

House Engrossed Senate Bill

~~employers; medical products; religious exemption~~
(now: municipal improvement districts; petitions)

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1016

AN ACT

AMENDING SECTIONS 48-571, 48-574, 48-575, 48-576 AND 48-577, ARIZONA
REVISED STATUTES; 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 D. The governing body shall make annual statements and estimates of
27 the expenses of the district, which shall be provided for either:

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

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

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

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

3 G. 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 H. 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 I. If, in the opinion of the governing body, any portion of the
12 territory of a district formed under this section is no longer benefited
13 by being a part of the district, the governing body ~~may~~, by resolution,
14 MAY summarily delete from the district formed under this section any area
15 and may form a new district from the balance of the original district
16 formed under this section.

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

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

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

27 3. Including the territory in the district will not adversely
28 affect the district.

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

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

41 K. The county assessor and the department of revenue, respectively,
42 shall furnish to the district within thirty days after a request a
43 statement in writing showing the name and the address of each owner of
44 real and personal property within the district and in the proposed area of

1 inclusion that is now or that would be subject to taxation by the district
2 in the event of inclusion of the proposed area.

3 L. Within ten days after the governing body adopts a resolution
4 pursuant to subsection J of this section, the municipality shall record
5 the resolution in the office of the county recorder in the county in which
6 the district is located to give notice of the inclusion of the territory
7 in the district to all property owners in the district. If, before the
8 governing body adopts the resolution pursuant to subsection J of this
9 section, a majority of the property owners, by area, of either the
10 original district formed under this section or the territory proposed to
11 be included in the district files with the governing board written
12 objections to the proposed inclusion of the territory, the territory shall
13 not be included in the district. ~~THE GOVERNING BODY MAY ADOPT A~~
14 ~~RESOLUTION PURSUANT TO SUBSECTION J OF THIS SECTION WITHOUT REQUIRING A~~
15 ~~PETITION TO BE FILED PURSUANT TO SECTION 48-576, SUBSECTION A.~~

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

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

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

36 2. The governing body may provide a form of petition to be used to
37 dissolve the district. Any petition shall include the statement provided
38 in the notice of intent to circulate a petition regarding the advantages
39 of dissolving the district.

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

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

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

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

15 7. Each property in the district with outstanding assessments or
16 liens attached shall remain subject to those assessments or liens for
17 payment of the existing obligations of the district, notwithstanding
18 dissolution of the district.

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

24 0. Districts that are located in slum or blighted areas as defined
25 in section 36-1471 are exempt from subsection N of this section.

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

28 48-575. Improvement districts for enhanced municipal services

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

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

40 C. If a petition for the formation of an improvement district under
41 ~~the provisions of~~ this section is presented to the governing body
42 purporting to be signed by all of the real property owners in the proposed
43 district, exclusive of mortgagees and other lienholders, the governing
44 body, after verifying such ownership and making a finding of such fact,
45 shall adopt a resolution of intention to order the improvement pursuant to

1 ~~the provisions of~~ section 48-576 and shall have immediate jurisdiction to
 2 adopt the resolution ordering the improvement pursuant to ~~the provisions~~
 3 ~~of~~ section 48-581, without the necessity of the publication and posting of
 4 the resolution of intention provided for in section 48-578. FOR
 5 IMPROVEMENT DISTRICTS FORMED PURSUANT TO THIS SECTION AFTER THE EFFECTIVE
 6 DATE OF THIS AMENDMENT TO THIS SECTION, THE GOVERNING BODY MAY NOT ORDER
 7 THE IMPROVEMENTS PRESCRIBED BY SUBSECTION A OF THIS SECTION UNTIL AFTER
 8 THE GOVERNING BODY HAS RECEIVED A PETITION PRESCRIBED BY SECTION 48-576,
 9 SUBSECTION A.

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

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

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

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

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

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

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

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

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

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

36 1. Including the territory in the district will not adversely
37 affect the district.

38 2. Notice of the proposed inclusion of the territory in the
39 district has been published in five consecutive issues of a daily
40 newspaper or two consecutive issues of a weekly or semiweekly newspaper of
41 general circulation published in the municipality and a public hearing has
42 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 48-576, SUBSECTION A.~~

21 O. 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, the
42 governing body of the municipality shall comply with both of the
43 following:

44 1. Pass a resolution or ordinance of intention ~~so~~ to ~~do~~ MAKE AN
45 IMPROVEMENT, briefly describing the improvement AND PROVIDING AN ESTIMATE

1 OF THE ASSESSMENT, EXCEPT THAT THE ASSESSMENT ESTIMATE MAY NOT EXCEED THE
2 MAXIMUM ASSESSMENT AMOUNT THAT IS INCLUDED IN THE PETITION AS PRESCRIBED
3 BY THIS SECTION. By the resolution or ordinance and the proceedings
4 subsequent thereto, one or more improvements may be made on one or more
5 streets and shall constitute one improvement and be constructed under one
6 or more contracts. The resolution or ordinance of intention may be
7 combined in a single resolution or ordinance of intention to open, extend,
8 widen, straighten or close public streets or off-street parking areas
9 pursuant to section 48-505. If the work proposed is already done for a
10 lot, the lot shall be excepted from the assessment therefor to the extent
11 of the work done.

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

26 2. BEGINNING ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS
27 SECTION, BEFORE PASSING A RESOLUTION OR ORDINANCE OF INTENTION PRESCRIBED
28 IN PARAGRAPH 1 OF THIS SUBSECTION, THE GOVERNING BODY MUST RECEIVE A
29 PETITION THAT IS FILED WITH THE CLERK AND SIGNED BY THE OWNERS OF REAL
30 PROPERTY IN THE PROPOSED IMPROVEMENT DISTRICT AS FOLLOWS:

31 (a) FOR IMPROVEMENT DISTRICTS THAT ARE FORMED UNDER SECTION 48-574
32 THAT WILL LEVY AND COLLECT AD VALOREM TAXES, THE PETITION SHALL BE SIGNED
33 BY BOTH OF THE FOLLOWING:

34 (i) A MAJORITY OF THE PERSONS OWNING TAXABLE PROPERTY WITHIN THE
35 AREA OF THE PROPOSED IMPROVEMENT DISTRICT.

36 (ii) THE OWNERS OF FIFTY-ONE PERCENT OR MORE OF THE ASSESSED
37 VALUATION OF THE PROPERTY WITHIN THE AREA OF THE PROPOSED IMPROVEMENT
38 DISTRICT. PROPERTY THAT IS EXEMPT PURSUANT TO TITLE 42, CHAPTER 11,
39 ARTICLE 3 IS NOT CONSIDERED IN DETERMINING THE TOTAL ASSESSED VALUATION OF
40 THE PROPOSED IMPROVEMENT DISTRICT AND OWNERS OF PROPERTY THAT IS NOT
41 SUBJECT TO TAXATION ARE NOT ELIGIBLE TO SIGN THE PETITION REQUIRED BY THIS
42 SUBDIVISION.

43 (b) FOR IMPROVEMENT DISTRICTS THAT ARE AUTHORIZED UNDER THIS
44 CHAPTER OTHER THAN TAX LEVYING IMPROVEMENT DISTRICTS FORMED UNDER SECTION
45 48-574, THE PETITION SHALL BE SIGNED BY BOTH OF THE FOLLOWING:

1 (i) A MAJORITY OF THE PERSONS OWNING REAL PROPERTY WITHIN THE AREA
2 OF THE PROPOSED IMPROVEMENT DISTRICT.

3 (ii) THE OWNERS OF FIFTY-ONE PERCENT OR MORE OF THE REAL PROPERTY,
4 DETERMINED BY ACREAGE, WITHIN THE AREA OF THE PROPOSED IMPROVEMENT
5 DISTRICT.

6 (c) FOR THE PURPOSES OF THIS PARAGRAPH:

7 (i) TO DETERMINE A MAJORITY OF THE PERSONS OWNING TAXABLE PROPERTY
8 WITHIN THE AREA OF THE PROPOSED IMPROVEMENT DISTRICT PURSUANT TO
9 SUBDIVISION (a), ITEM (i), OF THIS PARAGRAPH, THE GOVERNING BODY AND OTHER
10 PERSONS MAY RELY ON THE TAXABLE PROPERTY UNITS AS DETERMINED BY THE COUNTY
11 ASSESSOR AS OF THE DATE OF THE PETITION. THIS DETERMINATION OF A MAJORITY
12 OF THE PERSONS OWNING TAXABLE PROPERTY MAY NOT INCLUDE PROPERTY THAT IS
13 EXEMPT PURSUANT TO TITLE 42, CHAPTER 11, ARTICLE 3.

14 (ii) TO DETERMINE A MAJORITY OF THE PERSONS OWNING REAL PROPERTY
15 WITHIN THE AREA OF THE PROPOSED IMPROVEMENT DISTRICT PURSUANT TO
16 SUBDIVISION (b), ITEM (i), OF THIS PARAGRAPH, THE GOVERNING BODY AND OTHER
17 PERSONS MAY RELY ON THE TAXABLE PROPERTY UNITS AS DETERMINED BY THE COUNTY
18 ASSESSOR AS OF THE DATE OF THE PETITION. THIS DETERMINATION OF A MAJORITY
19 OF THE PERSONS OWNING REAL PROPERTY SHALL INCLUDE REAL PROPERTY THAT IS
20 EXEMPT PURSUANT TO TITLE 42, CHAPTER 11, ARTICLE 3, BUT MAY NOT INCLUDE
21 THE OWNERS OF PUBLIC PROPERTY PRESCRIBED BY SECTION 48-582 OR
22 RIGHTS-OF-WAY OWNED BY THOSE OWNERS OF PUBLIC PROPERTY.

23 (d) FOR THE PURPOSES OF SUBDIVISION (b), ITEM (ii) OF THIS
24 PARAGRAPH, TO DETERMINE THE ACREAGE WITHIN THE AREA OF THE PROPOSED
25 DISTRICT, PUBLIC PROPERTY AND RIGHTS-OF-WAY SHALL BE EXCLUDED. PUBLIC
26 PROPERTY MAY BE INCLUDED WITHIN THE PROPOSED IMPROVEMENT DISTRICT SUBJECT
27 TO THE DECLARATION OF THE GOVERNING BODY IN THE RESOLUTION OR ORDINANCE OF
28 INTENTION PURSUANT TO THIS SECTION.

29 (e) THIS PARAGRAPH DOES NOT APPLY TO A COMMUNITY FACILITIES
30 DISTRICT ISSUING SPECIAL ASSESSMENT BONDS PURSUANT TO SECTION 48-721.

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

1 town shall assess the district only that portion of the expense ~~which~~ THAT
2 benefits the property within the district.

3 C. The governing body, in the resolution or ordinance of intention,
4 may provide that the improvement described therein may be made according
5 to any of several alternative plans and specifications, or methods,
6 classes or kinds of construction, or classes and kinds of material to be
7 thereafter determined by the legislative body.

8 D. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, IF THE
9 PETITION PRESCRIBED BY SUBSECTION A, PARAGRAPH 2 OF THIS SECTION IS SIGNED
10 BY THE OWNERS OF ALL OF THE REAL PROPERTY WITHIN THE PROPOSED IMPROVEMENT
11 DISTRICT, OTHER THAN PUBLIC PROPERTY AS PRESCRIBED BY SECTION 48-582, AND
12 IS APPROVED BY THE GOVERNING BODY, THE MUNICIPALITY AND THOSE OWNERS MAY
13 ENTER INTO A WRITTEN AGREEMENT WAIVING ANY OR ALL REQUIREMENTS RELATING TO
14 POSTING, PUBLICATION, MAILING, NOTICE, FRONTAGE OWNER WRITTEN REQUIREMENTS
15 AND DIRECTIONS, AND PROTEST AND OBJECTION, INCLUDING THE PROVISIONS OF
16 SECTIONS 48-578, 48-579 AND 48-580. ON RECEIPT OF A PETITION SIGNED BY THE
17 OWNERS OF ALL THE REAL PROPERTY WITHIN THE PROPOSED IMPROVEMENT DISTRICT,
18 THE GOVERNING BODY MAY ADOPT A RESOLUTION OR ORDINANCE OF INTENTION TO
19 ORDER THE IMPROVEMENT PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS
20 SECTION, SHALL HAVE IMMEDIATE JURISDICTION TO ADOPT THE RESOLUTION
21 ORDERING THE IMPROVEMENT PURSUANT TO SECTION 48-581, AND MAY COMBINE THOSE
22 RESOLUTIONS INTO ONE RESOLUTION.

23 E. THE PETITION REQUIRED BY SUBSECTION A, PARAGRAPH 2 OF THIS
24 SECTION SHALL SET FORTH ALL OF THE FOLLOWING:

- 25 1. THE NAME OF THE PROPOSED IMPROVEMENT DISTRICT.
- 26 2. THE NECESSITY FOR THE PROPOSED IMPROVEMENT DISTRICT.
- 27 3. THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE
28 PROMOTED BY ESTABLISHING THE IMPROVEMENT DISTRICT AND THAT THE PROPERTY TO
29 BE INCLUDED IN THE IMPROVEMENT DISTRICT WILL BE BENEFITED.
- 30 4. A LEGAL DESCRIPTION OF THE BOUNDARIES OF THE PROPOSED
31 IMPROVEMENT DISTRICT AND A MAP THAT SHOWS GENERALLY THE LOCATION OF THE
32 PROPOSED IMPROVEMENT DISTRICT.
- 33 5. A GENERAL DESCRIPTION OF THE PROPOSED IMPROVEMENT.
- 34 6. A MAXIMUM AMOUNT OF THE ASSESSMENT.
- 35 7. THAT THE PETITIONERS CONSENT TO THE ASSESSMENT, EXCEPT THAT AN
36 ASSESSMENT WILL NOT BE LEVIED WITHOUT THE GOVERNING BODY'S COMPLIANCE WITH
37 SECTIONS 48-577, 48-578, 48-579, 48-580, 48-581, 48-582, 48-583, 48-584,
38 48-585, 48-586, 48-587, 48-588, 48-589, 48-590, 48-591, 48-592, 48-593 AND
39 48-594.
- 40 8. THE ASSESSOR'S PARCEL NUMBER FOR EACH LOT TO BE INCLUDED IN THE
41 PROPOSED IMPROVEMENT DISTRICT. EACH PETITION SIGNER SHALL INDICATE THE
42 APPLICABLE ASSESSOR'S PARCEL NUMBER THAT CORRESPONDS TO THE LOT OWNED BY
43 THE SIGNER.
- 44 9. ANY OTHER MATTERS REQUIRED BY THIS ARTICLE.

1 Sec. 5. Section 48-577, Arizona Revised Statutes, is amended to
2 read:

3 48-577. Plans; estimate of cost; limitation on assessment

4 Before passing the resolution of intention, preliminary plans that
5 show the location and the type and character of the proposed improvements
6 and estimates of the cost and expenses of the proposed improvements shall
7 be prepared and filed with the clerk. The ASSESSMENT SHALL NOT EXCEED THE
8 MAXIMUM AMOUNT OF THE ASSESSMENT INCLUDED IN THE PETITION REQUIRED BY
9 SECTION 48-576, AND THE assessment for any lot shall not exceed its
10 proportion of the estimate.

11 Sec. 6. Municipal street lighting improvement districts;
12 consolidation; notice

13 A. Notwithstanding section 48-616, Arizona Revised Statutes,
14 beginning January 1, 2027 through January 1, 2030, a political subdivision
15 with more than one municipal improvement district that is formed for the
16 purpose of providing for the lighting of public streets or parks pursuant
17 to section 48-615, 48-616 or 48-617, Arizona Revised Statutes, may by
18 resolution consolidate existing lighting districts into a single municipal
19 improvement district.

20 B. At least sixty days before adopting a resolution to consolidate
21 improvement districts as prescribed by subsection A of this section, the
22 political subdivision shall provide notice of the proposed consolidation
23 to all real property owners in the districts that are proposed for
24 consolidation and shall provide for receiving comment from the public on
25 the proposed consolidation. The notice must contain all of the following:

26 1. The geographic areas of the districts proposed for
27 consolidation.

28 2. The date that the proposed consolidation would take effect if
29 the resolution to consolidate is adopted by the political subdivision.

30 3. A notice that the improvement district tax rate may increase or
31 decrease depending the outcome of the consolidation.

32 4. The new estimated tax rate for the consolidated lighting
33 district.

34 5. The time and location for public comment on the proposed
35 consolidation.

36 C. On approval of the resolution to consolidate the lighting
37 districts, the governing body of the political subdivision shall submit a
38 copy of its resolution to the county recorder for recording.

39 D. Any municipal improvement district that is formed for the
40 purpose of providing for the lighting of public streets or parks as
41 prescribed by subsection A of this section, including municipal
42 improvement districts that are established beginning January 1, 2027
43 through January 1, 2030, is eligible for consolidation pursuant to this
44 section.