Fifty-sixth Legislature  
First Regular Session  

PROPOSED  
SENATE AMENDMENTS TO S.B. 1117  
(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section. 1. Section 9-462.01, Arizona Revised Statutes, is amended to read:

9-462.01. Zoning regulations; public hearing; definitions
A. Pursuant to this article, the legislative body of any municipality by ordinance, in order to conserve and promote the public health, safety and general welfare, may:
   1. Regulate the use of buildings, structures and land as between agriculture, residence, industry, business and other purposes.
   2. Regulate signs and billboards.
   3. Regulate the location, height, bulk, number of stories and size of buildings and structures, the size and use of lots, yards, courts and other open spaces, the percentage of a lot that may be occupied by a building or structure, access to incident solar energy and the intensity of land use.
   4. Establish requirements for off-street parking and loading, EXCEPT IN AREAS ZONED FOR RESIDENTIAL USE.
   5. Establish and maintain building setback lines.
   6. Create civic districts around civic centers, public parks, public buildings or public grounds and establish regulations for the civic districts.
   7. Require as a condition of rezoning public dedication of rights-of-way as streets, alleys, public ways, drainage and public utilities as are reasonably required by or related to the effect of the rezoning.
   8. Establish floodplain zoning districts and regulations to protect life and property from the hazards of periodic inundation. Regulations may include variable lot sizes, special grading or drainage requirements, or other requirements deemed necessary for the public health, safety or general welfare.
   9. Establish special zoning districts or regulations for certain lands characterized by adverse topography, adverse soils, subsidence of the earth, high water table, lack of water or other natural or man-made hazards
to life or property. Regulations may include variable lot sizes, special
grading or drainage requirements, or other requirements deemed necessary
for the public health, safety or general welfare.

10. Establish districts of historical significance provided that:
(a) The ordinances may require that special permission be obtained
for any development within the district if the legislative body has adopted
a plan for the preservation of districts of historical significance that
meets the requirements of subdivision (b) of this paragraph, and the
criteria contained in the ordinance are consistent with the objectives set
forth in the plan.
(b) A plan for the preservation of districts of historical
significance shall identify districts of special historical significance,
state the objectives to be sought concerning the development or
preservation of sites, area and structures within the district, and
formulate a program for public action, including providing public
facilities and regulating private development and demolition necessary to
realize these objectives.
(c) The ordinance establishing districts of historical significance
shall set forth standards necessary to preserve the historical character of
the area so designated.
(d) The ordinances may designate or authorize any committee,
commission, department or person to designate structures or sites of
special historical significance in accordance with criteria contained in
the ordinance, and no designation shall be made except after a public
hearing on notice of the owners of record of the property designated of
special historical significance. The ordinances may require that special
permission be obtained for any development respecting the structures or
sites.

11. Establish age-specific community zoning districts in which
residency is restricted to a head of a household or spouse who must be of a
specific age or older and in which minors are prohibited from living in the
home. Age-specific community zoning districts shall not be overlaid over
property without the permission of all owners of property included as part
of the district unless all of the property in the district has been
developed, advertised and sold or rented under specific age restrictions.
The establishment of age-specific community zoning districts is subject to
all of the public notice requirements and other procedures prescribed by
this article.

12. Establish procedures, methods and standards for the transfer of
development rights within its jurisdiction. Any proposed transfer of
development rights from the sending property or to the receiving property
shall be subject to the notice and hearing requirements of section 9-462.04
and shall be subject to the approval and consent of the property owners of both the sending and receiving property. Before any transfer of development rights, a municipality shall adopt an ordinance providing for:

(a) The issuance and recordation of the instruments necessary to sever development rights from the sending property and to affix development rights to the receiving property. These instruments shall be executed by the affected property owners and lienholders.

(b) The preservation of the character of the sending property and assurance that the prohibitions against the use and development of the sending property shall bind the landowner and every successor in interest to the landowner.

(c) The severance of transferable development rights from the sending property and the delayed transfer of development rights to a receiving property.

(d) The purchase, sale, exchange or other conveyance of transferable development rights before the rights being affixed to a receiving property.

(e) A system for monitoring the severance, ownership, assignment and transfer of transferable development rights.

(f) The right of a municipality to purchase development rights and to hold them for resale.

(g) The right of a municipality at its discretion to enter into an intergovernmental agreement with another municipality or a county for the transfer of development rights between jurisdictions. The transfer shall comply with this paragraph, except that if the sending property is located in an unincorporated area of a county, the approval of the development rights to be sent to a municipality shall comply with section 11-817.

B. For the purposes of subsection A of this section, the legislative body may divide a municipality, or portion of a municipality, into zones of the number, shape and area it deems best suited to carry out the purpose of this article and articles 6, 6.2 and 6.3 of this chapter.

C. **EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION,** all zoning regulations shall be uniform for each class or kind of building or use of land throughout each zone. **but IN ANY ZONE THAT PERMITS SINGLE-FAMILY RESIDENTIAL USES, A MUNICIPALITY MAY NOT PROHIBIT THE FOLLOWING:**

1. LOTS FOUR THOUSAND SQUARE FEET IN AREA OR GREATER.
2. LOT WIDTHS FORTY FEET OR GREATER.
3. FRONT SETBACKS TEN FEET OR GREATER, EXCEPT FOR PORTIONS OF A DWELLING THAT ARE OCCUPIED BY A GARAGE, IN WHICH THE FRONT SETBACK MAY BE TWENTY FEET.
4. SIDE YARD SETBACKS FIVE FEET OR GREATER.
D. A MUNICIPALITY SHALL PROVIDE ADDITIONAL RESIDENTIAL ZONES THAT ALLOW FOR CONSTRUCTION OF DUPLEXES, TRIPLEXES, LOTS SMALLER THAN FOUR THOUSAND SQUARE FEET AND OTHER HOUSING TYPES PROPOSED BY APPLICANTS.

E. The regulations in one type of zone may differ from those in other types of zones as follows:

1. Within individual zones, there may be uses permitted on a conditional basis under which additional requirements must be met, including requiring site plan review and approval by the planning agency. The conditional uses are generally characterized by any of the following:
   
   (a) Infrequency of use.
   (b) High degree of traffic generation.
   (c) Requirement of large land area.

2. Within residential zones, the regulations may permit modifications to minimum yard lot area and height requirements.

F. To carry out the purposes of this article and articles 6 and 6.2 of this chapter, the legislative body may adopt overlay zoning districts and regulations applicable to particular buildings, structures and land within individual zones. For the purposes of this subsection, "overlay zoning district" means a special zoning district that includes regulations that modify regulations in another zoning district with which the overlay zoning district is combined. Overlay zoning districts and regulations shall be adopted pursuant to section 9-462.04.

G. The legislative body may approve a change of zone conditioned on a schedule for development of the specific use or uses for which rezoning is requested. If, at the expiration of this period, the property has not been improved for the use for which it was conditionally approved, the legislative body, after notification by certified mail to the owner and applicant who requested the rezoning, shall schedule a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification.

H. All zoning and rezoning ordinances or regulations adopted under this article shall be consistent with and conform to the adopted general plan of the municipality, if any, as adopted under article 6 of this chapter. In the case of uncertainty in construing or applying the conformity of any part of a proposed rezoning ordinance to the adopted general plan of the municipality, the ordinance shall be construed in a manner that will further the implementation of, and not be contrary to, the goals, policies and applicable elements of the general plan. A rezoning ordinance conforms with the land use element of the general plan if it proposes land uses, densities or intensities within the range of identified
uses, densities and intensities of the land use element of the general plan.

\( \text{\textbullet I.} \) A regulation or ordinance under this section may not prevent or restrict:

1. SINGLE-ROOM OCCUPANCIES.

2. Agricultural composting on farmland that is five or more contiguous acres and that meets the requirements of this subsection. An agricultural composting operation shall notify in writing the legislative body of the municipality and the nearest fire department of the location of the composting operation. If the nearest fire department is located in a different municipality from the agricultural composting operation, the agricultural composting operation shall also notify in writing the fire department of the municipality in which the operation is located. Agricultural composting is subject to sections 3-112 and 49-141. Agricultural composting may not be conducted within one thousand three hundred twenty feet of an existing residential use, unless the operations are conducted on farmland or land leased in association with farmland. Any disposal of manure shall comply with section 49-247. For the purposes of this \textit{subsection PARAGRAPH}:

\( \text{\textbullet a) "Agricultural composting" means the controlled biological decomposition of organic solid waste under in-vessel anaerobic or aerobic conditions where all or part of the materials are generated on the farmland or will be used on the farmland associated with the agricultural composting operation.}

\( \text{\textbullet b) "Farmland" has the same meaning prescribed in section 3-111 and is subject to regulation under section 49-247.}

\( \text{\textbullet J.} \) A municipality may not adopt a land use regulation or impose any condition for issuance of a building or use permit or other approval that violates section 9-461.16.

\( \text{\textbullet K.} \) In accordance with article II, sections 1 and 2, Constitution of Arizona, the legislative body of a municipality shall consider the individual property rights and personal liberties of the residents of the municipality before adopting any zoning ordinance.

\( \text{\textbullet L.} \) Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, the legislative body of a municipality shall consider the probable impact of the proposed zoning ordinance or text amendment on the cost to construct housing for sale or rent.

\( \text{\textbullet M.} \) A municipality may not adopt or enforce a land use regulation that requires the property on which a nongovernmental primary or secondary school operates to be larger than one acre.

\( \text{\textbullet N.} \) THIS SECTION DOES NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF PRIVATE COVENANTS OR OTHER CONTRACTUAL ELEMENTS AMONG PROPERTY OWNERS
Senate Amendments to S.B. 1117

RELATING TO DWELLING DESIGN ELEMENTS BY PARTIES OTHER THAN THE MUNICIPALITY.

0. For the purposes of this section:

1. "Development rights" means the maximum development that would be allowed on the sending property under any general or specific plan and local zoning ordinance of a municipality in effect on the date the municipality adopts an ordinance pursuant to subsection A, paragraph 12 of this section respecting the permissible use, area, bulk or height of improvements made to the lot or parcel. Development rights may be calculated and allocated in accordance with factors including dwelling units, area, floor area, floor area ratio, height limitations, traffic generation or any other criteria that will quantify a value for the development rights in a manner that will carry out the objectives of this section.

2. "Receiving property" means a lot or parcel within which development rights are increased pursuant to a transfer of development rights. Receiving property shall be appropriate and suitable for development and shall be sufficient to accommodate the transferable development rights of the sending property without substantial adverse environmental, economic or social impact to the receiving property or to neighboring property.

3. "Sending property" means a lot or parcel with special characteristics, including farmland, woodland, desert land, mountain land, floodplain, natural habitats, recreation or parkland, including golf course area, or land that has unique aesthetic, architectural or historic value that a municipality desires to protect from future development.

4. "SINGLE-ROOM OCCUPANCIES":
   (a) MEANS DWELLING UNITS IN WHICH RESIDENTS RENT A PRIVATE BEDROOM WITH SHARED KITCHEN AND BATHROOM FACILITIES.
   (b) DOES NOT INCLUDE SOBER LIVING HOMES AS DEFINED IN SECTION 36-2061 OR ASSISTED LIVING FACILITIES REGULATED BY THE DEPARTMENT OF HEALTH SERVICES.

5. "Transfer of development rights" means the process by which development rights from a sending property are affixed to one or more receiving properties.


Sec. 2. Section 9-462.03, Arizona Revised Statutes, is amended to read:

9-462.03. Amendment procedure
A. The governing body of the municipality shall adopt by ordinance a citizen review process that applies to all rezoning and specific plan applications that require a public hearing. The citizen review process shall include at least the following requirements:

1. Adjacent landowners and other potentially affected citizens will be notified of the application.
2. The municipality will inform adjacent landowners and other potentially affected citizens of the substance of the proposed rezoning.
3. Adjacent landowners and other potentially affected citizens will be provided an opportunity to express any issues or concerns that they may have with the proposed rezoning before the public hearing.

B. EXCEPT FOR MODIFICATIONS MADE PURSUANT TO SECTION 9-462.10, a zoning ordinance that changes any property from one zone to another, that imposes any regulation not previously imposed or that removes or modifies any such regulation previously imposed must be adopted following the procedure prescribed in the citizen review process and in the manner set forth in section 9-462.04.

Sec. 3. Section 9-462.04, Arizona Revised Statutes, is amended to read:

9-462.04. Public hearing required; applicability; 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 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.
   (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 $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 the form and manner 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 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 desirable. For the purposes of this subsection, "party aggrieved" means 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 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.

H. 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 if such required number of votes shall 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 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. Except as otherwise provided, this section does not apply to any zoning ordinance or part of a zoning ordinance adopted pursuant to section 9-462.10.

L. 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. 4. Title 9, chapter 4, article 6.1, Arizona Revised Statutes, is amended by adding section 9-462.10, to read:

9-462.10. Residential zoning districts; amendment; preemption; applicability; definitions

A. HOUSING SUPPLY AND AFFORDABILITY IS A MATTER OF STATEWIDE CONCERN. REGULATION OF HOUSING WITHIN RESIDENTIAL ZONING DISTRICTS AND THROUGH AMENDMENTS TO OTHER ZONING DISTRICTS IS NOT SUBJECT TO FURTHER REGULATION BY A CITY, TOWN OR POLITICAL SUBDIVISION OF THIS STATE, INCLUDING A CHARTER CITY.

B. NOTWITHSTANDING ANY OTHER LAW, ON OR BEFORE JANUARY 1, 2024, A MUNICIPALITY SHALL ADOPT AN AMENDMENT TO ITS ZONING ORDINANCE THAT REQUIRES THE MUNICIPALITY TO DO ALL OF THE FOLLOWING ON ANY REZONING OF LAND TO A RESIDENTIAL USE:

1. ADMINISTRATIVELY APPROVE THE APPLICATION WITHIN THIRTY DAYS IF THE LAND BEING REZONED TO A RESIDENTIAL USE CONFORMS IN ALL MATERIAL RESPECTS WITH THE LAND USE DESIGNATION CONTAINED IN THE MOST RECENT VOTER-APPROVED GENERAL PLAN IN ACCORDANCE WITH SECTION 9-462.01, SUBSECTION H.

2. DETERMINE WHETHER THE APPLICATION IS ADMINISTRATIVELY COMPLETE WITHIN THIRTY DAYS AFTER RECEIVING THE APPLICATION. IF THE MUNICIPALITY DETERMINES THAT THE APPLICATION IS NOT ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL FOLLOW THE PROCEDURES IN SECTION 9-835, SUBSECTION E UNTIL THE APPLICATION IS ADMINISTRATIVELY COMPLETE. THE MUNICIPALITY SHALL DETERMINE WHETHER A RESUBMITTED APPLICATION IS ADMINISTRATIVELY COMPLETE WITHIN FIFTEEN DAYS OF RECEIPT. AFTER A DETERMINATION THAT THE APPLICATION IS ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL APPROVE THE APPLICATION WITHIN NINETY DAYS, UNLESS A PROPERTY OWNER WITHIN THE ZONING AREA DEMONSTRATES BY CLEAR AND CONVINCING EVIDENCE THAT THE PROPOSED HOUSING UNITS WILL CREATE AN OBJECTIVE EXTERNALITY TO THE PROPERTY OWNERS WHILE ON THE OWNER'S PROPERTY THAT HAS NOT BEEN MITIGATED. AN APPLICANT SHALL BE DEEMED TO HAVE MITIGATED ANY OBJECTIVE EXTERNALITIES RELATED TO WATER RUNOFF, TRAFFIC OR PARKING IF THE MUNICIPALITY HAS AN ADOPTED CODE, ORDINANCE, STANDARD, REGULATION OR OTHER LEGAL REQUIREMENT FOR GRADING AND DRAINAGE AND FOR REQUIRED STREET IMPROVEMENTS, INCLUDING STORMWATER AND STREET IMPROVEMENT DEVELOPMENT FEES ADOPTED IN ACCORDANCE WITH SECTION 9-463.05. THE MUNICIPALITY'S IDENTIFIED OBJECTIVE EXTERNALITIES, INCLUDING ANY MITIGATION MEASURES PRESCRIBED BY CODE, ORDINANCE, STANDARD, REGULATION
OR OTHER LEGAL REQUIREMENT MAY NOT CREATE AN UNDUE BURDEN ON THE
DEVELOPMENT AND CONSTRUCTION OF NEW HOUSING UNITS.

C. THE APPLICATION FOR CHANGES TO THE MUNICIPALITY'S ZONING
ORDINANCE SHALL BE ADOPTED FOLLOWING A PUBLIC HEARING BEFORE THE GOVERNING
BOARD OF THE MUNICIPALITY. NOTICE AND PLACE OF THE PUBLIC HEARING,
INCLUDING A GENERAL EXPLANATION OF THE MATTER TO BE CONSIDERED, SHALL BE
PROVIDED IN ACCORDANCE WITH SECTION 9-462.04, SUBSECTION A. THE
MUNICIPALITY, AT ITS DISCRETION, MAY REQUIRE A PUBLIC HEARING BEFORE A
PLANNING AND ZONING COMMISSION IF THE REQUIRED HEARINGS TAKE PLACE WITHIN
THE TIME FRAMES REQUIRED BY THIS SECTION.

D. IF THE MUNICIPALITY FINDS THAT THE OWNER OF PROPERTY WITHIN THE
ZONING AREA PROVED BY CLEAR AND CONVINCING EVIDENCE AN OBJECTIVE
EXTERNALLITY TO THE PROPERTY OWNER WHILE ON THE OWNER'S PROPERTY, THE
MUNICIPALITY SHALL SPECIFICALLY IDENTIFY THE LEAST RESTRICTIVE MEANS TO
SUFFICIENTLY MITIGATE THE IDENTIFIED OBJECTIVE EXTERNALLITY AND
CONDITIONALLY APPROVE THE APPLICATION SUBJECT TO THE SPECIFICALLY
IDENTIFIED MITIGATION MEASURES.

E. FOLLOWING THE MUNICIPALITY'S FINDINGS, THE APPLICANT MAY BRING AN
ACTION IN SUPERIOR COURT TO CHALLENGE THE FINDINGS THAT THE OWNER OF
PROPERTY WITHIN THE ZONING AREA MET THE BURDEN OF SHOWING BY CLEAR AND
CONVINCING EVIDENCE THAT THE PROPOSED DEVELOPMENT WILL CREATE AN OBJECTIVE
EXTERNALLITY TO THE PROPERTY OWNER WHILE ON THE OWNER'S PROPERTY AND THE
MUNICIPALITY'S SPECIFICALLY IDENTIFIED LEAST RESTRICTIVE MEANS OF
MITIGATING THE IDENTIFIED OBJECTIVE EXTERNALLITY.

F. IN ANY JUDICIAL ACTION BROUGHT PURSUANT TO THIS SECTION, THE
TRIAL SHALL BE DE NOVO AND THE COURT MAY NOT USE ANY DEFERENTIAL STANDARD
TO THE FINDINGS OF THE MUNICIPALITY.

G. NOTWITHSTANDING ANY OTHER LAW, INCLUDING ANY ORDINANCE OR CHARTER
PROVISION, ON OR BEFORE JANUARY 1, 2024, A MUNICIPALITY SHALL ALLOW THE
FOLLOWING BY RIGHT:

1. IN ANY EXISTING COMMERCIAL, MIXED-USE OR MULTIFAMILY RESIDENTIAL
DISTRICT OR ANY LAND DESIGNATED BY THE MUNICIPALITY'S MOST RECENT GENERAL
PLAN AS SUPPORTING COMMERCIAL, MULTIFAMILY OR MIXED USES, THE CONSTRUCTION
OF MULTIFAMILY DWELLING UNITS WITH THE FOLLOWING DEVELOPMENT STANDARDS:
   (a) THE GREATER OF THE HIGHEST ALLOWED HEIGHT FOR THE SITE OF THE
   HOUSING DEVELOPMENT, THE HIGHEST ALLOWED HEIGHT FOR A COMMERCIAL OR
   RESIDENTIAL USE WITHIN ONE MILE OF THE SITE OF THE HOUSING DEVELOPMENT OR
   SIXTY FEET. IF THE HOUSING DEVELOPMENT IS LOCATED WITHIN TWO MILES OF A
   RAIL STOP, THE MAXIMUM HEIGHT LIMIT MAY NOT BE LESS THAN EIGHTY FEET.
   (b) THE DENSITY LIMIT APPLICABLE TO THE MULTIFAMILY DEVELOPMENT
   SHALL BE AT LEAST THE GREATEST ALLOWED DENSITY FOR A PREVIOUSLY APPROVED
   MIXED USE OR RESIDENTIAL USE WITHIN THE MUNICIPALITY.
2. AN APPLICANT TO CONSTRUCT HOUSING PURSUANT TO THIS SECTION WITHOUT THE MUNICIPALITY REQUIRING A GENERAL PLAN AMENDMENT, USE PERMIT OR REVIEW BY A BOARD OR COMMISSION.

H. THIS SECTION DOES NOT APPLY TO ANY LAND WITHIN THE IMMEDIATE VICINITY OF A MILITARY AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED IN SECTION 28-8461 OR A MUNICIPALITY WITH A POPULATION OF LESS THAN TWENTY-FIVE THOUSAND PERSONS.

I. FOR THE PURPOSES OF THIS SECTION:
2. "DEVELOPMENT STANDARDS" MEANS LOT AREA, LOT WIDTH, BUILDING SETBACKS, BUILDING HEIGHT, LOT COVERAGE, PERCENTAGE OF OPEN SPACE AND ANY OTHER REGULATION PERTAINING TO MODIFICATIONS OF LAND, DESIGNATIONS OF LOTS OR THE SIZE AND LOCATION OF A STRUCTURE RELATIVE TO A LOT.
3. "EXTERNALLY":
   (a) MEANS THE EFFECT BEYOND THE PROPERTY LINES OF THE PROPOSED DEVELOPMENT ON PROPERTY OWNERS WITHIN THE ZONING AREA WHILE ON THE OWNER'S PROPERTY RELATED TO LIGHT, NOISE, ODOR, WATER RUNOFF, TRAFFIC AND PARKING.
   (b) DOES NOT INCLUDE ANY OF THE EFFECTS PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH THAT ARE WHOLLY CONTAINED WITHIN THE PROPERTY LINES OF THE AREA OF THE PROPOSED DEVELOPMENT.
4. "GREATEST ALLOWED DENSITY" MEANS THE MAXIMUM GROSS RESIDENTIAL DENSITY, INCLUDING ANY DENSITY THAT REQUIRES CONDITIONAL APPROVAL, ALLOWABLE PURSUANT TO THE MUNICIPALITY'S ADOPTED ZONING ORDINANCE OR ANY SPECIFIC PLAN ADOPTED BY THE MUNICIPALITY'S GOVERNING BOARD THAT APPLIES TO THE SITE OF THE HOUSING DEVELOPMENT, WHICHEVER IS GREATER.
5. "HIGHEST ALLOWED HEIGHT" MEANS THE TALLEST HEIGHT, INCLUDING ANY HEIGHT THAT REQUIRES CONDITIONAL APPROVAL, ALLOWABLE PURSUANT TO THE MUNICIPALITY'S ADOPTED ZONING ORDINANCE OR ANY SPECIFIC PLAN ADOPTED BY THE MUNICIPALITY'S GOVERNING BOARD THAT APPLIES TO THE SITE OF THE HOUSING DEVELOPMENT, WHICHEVER IS GREATER.
6. "LIGHT" MEANS THE PROPORTION OF NATURAL LIGHT THAT A BUILDING SHOULD EXPECT TO RECEIVE.
7. "OBJECTIVE" MEANS INVOLVING NO PERSONAL OR SUBJECTIVE JUDGMENT BY A MUNICIPAL EMPLOYEE OR OFFICIAL AND BEING UNIFORMLY VERIFIABLE BY REFERENCE TO AN EXTERNAL AND UNIFORM BENCHMARK, STANDARD OR CRITERION THAT IS AVAILABLE AND KNOWABLE BY BOTH AN APPLICANT OR PROPONENT AND A MUNICIPAL EMPLOYEE OR OFFICIAL.
Sec. 5. Section 9-463.01, Arizona Revised Statutes, is amended to read:

9-463.01. Authority

A. Pursuant to this article, the legislative body of every municipality shall regulate the subdivision of all lands within its corporate limits.

B. The legislative body of a municipality shall exercise the authority granted in subsection A of this section by ordinance prescribing:

1. Procedures to be followed in the preparation, submission, review and ADMINISTRATIVE approval or rejection of all final plats.

2. Standards governing the design of subdivision plats.

3. Minimum requirements and standards for the installation of subdivision streets, sewer and water utilities and improvements as a condition of final plat approval.

C. By ordinance, the legislative body of any municipality shall:

1. Require the preparation, submission and approval of a preliminary plat as a condition precedent to submission of a final plat.

2. Establish the procedures to be followed in the preparation, submission, review and approval of preliminary plats.

3. Make requirements as to the form and content of preliminary plats.

4. Either determine that certain lands may not be subdivided, by reason of adverse topography, periodic inundation, adverse soils, subsidence of the earth's surface, high water table, lack of water or other natural or man-made hazard to life or property, or control the lot size, establish special grading and drainage requirements and impose other regulations deemed reasonable and necessary for the public health, safety or general welfare on any lands to be subdivided affected by such characteristics.

5. Require payment of a proper and reasonable fee by the subdivider based upon the number of lots or parcels on the surface of the land to defray municipal costs of plat review and site inspection.

6. Require the dedication of public streets, sewer and water utility easements or rights-of-way, within the proposed subdivision.

7. Require the preparation and submission of acceptable engineering plans and specifications for the installation of required street, sewer, electric and water utilities, drainage, flood control, adequacy of water and improvements as a condition precedent to recordation of an approved final plat.

8. Require the posting of performance bonds, assurances or such other security as may be appropriate and necessary to assure the installation of required street, sewer, electric and water utilities.
drainage, flood control and improvements meeting established minimum
standards of design and construction.

D. The legislative body of any municipality may require by ordinance
that land areas within a subdivision be reserved for parks, recreational
facilities, school sites and fire stations subject to the following
conditions:
1. The requirement may only be made upon ON preliminary plats filed
   at least thirty days after the adoption of a general or specific plan
   affecting the land area to be reserved.
2. The required reservations are in accordance with definite
   principles and standards adopted by the legislative body.
3. The land area reserved shall be of such a size and shape as to
   permit the remainder of the land area of the subdivision within which the
   reservation is located to develop in an orderly and efficient manner.
4. The land area reserved shall be in such multiples of streets and
   parcels as to permit an efficient division of the reserved area in the
   event that it is not acquired within the prescribed period.

E. The public agency for whose benefit an area has been reserved
shall have a period of one year after recording the final subdivision plat
enter into an agreement to acquire such reserved land area. The
purchase price shall be the fair market value of the reserved land area at
the time of the filing of the preliminary subdivision plat plus the taxes
against such reserved area from the date of the reservation and any other
costs incurred by the subdivider in the maintenance of such reserved area,
including the interest cost incurred on any loan covering such reserved
area.

F. If the public agency for whose benefit an area has been reserved
does not exercise the reservation agreement set forth in subsection E of
this section within such one-year ONE-YEAR period or such extended period
as may be mutually agreed upon ON by such public agency and the subdivider,
the reservation of such area shall terminate.

G. The legislative body of every municipality shall comply with this
article and applicable state statutes pertaining to the hearing, approval
or rejection, and recordation of:
1. Final subdivision plats.
2. Plats filed for the purpose of reverting to acreage of land
   previously subdivided.
3. Plats filed for the purpose of vacating streets or easements
   previously dedicated to the public.
4. Plats filed for the purpose of vacating or redescribing lot or
   parcel boundaries previously recorded.
H. Approval of every preliminary and final plat by a legislative body is conditioned upon ON compliance by the subdivider with:

1. Rules as may be established by the department of transportation relating to provisions for the safety of entrance upon ON and departure from abutting state primary highways.
2. Rules as may be established by a county flood control district relating to the construction or prevention of construction of streets in land established as being subject to periodic inundation.
3. Rules as may be established by the department of health services or a county health department relating to the provision of domestic water supply and sanitary sewage disposal.

I. If the subdivision is comprised of subdivided lands, as defined in section 32-2101, and is within an active management area, as defined in section 45-402, the final plat shall not be approved unless it is accompanied by a certificate of assured water supply issued by the director of water resources, or unless the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an assured water supply by the director of water resources pursuant to section 45-576 or is exempt from the requirement pursuant to section 45-576. The legislative body of the municipality shall note on the face of the final plat that a certificate of assured water supply has been submitted with the plat or that the subdivider has obtained a written commitment of water service for the proposed subdivision from a city, town or private water company designated as having an assured water supply, pursuant to section 45-576, or is exempt from the requirement pursuant to section 45-576.

J. Except as provided in subsections K and P of this section, if the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the director of water resources has given written notice to the municipality pursuant to section 45-108, subsection H, the final plat shall not be approved unless one of the following applies:

1. The director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 and the subdivider has included the report with the plat.
2. The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108.

K. The legislative body of a municipality that has received written notice from the director of water resources pursuant to section 45-108, subsection H or that has adopted an ordinance pursuant to subsection O of
this section may provide by ordinance an exemption from the requirement in subsection J or O of this section for a subdivision that the director of water resources has determined will have an inadequate water supply because the water supply will be transported to the subdivision by motor vehicle or train if all of the following apply:

1. The legislative body determines that there is no feasible alternative water supply for the subdivision and that the transportation of water to the subdivision will not constitute a significant risk to the health and safety of the residents of the subdivision.

2. If the water to be transported to the subdivision will be withdrawn or diverted in the service area of a municipal provider as defined in section 45-561, the municipal provider has consented to the withdrawal or diversion.

3. If the water to be transported is groundwater, the transportation complies with the provisions governing the transportation of groundwater in title 45, chapter 2, article 8.

4. The transportation of water to the subdivision meets any additional conditions imposed by the legislative body.

L. A municipality that adopts the exemption authorized by subsection K of this section shall give written notice of the adoption of the exemption, including a certified copy of the ordinance containing the exemption, to the director of water resources, the director of environmental quality and the state real estate commissioner. If the municipality later rescinds the exemption, the municipality shall give written notice of the rescission to the director of water resources, the director of environmental quality and the state real estate commissioner. A municipality that rescinds an exemption adopted pursuant to subsection K of this section shall not readopt the exemption for at least five years after the rescission becomes effective.

M. If the legislative body of a municipality approves a subdivision plat pursuant to subsection J, paragraph 1 or 2 or subsection O of this section, the legislative body shall note on the face of the plat that the director of water resources has reported that the subdivision has an adequate water supply or that the subdivider has obtained a commitment of water service for the proposed subdivision from a city, town or private water company designated as having an adequate water supply pursuant to section 45-108.

N. If the legislative body of a municipality approves a subdivision plat pursuant to an exemption authorized by subsection K of this section or granted by the director of water resources pursuant to section 45-108.02 or 45-108.03:
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1. The legislative body shall give written notice of the approval to
the director of water resources and the director of environmental quality.

2. The legislative body shall include on the face of the plat a
statement that the director of water resources has determined that the
water supply for the subdivision is inadequate and a statement describing
the exemption under which the plat was approved, including a statement that
the legislative body or the director of water resources, whichever applies,
has determined that the specific conditions of the exemption were met. If
the director subsequently informs the legislative body that the subdivision
is being served by a water provider that has been designated by the
director as having an adequate water supply pursuant to section 45-108, the
legislative body shall record in the county recorder's office a statement
disclosing that fact.

O. If a municipality has not been given written notice by the
director of water resources pursuant to section 45-108, subsection H, the
legislative body of the municipality, to protect the public health and
safety, may provide by ordinance that, except as provided in subsections K
and P of this section, the final plat of a subdivision located in the
municipality and outside of an active management area will not be approved
unless the director of water resources has
determined that there is an adequate water supply for the subdivision
pursuant to section 45-108 or the subdivider has obtained a written
commitment of water service for the subdivision from a city, town or
private water company designated as having an adequate water supply by the
director of water resources pursuant to section 45-108. Before holding a
public hearing to consider whether to enact an ordinance pursuant to this
subsection, a municipality shall provide written notice of the hearing to
the board of supervisors of the county in which the municipality is
located. A municipality that enacts an ordinance pursuant to this
subsection shall give written notice of the enactment of the ordinance,
including a certified copy of the ordinance, to the director of water
resources, the director of environmental quality, the state real estate
commissioner and the board of supervisors of the county in which the
municipality is located. If a municipality enacts an ordinance pursuant to
this subsection, water providers may be eligible to receive monies in a
water supply development fund, as otherwise provided by law.

P. Subsections J and O of this section do not apply to:

1. A proposed subdivision that the director of water resources has
determined will have an inadequate water supply pursuant to section 45-108
if the director grants an exemption for the subdivision pursuant to section
45-108.02 and the exemption has not expired or if the director grants an
exemption pursuant to section 45-108.03.
2. A proposed subdivision that received final plat approval from the municipality before the requirement for an adequate water supply became effective in the municipality if the plat has not been materially changed since it received the final plat approval. If changes were made to the plat after the plat received the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If the municipality approves a plat pursuant to this paragraph and the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the municipality shall note this on the face of the plat.

Q. If the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the municipality has not received written notice pursuant to section 45-108, subsection H and has not adopted an ordinance pursuant to subsection O of this section:

1. If the director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 or if the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108, the municipality shall note this on the face of the plat if the plat is approved.

2. If the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the municipality shall note this on the face of the plat if the plat is approved.

R. Every municipality is responsible for the recordation of all APPROVED final plats approved by the legislative body and shall receive from the subdivider and transmit to the county recorder the recordation fee established by the county recorder.

S. Pursuant to provisions of applicable state statutes, the legislative body of any municipality may itself prepare or have prepared a plat for the subdivision of land under municipal ownership.

T. The legislative bodies of cities and towns may regulate by ordinance land splits within their corporate limits. Authority granted under this section refers to the determination of division lines, area and shape of the tracts or parcels and does not include authority to regulate the terms or condition of the sale or lease nor does it include the authority to regulate the sale or lease of tracts or parcels that are not the result of land splits as defined in section 9-463.

U. For any subdivision that consists of ten or fewer lots, tracts or parcels, each of which is of a size as prescribed by the legislative body.
the legislative body of each municipality may expedite the processing of or
waive the requirement to prepare, submit and receive approval of a
preliminary plat as a condition precedent to submitting a final plat and
may waive or reduce infrastructure standards or requirements proportional
to the impact of the subdivision. Requirements for dust-controlled access
and drainage improvements shall not be waived.

V. AT THE APPLICANT'S REQUEST, AFTER PRELIMINARY PLAT SUBMITTAL AND
AFTER THE APPLICANT RECEIVES ANY REQUIRED APPROVAL FROM THE DEPARTMENT OF
ENVIRONMENTAL QUALITY, THE MUNICIPALITY SHALL ISSUE AN AT-RISK PERMIT FOR
GRADING, EARTHMOVING AND INFRASTRUCTURE CONSTRUCTION THAT RELATES TO THE
PROPERTY THAT IS THE SUBJECT OF THE PRELIMINARY PLAT. THE AT-RISK PERMIT
SHALL GRANT THE APPLICANT THE RIGHT TO ENTER, REMAIN ON AND CROSS OVER ANY
MUNICIPAL EASEMENTS OR RIGHTS-OF-WAY TO THE EXTENT REASONABLY NECESSARY TO
ALLOW CONSTRUCTION, MAINTENANCE OR REPAIR OF THE INFRASTRUCTURE IF THE
APPLICANT'S USE OF THE EASEMENTS AND RIGHTS-OF-WAY DO NOT MATERIALLY IMPEDE
OR ADVERSELY AFFECT THE MUNICIPALITY'S USE AND ENJOYMENT OF THE EASEMENTS
AND RIGHTS-OF-WAY. THE MUNICIPALITY MAY REQUIRE THE APPLICANT TO RESTORE
THE EASEMENTS AND RIGHTS-OF-WAY TO THE CONDITION THE EASEMENTS AND
RIGHTS-OF-WAY WERE IN BEFORE THE APPLICANT'S ENTRY, SUBJECT TO ORDINARY
WEAR AND TEAR, CASUALTY DAMAGE AND DAMAGE CAUSED BY THIRD PARTIES NOT
ENGAGED OR AFFILIATED WITH THE APPLICANT. THE MUNICIPALITY ISSUING AN AT-
RISK PERMIT DOES NOT CONSTITUTE FINAL PRELIMINARY PLAT APPROVAL OR FINAL
APPROVAL OF ANY GRADING, DRAINAGE OR INFRASTRUCTURE CONSTRUCTION PLANS.
ANY WORK, SERVICES OR MATERIALS ACCOMPLISHED OR ACQUIRED BY THE APPLICANT
OR ITS AGENTS IS DONE AT THE FINANCIAL RISK OF THE APPLICANT. THE
MUNICIPALITY MAY REQUIRE THAT ALL GRADING, EARTHMOVING AND CONSTRUCTION BE
DONE IN COMPLIANCE WITH ALL MUNICIPAL CODES, ORDINANCES AND STANDARDS AND
OTHER LEGAL REQUIREMENTS.

Sec. 6. Title 9, chapter 4, article 6.4, Arizona Revised Statutes,
is amended by adding section 9-469, to read:

9-469. Municipal housing needs assessment; annual report
A. BEGINNING JANUARY 1, 2024 AND EVERY FIVE YEARS THEREAFTER, A
MUNICIPALITY SHALL PUBLISH A HOUSING NEEDS ASSESSMENT THAT INCLUDES AT
LEAST THE FOLLOWING:
1. THE TOTAL POPULATION GROWTH PROJECTED FOR THE SUBSEQUENT
FIVE-YEAR PERIOD.
2. THE TOTAL JOB GROWTH PROJECTED FOR THE SUBSEQUENT FIVE-YEAR
PERIOD.
3. THE TOTAL NEED FOR ADDITIONAL RESIDENTIAL HOUSING UNITS FOR RENT
AND FOR SALE IN THE MUNICIPALITY TO MEET ANY DEFICIENCIES IN HOUSING THE
EXISTING POPULATION.
4. The total need for additional residential housing units for rent and for sale in the municipality to meet any deficiencies in housing the existing workforce.

5. The total need for additional residential housing units for rent and for sale in the municipality to meet the population growth projections.

6. The total need for additional residential housing units for rent and for sale in the municipality to meet the jobs growth projections.

7. The total need for additional residential housing units for rent and for sale in the municipality to meet the housing needs across all various income levels.

B. Beginning January 1, 2025 and every year thereafter, each municipality shall submit an annual report accounting for the total number of proposed residential housing units submitted to the city or town, the total number of net new residential housing units submitted to the city or town and the total number of net new residential housing units that are entitled, have been platted, have been issued a building permit and have received a certificate of occupancy by the municipality. The report shall be submitted to the Arizona Department of Housing. The annual report shall also include the following:

1. The number of housing development applications received in the prior year.

2. The number of housing units for sale and for rent included in all development applications in the prior year.

3. The number of housing units for sale and for rent approved and disapproved or otherwise not approved in the prior year.

4. The status and progress in meeting the municipality's housing needs.

5. A plan that specifies how the municipality intends to satisfy the identified need for additional housing units within the municipality.

C. This section does not create a requirement for a municipality to meet or otherwise fulfill the projections in the housing needs assessment required by subsection A of this section.

Sec. 7. Title 9, chapter 4, article 8, Arizona Revised Statutes, is amended by adding section 9-500.49, to read:

9-500.49. Residential housing design standards; prohibition; applicability; definitions

A. Notwithstanding any other law, a municipality may not adopt or enforce any ordinance, code, standard, regulation, guideline, agreement, stipulation or other legal requirement related to or regulating residential housing design elements. The municipality may not withhold a building permit or other approval that is necessary as a condition of construction for failure to comply with any ordinance, code, standard, regulation.
GUIDELINE, STIPULATION OR OTHER LEGAL REQUIREMENT RELATED TO OR REGULATING RESIDENTIAL HOUSING DESIGN ELEMENTS.

B. ANY APPLICANT FOR AN APPROVAL THAT IS NECESSARY TO OBTAIN A BUILDING PERMIT TO CONSTRUCT A SINGLE-FAMILY, TWO-FAMILY OR MULTIFAMILY BUILDING OR ANY HOUSING ORGANIZATION MAY BRING AN ACTION IN THE SUPERIOR COURT TO ENFORCE THE REQUIREMENTS OF THIS SECTION.

C. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO ANY ORDINANCE, CODE, STANDARD, REGULATION, GUIDELINE, AGREEMENT, STIPULATION OR OTHER LEGAL REQUIREMENT THAT IS:

1. A REQUIREMENT OF AN ADOPTED MINIMUM STANDARD BUILDING CODE, INCLUDING ANY LOCAL AMENDMENTS THAT ARE LESS RESTRICTIVE THAN THE UNAMENDED MINIMUM STANDARD BUILDING CODE.
2. APPLICABLE SOLELY TO STRUCTURES LOCATED IN AN AREA DESIGNATED AS A LOCAL DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01 OR AN AREA DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES.
3. APPLICABLE SOLELY TO STRUCTURES INDIVIDUALLY DESIGNATED AS LOCAL, STATE OR NATIONAL HISTORIC LANDMARKS.
4. APPLIED TO MANUFACTURED HOMES IN A MANNER CONSISTENT WITH TITLE 41, CHAPTER 37, ARTICLE 3 OR APPLICABLE FEDERAL LAW.
5. REQUIRED AS A CONDITION OF PARTICIPATING IN THE NATIONAL FLOOD INSURANCE PROGRAM.
6. A STIPULATION ON A RECORDED SUBDIVISION PLAT ADOPTED BY THE MUNICIPALITY BEFORE THE EFFECTIVE DATE OF THIS SECTION.

D. THIS SECTION DOES NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF PRIVATE COVENANTS OR OTHER CONTRACTUAL ELEMENTS AMONG PROPERTY OWNERS RELATING TO DWELLING DESIGN ELEMENTS BY PARTIES OTHER THAN THE MUNICIPALITY.

E. THIS SECTION DOES NOT APPLY TO A MUNICIPALITY WITH A POPULATION OF LESS THAN TWENTY-FIVE THOUSAND PERSONS.

F. FOR THE PURPOSES OF THIS SECTION:

1. "Design Elements" means:
   (a) The number and variations of floor plans and exterior elevations, including the selection of the floor plan and elevation to be built on each lot.
   (b) The size and number of stories of the dwelling, except that the height of the dwelling may be regulated pursuant to sections 9-462.01 and 9-462.10.
   (c) The exterior building color and materials.
   (d) The type of style of exterior cladding materials.
   (e) The style, materials, shape, pitch and articulation of the roof structure.
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(f) THE STYLE, MATERIALS, SIZE, SHAPE AND INCLUSION OF PORCHES AND PATIOS.

(g) THE EXTERIOR NONSTRUCTURAL ARCHITECTURAL ORNAMENTATION.

(h) THE LOCATION, ARCHITECTURAL STYLING, MATERIALS AND SIZES OF GARAGES, GARAGE DOORS AND DRIVEWAYS.

(i) PLACEMENT AND ORIENTATION OF GARAGE DOORS RELATIVE TO THE FRONT FAÇADE OF THE LIVING SPACE.

(j) THE INTERIOR LAYOUT AND SIZE OF ROOMS, INCLUDING THE INTERIOR OF THE GARAGE, HALLWAYS AND FLOOR PLANS.

(k) LANDSCAPING AND LANDSCAPING MAINTENANCE REQUIREMENTS, INCLUDING COMMON AREAS AND AREAS MAINTAINED BY THE PROPERTY OWNER, AN ASSOCIATION OR THE MEMBERS OF AN ASSOCIATION, EXCEPT THAT A MUNICIPALITY MAY LIMIT LANDSCAPING MATERIALS TO DROUGHT-TOLERANT TREES, PLANTS AND SHRUBS.

(l) THE LOCATION, SIZE AND DESIGN OF OPEN SPACE AND AMENITIES, INCLUDING AMENITIES IN COMMON AREAS MAINTAINED BY THE PROPERTY OWNER, AN ASSOCIATION OR THE MEMBERS OF AN ASSOCIATION, EXCEPT THE LOCATION AND SIZE OF OPEN SPACE MAY BE REGULATED TO THE EXTENT REQUIRED BY THE MUNICIPALITY SOLELY FOR STORMWATER RETENTION AS OF THE EFFECTIVE DATE OF THIS SECTION.

(m) SIDEWALK PLACEMENT AND DESIGN, INCLUDING REQUIRING DETACHED SIDEWALKS, EXCEPT AS REQUIRED BY TITLE 41, CHAPTER 9, ARTICLE 8 AND APPLICABLE FEDERAL LAW.

(n) THE DESIGN, DECORATION AND LANDSCAPING OF THE REAR YARD, SIDE YARD AND ANY AREA THAT IS NOT VISIBLE OR ACCESSIBLE TO THE PUBLIC.

(o) ANY OTHER ARCHITECTURAL OR AESTHETIC ELEMENT THAT DOES NOT DIRECTLY AFFECT AN OBJECTIVE AND IDENTIFIED HEALTH OR SAFETY CONDITION.

2. "HOUSING ORGANIZATION" MEANS A TRADE OR INDUSTRY GROUP WHOSE MEMBERS ARE ENGAGED IN THE DEVELOPMENT OR CONSTRUCTION OF SINGLE-FAMILY, TWO-FAMILY OR MULTIFAMILY HOUSING UNITS.

3. "MINIMUM STANDARD BUILDING CODE" MEANS AN UNAMENDED MODEL BUILDING CODE, INCLUDING THE INTERNATIONAL BUILDING CODE AND INTERNATIONAL RESIDENTIAL CODE, HOWEVER DENOMINATED.

4. "OBJECTIVE" MEANS INVOLVING NO PERSONAL OR SUBJECTIVE JUDGMENT BY A MUNICIPAL EMPLOYEE OR OFFICIAL AND BEING UNIFORMLY VERIFIABLE BY REFERENCE TO AN EXTERNAL AND UNIFORM BENCHMARK, STANDARD OR CRITERION THAT IS AVAILABLE AND KNOWABLE BY BOTH AN APPLICANT OR PROPONENT AND A MUNICIPAL EMPLOYEE OR OFFICIAL.

5. "RESIDENTIAL HOUSING" MEANS A SINGLE-FAMILY, TWO-FAMILY OR MULTIFAMILY BUILDING DESIGNED FOR RESIDENTIAL USE AND COMMON AREAS AND IMPROVEMENTS THAT ARE OWNED OR MAINTAINED BY THE OWNER, AN ASSOCIATION OR THE MEMBERS OF AN ASSOCIATION.

Sec. 8. Section 9-831, Arizona Revised Statutes, is amended to read:

9-831. Definitions
In this article, unless the context otherwise requires:

1. "Fire and life safety inspection" means an inspection of a regulated person or facility conducted to ensure fire safety compliance.

2. "Food and swimming pool inspection" means an inspection of a regulated person or facility conducted to ensure the safety of food services, swimming pools and other bathing places.

3. "License":
   (a) Includes the whole or part of any municipal permit, certificate, approval, registration, charter or similar form of permission required by law. 
   (b) Does not include a transaction privilege tax license.

4. "Licensing" includes the municipal process respecting the grant, denial, renewal, revocation, suspension, annulment, withdrawal or amendment of a license.

5. "Municipal" or "municipality" means an incorporated city or town.

6. "OBJECTIVE" MEANS INVOLVING NO PERSONAL OR SUBJECTIVE JUDGMENT BY A MUNICIPAL EMPLOYEE OR OFFICIAL AND BEING UNIFORMLY VERIFIABLE BY REFERENCE TO AN EXTERNAL AND UNIFORM BENCHMARK, STANDARD OR CRITERION THAT IS AVAILABLE AND KNOWABLE BY BOTH AN APPLICANT OR PROPONENT AND A MUNICIPAL EMPLOYEE OR OFFICIAL.

7. "Person" means an individual, partnership, corporation, association, governmental subdivision or unit of a governmental subdivision or a public or private organization of any character.

8. "Request for corrections" means a request for technical or clarifying corrections from an applicant who has submitted an administratively complete application for a license.

9. "Substantive policy statement":
   (a) Means a written expression that is only advisory and that informs the general public of a municipality's current approach to, or opinion of, the requirements of the ordinances or codes, including, if appropriate, the municipality's current practice, procedure or method of action based on that approach or opinion. A substantive policy statement
   (b) Does not include internal procedural documents that only affect the internal procedures of the municipality and that do not impose additional requirements or penalties on regulated parties or confidential information.

10. "Working day" means a twenty-four-hour period excluding weekends and THE legal holidays ENUMERATED IN SECTION 1-301.

Sec. 9. Section 9-832, Arizona Revised Statutes, is amended to read:

9-832. Regulatory bill of rights

To ensure fair and open regulation by municipalities, a person:
1. Is eligible for reimbursement of fees and other expenses if the person prevails by adjudication on the merits against a municipality in a court proceeding regarding a municipality decision as provided in section 12-348.

2. Is entitled to receive information and notice regarding inspections as provided in section 9-833.

3. Is entitled to have a municipality not base a licensing decision in whole or in part on licensing conditions or requirements that are not OBJECTIVE AND specifically authorized as provided in section 9-834, subsection A.

4. May have a municipality approve or deny the person's license application within a predetermined period of time as provided in section 9-835.

5. Is entitled to receive written or electronic notice from a municipality on denial of a license application that:
   (a) Justifies the denial with references to the statute, ordinance, code or authorized substantive policy statements on which the denial is based as provided in section 9-835.
   (b) Explains the applicant's right to appeal the denial as provided in section 9-835.

6. Is entitled to receive information regarding the license application process at the time the person obtains an application for a license as provided in section 9-836.

7. May inspect all ordinances, codes and substantive policy statements of a municipality, including a directory of documents, at the office of the municipality or on the municipality's website as provided in section 9-837.

8. Unless specifically authorized, may expect municipalities to avoid duplication of other laws that do not enhance regulatory clarity and to avoid dual permitting to the maximum extent practicable as provided in section 9-834.

9. May file a complaint with the municipality concerning an ordinance, code or substantive policy statement that fails to comply with this section.

10. As provided in section 9-834, is entitled to have a municipality not request or initiate discussions about waiving any of the rights prescribed in this section.

Sec. 10. Section 9-834, Arizona Revised Statutes, is amended to read:

9-834. Prohibited acts by municipalities and employees; enforcement; notice
A. A municipality shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not objectively and specifically authorized by statute, rule, ordinance or code. A general grant of authority does not constitute a basis for imposing a licensing requirement or condition unless the authority specifically authorizes the requirement or condition.

B. Unless specifically authorized, a municipality shall avoid duplication of other laws that do not enhance regulatory clarity and shall avoid dual permitting to the maximum extent practicable.

C. This section does not prohibit municipal flexibility to issue licenses or adopt ordinances or codes.

D. A municipality shall not request or initiate discussions with a person about waiving that person’s rights.

E. This section may be enforced in a private civil action and relief may be awarded against a municipality. The court may award reasonable attorney fees, damages and all fees associated with the license application to a party that prevails in an action against a municipality for a violation of this section.

F. A municipal employee may not intentionally or knowingly violate this section. A violation of this section is cause for disciplinary action or dismissal pursuant to the municipality’s adopted personnel policy.

G. This section does not abrogate the immunity provided by section 12-820.01 or 12-820.02.

H. A municipality shall prominently print the provisions of subsections A, B, C, D, E, F and G of this section on all license applications.

I. The licensing application may be in either print or electronic format.

Sec. 11. Section 9-835, Arizona Revised Statutes, is amended to read:

9-835. Licensing time frames; compliance; consequence for failure to comply with time frame; exemptions; definition

A. For any new ordinance or code requiring a license, a municipality shall have in place an overall time frame during which the municipality will either grant or deny each type of license that it issues. The overall time frame for each type of license shall state separately the administrative completeness review time frame and the substantive review time frame and shall be posted on the municipality’s website or the website of an association of cities and towns if the municipality does not have a website.
B. On or before December 31, 2012, a municipality that issues licenses required under existing ordinances or codes shall have in place an overall time frame during which the municipality will either grant or deny each type of license that it issues. The overall time frame for each type of license shall state separately the administrative completeness review time frame and the substantive review time frame and shall be posted on the municipality's website or the website of an association of cities and towns if the municipality does not have a website. Municipalities shall prioritize the establishment of time frames for those licenses that have the greatest impact on the public.

C. In establishing time frames, municipalities shall consider all of the following:
   1. The complexity of the licensing subject matter.
   2. The resources of the municipality.
   3. The economic impact of delay on the regulated community.
   4. The impact of the licensing decision on public health and safety.
   5. The possible use of volunteers with expertise in the subject matter area.
   6. The possible increased use of general licenses for similar types of licensed businesses or facilities.
   7. The possible increased cooperation between the municipality and the regulated community.
   8. Increased municipal flexibility in structuring the licensing process and personnel including:
      (a) Adult businesses and other licenses that are related to the first amendment.
      (b) Master planned communities.
      (c) Suspension of the substantive and overall time frames for purposes including delays caused by the need for public hearings, state or federal licenses or approvals from public utilities on residential or commercial development projects.
   9. That the substantive review time frames and overall time frames do not include the time required for an applicant to obtain other nonmunicipal licenses or to participate in meetings as required by law.

D. A municipality shall issue a written or electronic notice of administrative completeness or deficiencies to an applicant for a license within the administrative completeness review time frame. If the permit sought requires approval of more than one department of the municipality, each department may issue a written or electronic notice of administrative completeness or deficiencies.
E. If a municipality determines that an application for a license is not administratively complete, the municipality shall include a comprehensive list of the specific deficiencies in the written or electronic notice provided pursuant to subsection D of this section. If the municipality issues a written or electronic notice of deficiencies within the administrative completeness time frame, the administrative completeness review time frame and the overall time frame are suspended from the date the notice is issued until the date that the municipality receives the missing information from the applicant. The municipality may issue an additional written or electronic notice of administrative completeness or deficiencies based on the applicant's submission of missing information. If the permit sought requires approval of more than one department of the municipality, each department may issue an additional written or electronic notice of administrative completeness or deficiencies based on the applicant's submission of missing information.

F. If a municipality does not issue a written or electronic notice of administrative completeness or deficiencies within the administrative completeness review time frame, the application is deemed administratively complete. If a municipality issues a timely written or electronic notice of deficiencies, an application shall IS not be complete until all requested information has been received by the municipality. A municipality may consider an application withdrawn if, by fifteen days or more after the date of notice, as established by the municipality, the applicant does not supply the documentation or information requested or an explanation of why the information cannot be provided within the established time period.

G. During the substantive review time frame, a municipality may make one comprehensive written or electronic request for corrections. If the municipality identifies legal requirements that were not included in the comprehensive request for corrections, the municipality may amend the comprehensive request for corrections once to include the legal requirements and the legal authority for the requirements. WITHIN FIVE WORKING DAYS FOLLOWING A REQUEST BY THE APPLICANT, THE MUNICIPALITY SHALL MEET OR DISCUSS WITH THE APPLICANT THE REQUEST FOR CORRECTIONS AND PROVIDE SUFFICIENT INFORMATION AND INSTRUCTION TO ALLOW THE APPLICANT TO PROVIDE THE REQUESTED CORRECTIONS. If the permit sought requires approval of more than one department of the municipality, each department may issue a comprehensive written or electronic request for corrections. If the applicant fails to resolve an issue identified in a request for corrections, the municipality may make supplemental written or electronic requests for corrections that are limited to issues previously identified in a comprehensive request for corrections. If a municipality issues a
comprehensive written or electronic request or a supplemental request for corrections, the substantive review time frame and the overall time frame are suspended from the date the request is issued until the date that the municipality receives the corrections from the applicant. If an applicant requests significant changes, alterations, additions or amendments to an application that are consistent with the purposes of the original application and that are not in response to the request for corrections, a municipality may make one additional comprehensive written or electronic request for corrections and may have no more than an additional fifty percent of the substantive review time frame as established by the municipality for that license to grant or deny the license. Nothing shall prevent communication between a municipality and an applicant regarding a comprehensive written or electronic request for corrections or a supplemental request for corrections. EXCEPT FOR AN APPLICATION SUBMITTED FOR A CHANGE IN ZONING PURSUANT TO CHAPTER 4, ARTICLE 6.1 OF THIS TITLE, A MUNICIPALITY MAY NOT DENY A LICENSE APPLICATION THAT IS NECESSARY FOR LAND DEVELOPMENT OR BUILDING CONSTRUCTION UNLESS THE MUNICIPALITY CONSIDERS THE APPLICATION WITHDRAWN. A municipality may consider an application withdrawn if, by thirty days or more after the date of notice, as established by the municipality, the applicant does not supply the documentation or information requested or an explanation of why the information cannot be provided within the established time period.

H. Nothing shall prevent the municipality from continuing to process the application during the suspension of the substantive review time frame and overall time frame.

I. By mutual written or electronic agreement, a municipality and an applicant for a license may extend the substantive review time frame and the overall time frame. An extension of the substantive review time frame and the overall time frame may not exceed fifty percent of the overall time frame.

J. Unless a municipality and an applicant for a license mutually agree to extend the substantive review time frame and the overall time frame pursuant to subsection I of this section, a municipality shall issue a written or electronic notice granting or denying a license to an applicant. If a municipality denies or withdraws an application for a license, the municipality shall include in the written or electronic notice at least the following information:

1. Justification for the denial or withdrawal with references to the statutes, ordinances, codes or substantive policy statements on which the denial or withdrawal is based.

2. An explanation of the applicant's right to appeal the denial or withdrawal. The explanation shall include the number of working days in
which the applicant must file a protest challenging the denial or withdrawal and the name and telephone number of a municipal contact person who can answer questions regarding the appeals process.

3. An explanation of the applicant's right to resubmit the application, the total amount of fees that will be assessed if the applicant resubmits the application and the method in which those fees were calculated.

K. If a municipality does not issue the applicant the written or electronic notice granting, CONDITIONALLY GRANTING or denying a license within the overall time frame or within the mutually agreed on time frame extension, the municipality shall refund to the applicant all fees charged for reviewing and acting on the application for the license and shall excuse payment of any fees that have not yet been paid. The municipality shall not require an applicant to submit an application for a refund pursuant to this subsection. The refund shall be made within thirty working days after the expiration of the overall time frame or the time frame extension. The municipality shall continue to process the application. Notwithstanding any other statute, the municipality shall make the refund from the fund in which the application fees were originally deposited. The right to receive a refund of fees charged for reviewing and acting on the application for the license may not be waived by an applicant. EXCEPT FOR A FINAL CERTIFICATE OF OCCUPANCY OR A FINAL INSPECTION FOR LAND DEVELOPMENT OR BUILDING CONSTRUCTION, IF THE APPLICATION IS FOR A LICENSE OR APPROVAL THAT IS NECESSARY FOR LAND DEVELOPMENT OR BUILDING CONSTRUCTION, THE APPLICATION SHALL BE DEEMED APPROVED IF THE MUNICIPALITY DOES NOT ISSUE THE APPLICANT THE WRITTEN OR ELECTRONIC NOTICE GRANTING OR CONDITIONALLY GRANTING THE LICENSE OR APPROVAL WITHIN THE OVERALL TIME FRAME OR WITHIN THE MUTUALLY AGREED ON TIME FRAME EXTENSION. THE MUNICIPALITY MAY RETAIN ALL FEES CHARGED FOR REVIEWING AND ACTING ON THE APPLICATION.

L. If an application for a license is denied and the applicant resubmits the application for the same purposes with only revisions or corrections to the original application, the municipality shall not assess any additional application fees that exceed the cost of processing the resubmitted revisions or corrections. This subsection does not apply to license applications that were denied for disqualifying criminal convictions or that were submitted fraudulently.

M. If an application for a license is withdrawn and the applicant resubmits the application for the same purpose, the municipality shall not assess any additional application fees that exceed fifty percent of the original applicant APPLICATION fees that have not been refunded to the applicant. This subsection does not apply to license applications that
were denied for disqualifying criminal convictions or that were submitted fraudulently.

N. This section does not apply to a license that is either:

1. issued within seven working days after receipt of the initial application or a permit that expires within twenty-one working days after issuance.

2. Necessary for the construction or development of a residential lot, including swimming pools, hardscape and property walls, subdivisions or master planned community.

O. For the purposes of this section, :

1. "master planned community" means development by one or more developers of real estate that consists of residential, commercial, education, health care, open space and recreational components and that is developed pursuant to a long-range, multiphase master plan providing comprehensive land use planning and staged implementation and development.

2. "Subdivision" means improved or unimproved land or lands divided for the purposes of financing, sale or lease, whether immediate or future, into four or more lots, tracts or parcels of land, or, if a new street is involved, any such property that is divided into two or more lots, tracts or parcels of land, or, any such property, the boundaries of which have been fixed by a recorded plat, which is divided into more than two parts. Subdivision includes any condominium, cooperative, community apartment, townhouse or similar project containing four or more parcels, in which an undivided interest in the land is coupled with the right of exclusive occupancy of any unit located thereon, but plats of such projects need not show the buildings or the manner in which the buildings or airspace above the property shown on the plat are to be divided.

Sec. 12. Section 11-812, Arizona Revised Statutes, is amended to read:

11-812. Restriction on regulation; exceptions; aggregate mining regulation; definitions

A. Nothing contained in Any ordinance authorized by this chapter shall NOT:

1. Affect existing uses of property or the right to its continued use or the reasonable repair or alteration of the property for the purpose for which used at the time the ordinance affecting the property takes effect.

2. Prevent, restrict or otherwise regulate the use or occupation of land or improvements for railroad, mining, metallurgical, grazing or general agricultural purposes, if the tract concerned is five or more contiguous commercial acres. For the purposes of this paragraph:
(a) "General agricultural purposes" includes agritourism as defined in section 3-111, but does not include any of the following:

(i) Food establishments THAT ARE under the authority of the department of health services pursuant to section 36-136, subsection I AND that are associated with an agritourism business.

(ii) Rodeo events that are open to the general public and that sell tickets for admission. For the purposes of this item, rodeo events do not include generally accepted agricultural practices associated with livestock and equine operations.

(iii) The cultivation of cannabis as defined in section 13-3401 or marijuana as defined in section 13-3401 or 36-2801.

(b) "Mining" has the same meaning prescribed in section 27-301.

3. Prevent, restrict or otherwise regulate the use or occupation of land or improvements for agricultural composting, if the tract is five or more contiguous commercial acres. An agricultural composting operation shall notify in writing the board of supervisors and the nearest fire department of the location of the composting operation. If the nearest fire department is located in a city, town or fire district where the agricultural composting is not located, the agricultural composting operation shall also notify in writing the fire district in which the operation is located. Agricultural composting is subject to sections 3-112 and 49-141. For the purposes of this paragraph, "agricultural composting" has the same meaning prescribed in section 9-462.01, subsection G I.

4. Prevent, restrict or otherwise regulate the otherwise lawful discharge of a firearm or air gun or use of archery equipment on a private lot or parcel of land that is not open to the public on a commercial or membership basis.

B. A nonconforming business use within a district may expand if the expansion does not exceed one hundred percent of the area of the original business.

C. For the purposes of subsection A, paragraph 2 of this section, mining does not include aggregate mining operations in an aggregate mining operations zoning district established pursuant to this section. The board of supervisors of any county with a population of more than two million persons shall designate and establish the boundaries of an aggregate mining operations zoning district on the petition of at least one hundred persons who reside within one-half mile of an existing aggregate mining operation. In addition, the board of supervisors of any county may establish, in its discretion and on the board's initiative, one or more aggregate mining operations zoning districts. Aggregate mining operations zoning districts may only be located in areas that are inventoried and mapped as areas of known reserves or in areas with existing aggregate mining operations.
Subject to subsections E and F of this section, a county and the state mine inspector may jointly adopt, as internal administrative regulations, reasonable aggregate mining operations zoning district standards limited to permitted uses, procedures for approval of property development plans and site development standards for dust control, height regulations, setbacks, days and hours of operation, off-street parking, screening, noise, vibration and air pollution control, signs, roadway access lanes, arterial highway protection and property reclamation for which aggregate mining operations are not otherwise subject to federal, state or local regulation or a governmental contractual obligation. Regulations jointly adopted pursuant to this subsection by the county and the state mine inspector shall not prohibit the activities included in the definition of mine pursuant to section 27-301, paragraph 8 or duplicate, conflict with or be more stringent than applicable federal, state or local laws.

D. The board of supervisors of any county that establishes an aggregate mining operations zoning district shall appoint an aggregate mining operations recommendation committee for the district. The committee consists of not more than seven operators, or representatives of operators, of active aggregate mining operations in any district within the county and an equal number of private citizens, who are not operators, who are not employed by operators and who do not represent operators, residing within three miles of the boundaries of aggregate mining operations or a proposed aggregate mining operation in the district for which the committee is established. The initial members appointed to the committee shall be deemed the primary members, and the board of supervisors shall appoint not more than five alternate members who represent operators and shall appoint not more than five alternate members who are private citizens. Alternate members may serve at meetings of the committee when a primary member is unable to attend. An aggregate mining operator may serve on more than one committee in the same county. The board of supervisors shall determine the length of terms of members of the committee and shall stagger the initial appointments so that not all members' terms expire at the same time. Members of the committee who no longer qualify for membership as provided by this subsection are subject to removal and replacement by the board of supervisors. The committee shall elect a member who is an aggregate mining operator to serve as chairperson for the first year in which the committee is created. For each year thereafter, the chairperson shall be elected by the members of the committee with a member who is a private citizen and a member who is an aggregate mining operator serving as chairperson in alternate years. The committee is subject to the open meeting requirements of title 38, chapter 3, article 3.1.
E. Within ninety days after an aggregate mining operations recommendation committee is established, the committee shall notify all existing aggregate mining operators in the district of the application of this section and title 27, chapter 3, article 6 to the aggregate mining operation. In addition, the committee shall:

1. By a majority vote of all members make recommendations to the board of supervisors for aggregate mining zoning districts and administrative regulations as provided in this section. The board of supervisors may adopt or reject the recommendations but may not make any modifications to the recommendations unless the modification is approved by a majority of the members of the recommendation committee.

2. Serve as a forum for mediation of disputes between members of the public and aggregate mining owners or operators. If the committee is unable to resolve a dispute, the committee shall transmit the matter to the state mine inspector, with written findings and recommendations, for further action.

3. Hear written complaints filed with the state mine inspector regarding alleged material deviations from approved community notices for aggregate mining operations and make written recommendations to the state mine inspector pursuant to section 27-446.

F. Any administrative regulations adopted by a board of supervisors pursuant to this section are not effective until the regulations are approved by the state mine inspector. The STATE MINE inspector may disapprove the administrative regulations adopted by the board of supervisors only if they duplicate, conflict with or are more stringent than applicable federal, state or local laws, rules or regulations. If the STATE MINE inspector disapproves the administrative regulations, the STATE MINE inspector must provide written reasons for the disapproval. The STATE MINE inspector shall not make any modification to the administrative regulations as adopted by the board of supervisors unless the modification is approved by a majority of the members of the board of supervisors.

G. A person or entity is subject to this chapter if the use or occupation of land or improvements by the person or entity consists of or includes changing, remanufacturing or treating human sewage or sludge for distribution or resale. These activities are not exempt from this chapter under subsection A, paragraph 2 of this section.

H. A county shall not require as a condition for a permit or for any approval, or otherwise cause, an owner or possessor of property to waive the right to continue an existing nonconforming outdoor advertising use or structure without acquiring the use or structure by purchase or condemnation and paying just compensation unless the county, at its option, allows the use or structure to be relocated to a comparable site in the
county with the same or a similar zoning classification, or to another site in the county acceptable to both the county and the owner of the use or structure, and the use or structure is relocated to the other site. The county shall pay for relocating the outdoor advertising use or structure including the cost of removing and constructing the new use or structure that is at least the same size and height. This subsection does not apply to county rezoning of property at the request of the property owner to a more intensive zoning district.

I. For the purposes of this section:
   1. "Aggregate" has the same meaning prescribed in section 27-441.
   2. "Aggregate mining" has the same meaning prescribed in section 27-441.
   3. "Aggregate mining operation" means property that is owned, operated or managed by the same person for aggregate mining.
   4. "Operators" means persons who are actively engaged in aggregate mining operations within the zoning district or proposed zoning district and who have given notice to the state mine inspector pursuant to section 27-303.

Sec. 13. Section 41-3955, Arizona Revised Statutes, is amended to read:

41-3955. Housing trust fund; purposes; annual report
   A. The housing trust fund is established, and the director shall administer the fund. The fund consists of monies from unclaimed property deposited in the fund pursuant to section 44-313, monies transferred pursuant to sections 35-751 and 41-5352 and investment earnings.
   B. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.
   C. Except as provided in subsection D of this section, fund monies shall be spent on approval of the department for developing projects and programs connected with providing housing opportunities for low and moderate income households, and for housing affordability programs and to fund the rural housing infrastructure grant program established by section 41-3958. Pursuant to section 44-313, subsection A, a portion of fund monies shall be used exclusively for housing in rural areas.
   D. Fund monies may be spent on constructing or renovating facilities and on housing assistance, including support services, for persons who have been determined to be seriously mentally ill and to be chronically resistant to treatment.
   E. For the purposes of subsection C of this section, in approving the expenditure of monies, the director shall give priority to funding projects that provide for operating, constructing or renovating facilities

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for housing for low-income families and that provide housing and shelter to families that have children.

F. The director shall report annually to the legislature on the status of the housing trust fund. The report shall include a summary of facilities for which funding was provided during the preceding fiscal year and shall show the cost and geographic location of each facility and the number of individuals benefiting from the operation, construction or renovation of the facility. The report shall also include the number of individuals who benefit from housing assistance pursuant to subsection D of this section. The report shall be submitted to the president of the senate and the speaker of the house of representatives, and a copy provided to the secretary of state, not later than September 1 of each year.

G. Monies in the housing trust fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

H. An amount not to exceed ten percent of the housing trust fund monies may be appropriated annually by the legislature to the department for administrative costs in providing services relating to the housing trust fund.

I. For any construction project financed by the department pursuant to this section, the department shall notify a city, town, county or tribal government that a project is planned for its jurisdiction and, before proceeding, shall seek comment from the governing body of the city, town, county or tribal government or an official authorized by the governing body of the city, town, county or tribal government. The department shall not interfere with or attempt to override the local jurisdiction's planning, zoning or land use regulations.

Sec. 14. Title 41, chapter 37, article 2, Arizona Revised Statutes, is amended by adding section 41-3958, to read:

41-3958. Rural housing infrastructure grant program; administration; annual report; definitions

A. THE RURAL HOUSING INFRASTRUCTURE GRANT PROGRAM IS ESTABLISHED TO FACILITATE THE CONSTRUCTION OF NEW RESIDENTIAL HOUSING UNITS AND TO PROVIDE FOR DIVERSITY OF HOUSING TYPES NEEDED IN RURAL AREAS. THE DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM.

B. GRANT RECIPIENTS MAY USE MONIES TO CONSTRUCT LIMITED NECESSARY PUBLIC SERVICES OR FACILITY EXPANSION THAT WILL PREDOMINANTLY SERVE RESIDENTIAL HOUSING UNITS IN CITY, TOWN OR COUNTY SERVICE AREAS.

C. APPLICANTS SHALL SUBMIT AN APPLICATION FOR GRANT MONIES TO THE DEPARTMENT IN A MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL ESTABLISH AN APPLICATION FORM, PROCESS AND PROCEDURE BY WHICH GRANT MONIES ARE AWARDED.
D. To be eligible to receive a grant, an applicant must demonstrate to the Department that it meets all of the following requirements:

1. Is a city or town with a population of less than twenty-five thousand persons or a county with a population of less than five hundred thousand persons.

2. The city, town or county has an identified housing shortage.

3. The city, town or county has identified a shortage of limited necessary public services or facility expansion as a barrier to constructing new housing units.

4. The infrastructure to be constructed is a limited necessary public service or facility expansion.

5. The infrastructure to be constructed predominately serves new residential housing units regardless of housing type.

6. The county, city or town has removed any codes, ordinances, standards or other legal requirements that would restrict the construction of new housing units of any type.

E. The rural housing development grant program shall be funded through the Housing Trust Fund established by Section 41-3955.

F. If the infrastructure for which the grant was awarded is identified in an infrastructure improvements plan adopted pursuant to Section 9-463.05 or 11-1102, the city, town or county shall amend the adopted infrastructure improvements plan within sixty days after notification of the award. A city, town or county may not assess a development fee pursuant to Section 9-463.05 or 11-1102 for any infrastructure project for which a grant was awarded pursuant to this section.

G. The Department may not require the construction of a specific housing type or housing project as a condition of grant approval.

H. On or before December 31, 2024 and each year thereafter, the Department shall provide the Legislature and the Governor with a report on the following information and shall provide a copy of the report to the Secretary of State:

1. The amount of grant program monies that were provided to rural cities, towns and counties.

2. The amount of residential housing units that were built using grant program monies.

3. Which rural areas received grant program monies.

I. For the purposes of this section:

1. "Facility expansion":
   
   (a) means the expansion of the capacity of an existing facility that serves the same function as an otherwise new limited necessary public service in order for the existing facility to serve new development.
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(b) DOES NOT INCLUDE THE REPAIR, MAINTENANCE, MODERNIZATION OR
EXPANSION OF AN EXISTING FACILITY TO BETTER SERVE EXISTING DEVELOPMENT.

2. "LIMITED NECESSARY PUBLIC SERVICE" MEANS ANY OF THE FOLLOWING
FACILITIES THAT HAVE A LIFE EXPECTANCY OF THREE OR MORE YEARS AND THAT ARE
OWNED OR OPERATED BY OR ON BEHALF OF THE CITY, TOWN OR COUNTY:
(a) WATER FACILITIES, INCLUDING THE SUPPLY, TRANSPORTATION,
TREATMENT, PURIFICATION AND DISTRIBUTION OF WATER, AND ANY APPURTENANCES
FOR THOSE FACILITIES.
(b) WASTEWATER FACILITIES, INCLUDING THE COLLECTION, INTERCEPTION,
TRANSPORTATION, TREATMENT AND DISPOSAL OF WASTEWATER, AND ANY APPURTENANCES
FOR THOSE FACILITIES.
(c) STORMWATER DRAINAGE AND FLOOD CONTROL FACILITIES, INCLUDING ANY
APPURTENANCES FOR THOSE FACILITIES.
(d) STREET FACILITIES LOCATED IN THE SERVICE AREA, INCLUDING
ARTERIAL OR COLLECTOR STREETS OR ROADS THAT HAVE BEEN DESIGNATED ON AN
OFFICIAL ADOPTED PLAN OF THE CITY, TOWN OR COUNTY, AND RIGHTS-OF-WAY AND
IMPROVEMENTS THEREON.

3. "SERVICE AREA" MEANS ANY SPECIFIED AREA WITHIN THE BOUNDARIES OF
A CITY, TOWN OR COUNTY IN WHICH DEVELOPMENT WILL BE SERVED BY LIMITED
NECESSARY PUBLIC SERVICES OR FACILITY EXPANSIONS.

Sec. 15. Section 41-5352, Arizona Revised Statutes, is amended to
read:

41-5352. Arizona finance authority; fund
A. The Arizona finance authority is established in the office of
economic opportunity.
B. The governor shall appoint the director of the authority to serve
at the pleasure of the governor.
C. The Arizona finance authority operations fund is established
consisting of monies deposited pursuant to section 41-5355. The authority
shall administer the fund. Monies in the fund are continuously
appropriated.
D. At the end of the fiscal year, the authority shall transfer all
unencumbered monies in the fund in excess of the authority's operating
costs to the economic development fund established by section 41-5302
HOUSING TRUST FUND ESTABLISHED BY SECTION 41-3955.

Sec. 16. Section 44-313, Arizona Revised Statutes, is amended to
read:

44-313. Deposit of monies
A. Except as otherwise provided in this section or section 44-314,
the department shall deposit, pursuant to sections 35-146 and 35-147, in
the state general fund all monies received pursuant to this chapter.
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including the proceeds from the sale of abandoned property pursuant to section 44-312, except that:

1. FIFTY-FIVE PERCENT OF THE MONIES SHALL BE DEPOSITED IN THE HOUSING TRUST FUND ESTABLISHED BY SECTION 41-3955.

2. The first two million dollars $2,000,000 of the monies shall be deposited each fiscal year in the seriously mentally ill housing trust fund established by section 41-3955.01.

3. The second two million five hundred thousand dollars of the monies shall be deposited in the housing trust fund established by section 41-3955.

4. The next twenty-four million five hundred thousand dollars $24,500,000 of the monies shall be deposited each fiscal year in the department of revenue administrative fund established by section 42-1116.01.

B. The department shall deposit monies from unclaimed shares and dividends of any corporation incorporated under the laws of this state in the permanent state school fund pursuant to article XI, section 8, Constitution of Arizona.

C. The department shall deposit monies from unclaimed victim restitution payments in the victim compensation and assistance fund established by section 41-2407 for the purpose of establishing, maintaining and supporting programs that compensate and assist victims of crime.

D. The department shall retain in a separate trust fund at least one hundred thousand dollars $100,000 from which the department shall pay claims.

E. Before making the deposit, the department shall record the name and last known address of each person who appears from the holders' reports to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary. The department shall also record the policy or contract number of each policy or contract of an insurance company that is listed in the report, the name of the company and the amount due. The department shall make the record available for public inspection during reasonable business hours."

Amend title to conform

STEVE KAISER

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