

REFERENCE TITLE: **revitalization districts; construction contracts**

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# **HB 2496**

Introduced by  
Representative Way

**AN ACT**

**AMENDING SECTION 48-6808, ARIZONA REVISED STATUTES; RELATING TO  
REVITALIZATION DISTRICTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-6808, Arizona Revised Statutes, is amended to  
3 read:

4 48-6808. Powers of a revitalization district

5 A. In addition to the powers otherwise granted to a district  
6 pursuant to this article, a district ~~may~~, to further the implementation of  
7 the general plan, MAY:

8 1. Enter into contracts and spend monies for any infrastructure  
9 purpose with respect to the district. ANY CONSTRUCTION CONTRACTS THE  
10 DISTRICT ENTERS INTO PURSUANT TO THIS ARTICLE SHALL COMPLY WITH SUBSECTION  
11 F OF THIS SECTION.

12 2. Enter into intergovernmental agreements as prescribed in title  
13 11, chapter 7, article 3 for the financing, planning, design, inspection,  
14 ownership, control, maintenance, operation or repair of infrastructure or  
15 the provision of enhanced municipal services by the municipality in the  
16 district, including an intergovernmental agreement with an Indian tribe or  
17 community.

18 3. Sell, lease or otherwise dispose of district property if the  
19 sale, lease or conveyance is not a violation of the terms of any contract  
20 or bond resolution of the district.

21 4. Reimburse a municipality for providing enhanced municipal  
22 services in the district.

23 5. Operate, maintain and repair infrastructure.

24 6. Establish, charge and collect user fees, rates or charges for  
25 the use of any infrastructure or service.

26 7. Employ staff, counsel and consultants.

27 8. Reimburse a municipality for staff and consultant services and  
28 support facilities supplied by the municipality.

29 9. Accept gifts or grants and incur and repay loans for any  
30 infrastructure purpose.

31 10. Enter into agreements with landowners and the municipality for  
32 the collection of fees and charges from landowners for infrastructure  
33 purposes, the advance of monies by landowners for infrastructure purposes  
34 or the granting of real property by the landowner for infrastructure  
35 purposes.

36 11. After approval at an election held pursuant to section 48-6818,  
37 levy and assess the costs of any infrastructure purpose on any land  
38 benefited in the district.

39 12. Pay the financial, legal and administrative costs of the  
40 district.

41 13. Enter into contracts, agreements and trust indentures to obtain  
42 credit enhancement or liquidity support for its bonds and process the  
43 issuance, registration, transfer and payment of its bonds and the  
44 disbursement and investment of proceeds of the bonds.

1       14. With the consent of the governing body of the municipality that  
2 formed the district, enter into agreements with persons outside of the  
3 district to provide services to persons and property outside of the  
4 district.

5       15. With the consent of the applicable governmental entity, use  
6 public easements and rights-of-way in or across public property, roadways,  
7 highways, streets or other thoroughfares and other public easements and  
8 rights-of-way, whether in or out of the geographical limits of the  
9 district or the municipality.

10       B. In connection with any power authorized by statute, the district  
11 may:

- 12       1. Contract.
- 13       2. Enter into intergovernmental agreements pursuant to title 11,  
14 chapter 7, article 3.
- 15       3. Adopt and change a seal.
- 16       4. Sue and be sued.
- 17       5. Enter into development agreements, as defined in section  
18 9-500.05.

19       C. The district shall not be used to finance or facilitate the  
20 acquisition, operation, maintenance, construction or operation of a sports  
21 stadium or other sports facility that is designed specifically for or used  
22 specifically by a professional sports team, including a clubhouse, a  
23 practice facility or any other related facility or on-site infrastructure  
24 or related parking facilities for those purposes. This subsection does  
25 not apply to the financing, acquisition, operation, maintenance or  
26 construction of a multipurpose event center.

27       D. Public infrastructure other than personalty may be located only  
28 in or on lands owned by the state, a county, a municipality or the  
29 district or dedicated or otherwise designated as public roadways,  
30 highways, streets, thoroughfares, easements or rights-of-way, whether in  
31 or out of the district or the municipality. Personalty may be used only  
32 for purposes authorized by the district board.

33       E. An agreement pursuant to subsection A, paragraph 10 of this  
34 section may include agreements to repay all or part of such advances, fees  
35 and charges from the proceeds of bonds if issued or from advances, fees  
36 and charges collected from other landowners or users or those having a  
37 right to use any infrastructure. A person does not have authority to  
38 compel the issuance or sale of the bonds of the district or the exercise  
39 of any taxing power of the district to make repayment under any agreement.

40       F. ANY CONSTRUCTION CONTRACT THE DISTRICT ENTERS INTO MUST INCLUDE  
41 PROVISIONS FOR ALL OF THE FOLLOWING:

- 42       1. ALLOWING A CONTRACTOR TO SUSPEND PERFORMANCE OR TERMINATE A  
43 CONSTRUCTION CONTRACT WITH A DISTRICT FOR FAILURE BY THE DISTRICT TO MAKE  
44 TIMELY PAYMENT OF AMOUNTS CERTIFIED AND APPROVED FOR PAYMENT. THE  
45 CONTRACTOR SHALL PROVIDE WRITTEN NOTICE TO THE DISTRICT AT LEAST SEVEN

1 CALENDAR DAYS BEFORE THE INTENDED SUSPENSION OR TERMINATION UNLESS A  
2 SHORTER NOTICE PERIOD IS PRESCRIBED IN THE CONSTRUCTION CONTRACT. A  
3 CONTRACTOR SHALL NOT BE DEEMED IN BREACH OF THE CONSTRUCTION CONTRACT FOR  
4 SUSPENDING PERFORMANCE OR TERMINATING UNDER THIS PARAGRAPH. A  
5 CONSTRUCTION CONTRACT SHALL NOT EXTEND THE TIME PERIOD FOR A CONTRACTOR TO  
6 SUSPEND PERFORMANCE OR TERMINATE UNDER THIS PARAGRAPH.

7 2. ALLOWING A SUBCONTRACTOR TO SUSPEND PERFORMANCE OR TERMINATE A  
8 CONTRACT WITH A GENERAL CONTRACTOR OR SUBCONTRACTOR FOR A DISTRICT IF BOTH  
9 OF THE FOLLOWING OCCUR:

10 (a) THE DISTRICT FAILS TO MAKE TIMELY PAYMENT OF AMOUNTS CERTIFIED  
11 AND APPROVED FOR THE SUBCONTRACTOR'S WORK.

12 (b) THE CONTRACTOR FAILS TO PAY THE SUBCONTRACTOR FOR THAT  
13 CERTIFIED AND APPROVED WORK. THE SUBCONTRACTOR SHALL PROVIDE WRITTEN  
14 NOTICE TO THE CONTRACTOR AND DISTRICT AT LEAST THREE CALENDAR DAYS BEFORE  
15 THE INTENDED SUSPENSION OR TERMINATION UNLESS A SHORTER NOTICE PERIOD IS  
16 PRESCRIBED IN THE CONTRACT. A SUBCONTRACTOR SHALL NOT BE DEEMED IN BREACH  
17 FOR SUSPENDING PERFORMANCE OR TERMINATING UNDER THIS PARAGRAPH.

18 3. ALLOWING A SUBCONTRACTOR TO SUSPEND PERFORMANCE OR TERMINATE IF  
19 THE DISTRICT MAKES TIMELY PAYMENT OF CERTIFIED AND APPROVED AMOUNTS FOR  
20 THE SUBCONTRACTOR'S WORK BUT THE CONTRACTOR FAILS TO PAY THE  
21 SUBCONTRACTOR. THE SUBCONTRACTOR SHALL PROVIDE WRITTEN NOTICE TO THE  
22 CONTRACTOR AND DISTRICT AT LEAST SEVEN CALENDAR DAYS BEFORE THE INTENDED  
23 SUSPENSION OR TERMINATION UNLESS A SHORTER NOTICE PERIOD IS PRESCRIBED IN  
24 THE CONTRACT. A SUBCONTRACTOR SHALL NOT BE DEEMED IN BREACH FOR  
25 SUSPENDING PERFORMANCE OR TERMINATING UNDER THIS PARAGRAPH.

26 4. ALLOWING A SUBCONTRACTOR TO SUSPEND PERFORMANCE OR TERMINATE IF  
27 THE DISTRICT DECLINES TO APPROVE AND CERTIFY PORTIONS OF THE CONTRACTOR'S  
28 BILLING FOR THE SUBCONTRACTOR'S WORK FOR REASONS THAT ARE NOT THE FAULT OF  
29 OR DIRECTLY RELATED TO THAT SUBCONTRACTOR'S WORK. THE SUBCONTRACTOR SHALL  
30 PROVIDE WRITTEN NOTICE TO THE CONTRACTOR AND DISTRICT AT LEAST SEVEN  
31 CALENDAR DAYS BEFORE THE INTENDED SUSPENSION OR TERMINATION UNLESS A  
32 SHORTER NOTICE PERIOD IS PRESCRIBED IN THE CONTRACT. A SUBCONTRACTOR  
33 SHALL NOT BE DEEMED IN BREACH FOR SUSPENDING PERFORMANCE OR TERMINATING  
34 UNDER THIS PARAGRAPH.

35 5. ALLOWING A CONTRACTOR OR SUBCONTRACTOR THAT SUSPENDS PERFORMANCE  
36 AS PRESCRIBED IN THIS SUBSECTION TO CEASE FURNISHING FURTHER LABOR,  
37 MATERIALS OR SERVICES UNTIL BEING PAID THE AMOUNT THAT WAS CERTIFIED AND  
38 APPROVED, TOGETHER WITH ANY REASONABLE COSTS INCURRED FOR MOBILIZATION  
39 RESULTING FROM ANY SHUTDOWN OR RESTART OF THE PROJECT.

40 6. REQUIRING THE AWARD OF REASONABLE ATTORNEY FEES AND COSTS TO THE  
41 SUCCESSFUL PARTY IN ANY ACTION OR ARBITRATION TO ENFORCE RIGHTS UNDER THIS  
42 SUBSECTION.

43 7. REQUIRING THAT ANY WRITTEN NOTICE PRESCRIBED BY THIS SUBSECTION  
44 IS DEEMED PROVIDED IF EITHER OF THE FOLLOWING OCCURS:

1           (a) THE WRITTEN NOTICE IS DELIVERED IN PERSON TO THE INDIVIDUAL,  
2 MEMBER OR OFFICER OF THE ENTITY FOR WHICH IT WAS INTENDED.

3           (b) THE WRITTEN NOTICE IS SENT BY ANY METHOD THAT PROVIDES WRITTEN,  
4 THIRD-PARTY VERIFICATION OF DELIVERY TO THE LAST KNOWN BUSINESS ADDRESS OF  
5 THE PARTY GIVING NOTICE.

6           Sec. 2. Applicability

7           Section 48-6808, Arizona Revised Statutes, as amended by this act,  
8 applies to any revitalization district infrastructure construction  
9 contract executed after the effective date of this act.