State of Arizona House of Representatives Fifty-fourth Legislature First Regular Session 2019

## **HOUSE BILL 2662**

AN ACT

AMENDING SECTIONS 9-462.04 AND 9-471, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL PROCEDURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 9-462.04, Arizona Revised Statutes, is amended to read:

## 9-462.04. Public hearing required: definition

- A. If the municipality has a planning commission or a hearing officer, the planning commission or hearing officer shall hold a public hearing on any zoning ordinance. Notice of the time and place of the hearing including a general explanation of the matter to be considered and including a general description of the area affected shall be given at least fifteen days before the hearing in the following manner:
- 1. The notice shall be published at least once in a newspaper of general circulation published or circulated in the municipality, or if there is none, it shall be posted on the affected property in such a manner as to be legible from the public right-of-way and in at least ten public places in the municipality. A posted notice shall be printed so that the following are visible from a distance of one hundred feet: the word "zoning", the present zoning district classification, the proposed zoning district classification and the date and time of the hearing.
- 2. In proceedings involving rezoning of land that abuts other municipalities or unincorporated areas of the county or a combination thereof OF A MUNICIPALITY AND AN UNINCORPORATED AREA, copies of the notice of public hearing shall be transmitted to the planning agency of the governmental unit abutting such land. In proceedings involving rezoning of land that is located within the territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the municipality shall send copies of the notice of public hearing by first class mail to the military airport. In addition to notice by publication, a municipality may give notice of the hearing in any other manner that the municipality deems necessary or desirable.
- 3. In proceedings that are not initiated by the property owner involving rezoning of land that may change the zoning classification, notice by first class mail shall be sent to each real property owner, as shown on the last assessment of the property, of the area to be rezoned and all property owners, as shown on the last assessment of the property, within three hundred feet of the property to be rezoned.
- 4. In proceedings involving one or more of the following proposed changes or related series of changes in the standards governing land uses, notice shall be provided in the manner prescribed by paragraph 5 of this subsection:
- (a) A ten percent or more increase or decrease in the number of square feet or units that may be developed.
- (b) A ten percent or more increase or reduction in the allowable height of buildings.
- (c) An increase or reduction in the allowable number of stories of buildings.

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- (d) A ten percent or more increase or decrease in setback or open space requirements.
  - (e) An increase or reduction in permitted uses.
- 5. In proceedings governed by paragraph 4 of this subsection, the municipality shall provide notice to real property owners pursuant to at least one of the following notification procedures:
- (a) Notice shall be sent by first class mail to each real property owner, as shown on the last assessment, whose real property is directly governed by the changes.
- (b) If the municipality issues utility bills or other mass mailings that periodically include notices or other informational or advertising materials, the municipality shall include notice of the changes with such utility bills or other mailings.
- (c) The municipality shall publish the changes before the first hearing on such changes in a newspaper of general circulation in the municipality. The changes shall be published in a "display ad" covering not less than one-eighth of a full page.
- 6. If notice is provided pursuant to paragraph 5, subdivision (b) or (c) of this subsection, the municipality shall also send notice by first class mail to persons who register their names and addresses with the municipality as being interested in receiving such notice. The municipality may charge a fee not to exceed five dollars \$5 per year for providing this service and may adopt procedures to implement this paragraph.
- 7. Notwithstanding the notice requirements in paragraph 4 of this subsection, the failure of any person or entity to receive notice does not constitute grounds for any court to invalidate the actions of a municipality for which the notice was given.
- B. If the matter to be considered applies to territory in a high noise or accident potential zone as defined in section 28-8461, the notice prescribed in subsection A of this section shall include a general statement that the matter applies to property located in the high noise or accident potential zone.
- C. After the hearing, the planning commission or hearing officer shall render a decision in the form of a written recommendation to the governing body. The recommendation shall include the reasons for the recommendation and be transmitted to the governing body in such THE form and manner as may be specified PRESCRIBED by the governing body.
- D. If the planning commission or hearing officer has held a public hearing, the governing body may adopt the recommendations of the planning commission or hearing officer without holding a second public hearing if there is no objection, request for public hearing or other protest. The governing body shall hold a public hearing if requested by the party aggrieved or any member of the public or of the governing body, or, in any case, if a public hearing has not been held by the planning commission or

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43 44 hearing officer. THE GOVERNING BODY MAY CONSIDER THE TESTIMONY OF ANY PARTY AGGRIEVED WHEN MAKING ITS DECISION. In municipalities with territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the governing body shall hold a public hearing if, after notice is transmitted to the military airport pursuant to subsection A of this section and before the public hearing, the military airport provides comments or analysis concerning the compatibility of the proposed rezoning with the high noise or accident potential generated by military airport or ancillary military facility operations that may have an adverse impact on public health and safety, and the governing body shall consider and analyze the comments or analysis before making a final determination. Notice of the time and place of the hearing shall be given in the time and manner provided for the giving of notice of the hearing by the planning commission as specified in subsection A of this section. A municipality may give additional notice of the hearing in any other manner as the municipality deems necessary or FOR THE PURPOSES OF THIS SUBSECTION, "PARTY AGGRIEVED" MEANS desirable. ANY PROPERTY OWNER WITHIN THE NOTIFICATION AREA PRESCRIBED BY SUBSECTION A. PARAGRAPH 3 OF THIS SECTION.

- E. A municipality may enact an ordinance authorizing county zoning to continue in effect until municipal zoning is applied to land previously zoned by the county and annexed by the municipality, but in no event for NOT longer than six months after the annexation.
- F. A municipality is not required to adopt a general plan before the adoption of a zoning ordinance.
- G. If there is no planning commission or hearing officer, the governing body of the municipality shall perform the functions assigned to the planning commission or hearing officer.
- If the owners of twenty percent or more of the property by area and number of lots, tracts and condominium units within the zoning area of the affected property file a protest in writing against a proposed amendment, the change shall not become effective except by the favorable vote of three-fourths of all members of the governing body of the municipality. If any members of the governing body are unable to vote on such a question because of a conflict of interest, then the required number of votes for passage of the question shall be three-fourths of the remaining membership of the governing body, provided that such required number of votes shall in no event NOT be less than a majority of the full membership of the legally established governing body. For the purposes of this subsection, the vote shall be rounded to the nearest whole number. A protest filed pursuant to this subsection shall be signed by the property owners opposing the proposed amendment and filed in the office of the clerk of the municipality not later than 12:00 noon one business day before the date on which the governing body will vote on the proposed

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amendment or on an earlier time and date established by the governing body.

- I. In applying an open space element or a growth element of a general plan, a parcel of land shall not be rezoned for open space, recreation, conservation or agriculture unless the owner of the land consents to the rezoning in writing.
- J. Notwithstanding section 19-142, subsection B, a decision by the governing body involving rezoning of land that is not owned by the municipality and that changes the zoning classification of such land may not be enacted as an emergency measure and the change shall not be effective for at least thirty days after final approval of the change in classification by the governing body.
- K. For the purposes of this section, "zoning area" means both of the following:
- 1. The area within one hundred fifty feet, including all rights-of-way, of the affected property subject to the proposed amendment or change.
  - 2. The area of the proposed amendment or change.
- Sec. 2. Section 9-471, Arizona Revised Statutes, is amended to read:

## 9-471. <u>Annexation of territory: procedures: notice: petitions; access to information; restrictions</u>

- A. The following procedures are required to extend and increase the corporate limits of a city or town by annexation:
- 1. A city or town shall file in the office of the county recorder of the county in which the annexation is proposed a blank petition required by paragraph 4 of this subsection setting forth a description and an accurate map of all the exterior boundaries of the territory contiguous to the city or town proposed to be annexed, except that a city or town shall not file an annexation petition that includes any territory for which an unsuccessful annexation was attempted by the same city or town until at least forty-five days after completion of the unsuccessful attempt. A property owner may waive the forty-five day waiting period for the owner's property that was part of the original unsuccessful annexation. Notice and a copy of the filing shall be given to the clerk of the board of supervisors and to the county assessor. The accurate map shall include all county rights-of-way and roadways that are within or contiguous to the exterior boundaries of the area of the proposed annexation. If state land, other than state land utilized as state rights-of-way or land held by the state by tax deed, is included in the territory, written approval of the state land commissioner and the selection board established by section 37-202 shall also be filed. The description shall identify the entity, if any, that will be responsible for maintaining the existing rights-of-way and roadways that are within or contiguous to the exterior boundaries of the area of the proposed

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 annexation. For the purposes of this paragraph, "unsuccessful annexation" means an annexation attempt that was withdrawn or that was not completed pursuant to this section.

- 2. Signatures on petitions filed for annexation shall not be obtained for a waiting period of thirty days after filing the blank petition.
- 3. After filing the blank petition pursuant to paragraph 1 of this subsection, the governing body of the city or town shall hold a public hearing within the last ten days of the thirty-day waiting period to discuss the annexation proposal. The public hearing shall be held in accordance with title 38, chapter 3, article 3.1, except that, notwithstanding section 38-431.02, subsections C and D, the following notices of the public hearing to discuss the annexation proposal shall be given at least six days before the hearing:
- (a) Publication at least once in a newspaper of general circulation, which is published or circulated in the city or town and the territory proposed to be annexed, at least fifteen days before the end of the waiting period.
- (b) Posting in at least three conspicuous public places in the territory proposed to be annexed.
- (c) Notice by first class mail sent to the chairman of the board of supervisors of the county in which the territory proposed to be annexed is located.
- (d) Notice by first class mail with an accurate map of the territory proposed to be annexed sent to each owner of the real and personal property as shown on the statement furnished pursuant to subsection G of this section that would be subject to taxation by the city or town in the event of annexation in the territory proposed to be annexed. For the purposes of this subdivision, "real and personal property" includes mobile, modular and manufactured homes and trailers only if the owner also owns the underlying real property.
- 4. Within one year after the last day of the thirty-day waiting period a petition in writing signed by the owners of one-half or more in value of the real and personal property and more than one-half of the persons owning real and personal property that would be subject to taxation by the city or town in the event of annexation, as shown by the last assessment of the property, may be circulated and filed in the office of the county recorder. For the purposes of this paragraph, "real and personal property" includes mobile, modular and manufactured homes and trailers only if the owner also owns the underlying real property.
- 5. Alterations increasing or reducing the territory sought to be annexed shall not be made after a petition has been signed by a property owner.
- 6. The petitioner shall determine and submit a sworn affidavit verifying that no part of the territory for which the filing is made is

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42 43 already subject to an earlier filing for annexation. The county recorder shall not accept a filing for annexation without the sworn affidavit.

- B. All information contained in the filings, the notices, the petition, the tax and property rolls and other matters regarding a proposed or final annexation shall be made available by the appropriate official for public inspection during regular office hours.
- C. Any city or town, the attorney general, the county attorney or any other interested party WITHIN THE TERRITORY TO BE ANNEXED may on verified petition move to question the validity of the annexation for failure to comply with this section. The petition shall set forth the manner in which it is alleged the annexation procedure was not in compliance with this section and shall be filed within thirty days after adoption of the ordinance annexing the territory by the governing body of the city or town and not otherwise. The burden of proof shall be on the petitioner to prove the material allegations of the verified petition. action shall not be brought to question the validity of an annexation ordinance unless brought within the time and for the reasons provided in this subsection. All hearings provided by this section and all appeals therefrom shall be preferred and heard and determined in preference to all other civil matters, except election actions. In the event more than one petition questioning the validity of an annexation ordinance is filed, all such petitions shall be consolidated for hearing. If two or more cities or towns show the court that they have demonstrated an active interest in annexing any or all of the area proposed for annexation, the court shall consider any oral or written agreements or understandings between or among the cities and towns in making its determination pursuant to this subsection.
- D. The annexation shall become final after the expiration of thirty days after the adoption of the ordinance annexing the territory by the city or town governing body, provided the annexation ordinance has been finally adopted in accordance with procedures established by statute, charter provisions or local ordinances, whichever is applicable, subject to the review of the court to determine the validity of the annexation ordinance if petitions in objection have been filed. After adoption of the annexation ordinance, the clerk of the city or town shall provide a copy of the adopted annexation ordinance to the clerk of the board of supervisors of each county that has jurisdiction over the annexed area within sixty days after the annexation becomes final.
- E. For the purpose of determining the sufficiency of the percentage of the value of property under this section, the values of property shall be determined as follows:
- 1. In the case of property assessed by the county assessor, values shall be the same as shown by the last assessment of the property.

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- 2. In the case of property valued by the department of revenue, values shall be appraised by the department in the manner provided by law for municipal assessment purposes.
- F. For the purpose of determining the sufficiency of the percentage of persons owning property under this section, the number of persons owning property shall be determined as follows:
- 1. In the case of property assessed by the county assessor, the number of persons owning property shall be as shown on the last assessment of the property.
- 2. In the case of property valued by the department of revenue, the number of persons owning property shall be as shown on the last valuation of the property.
- 3. If an undivided parcel of property is owned by multiple owners, those owners  $\frac{1}{2}$  shall be ARE deemed as one owner for the purposes of this section.
- 4. If a person owns multiple parcels of property, that owner shall be IS deemed as one owner for the purposes of this section.
- G. The county assessor and the department of revenue, respectively, shall furnish to the city or town proposing an annexation, within thirty days after a request, a statement in writing showing the owner, the address of each owner and the appraisal and assessment of all such property.
- H. Territory is not contiguous for the purposes of subsection A, paragraph 1 of this section unless:
- 1. It adjoins the exterior boundary of the annexing city or town for at least three hundred feet.
- 2. It is, at all points, at least two hundred feet in width, excluding rights-of-way and roadways.
- 3. The distance from the existing boundary of the annexing city or town where it adjoins the annexed territory to the furthest point of the annexed territory from that boundary is  $\frac{1}{100}$  NOT more than twice the maximum width of the annexed territory.
- I. A city or town shall not annex territory if as a result of that annexation unincorporated territory is completely surrounded by the annexing city or town.
- J. Notwithstanding any provisions of this article to the contrary, any town incorporated before 1950 that had a population of less than two thousand persons by the 1970 census and that is bordered on at least three sides by Indian lands may annex by ordinance territory owned by the state within the same county for a new townsite that is not contiguous to the existing boundaries of the town.
- K. Subsections H and I of this section do not apply to territory that is surrounded by the same city or town or that is bordered by the same city or town on at least three sides.

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- L. A city or town annexing an area shall adopt zoning classifications that permit densities and uses no NOT greater than those permitted by the county immediately before annexation. Subsequent changes in zoning of the annexed territory shall be made according to existing procedures established by the city or town for the rezoning of land.
- M. The annexation of territory within six miles of territory included in a pending incorporation petition filed with the county recorder pursuant to section 9-101.01, subsection D shall not cause an urbanized area to exist pursuant to section 9-101.01 that did not exist before the annexation.
- N. As an alternative to the procedures established in this section, a county right-of-way or roadway may be transferred to an adjacent city or town by mutual consent of the governing bodies of the county and city or town if the property transferred is adjacent to the receiving city or town and if the city or town and county each approve the proposed transfer as a published agenda item at a regular public meeting of their governing bodies. A transfer of property made pursuant to this subsection shall be treated by the receiving city or town as if the transferred property was newly annexed territory.
- O. On or before the date the governing body adopts the ordinance annexing territory, the governing body shall have approved a plan, policy or procedure to provide the annexed territory with appropriate levels of infrastructure and services to serve anticipated new development within ten years after the date when the annexation becomes final pursuant to subsection D of this section.
- P. If a property owner prevails in any action to challenge the annexation of the property owner's property, the court shall allow the property owner reasonable attorney fees and costs relating to the action from the annexing municipality.
- Q. A city or town may annex territory that is a county owned COUNTY-OWNED park or a park operated on public lands by a county as part of a management agreement if otherwise agreed to by the board of supervisors. If the board of supervisors does not agree to the annexation, the county owned COUNTY-OWNED park or park operated on public lands by a county as part of a management agreement shall be excluded from the annexation area, notwithstanding subsections H and I of this section. A county owned COUNTY-OWNED park or park operated on public lands by a county as part of a management agreement that is excluded from the annexation area pursuant to this subsection may subsequently be annexed with the permission of the board of supervisors notwithstanding any other provision of this section. For the purposes of this subsection, "public lands":
  - 1. Has the same meaning prescribed in section 37-901.
  - 2. Does not include lands owned by a flood control district.

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R. Notwithstanding subsection H of this section, territory is considered contiguous for the purposes of subsection A, paragraph 1 of this section if all of the real property in the territory is owned by one person, the city or town and the owner of the real property agree to the annexation and the territory adjoins the exterior boundary of the annexing city or town for at least three hundred feet.

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