the resolution pursuant to subsection M of this section, a majority of the  
14 property owners, by area, of either the original district formed under  
15 this section or the territory proposed to be included in the district  
16 files with the governing body of the municipality written objections to  
17 the proposed inclusion of the territory, the territory shall not be  
18 included in the district. **THE GOVERNING BODY MAY ADOPT A RESOLUTION  
19 PURSUANT TO SUBSECTION M OF THIS SECTION WITHOUT REQUIRING A PETITION TO  
20 BE FILED PURSUANT TO SECTION 48-623.**

21       0. An improvement district to provide enhanced municipal services  
22 may continue to exist in an area that is no longer in a designated area as  
23 defined in section 48-571, if at the time of district formation all of the  
24 following apply:

25       1. The area contained in the improvement district has been in a  
26 designated area for five or more years.

27       2. Not more than ten ~~per cent~~ PERCENT of the frontage of the  
28 property fronting on the proposed improvement, or if the cost of the  
29 improvement is to be made chargeable on a district, not more than ten ~~per~~  
30 ~~cent~~ PERCENT of the frontage of the property contained within the limits  
31 of the improvement district, is owned by the same person.

32       3. Not more than one-third of the property owners by frontage of  
33 the area contained in the improvement district files with the governing  
34 body of the municipality written objections to the improvement district.

35       4. The municipality otherwise complies with ~~the provisions of~~ this  
36 article for the process of forming the improvement district.

37       Sec. 4. Section 48-576, Arizona Revised Statutes, is amended to  
38 read:

39       48-576. Resolution or ordinance of intention to order  
40                    improvement; petition

41       A. Before ordering an improvement authorized by this article **AND**  
42 **AFTER RECEIVING A PETITION SIGNED BY THE OWNERS OF REAL PROPERTY IN THE**  
43 **PROPOSED DISTRICT AS PRESCRIBED BY SECTION 48-623**, the governing body of  
44 the municipality shall ~~comply with both of the following:~~

1        1. pass a resolution or ordinance of intention ~~so~~ to ~~do~~ **MAKE AN**  
2 **IMPROVEMENT**, briefly describing the improvement. By the resolution or  
3 ordinance and the proceedings subsequent thereto, one or more improvements  
4 may be made on one or more streets and shall constitute one improvement  
5 and be constructed under one or more contracts. The resolution or  
6 ordinance of intention may be combined in a single resolution or ordinance  
7 of intention to open, extend, widen, straighten or close public streets or  
8 off-street parking areas pursuant to section 48-505. If the work proposed  
9 is already done for a lot, the lot shall be excepted from the assessment  
10 therefor to the extent of the work done.

11        2. ~~If the governing body determines that the district should be~~  
12 ~~formed after the final resolution of any protests made pursuant to section~~  
13 ~~48-579, the governing body shall submit within one hundred twenty days to~~  
14 ~~the city or town clerk a petition to form the district that is signed by~~  
15 ~~owners of more than one-half of the taxable property units within the area~~  
16 ~~of the proposed district and that is signed by persons owning collectively~~  
17 ~~more than one-half of the assessed valuation of the property within the~~  
18 ~~area of the proposed district. Property that is exempt pursuant to title~~  
19 ~~42, chapter 11, article 3 is not considered in determining the total~~  
20 ~~assessed valuation of the proposed district and owners of property that is~~  
21 ~~not subject to taxation are not eligible to sign the petition. On~~  
22 ~~verification of the petition signatures, the governing body may form the~~  
23 ~~improvement district and order the improvement as otherwise provided by~~  
24 ~~law.~~

25        B. When the proposed improvement, in the opinion of the governing  
26 body, is of more than local or ordinary public benefit, it may order the  
27 expense of the improvement chargeable ~~upon~~ **ON** a district, and shall  
28 describe the extent of the district in general terms in its resolution or  
29 ordinance of intention, either by reference to street lines or block  
30 numbers, or by designating its exterior boundaries by their courses and  
31 distances from the street or streets the improvement of which is  
32 contemplated, and may refer for a more particular description thereof to a  
33 map on file with the city or town engineer, showing the exterior boundary  
34 lines of the district, and delineating block and lot numbers or containing  
35 such details as will show the location of the lines. A city or town shall  
36 not assess the costs of an improvement **which THAT** is for the general  
37 public benefit against land in an assessment district. If a portion of  
38 the expense of an improvement is for general public benefit, the city or  
39 town shall assess the district only that portion of the expense **which THAT**  
40 benefits the property within the district.

41        C. The governing body, in the resolution or ordinance of intention,  
42 may provide that the improvement described therein may be made according  
43 to any of several alternative plans and specifications, or methods,  
44 classes or kinds of construction, or classes and kinds of material to be  
45 thereafter determined by the legislative body.

1 Sec. 5. Title 48, chapter 4, article 2, Arizona Revised Statutes,  
2 is amended by adding section 48-623, to read:

3 48-623. Petition to establish improvement district;  
4 verification; deposit; applicability

5 A. BEGINNING ON SEPTEMBER 1, 2025, BEFORE THE GOVERNING BODY MAY  
6 ORDER AN IMPROVEMENT AND ADOPT A RESOLUTION OF INTENTION TO DO SO AS  
7 PRESCRIBED BY SECTION 48-576, THE GOVERNING BODY MUST RECEIVE A PETITION  
8 THAT IS FILED WITH THE CLERK AND SIGNED BY BOTH OF THE FOLLOWING:

9 1. A MAJORITY OF THE PERSONS OWNING REAL PROPERTY WITHIN THE AREA  
10 OF THE PROPOSED DISTRICT.

11 2. THE OWNERS OF FIFTY-ONE PERCENT OR MORE OF THE REAL PROPERTY,  
12 DETERMINED BY ACREAGE, WITHIN THE AREA OF THE PROPOSED DISTRICT.

13 B. TO DETERMINE A MAJORITY OF THE PERSONS OWNING REAL PROPERTY  
14 WITHIN THE AREA OF THE PROPOSED DISTRICT, THE GOVERNING BODY AND OTHER  
15 PERSONS MAY RELY ON THE TAXABLE PROPERTY UNITS AS DETERMINED BY THE COUNTY  
16 ASSESSOR AS OF THE DATE OF THE PETITION. THIS DETERMINATION OF A MAJORITY  
17 OF THE PERSONS OWNING REAL PROPERTY SHALL INCLUDE REAL PROPERTY THAT IS  
18 NOT SUBJECT TO GENERAL PROPERTY TAXES, BUT MAY NOT INCLUDE THE OWNERS OF  
19 PUBLIC PROPERTY PRESCRIBED BY SECTION 48-582 OR RIGHTS-OF-WAY OWNED BY  
20 THOSE OWNERS OF PUBLIC PROPERTY. TO DETERMINE THE ACREAGE WITHIN THE AREA  
21 OF THE PROPOSED DISTRICT, PUBLIC PROPERTY AND RIGHTS-OF-WAY SHALL BE  
22 EXCLUDED. PUBLIC PROPERTY MAY STILL BE INCLUDED WITHIN THE PROPOSED  
23 IMPROVEMENT DISTRICT SUBJECT TO THE DECLARATION OF THE GOVERNING BODY IN  
24 THE RESOLUTION OF INTENTION PURSUANT TO SECTION 48-576.

25 C. BEGINNING ON SEPTEMBER 1, 2025, FOR IMPROVEMENT DISTRICTS FORMED  
26 AS PRESCRIBED BY SECTION 48-574 THAT LEVY AND COLLECT AD VALOREM TAXES,  
27 BEFORE THE GOVERNING BODY MAY ORDER AN IMPROVEMENT AND ADOPT A RESOLUTION  
28 OF INTENTION TO DO SO AS PRESCRIBED BY SECTION 48-576, THE GOVERNING BODY  
29 MUST RECEIVE A PETITION THAT IS FILED WITH THE CLERK AND SIGNED BY BOTH OF  
30 THE FOLLOWING:

31 1. A MAJORITY OF THE PERSONS OWNING REAL PROPERTY WITHIN THE AREA  
32 OF THE PROPOSED DISTRICT.

33 2. THE OWNERS OF FIFTY-ONE PERCENT OR MORE OF THE ASSESSED  
34 VALUATION OF THE PROPERTY WITHIN THE AREA OF THE PROPOSED DISTRICT.  
35 PROPERTY THAT IS EXEMPT PURSUANT TO TITLE 42, CHAPTER 11, ARTICLE 3 IS NOT  
36 CONSIDERED IN DETERMINING THE TOTAL ASSESSED VALUATION OF THE PROPOSED  
37 DISTRICT AND OWNERS OF PROPERTY THAT IS NOT SUBJECT TO TAXATION ARE NOT  
38 ELIGIBLE TO SIGN THE PETITION REQUIRED BY THIS SUBSECTION.

39 D. A PETITION WITH THE REQUIRED NUMBER OF SIGNATURES MAY NOT BE  
40 DECLARED VOID AS A RESULT OF ANY ALLEGED DEFECT, AND THE GOVERNING BODY  
41 SHALL ALLOW THE PETITION TO BE AMENDED IN FORM AND SUBSTANCE TO CONFORM TO  
42 THE REQUIREMENTS OF THIS ARTICLE. ONE OR MORE SIMILAR PETITIONS OR COPIES  
43 OF THE SAME PETITION WITH ADDITIONAL SIGNATURES TO ESTABLISH ANY  
44 IMPROVEMENT DISTRICT MAY BE FILED BEFORE THE GOVERNING BODY ORDERS THE  
45 IMPROVEMENT AND ADOPTS A RESOLUTION OF INTENTION TO DO SO, AND SHALL BE

1 DEEMED TO BE FILED WITH THE FIRST PETITION. THE PETITION SHALL BE  
2 PRESUMED TO CONTAIN THE SIGNATURES OF THE PERSONS WHOSE SIGNATURES APPEAR  
3 ON THE PETITION, UNLESS PROVEN OTHERWISE. THE GOVERNING BODY MAY PROVIDE  
4 A FORM OF PETITION TO THE OWNERS.

5 E. THE PETITION SHALL SET FORTH ALL OF THE FOLLOWING:

- 6 1. THE NAME OF THE PROPOSED IMPROVEMENT DISTRICT.
- 7 2. THE NECESSITY FOR THE PROPOSED IMPROVEMENT DISTRICT.

8 3. THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE  
9 PROMOTED BY ESTABLISHING THE IMPROVEMENT DISTRICT AND THAT THE PROPERTY TO  
10 BE INCLUDED IN THAT IMPROVEMENT DISTRICT WILL BE BENEFITED.

11 4. A LEGAL DESCRIPTION OF THE BOUNDARIES OF THE PROPOSED  
12 IMPROVEMENT DISTRICT AND A MAP THAT SHOWS GENERALLY THE LOCATION OF THE  
13 PROPOSED IMPROVEMENT DISTRICT.

14 5. A GENERAL DESCRIPTION OF THE PROPOSED IMPROVEMENT.

15 6. THAT THE PETITIONERS CONSENT TO ASSESSMENT, EXCEPT THAT AN  
16 ASSESSMENT WILL NOT BE LEVIED WITHOUT THE GOVERNING BODY'S COMPLIANCE WITH  
17 SECTIONS 48-577 THROUGH 48-594.

18 7. THE ASSESSOR'S PARCEL NUMBER FOR EACH LOT TO BE INCLUDED IN THE  
19 PROPOSED DISTRICT. EACH PETITION SIGNER SHALL INDICATE THE APPLICABLE  
20 ASSESSOR'S PARCEL NUMBER THAT CORRESPONDS TO THE LOT OWNED BY THE SIGNER.

21 8. ANY OTHER MATTERS THAT ARE REQUIRED BY THIS ARTICLE.

22 F. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, IF THE  
23 PETITION IS SIGNED BY OWNERS OF ALL OF THE REAL PROPERTY WITHIN THE  
24 PROPOSED IMPROVEMENT DISTRICT, OTHER THAN PUBLIC PROPERTY AS PRESCRIBED BY  
25 SECTION 48-582 AND IS APPROVED BY THE MUNICIPALITY, THE MUNICIPALITY AND  
26 THOSE OWNERS MAY ENTER INTO A WRITTEN AGREEMENT WAIVING ANY OR ALL  
27 REQUIREMENTS RELATING TO POSTING, PUBLICATION, MAILING, NOTICE, PROTEST  
28 AND OBJECTION, INCLUDING THE PROVISIONS OF SECTIONS 48-578, 48-579 AND  
29 48-580, AND THE WRITTEN REQUIREMENT REGARDING ALTERNATIVE PLANS IN SECTION  
30 48-584, SUBSECTION C. ON RECEIPT OF A PETITION PRESCRIBED BY THIS  
31 SUBSECTION, THE GOVERNING BODY, AFTER VERIFICATION OF THE PETITION AS  
32 PRESCRIBED BY SUBSECTION G OF THIS SECTION, SHALL ADOPT A RESOLUTION OF  
33 INTENTION TO ORDER THE IMPROVEMENT PURSUANT TO SECTION 48-576 AND SHALL  
34 HAVE IMMEDIATE JURISDICTION TO ADOPT THE RESOLUTION ORDERING THE  
35 IMPROVEMENT PURSUANT TO SECTION 48-581, AND MAY COMBINE THOSE RESOLUTIONS  
36 INTO ONE RESOLUTION.

37 G. THE CLERK SHALL VERIFY PROPERTY OWNERSHIP AS OF THE DATE OF THE  
38 PETITION BASED ON THE OFFICIAL RECORDS OF THE RECORDER OF THE COUNTY AND  
39 AS OTHERWISE PRESCRIBED BY SUBSECTION A OF THIS SECTION. FOR PURPOSES OF  
40 THIS SECTION, OWNERS DO NOT INCLUDE MORTGAGEES OR OTHER LIENHOLDERS, OR  
41 PERSONS HOLDING AN INTEREST IN REAL PROPERTY PURSUANT TO A PURCHASE  
42 CONTRACT. FOLLOWING VERIFICATION OF THE PROPERTY OWNERSHIP, THE CLERK  
43 SHALL ADD A WRITTEN VERIFICATION OF THE CLERK TO THE VERIFIED PETITION.  
44 THE RESOLUTION OF INTENTION TO ORDER THE IMPROVEMENT SHALL RATIFY THE  
45 VERIFICATION OF THE PROPERTY OWNERSHIP AS A FINDING OF FACT AND APPROVE

1 THE AREA TO BE INCLUDED WITH THE PROPOSED IMPROVEMENT DISTRICT IN  
2 ACCORDANCE WITH THE VERIFIED PETITION, EXCEPT THAT ANY SUCH LEGISLATIVE  
3 ACTION IS AT THE SOLE AND ABSOLUTE DISCRETION OF THE GOVERNING BODY. THE  
4 CLERK MAY, AND AT THE DIRECTION OF THE GOVERNING BODY OR THE PETITIONERS  
5 SHALL, RECORD A COPY OF THE VERIFIED PETITION.

6 H. COSTS INCURRED BY THE PETITIONERS OR THE MUNICIPALITY IN  
7 CONNECTION WITH THE PETITION MAY BE INCLUDED AS INCIDENTAL EXPENSES AS  
8 PROVIDED FOR IN THIS ARTICLE.

9 I. ON RECEIPT OF THE PETITION PURSUANT TO THIS SECTION, OR AT ANY  
10 TIME AFTER RECEIPT BUT BEFORE CONSIDERATION OF THE RESOLUTION OF INTENTION  
11 ORDERING THE IMPROVEMENT, THE MUNICIPALITY MAY REQUIRE THE PETITIONERS TO  
12 DEPOSIT MONIES OR FILE A BOND, WITH SECURITY APPROVED BY THE GOVERNING  
13 BODY, THAT IS SUFFICIENT TO PAY THE EXPENSES CONNECTED WITH THE  
14 PROCEEDINGS IF THE GOVERNING BODY REFUSES TO ESTABLISH THE IMPROVEMENT  
15 DISTRICT. AT ANY TIME DURING THE PROCEEDINGS, IF THE GOVERNING BODY  
16 DETERMINES THE DEPOSIT OR BOND TO BE INSUFFICIENT, IT MAY ORDER THE  
17 DEPOSIT OF AN ADDITIONAL AMOUNT OR THE FILING OF AN ADDITIONAL BOND WITHIN  
18 A SPECIFIC TIME THAT IS NOT LESS THAN TEN DAYS AFTER THE DATE OF ITS  
19 ORDER. ON FAILURE OF THE PETITIONERS TO PROVIDE FOR AN ADDITIONAL DEPOSIT  
20 OR TO FILE THE ADDITIONAL BOND, THE PETITION MAY BE DISMISSED BY THE  
21 GOVERNING BODY.

22 J. FOR PURPOSES OF A COMMUNITY FACILITIES DISTRICT ISSUING SPECIAL  
23 ASSESSMENT BONDS PURSUANT TO SECTION 48-721, THIS SECTION DOES NOT APPLY  
24 AND A PETITION IS NOT REQUIRED.