

REFERENCE TITLE: **municipal tax increment financing; infrastructure**

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

HB 2988

Introduced by
Representatives Mathis: Villegas

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 4.1; AMENDING SECTIONS 42-17052 AND 42-17251, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL IMPROVEMENT FINANCING.

(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, Arizona Revised Statutes, is amended
3 by adding article 4.1, to read:

4 ARTICLE 4.1. TAX INCREMENT FINANCING IMPROVEMENT AREAS

5 9-442. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "ASSESSED VALUE" MEANS THE NET ASSESSED VALUE USED FOR PURPOSES
8 OF LEVYING PRIMARY PROPERTY TAXES ON REAL AND PERSONAL PROPERTY.

9 2. "BOARD" MEANS THE JOINT REVIEW BOARD CONVENED PURSUANT TO
10 SECTION 9-442.05.

11 3. "CURRENT ASSESSED VALUE" MEANS THE PRIMARY ASSESSED VALUE OF THE
12 AREA CERTIFIED BY THE COUNTY ASSESSOR PURSUANT TO SECTION 9-442.08 FOR THE
13 CURRENT TAX YEAR.

14 4. "DEVELOPMENT PLAN" OR "PLAN" MEANS A STATEMENT OF MEANS AND
15 OBJECTIVES PURSUANT TO SECTION 9-442.03 DESIGNED TO ENCOURAGE THE
16 DEVELOPMENT AND MAINTENANCE OF MUNICIPAL IMPROVEMENT PROJECTS WITHIN A
17 MUNICIPAL IMPROVEMENT AREA.

18 5. "FINANCIAL PLAN" MEANS A STATEMENT PURSUANT TO SECTION 9-442.03,
19 SUBSECTION C OF THE PROJECT COSTS AND SOURCES OF REVENUE REQUIRED TO
20 ACCOMPLISH THE DEVELOPMENT PLAN.

21 6. "INCREASED ASSESSED VALUE" MEANS THE AMOUNT BY WHICH THE CURRENT
22 ASSESSED VALUE OF A MUNICIPAL IMPROVEMENT AREA EXCEEDS THE ORIGINAL
23 ASSESSED VALUE OF THE AREA.

24 7. "MUNICIPAL IMPROVEMENT AREA" OR "AREA" MEANS SPECIFIED
25 CONTIGUOUS TERRITORY WITHIN THE CORPORATE BOUNDARIES OF A MUNICIPALITY
26 THAT HAS BEEN DESIGNATED FOR DEVELOPMENT OF MUNICIPAL IMPROVEMENT PROJECTS
27 PURSUANT TO THIS ARTICLE.

28 8. "MUNICIPALITY" MEANS A CITY, CHARTER CITY OR TOWN.

29 9. "ORIGINAL ASSESSED VALUE" MEANS THE PRIMARY ASSESSED VALUE OF
30 THE TAXABLE PROPERTY IN A MUNICIPAL IMPROVEMENT AREA FOR THE TAX YEAR
31 PRECEDING THE YEAR IN WHICH THE AREA WAS DESIGNATED.

32 10. "PRIMARY PROPERTY TAXES" MEANS ANY AD VALOREM PROPERTY TAXES
33 LEVIED BY THIS STATE, THE COUNTY, THE MUNICIPALITY AND ANY COMMUNITY
34 COLLEGE DISTRICT AND SCHOOL DISTRICT ON THE TAXABLE REAL AND PERSONAL
35 PROPERTY IN A MUNICIPAL IMPROVEMENT AREA, EXCEPT SECONDARY PROPERTY TAXES
36 AS DEFINED IN SECTION 42-11001.

37 11. "PROJECT COSTS" MEANS ANY EXPENDITURES OR MONETARY OBLIGATIONS
38 THAT ARE INCURRED OR EXPECTED TO BE INCURRED, THAT ARE AUTHORIZED BY
39 SECTION 9-442.07, SUBSECTION A AND THAT ARE INCLUDED IN A DEVELOPMENT
40 PLAN.

41 12. "PUBLIC INFRASTRUCTURE" MEANS THE FOLLOWING IMPROVEMENTS THAT
42 WILL RESULT IN A BENEFICIAL USE OF LAND, WHETHER NEWLY CONSTRUCTED,
43 RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES AND
44 INCIDENTAL WORK:

45 (a) PUBLIC TRANSIT SYSTEMS, FACILITIES AND VEHICLES.

- 1 (b) SANITARY SEWAGE SYSTEMS.
- 2 (c) DRAINAGE AND FLOOD CONTROL SYSTEMS.
- 3 (d) WATER SYSTEMS OTHER THAN FACILITIES FOR AGRICULTURAL IRRIGATION
- 4 PURPOSES.
- 5 (e) HIGHWAYS, STREETS, ROADWAYS AND GROUND-LEVEL PARKING FACILITIES
- 6 WITHIN THE AUTHORITY.
- 7 (f) FACILITIES FOR PEDESTRIAN, BICYCLE AND MOTOR VEHICLE INGRESS
- 8 AND EGRESS.
- 9 (g) AREAS FOR PUBLIC ENTERTAINMENT, ASSEMBLY AND RECREATION.
- 10 (h) LANDSCAPING.
- 11 (i) OPERATION, MAINTENANCE AND PUBLIC SAFETY FACILITIES.
- 12 (j) LIGHTING AND TRAFFIC CONTROL SYSTEMS.

13 9-442.01. Public purpose; authorization of municipal
14 improvement areas

15 A. ASSISTING THE IMPLEMENTATION, EXECUTION, DEVELOPMENT AND
16 FINANCING OF MUNICIPAL IMPROVEMENTS IS A VALID PUBLIC PURPOSE OF
17 MUNICIPALITIES IN THIS STATE.

18 B. A MUNICIPALITY MAY DEVELOP A PROGRAM TO STIMULATE THE
19 DEVELOPMENT OF MUNICIPAL IMPROVEMENTS WITHIN DESIGNATED AREAS OF THE
20 MUNICIPALITY PURSUANT TO THIS ARTICLE, CONSISTENT WITH THE MUNICIPALITY'S
21 GENERAL PLAN.

22 9-442.02. Designation of municipal improvement area;
23 duration; qualifying conditions

24 A. THE GOVERNING BODY OF A MUNICIPALITY MAY DESIGNATE ONE OR MORE
25 MUNICIPAL IMPROVEMENT AREAS WITHIN THE CORPORATE BOUNDARIES OF THE
26 MUNICIPALITY CONSISTENT WITH THE REQUIREMENTS OF THIS ARTICLE, ANY
27 APPLICABLE CITY CHARTER AND THE MUNICIPALITY'S GENERAL PLAN. A MUNICIPAL
28 IMPROVEMENT AREA IS NOT A SPECIAL TAXING DISTRICT FOR PURPOSES OF ANY
29 CONSTITUTIONAL OR STATUTORY PROVISION AND IS NOT A SEPARATE POLITICAL
30 ENTITY FROM THE MUNICIPALITY.

31 B. A MUNICIPAL IMPROVEMENT AREA MAY BE ESTABLISHED FOR UP TO THIRTY
32 YEARS, AND TAX INCREMENT MONIES MAY BE DIVERTED TO THE MUNICIPALITY
33 PURSUANT TO SECTION 9-442.08 ONLY FOR THE DURATION OF THE MUNICIPAL
34 IMPROVEMENT AREA.

35 C. A DESIGNATION OF A MUNICIPAL IMPROVEMENT AREA IS SUBJECT TO THE
36 FOLLOWING CONDITIONS:

37 1. AT LEAST _____ PERCENT OF THE ACREAGE OF THE REAL PROPERTY
38 IN THE PROPOSED MUNICIPAL IMPROVEMENT AREA MUST EITHER:

- 39 (a) BE SUITABLE FOR RESIDENTIAL USE.
- 40 (b) BE A BLIGHTED AREA OR A SLUM AREA IDENTIFIED AND DESIGNATED BY
41 RESOLUTION PURSUANT TO TITLE 36, CHAPTER 12, ARTICLE 3.
- 42 (c) BE IN NEED OF REHABILITATION OR REDEVELOPMENT.

1 2. THE TOTAL ACREAGE OF ALL MUNICIPAL IMPROVEMENT AREAS IN A
2 MUNICIPALITY MAY NOT EXCEED:

3 (a) _____ PERCENT OF THE TOTAL ACREAGE OF A MUNICIPALITY HAVING A
4 POPULATION OF MORE THAN ONE HUNDRED THOUSAND PERSONS.

5 (b) _____ PERCENT OF THE TOTAL ACREAGE OF A MUNICIPALITY HAVING A
6 POPULATION OF ONE HUNDRED THOUSAND PERSONS OR LESS.

7 3. THE GOVERNING BODIES OF THE COUNTY AND ANY COMMUNITY COLLEGE
8 DISTRICT AND SCHOOL DISTRICT IN WHICH ANY PART OF THE MUNICIPAL
9 IMPROVEMENT AREA WILL BE ESTABLISHED MUST EACH APPROVE, BY RESOLUTION, THE
10 ESTABLISHMENT OF THE MUNICIPAL IMPROVEMENT AREA PURSUANT TO THIS ARTICLE.

11 D. IF ALL OR PART OF THE MUNICIPAL IMPROVEMENT AREA INCLUDES
12 TERRITORY IN WHICH THE TOTAL PRIMARY PROPERTY TAXES LEVIED FOR ALL TAXING
13 JURISDICTIONS ON ONE-HALF OR MORE OF THE PARCELS OF RESIDENTIAL PROPERTY
14 EXCEEDS THE MAXIMUM AMOUNT OF AD VALOREM TAXES PRESCRIBED BY ARTICLE IX,
15 SECTION 18, CONSTITUTION OF ARIZONA, THE MUNICIPALITY SHALL REIMBURSE THE
16 STATE GENERAL FUND FOR ANY INCREASE IN AMOUNTS PAID AS ADDITIONAL STATE
17 AID TO SCHOOL DISTRICTS IN THE MUNICIPAL IMPROVEMENT AREA.

18 9-442.03. Development plan; financial plan

19 A. THE GOVERNING BODY OF A MUNICIPALITY MUST ADOPT A DEVELOPMENT
20 PLAN FOR EACH MUNICIPAL IMPROVEMENT AREA IN THE MUNICIPALITY. THE PLAN
21 MUST DEMONSTRATE THAT THE DEVELOPMENT MEETS AN IDENTIFIED COMMUNITY NEED
22 FOR SPECIFICALLY IDENTIFIED MUNICIPAL IMPROVEMENTS. THE PLAN MUST BE
23 ADOPTED AS PART OF THE AREA DESIGNATION PROCEEDINGS. BEFORE ADOPTING A
24 PLAN, THE GOVERNING BODY SHALL CONSIDER THE FACTORS AND EVIDENCE SPECIFIED
25 IN SECTION 9-442.02.

26 B. THE DEVELOPMENT PLAN MUST INCLUDE:

27 1. THE LOCATION OF THE MUNICIPAL IMPROVEMENT AREA, INCLUDING MAPS,
28 SHOWING EXISTING LAND USES AND CONDITIONS AND PROPOSED IMPROVEMENTS AND
29 USES IN THE AREA. THE PLAN SHALL INCLUDE A STATEMENT THAT THE PROPOSED
30 BOUNDARIES ARE SUBJECT TO APPROVAL BY THE JOINT REVIEW BOARD.

31 2. A PROPOSED TERMINATION DATE FOR THE AREA AND THE DEVELOPMENT
32 PLAN THAT IS NOT MORE THAN THIRTY YEARS AFTER THE DATE OF APPROVAL.

33 3. THE FINANCIAL PLAN PRESCRIBED BY SUBSECTION C OF THIS SECTION.

34 4. A DESCRIPTION OF THE KIND, NUMBER AND LOCATION OF ALL PROPOSED
35 PUBLIC WORKS, FACILITIES, IMPROVEMENTS OR PROGRAMS TO BE FINANCED IN WHOLE
36 OR IN PART UNDER THE PLAN.

37 5. ANY PROPOSED CHANGES IN THE GENERAL PLAN, ZONING AND OTHER
38 MUNICIPAL ORDINANCES AND BUILDING CODES REQUIRED BY THE DEVELOPMENT PLAN.

39 6. ANY PLANS AND METHODS FOR RELOCATING PERSONS DISPLACED BY THE
40 PROJECT.

41 7. THE ENVIRONMENTAL CONTROLS TO BE APPLIED.

42 8. THE PROPOSED OPERATION OF THE AREA AFTER THE PLANNED
43 IMPROVEMENTS ARE COMPLETED.

44 9. ALL DOCUMENTATION PREPARED TO DEMONSTRATE COMPLIANCE WITH THE
45 REQUIREMENTS OF SECTION 9-442.02, SUBSECTION C.

10. AN OPINION OF THE CITY OR TOWN ATTORNEY THAT THE PROPOSED PLAN COMPLIES WITH THIS ARTICLE.

C. THE FINANCIAL PLAN FOR A MUNICIPAL IMPROVEMENT AREA MUST INCLUDE:

1. AN ECONOMIC FEASIBILITY STUDY.
2. PROJECT AND NONPROJECT COST ESTIMATES FOR THE PLAN.
3. THE METHOD OF FINANCING THE COSTS AND OTHER MONETARY OBLIGATIONS.

4. SOURCES OF ALL ANTICIPATED REVENUES PROPOSED TO BE DEDICATED FOR PURPOSES OF THE PLAN.

5. A DESCRIPTION OF THE TERMS AND CONDITIONS OF ANY AGREEMENTS, CONTRACTS OR OTHER OBLIGATIONS RELATED TO THE PLAN.

6. FOR EACH YEAR OF THE PLAN:
(a) THE PROJECTED COSTS TO BE INCURRED DURING THE YEAR.
(b) ESTIMATES OF INCREASED ASSESSED VALUES OF THE AREA.
(c) THE PORTION OF THE INCREASED ASSESSED VALUES TO BE APPLIED TO THE PLAN AS TAX INCREMENTS IN EACH YEAR OF THE PLAN.

(d) A CALCULATION OF THE EFFECT ON THE MUNICIPALITY'S STATE SHARED REVENUE, AND THE PUBLIC REVENUES, COSTS AND RECEIPTS OF THIS STATE, THE COUNTY, THE COMMUNITY COLLEGE DISTRICT, SCHOOL DISTRICTS AND OTHER AFFECTED TAXING ENTITIES DUE TO THE DESIGNATION OF THE MUNICIPAL IMPROVEMENT AREA AND THE DIVERSION OF TAX INCREMENT MONIES TO THE MUNICIPALITY.

D. A MUNICIPALITY MAY SPEND TAX INCREMENT MONIES RECEIVED FOR A DEVELOPMENT PLAN ONLY ACCORDING TO THE TERMS OF THE FINANCIAL PLAN. TAX INCREMENT MONIES FROM A MUNICIPAL IMPROVEMENT AREA MAY NOT BE COMMINGLED OR DIVERTED FOR USE WITH RESPECT TO A DEVELOPMENT PLAN OF ANOTHER AREA.

9-442.04. Procedure; hearing; review; election; delegated administration; amendments

A. BEFORE DESIGNATING A MUNICIPAL IMPROVEMENT AREA OR ADOPTING A DEVELOPMENT PLAN:

1. THE MUNICIPAL GOVERNING BODY MUST HOLD AT LEAST ONE PUBLIC HEARING BEFORE CONSIDERING THE PLAN FOR ADOPTION. A NOTICE OF THE HEARING, SUMMARIZING THE PLAN AND ADVISING THAT A COPY OF THE PLAN WILL BE PROVIDED ON REQUEST, MUST BE:

(a) PUBLISHED AT LEAST TWICE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY, WITH THE LAST PUBLICATION BEING AT LEAST TEN DAYS BEFORE THE HEARING.

(b) MAILED BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO:

(i) THE JOINT LEGISLATIVE BUDGET COMMITTEE.

(ii) THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING.

(iii) THE COUNTY BOARD OF SUPERVISORS.

(iv) THE COUNTY ASSESSOR.

(v) THE COUNTY TREASURER.

1 (vi) THE GOVERNING BOARD OF ANY COMMUNITY COLLEGE DISTRICT AND
2 SCHOOL DISTRICT IN WHICH THE PROPOSED AREA IS LOCATED.

3 (c) POSTED ON THE MUNICIPALITY'S OFFICIAL WEBSITE FOR AT LEAST
4 THIRTY DAYS BEFORE THE HEARING.

5 (d) POSTED IN AT LEAST THREE PUBLIC LOCATIONS IN THE PROPOSED AREA
6 AT LEAST THIRTY DAYS BEFORE THE HEARING.

7 2. THE GOVERNING BODY MUST GIVE ANY INTERESTED PARTY A REASONABLE
8 OPPORTUNITY AT THE HEARING TO PRESENT ORAL OR WRITTEN COMMENTS SUPPORTING
9 OR OPPOSING THE PROPOSED AREA OR PLAN.

10 3. THE GOVERNING BODY MUST CONSIDER AND ISSUE WRITTEN FINDINGS ON
11 WHETHER THE PROPOSED AREA OR PLAN WILL:

12 (a) CONTRIBUTE TO THE DEVELOPMENT OF SPECIFIC MUNICIPAL
13 IMPROVEMENTS IN THE MUNICIPALITY AND TO THE IMPROVEMENT OF THE HEALTH,
14 WELFARE OR SAFETY OF THE INHABITANTS OF THE MUNICIPALITY.

15 (b) ENHANCE THE VALUE OF PROPERTY AND IMPROVEMENTS IN THE AREA,
16 WITHOUT IDENTIFYING SPECIFIC PARCELS MEETING THIS CRITERION.

17 (c) PROMOTE THE ORDERLY DEVELOPMENT OF THE MUNICIPALITY.

18 (d) MEET THE QUALIFYING CRITERIA PRESCRIBED BY SECTION 9-442.02,
19 SUBSECTION C.

20 B. AFTER THE HEARING, THE MUNICIPAL GOVERNING BODY MAY ADOPT THE
21 PLAN BY RESOLUTION, SUBJECT TO FINAL APPROVAL BY THE JOINT REVIEW BOARD
22 AND THE QUALIFIED ELECTORS OF THE MUNICIPALITY, ON FINDING THAT THE PLAN
23 IS FEASIBLE AND THAT IT COMPLIES WITH THIS ARTICLE, ANY CITY CHARTER AND
24 THE GENERAL PLAN, OR THAT THE CITY CHARTER OR GENERAL PLAN CAN BE REVISED
25 TO ACCOMMODATE THE DEVELOPMENT PLAN. THE RESOLUTION OF ADOPTION SHALL:

26 1. DESCRIBE THE BOUNDARIES OF THE MUNICIPAL IMPROVEMENT AREA.

27 2. SET AN EFFECTIVE DATE FOR ESTABLISHING THE AREA, WHICH SHALL BE
28 AT LEAST THREE MONTHS AFTER THE AREA AND PLAN ARE APPROVED BY THE VOTERS
29 PURSUANT TO SUBSECTION E OF THIS SECTION, AND A TERMINATION DATE AS
30 PRESCRIBED BY THIS ARTICLE.

31 3. ASSIGN A NAME TO THE AREA FOR IDENTIFICATION PURPOSES. THE NAME
32 MAY INCLUDE A NUMERICAL DESIGNATION.

33 C. THE BOARD MUST REVIEW THE PROPOSED AREA AND PLAN TO ENSURE THAT
34 THE PROPOSAL COMPLIES WITH STATUTORY REQUIREMENTS. WITHIN SIXTY DAYS
35 AFTER THE MUNICIPALITY ADOPTS THE RESOLUTION UNDER SUBSECTION B OF THIS
36 SECTION AND SUBMITS THE RESOLUTION TO THE BOARD, THE BOARD SHALL SUBMIT
37 FINDINGS AND APPROVAL OR DISAPPROVAL TO THE GOVERNING BODY.

38 D. IF THE BOARD FAILS TO APPROVE THE MUNICIPAL IMPROVEMENT AREA AND
39 PLAN AS ADOPTED BY THE MUNICIPALITY, THE MUNICIPAL GOVERNING BODY MAY
40 MODIFY AND RESUBMIT A REVISED PLAN TO THE BOARD UNDER THE PROCEDURES
41 PRESCRIBED BY THIS ARTICLE.

42 E. AFTER APPROVAL BY THE BOARD, THE MUNICIPAL IMPROVEMENT AREA AND
43 DEVELOPMENT PLAN MUST BE APPROVED BY THE QUALIFIED ELECTORS OF THE
44 MUNICIPALITY AT A REGULARLY SCHEDULED MUNICIPAL ELECTION.

F. THE MUNICIPAL GOVERNING BODY MAY ESTABLISH OR DESIGNATE A MUNICIPAL AGENCY, OR ENTER INTO A CONTRACTUAL ARRANGEMENT WITH A PRIVATE ENTITY, TO PERFORM ADMINISTRATIVE FUNCTIONS AUTHORIZED UNDER OTHER SECTIONS OF THIS ARTICLE.

G. THE MUNICIPAL GOVERNING BODY AT ANY TIME MAY PROPOSE AN AMENDMENT TO OR MODIFICATIONS OF A DESIGNATED MUNICIPAL IMPROVEMENT AREA OR AN ADOPTED DEVELOPMENT PLAN. AN AMENDMENT OR MODIFICATION IS SUBJECT TO THE SAME PROCEDURES PRESCRIBED BY THIS SECTION FOR THE INITIAL DESIGNATION OF THE AREA OR ADOPTION OF THE PLAN. THE GOVERNING BODY MAY NOT CHANGE THE BOUNDARIES OF AN AREA IF THE CHANGE WOULD RESULT IN THE AREA'S BEING OUT OF COMPLIANCE WITH ANY OF THE REQUIREMENTS PRESCRIBED BY SECTION 9-442.02, SUBSECTION C.

9-442.05. Joint review board; duties; rules

A. A MUNICIPALITY THAT PROPOSES TO ESTABLISH A MUNICIPAL IMPROVEMENT AREA SHALL CONVENE A JOINT REVIEW BOARD FOR THE AREA CONSISTING OF ONE ELECTED OFFICIAL REPRESENTING AND APPOINTED BY THE GOVERNING BODY OF THE MUNICIPALITY, THE COUNTY AND EACH COMMUNITY COLLEGE DISTRICT AND SCHOOL DISTRICT LOCATED WITHIN THE BOUNDARIES OF THE AREA. THE ELECTED OFFICIALS ON THE BOARD SHALL APPOINT ONE ADDITIONAL MEMBER, WHO RESIDES IN THE PROPOSED MUNICIPAL IMPROVEMENT AREA, TO REPRESENT THE GENERAL PUBLIC.

B. ALL BOARD MEMBERS MUST BE APPOINTED AND THE FIRST BOARD MEETING MUST BE HELD WITHIN TEN DAYS BEFORE OR AFTER THE MUNICIPALITY HOLDS ITS HEARING ON THE MUNICIPAL IMPROVEMENT AREA AND PLAN. AT ITS FIRST MEETING, THE BOARD SHALL SELECT A CHAIRPERSON FROM AMONG ITS MEMBERS. THE MUNICIPALITY SHALL PROVIDE ADMINISTRATIVE SUPPORT FOR THE BOARD.

C. THE ESTABLISHMENT OF A MUNICIPAL IMPROVEMENT AREA AND ANY AMENDMENT TO OR MODIFICATION OF THE AREA OR DEVELOPMENT PLAN REQUIRES APPROVAL BY TWO-THIRDS OF THE MEMBERS OF THE BOARD. ALL OTHER BOARD ACTIONS REQUIRE APPROVAL BY A MAJORITY OF ITS MEMBERS.

D. THE BOARD SHALL REVIEW THE PUBLIC RECORD, THE PLANNING DOCUMENTS AND THE RESOLUTION OF THE MUNICIPAL GOVERNING BODY REGARDING THE ESTABLISHMENT OF THE MUNICIPAL IMPROVEMENT AREA AND THE DEVELOPMENT PLAN, OR AMENDMENT TO OR MODIFICATION OF THE AREA OR PLAN. THE BOARD MAY HOLD ADDITIONAL HEARINGS ON THE PROPOSAL. A MUNICIPAL IMPROVEMENT AREA OR PLAN OR AN AMENDMENT TO OR MODIFICATION OF AN AREA OR PLAN IS NOT EFFECTIVE UNLESS APPROVED BY THE BOARD. THE BOARD SHALL BASE ITS DECISIONS ON THE FOLLOWING CRITERIA:

1. WHETHER THE ANTICIPATED DEVELOPMENT IN THE AREA WOULD OCCUR IN A TIMELY AND EXPEDITIOUS MANNER WITHOUT THE USE OF TAX INCREMENT FINANCING AUTHORIZED BY THIS ARTICLE.

2. WHETHER THE ANTICIPATED ECONOMIC BENEFITS IN THE AREA, AS MEASURED BY INCREASED EMPLOYMENT, BUSINESS AND PERSONAL INCOME AND PROPERTY VALUE, WILL COMPENSATE FOR THE COST OF THE DEVELOPMENT IN THE AREA.

1 3. WHETHER THE BENEFITS OF THE PROPOSAL OUTWEIGH THE ANTICIPATED
2 LOSS OF TAX REVENUES DIVERTED FROM THE AFFECTED TAXING JURISDICTIONS.

3 E. IF THE BOARD APPROVES THE MUNICIPAL IMPROVEMENT AREA AND PLAN,
4 THE BOARD SHALL:

5 1. APPROVE THE PROPOSED ELIGIBLE ACTIVITIES.

6 2. APPROVE THE BOUNDARIES OF THE MUNICIPAL IMPROVEMENT AREA.

7 3. APPROVE THE PROPOSED DURATION OF THE MUNICIPAL IMPROVEMENT AREA
8 AND PLAN.

9 4. DETERMINE AND CERTIFY THE AMOUNT OF TAX INCREMENT MONIES TO BE
10 DIVERTED FOR PURPOSES OF FINANCING THE PLAN AS PROVIDED BY SECTION 9-
11 442.08.

12 5. PERFORM OTHER RESPONSIBILITIES RELATING TO THE AREA AND PLAN AS
13 PROVIDED BY THIS ARTICLE.

14 F. THE BOARD MAY ADOPT RULES AND PROCEDURES NECESSARY TO CARRY OUT
15 THE DUTIES IMPOSED BY THIS ARTICLE AND TO ENSURE MUNICIPAL COMPLIANCE WITH
16 THIS ARTICLE AFTER THE DESIGNATION OF A MUNICIPAL IMPROVEMENT AREA.

17 G. THE BOARD SHALL DEVELOP BY RULE PROVISIONS FOR RECOVERING AND
18 REDISTRIBUTING TAX INCREMENT REVENUES IF CONDITIONS FOR APPROVAL OF THE
19 AREA ARE NOT MAINTAINED FOR THE DURATION OF THE AREA.

20 9-442.06. Authority to acquire and manage property; eminent
21 domain; construction deadline

22 A. IN A MUNICIPAL IMPROVEMENT AREA, AND CONSISTENT WITH THE
23 DEVELOPMENT PLAN, A MUNICIPALITY MAY:

24 1. ACQUIRE, CONSTRUCT, RECONSTRUCT, IMPROVE, PRESERVE, ALTER,
25 EXTEND, OPERATE AND MAINTAIN PROPERTY OR PROMOTE DEVELOPMENT INTENDED TO
26 MEET THE OBJECTIVES OF THE PLAN. CONSISTENT WITH AND PURSUANT TO
27 ACCOMPLISHING THE OBJECTIVES OF THE PLAN, THE MUNICIPALITY MAY ACQUIRE
28 PROPERTY OR EASEMENTS BY NEGOTIATION OR THE POWER OF EMINENT DOMAIN AS
29 PROVIDED BY LAW.

30 2. ADOPT ORDINANCES REGULATING TRAFFIC IN AND ACCESS TO ANY
31 FACILITIES CONSTRUCTED IN THE AREA.

32 3. INSTALL PUBLIC IMPROVEMENTS, BUILDINGS, STRUCTURES, FIXTURES,
33 EQUIPMENT AND PUBLIC INFRASTRUCTURE.

34 B. THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF ALL PROPERTY,
35 IMPROVEMENTS, BUILDINGS, STRUCTURES, FIXTURES, EQUIPMENT AND PUBLIC
36 INFRASTRUCTURE INCLUDED IN THE PLAN MUST BE COMPLETED WITHIN FIVE YEARS
37 AFTER THE DATE OF THE BOARD'S APPROVAL OF THE DESIGNATION OF THE AREA
38 UNDER SECTION 9-442.05.

39 C. NOT MORE THAN TEN PERCENT OF THE SQUARE FOOTAGE OF ANY PUBLIC
40 INFRASTRUCTURE IMPROVEMENT MAY BE DEVOTED TO RETAIL SALES OF TANGIBLE
41 PERSONAL PROPERTY. FOR THE PURPOSES OF THIS SUBSECTION, RETAIL SALES DOES
42 NOT INCLUDE SALES OF FOOD AND BEVERAGE FOR CONSUMPTION ON THE PREMISES.

43 9-442.07. Authorized project costs

44 A. THE JOINT REVIEW BOARD SHALL REVIEW AND APPROVE OR DISAPPROVE
45 PROPOSED PROJECT COSTS TO ENSURE COMPLIANCE WITH THIS SECTION. TAX

1 INCREMENT MONIES MAY BE SPENT FOR PROJECT COSTS ONLY IF APPROVED BY THE
2 BOARD.

3 B. NOTWITHSTANDING ANY OTHER LAW OR THE CITY CHARTER, THE
4 MUNICIPALITY MAY USE TAX INCREMENT MONIES DERIVED FROM A MUNICIPAL
5 IMPROVEMENT AREA ONLY FOR THE FOLLOWING AUTHORIZED PROJECT COSTS:

6 1. COSTS OF PUBLIC IMPROVEMENTS MADE IN THE MUNICIPAL IMPROVEMENT
7 AREA, INCLUDING:

8 (a) CAPITAL COSTS, INCLUDING:

9 (i) THE ACQUISITION OF LAND FOR MUNICIPAL IMPROVEMENTS, INCLUDING
10 ACQUIRING PROPERTY FOR RESALE OR LEASE TO A PRIVATE ENTITY FOR FINANCIAL
11 CONSIDERATION.

12 (ii) CONSTRUCTION OR INSTALLATION OF PUBLIC INFRASTRUCTURE
13 IMPROVEMENTS FOR AFFORDABLE HOUSING OR PUBLIC EDUCATION IMPROVEMENTS.

14 (iii) PUBLIC TRANSIT VEHICLES, GUIDEWAYS, STATIONS AND OTHER
15 IMPROVEMENTS RELATED TO PUBLIC TRANSIT.

16 (iv) SITE CLEARING, PREPARATION AND FINISHING WORK, INCLUDING THE
17 DEMOLITION, REMOVAL, ALTERATION, REMODELING, REPAIR OR RECONSTRUCTION OF
18 EXISTING BUILDINGS, STRUCTURES AND FIXTURES.

19 (v) FLOOD CONTROL MEASURES AND RIVERBANK AND DRAINAGE IMPROVEMENTS
20 THAT ARE NECESSARY TO ENABLE THE DEVELOPMENT OF AFFORDABLE HOUSING OR
21 PUBLIC EDUCATION IMPROVEMENTS.

22 (vi) FEES AND EXPENSES THAT ARE INCLUDIBLE IN THE CAPITAL COST OF
23 THE IMPROVEMENTS, INCLUDING LICENSING, PERMITTING, PLANNING, ENGINEERING,
24 ARCHITECTURAL, TESTING, LEGAL AND ACCOUNTING EXPENSES THAT ARE INCURRED
25 AFTER THE PLAN IS APPROVED.

26 (b) PROFESSIONAL SERVICE COSTS THAT ARE DIRECTLY RELATED TO THE
27 PLAN BUT NOT INCLUDIBLE IN THE CAPITAL COST OF IMPROVEMENTS, INCLUDING
28 PLANNING, ENGINEERING, ARCHITECTURAL, TESTING, LEGAL AND ACCOUNTING
29 EXPENSES.

30 (c) COSTS OF AUDITS REQUIRED BY SECTION 9-442.12.

31 (d) FINANCING COSTS INCURRED TO PAY FOR PROJECT COSTS.

32 (e) REAL PROPERTY ASSEMBLY COSTS.

33 (f) ADMINISTRATIVE COSTS, INCLUDING REASONABLE CHARGES FOR TIME
34 SPENT BY MUNICIPAL EMPLOYEES IN CONNECTION WITH DEVELOPING AND
35 IMPLEMENTING THE PLAN.

36 (g) RELOCATION COSTS, INCLUDING RELOCATION PAYMENTS FOLLOWING
37 CONDEMNATION.

38 (h) ORGANIZATIONAL COSTS RELATING TO ESTABLISHING THE AREA,
39 INCLUDING THE COSTS OF CONDUCTING ENVIRONMENTAL IMPACT AND OTHER STUDIES
40 AND THE COSTS OF HEARINGS AND PUBLIC INFORMATION ACTIVITIES.

41 2. COSTS OF IMPROVEMENTS THAT ARE OUTSIDE THE MUNICIPAL IMPROVEMENT
42 AREA BUT THAT ARE DIRECTLY RELATED OR NECESSARY TO THE ESTABLISHMENT OR
43 OPERATION OF THE AREA, INCLUDING:

44 (a) THE PORTION OF THE COSTS REASONABLY RELATED TO THE
45 CONSTRUCTION, ALTERATION OR EXPANSION OF ANY FACILITIES AND PUBLIC

1 INFRASTRUCTURE NOT LOCATED IN THE AREA BUT REQUIRED DUE TO IMPROVEMENTS OR
2 ACTIVITIES IN THE AREA, INCLUDING EXPANDING THE CAPACITY OF STREETS,
3 STREET LIGHTING AND ELECTRIC, WATER, SEWER, DRAINAGE AND ENVIRONMENTAL
4 PROTECTION FACILITIES.

5 (b) PUBLIC SAFETY IMPROVEMENTS MADE NECESSARY BY THE ESTABLISHMENT
6 OF THE AREA, INCLUDING POLICE AND FIRE PROTECTION.

7 (c) MITIGATION OF ANY ADVERSE IMPACTS OF THE AREA ON THE
8 MUNICIPALITY AND ITS CITIZENS, INCLUDING SCHOOLS.

9 9-442.08. Tax increment financing; other revenue sources

10 A. ON THE ESTABLISHMENT OF A MUNICIPAL IMPROVEMENT AREA AND
11 APPROVAL OF THE DEVELOPMENT PLAN, THE MUNICIPALITY SHALL APPLY IN WRITING
12 TO THE COUNTY ASSESSOR TO DETERMINE THE CURRENT FULL CASH VALUE OF ALL
13 TAXABLE REAL AND PERSONAL PROPERTY IN THE AREA AS SHOWN ON THE CURRENT
14 PRIMARY PROPERTY TAX ROLL. THIS INITIAL AGGREGATE VALUATION CONSTITUTES
15 THE TAX INCREMENT BASE FOR THE AREA.

16 B. FOR EACH TAX YEAR IN WHICH TAX INCREMENT MONIES WILL BE DIVERTED
17 TO THE MUNICIPALITY, THE MUNICIPALITY SHALL APPLY IN WRITING TO THE COUNTY
18 ASSESSOR TO DETERMINE THE CURRENT FULL CASH VALUE OF ALL TAXABLE REAL AND
19 PERSONAL PROPERTY IN THE AREA AS SHOWN ON THE CURRENT PRIMARY PROPERTY TAX
20 ROLL AND SHALL REPORT THE AMOUNT OF THE CURRENT VALUATION AND THE TAX
21 INCREMENT BASE TO THE JOINT REVIEW BOARD.

22 C. THE BOARD SHALL DETERMINE THE TAX INCREMENT AS FOLLOWS:

23 1. SUBTRACT THE TAX INCREMENT BASE FROM THE CURRENT FULL CASH
24 VALUE.

25 2. IF THE CURRENT FULL CASH VALUE EXCEEDS THE TAX INCREMENT BASE,
26 DIVIDE THE DIFFERENCE DETERMINED UNDER PARAGRAPH 1 OF THIS SUBSECTION BY
27 THE CURRENT FULL CASH VALUE. IF THE TAX INCREMENT BASE EXCEEDS THE
28 CURRENT FULL CASH VALUE, THERE IS A NEGATIVE TAX INCREMENT, AND NO TAX
29 INCREMENT MONIES MAY BE DIVERTED TO THE MUNICIPALITY IN THAT TAX YEAR.

30 3. MULTIPLY THE QUOTIENT DETERMINED UNDER PARAGRAPH 2 OF THIS
31 SUBSECTION BY THE PRIMARY PROPERTY TAX LEVIED BY THE COUNTY, THE
32 MUNICIPALITY, THE COMMUNITY COLLEGE DISTRICT, IF ANY, AND EACH SCHOOL
33 DISTRICT ON REAL AND PERSONAL PROPERTY IN THE MUNICIPAL IMPROVEMENT AREA
34 FOR THE TAX YEAR. THE RESULTING PRODUCT WITH RESPECT TO EACH TAXING
35 JURISDICTION IS THE TAX INCREMENT FOR THE TAX YEAR FOR DIVERSION FROM THAT
36 JURISDICTION TO THE MUNICIPALITY FOR PURPOSES OF THIS ARTICLE.

37 D. ON OR BEFORE JULY 1 OF THE TAX YEAR, THE BOARD SHALL CERTIFY THE
38 TAX INCREMENT AMOUNTS TO THE MUNICIPALITY, TO EACH AFFECTED TAXING
39 JURISDICTION AND TO THE COUNTY TREASURER. ON RECEIVING TIMELY
40 CERTIFICATION FROM THE BOARD, AND NOTWITHSTANDING ANY LAW TO THE CONTRARY,
41 THE COUNTY TREASURER SHALL WITHHOLD THOSE AMOUNTS FROM THE DISTRIBUTION OF
42 PROPERTY TAXES TO THE RESPECTIVE JURISDICTIONS AND PAY THEM TO THE
43 MUNICIPALITY AS TAX INCREMENT MONIES IN THE SAME MANNER AND AT THE SAME
44 TIME AS PAYING COLLECTED MUNICIPAL TAXES PURSUANT TO SECTION

1 42-17255. THE MUNICIPALITY SHALL IMMEDIATELY DEPOSIT TAX INCREMENT MONIES
2 INTO THE MUNICIPAL TAX INCREMENT FUND AS PROVIDED BY SECTION 9-442.09.

3 E. ALL TAX INCREMENT MONIES RECEIVED BY THE MUNICIPALITY PURSUANT
4 TO THIS SECTION ARE PLEDGED EXCLUSIVELY TO PAY FOR AUTHORIZED PROJECT
5 COSTS OF THE PLAN DESCRIBED IN SECTION 9-442.07.

6 F. THE BOARD MAY APPROVE THE DIVERSION OF TAX INCREMENT MONIES TO
7 THE MUNICIPALITY PURSUANT TO THIS SECTION FOR NOT MORE THAN THIRTY TAX
8 YEARS AFTER THE AREA IS ESTABLISHED.

9 G. THIS SECTION DOES NOT PREVENT A MUNICIPALITY FROM RAISING
10 REVENUE TO PAY PROJECT COSTS IN ANY OTHER MANNER AUTHORIZED BY LAW. A
11 MUNICIPALITY MAY APPLY FOR AND RECEIVE GRANTS AND GIFTS FOR ANY OF THE
12 PURPOSES OF THIS ARTICLE. TAX INCREMENT REVENUES UNDER THIS ARTICLE MAY
13 BE USED AS LOCAL MATCHING MONIES FOR GRANT PROGRAMS.

14 H. TAX INCREMENT MONIES SHALL NOT BE DIVERTED FROM ANY STATE LEVY
15 OF PROPERTY TAXES EXCLUSIVELY FOR EDUCATION PURPOSES. FOR THE PURPOSES OF
16 COMPUTING STATE AID TO SCHOOL DISTRICTS UNDER TITLE 15, CHAPTER 9, THE
17 STATE AND SCHOOL DISTRICTS SHALL USE THE TAX INCREMENT BASE VALUATION FOR
18 PROPERTIES LOCATED IN A MUNICIPAL IMPROVEMENT AREA.

19 I. TAX INCREMENT MONIES SHALL NOT BE USED:

- 20 1. FOR DEBT SERVICE ON ANY BONDS OR OTHER LONG-TERM OBLIGATIONS.
21 2. TO CIRCUMVENT ANY OTHER TAX LAWS.

22 J. THIS SECTION DOES NOT AUTHORIZE UNEQUAL APPORTIONMENT OR
23 ASSESSMENT OF TAXES ON PROPERTY.

24 9-442.09. Municipal tax increment fund

25 A. IF A MUNICIPAL IMPROVEMENT AREA IS ESTABLISHED UNDER THIS
26 ARTICLE AND THE MUNICIPALITY RECEIVES TAX INCREMENT MONIES UNDER SECTION
27 9-442.08, THE MUNICIPALITY SHALL:

28 1. ESTABLISH A MUNICIPAL TAX INCREMENT FUND, WHICH INCLUDES A
29 PROJECT COST ACCOUNT THAT IS PLEDGED TO AND CHARGED WITH PAYING PROJECT
30 COSTS THAT ARE OUTLINED IN THE FINANCIAL PLAN.

31 2. ANNUALLY SET ASIDE AND DEPOSIT ALL MUNICIPAL TAX INCREMENT
32 MONIES IN THE PROJECT COST ACCOUNT IN AN AMOUNT SUFFICIENT, TOGETHER WITH
33 ESTIMATED FUTURE REVENUES TO BE DEPOSITED TO THE ACCOUNT AND EARNINGS ON
34 THE AMOUNT, TO SATISFY ALL ANNUAL MUNICIPAL PROJECT COSTS TO BE PAID FROM
35 THE ACCOUNT.

36 B. IF MORE THAN ONE MUNICIPAL IMPROVEMENT AREA IS ESTABLISHED IN A
37 MUNICIPALITY AT THE SAME TIME, THE MUNICIPALITY SHALL ESTABLISH AND
38 MAINTAIN SEPARATE MUNICIPAL TAX INCREMENT FUNDS FOR EACH AREA. MONIES IN
39 A MUNICIPAL TAX INCREMENT FUND SHALL BE MAINTAINED SEPARATELY FROM ALL
40 OTHER MONIES AND FUNDS OF THE MUNICIPALITY AND SHALL NOT BE TRANSFERRED TO
41 ANY OTHER FUND OR OTHERWISE COMMINGLED WITH ANY OTHER MONIES.

42 9-442.10. Bonds; election

43 A. ON DETERMINING THE AMOUNT OF MONEY NECESSARY TO BE RAISED FOR
44 ANY PUBLIC INFRASTRUCTURE PURPOSE, THE GOVERNING BODY OF THE MUNICIPALITY
45 SHALL CALL AN ELECTION TO BE HELD ON A DATE PRESCRIBED BY SECTION 16-204

1 AT WHICH THE GOVERNING BODY SHALL SUBMIT THE QUESTION OF WHETHER OR NOT
2 BONDS SHOULD BE ISSUED IN THE AMOUNT SO DETERMINED.

3 B. THE ELECTION, ISSUANCE, SALE AND REDEMPTION OF THE BONDS SHALL
4 BE AS PRESCRIBED BY TITLE 35, CHAPTER 3, ARTICLE 3.

5 C. THE BONDS SHALL BE:

6 1. SECURED BY A FIRST LIEN ON TAX INCREMENT MONIES PAID INTO THE
7 MUNICIPAL TAX INCREMENT FUND.

8 2. PAYABLE SOLELY FROM THAT SOURCE.

9 D. THE BONDS ARE NOT GENERAL, SPECIAL OR OTHER OBLIGATIONS OF THE
10 MUNICIPALITY.

11 9-442.11. Annual reports

12 THE GOVERNING BODY OF A MUNICIPALITY THAT DESIGNATES A MUNICIPAL
13 IMPROVEMENT AREA UNDER THIS ARTICLE SHALL REPORT ANNUALLY TO THE JOINT
14 REVIEW BOARD DURING THE AREA'S EXISTENCE REGARDING THE AREA'S STATUS. THE
15 REPORT MUST:

16 1. CERTIFY THAT THE PUBLIC PURPOSE OF THE AREA IS BEING MET AS
17 OUTLINED IN THIS ARTICLE.

18 2. ACCOUNT FOR ANY SALES OF PROPERTY IN THE AREA THAT WAS IMPROVED
19 USING TAX INCREMENT FINANCING.

20 9-442.12. Annual audit

21 A. THE MUNICIPALITY SHALL CONTRACT WITH AN INDEPENDENT CERTIFIED
22 PUBLIC ACCOUNTANT TO CONDUCT AN ANNUAL AUDIT OF THE FINANCIAL TRANSACTIONS
23 RELATING TO EACH MUNICIPAL IMPROVEMENT AREA LOCATED IN THE MUNICIPALITY.
24 THE AUDIT SHALL DETERMINE WHETHER THE FINANCIAL TRANSACTIONS AND RECORDS
25 ARE CONSISTENT WITH LAW AND GENERALLY ACCEPTED BUSINESS STANDARDS AND
26 ACCOUNTING PRINCIPLES AND PROCEDURES.

27 B. THE AUDITS SHALL BE CONDUCTED NOT LATER THAN JUNE 30 AFTER EACH
28 TAX YEAR IN WHICH TAX INCREMENT MONIES WERE DISTRIBUTED TO THE
29 MUNICIPALITY AND WITHIN SIX MONTHS AFTER AN AREA IS TERMINATED.

30 C. A COPY OF EACH AUDIT SHALL BE DISTRIBUTED TO EACH AFFECTED
31 TAXING JURISDICTION, THE AUDITOR GENERAL AND, ON REQUEST, ANY MEMBER OF
32 THE PUBLIC. THE AUDITOR GENERAL MAY MAKE FURTHER AUDITS AND EXAMINATIONS
33 AS NECESSARY AND MAY TAKE APPROPRIATE ACTION RELATING TO THE AUDIT OR
34 EXAMINATION PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 10.1. IF THE AUDITOR
35 GENERAL TAKES NO FURTHER ACTION WITHIN THIRTY DAYS AFTER THE AUDIT IS
36 FILED, THE AUDIT IS CONSIDERED TO BE SUFFICIENT.

37 9-442.13. Termination of municipal improvement area

38 A. A MUNICIPAL IMPROVEMENT AREA TERMINATES ON THE DATE OF
39 TERMINATION SET BY THE PLAN UNLESS IT IS TERMINATED EARLIER BY RESOLUTION
40 OF THE MUNICIPAL GOVERNING BODY.

41 B. ON TERMINATION, THE MUNICIPALITY BECOMES LIABLE FOR ALL UNPAID
42 COSTS OF THE PLAN AND ANY OUTSTANDING OBLIGATIONS INCURRED RELATING TO THE
43 PLAN.

44 C. IF THE GOVERNING BODY TERMINATES AN AREA BEFORE THE DATE SET BY
45 THE PLAN, THE GOVERNING BODY SHALL NOTIFY BY CERTIFIED MAIL THE JOINT

LEGISLATIVE BUDGET COMMITTEE, THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING AND EACH MEMBER OF THE JOINT REVIEW BOARD.

Sec. 2. Section 42-17052, Arizona Revised Statutes, is amended to read:

42-17052. Values furnished by county assessor and fire districts

A. On or before February 10 of the tax year, the county assessor shall transmit and certify to the property tax oversight commission and to the governing body of the political subdivision or district in the county the values that are required to compute the levy limit prescribed by sections 42-17051 and 48-807. For the purposes of this section, these values shall not be changed for the official calculation of levy limits and tax rates after February 10 without the approval of the property tax oversight commission. These values shall include:

1. The finally equalized valuation of all property, less estimated exemptions, appearing on the tax roll for the current tax year to be used to fix, levy and assess the political subdivision's taxes.

2. The value of the property on the personal property tax roll determined pursuant to section 42-17053.

B. On or before February 10 of the tax year, the county assessor shall determine the limited property value for the current tax year of each school district in the county and shall transmit the values to the county school superintendent to assist the superintendent in computing equalization assistance for education as provided in section 15-991.

C. On or before February 10 of the tax year, the county assessor shall transmit to the staff of the joint legislative budget committee and to the governor's office of strategic planning and budgeting the values that are required to compute the truth in taxation rates prescribed by section 41-1276.

D. On or before February 10 of the tax year, the governing board of each fire district shall transmit to the property tax oversight commission the total assessed value of all property annexed by the district in the preceding calendar year.

E. IF A CITY OR TOWN ESTABLISHES A MUNICIPAL IMPROVEMENT AREA PURSUANT TO TITLE 9, CHAPTER 4, ARTICLE 4.1, THE VALUES REQUIRED BY THIS SECTION SHALL INCLUDE, WITH RESPECT TO EACH AFFECTED TAXING JURISDICTION, THE ORIGINAL ASSESSED VALUE AND THE CURRENT ASSESSED VALUE OF TAXABLE PROPERTY IN THE AREA THAT IS SUBJECT TO TAX INCREMENT FINANCING PURSUANT TO SECTION 9-442.08.

Sec. 3. Section 42-17251, Arizona Revised Statutes, is amended to read:

42-17251. Extension of assessment roll to all taxing jurisdictions in the county; equalization

A. Each county assessor shall compile the assessment roll, showing:

1. The total valuations of all property subject to taxation.

1 2. The valuation assessed to each taxpayer for each taxing
2 jurisdiction in the county to show each assessment.

3 3. The total valuation of all of the property that is subject to
4 taxation in the county and in each taxing jurisdiction in the county.

5 B. The county roll constitutes the assessment roll for each taxing
6 jurisdiction.

7 C. The state and county boards of equalization shall equalize the
8 assessments for each taxing jurisdiction to the same extent, in the same
9 manner and at the same time that taxes for general county purposes are
10 equalized.

11 D. IF A CITY OR TOWN ESTABLISHES A MUNICIPAL IMPROVEMENT AREA
12 PURSUANT TO TITLE 9, CHAPTER 4, ARTICLE 4.1, THE ROLL SHALL INCLUDE, WITH
13 RESPECT TO EACH AFFECTED TAXING JURISDICTION, THE ORIGINAL ASSESSED VALUE
14 AND THE CURRENT ASSESSED VALUE OF TAXABLE PROPERTY IN THE AREA THAT IS
15 SUBJECT TO TAX INCREMENT FINANCING PURSUANT TO SECTION 9-442.08.