

Bond Case Briefs

Municipal Finance Law Since 1971

DEVELOPMENT FEES - ARIZONA

Southern Arizona Home Builders Association v. Town of Marana

Supreme Court of Arizona - January 17, 2023 - P.3d - 2023 WL 193607

Home builders association brought action for declaratory judgment against town, alleging that town violated statute governing municipal-development fees by assigning entire cost of upgraded and expanded wastewater treatment facilities to future homeowners through development impact fees.

On cross-motions by parties, the Superior Court granted summary judgment for town. Association appealed. The Court of Appeals affirmed. The Supreme Court granted review.

The Supreme Court held that town violated development-fee statute by assigning entire cost of upgraded and expanded wastewater treatment facilities to future homeowners.

Town violated statute governing apportionment of “development fees to offset costs to the municipality associated with providing necessary public services” by making future development bear 100% of cost of town’s acquisition of wastewater reclamation facility (WRF) from county, by making future development bear nearly all cost of upgrading, modernizing, and improving facility, and by failing to determine what could or could not be included in development fees or to make any proportionate allocation of costs between existing and future development, where acquisition and improvement of water facilities benefited both new and existing developments, and thus statute required proportional allocation of costs between existing and future residents.