

Bond Case Briefs

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TAX INCREMENT FINANCING - ARIZONA

City of Apache Junction v. Doolittle

Court of Appeals of Arizona, Division 1 - March 17, 2015 - 345 P.3d 138 - 708 Ariz. Adv. Rep. 4

Cities brought actions against county treasurer, seeking writ of mandamus ordering treasurer to distribute all past and future owed tax increment financing (TIF) funds. The Superior Court entered judgment in favor of county treasurer, and cities appealed.

The Court of Appeals held that:

- Repealing act did not leave intact cities' right to TIF distributions arising from taxes levied after December 31, 1998;
- Repealing act did not violate the rule of statutory construction that "no right accrued is affected by the repealing act"; and
- Repealing act's abrogation of a municipality's authority to include a TIF based repayment provision in any new redevelopment plan did not violate the deeply rooted policy against retroactive legislation.

Repealing act, which abrogated a municipality's authority to include a tax increment financing (TIF) based repayment provision in any new redevelopment plan, did not leave intact cities' right to TIF distributions arising from taxes levied after December 31, 1998, even though they had adopted their plans before the repeal. The act also repealed the obligation of taxing agencies like the county treasurer to allocate, collect and pay the portion of property taxes generated when redevelopment property exceeds its base value.

Cities' authority to include a tax increment financing (TIF) based repayment provision in any new redevelopment plan did not accrue when they approved their respective plans, but rather were expectant and contingent on property values within the redevelopment areas exceeding their base values, taxes being levied, allocated, and collected, and thus, the repealing act did not violate the rule of statutory construction that "no right accrued is affected by the repealing act."

Repealing act's abrogation of a municipality's authority to include a tax increment financing (TIF) based repayment provision in any new redevelopment plan did not violate the deeply rooted policy against retroactive legislation, absent any claim by cities to a vested right to TIF distributions.