1 Strike everything after the enacting clause and insert:

"Section 1. Title 9, chapter 4, article 6, Arizona Revised Statutes, is amended by adding section 9-461.18, to read:

9-461.18. 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 FAILING TO COMPLY WITH ANY ORDINANCE, CODE, STANDARD, REGULATION, GUIDELINE, AGREEMENT, STIPULATION OR OTHER LEGAL REQUIREMENT RELATED TO OR REGULATING RESIDENTIAL HOUSING DESIGN ELEMENTS. A MUNICIPALITY MAY:

1. LIMIT THE NUMBER OF TIMES AN ELEVATION CAN BE BUILT NEXT TO OR ACROSS FROM THE SAME ELEVATION.

2. REGULATE THE HEIGHT OF THE DWELLING PURSUANT TO SECTIONS 9-462.01 AND 9-462.10.

3. REGULATE THE LOCATION AND SIZE OF OPEN SPACE TO THE EXTENT REQUIRED BY THE MUNICIPALITY SOLELY FOR STORMWATER RETENTION AS OF THE EFFECTIVE DATE OF THIS SECTION AND FOR WATER CONSERVATION.

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 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 district of historical significance pursuant to section 9-462.01, subsection A, paragraph 10 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.
   7. Required to meet the sound attenuation standards as prescribed by section 28-8482.

D. This section does not:
   1. 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.
   2. Apply to a municipality located on tribal land or with a population of less than twenty-five thousand persons.

E. 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 to be built on each lot.
(b) THE SIZE AND NUMBER OF STORIES OF THE DWELLING.
(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.
(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) THE 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) 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.
(l) SIDEWALK PLACEMENT AND DESIGN, INCLUDING REQUIRING DETACHED SIDEWALKS, EXCEPT AS REQUIRED BY TITLE 41, CHAPTER 9, ARTICLE 8 AND APPLICABLE FEDERAL LAW.
(m) THE DESIGN, DECORATION AND LANDSCAPING OF THE REAR YARD, SIDE YARD AND ANY AREA THAT IS NOT VISIBLE OR ACCESSIBLE TO THE PUBLIC.
(n) 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 PROPOONENT 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, A TENANT ON BEHALF OF THE OWNER, AN ASSOCIATION OR THE MEMBERS OF AN ASSOCIATION.

Sec. 2. 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 IN A MUNICIPALITY WITH A POPULATION OF MORE THAN TWENTY-FIVE THOUSAND PERSONS.

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. OUTSIDE OF AN AGE-SPECIFIC COMMUNITY ZONING DISTRICT, A
MUNICIPALITY WITH A POPULATION OF MORE THAN TWENTY-FIVE THOUSAND PERSONS
SHALL ALLOW A SINGLE-ROOM OCCUPANCY TO BE OCCUPIED BY A PERSON WHO IS
FIFTY-FIVE YEARS OF AGE OR OLDER IN OTHER ZONING DISTRICTS AS DETERMINED BY
THE MUNICIPALITY.

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:

1. It deems best suited to carry out the purpose of this article and articles 6, 6.2 and 6.3 of this chapter.

2. IN AN EFFORT TO ENSURE AN ADEQUATE SUPPLY OF LAND ZONED FOR HOUSING FOR THE MUNICIPALITY'S CURRENT AND FUTURE RESIDENTS.

C. All zoning regulations shall be uniform for each class or kind of building or use of land throughout each zone, but 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.

3. Within zones that allow single-family residential uses in a municipality with a population of more than twenty-five thousand persons, the regulations shall allow one accessory dwelling unit per lot that may be occupied by a person other than the owner. A municipality may allow more than one accessory dwelling unit per lot and may require a lease for an accessory dwelling unit to have a duration of at least three months. This paragraph does not apply to areas designated as a district of historical significance pursuant to subsection a, paragraph 10 of this section or an area that is designated as historic on the National Register of Historic Places.

D. 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.

E. 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.

F. 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.

G. A regulation or ordinance under this section may not prevent or
restrict 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 subsection:

1. "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.

2. "Farmland" has the same meaning prescribed in section 3-111 and is subject to regulation under section 49-247.

H. 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.

I. 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.

J. 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.

K. 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.

L. For the purposes of this section:

1. "ACCESSORY DWELLING UNIT":
   (a) MEANS A RESIDENTIAL LIVING UNIT THAT PROVIDES COMPLETE INDEPENDENT LIVING FACILITIES, WHICH MAY INCLUDE A KITCHEN WITH A RANGE, FOR ONE OR MORE PERSONS ON THE SAME PARCEL AS A SINGLE-FAMILY DWELLING AND THAT IS SMALLER IN TOTAL SQUARE FOOTAGE THAN THE PRIMARY DWELLING UNIT.
   (b) INCLUDES EITHER OF THE FOLLOWING:
      (i) A DETACHED UNIT.
      (ii) A UNIT THAT IS ATTACHED TO THE SINGLE-FAMILY UNIT ON THE SAME PARCEL.

2. "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.

3. "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.

4. "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.

5. "SINGLE-ROOM OCCUPANCY":
   (a) MEANS A DWELLING UNIT IN WHICH A RESIDENT RENTS A PRIVATE
       BEDROOM WITH A SHARED KITCHEN AND BATHROOM FACILITY.
   (b) DOES NOT INCLUDE A SOBER LIVING HOME AS DEFINED IN SECTION
       36-2061 OR AN ASSISTED LIVING FACILITY AS DEFINED IN SECTION 36-401.

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

Sec. 3. 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. 4. Section 9-462.04, Arizona Revised Statutes, is amended to read:

9-462.04. Public hearing required; definition
A. If the municipality has a planning commission or a hearing officer, the planning commission or hearing officer shall hold a public hearing on any zoning ordinance. Notice of the time and place of the hearing, including a general explanation of the matter to be considered and including a general description of the area affected, shall be given at least fifteen days before the hearing in the following manner:

1. The notice shall be published at least once in a newspaper of general circulation published or circulated in the municipality, or if there is none, it shall be posted on the affected property in such a manner as to be legible from the public right-of-way and in at least ten public places in the municipality. A posted notice shall be printed so that the following are visible from a distance of one hundred feet: the word "zoning", the present zoning district classification, the proposed zoning district classification and the date and time of the hearing.
2. In proceedings involving rezoning of land that abuts other municipalities or unincorporated areas of the county or a combination 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 ADOPTING 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 IS 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. 5. Title 9, chapter 4, article 6.1, Arizona Revised Statutes,
is amended by adding section 9-462.10, to read:

9-462.10. State preemption; residential zoning districts;
amendment; objection; findings; action to
challenge findings; public hearing;
applicability; definitions

A. HOUSING SUPPLY AND AFFORDABILITY ARE 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 OR TOWN, 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, ON ANY REZONING OF LAND TO RESIDENTIAL USE, TO DETERMINE
WHETHER THE APPLICATION TO REZONE 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 PRESCRIBED 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 AFTER RECEIPT. AFTER A
DETERMINATION THAT THE APPLICATION IS ADMINISTRATIVELY COMPLETE, THE
MUNICIPALITY SHALL APPROVE THE APPLICATION WITHIN ONE HUNDRED EIGHTY 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 OWNER WHILE ON THE OWNER'S PROPERTY THAT HAS NOT BEEN MITIGATED.

C. IF THE MUNICIPALITY FINDS THAT THE OWNER OF PROPERTY WITHIN THE ZONING AREA PROVED BY CLEAR AND CONVINCING EVIDENCE AN OBJECTIVE EXTERNALITY 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 EXTERNALITY AND CONDITIONALLY APPROVE THE APPLICATION SUBJECT TO THE SPECIFICALLY IDENTIFIED MITIGATION MEASURES. 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.

D. 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 EXTERNALITY TO THE PROPERTY OWNER WHILE ON THE OWNER'S PROPERTY AND THE MUNICIPALITY'S SPECIFICALLY IDENTIFIED LEAST RESTRICTIVE MEANS OF MITIGATING THE IDENTIFIED OBJECTIVE EXTERNALITY.

E. 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.

F. THE MUNICIPALITY MAY REQUIRE THE PROJECT THAT IS THE SUBJECT OF THE REZONING REQUEST TO ADDRESS ANY IMPACTS ON THE MUNICIPALITY'S INFRASTRUCTURE RELATED TO TRAFFIC, STORMWATER RUNOFF, WATER SERVICES AND WASTEWATER SERVICE, AND PAY ANY DEVELOPMENT FEES ADOPTED AND COLLECTED PURSUANT TO SECTION 9-463.05.
G. 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 APPLICANT SHALL COMPLY WITH ANY OTHER NOTICE REQUIREMENTS ADOPTED BY THE MUNICIPALITY IN ACCORDANCE WITH STATE LAW. 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.

H. THIS SECTION DOES NOT APPLY TO:

1. ANY LAND WITHIN AN AREA THAT IS DESIGNATED AS A DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10.

2. AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES.

3. THE IMMEDIATE VICINITY OF A MUNICIPAL, FEDERAL AVIATION ADMINISTRATION COMMERCIAL LICENSED, GENERAL AVIATION OR MILITARY AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED IN SECTION 28-8461.

4. A MUNICIPALITY THAT IS LOCATED ON TRIBAL LAND OR THAT HAS A POPULATION OF LESS THAN TWENTY-FIVE THOUSAND PERSONS.

I. FOR THE PURPOSES OF THIS SECTION:


2. "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.

3. "LIGHT" MEANS THE PROPORTION OF NATURAL LIGHT THAT A BUILDING SHOULD EXPECT TO RECEIVE.

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. "ZONING AREA" HAS THE SAME MEANING PRESCRIBED IN SECTION 9-462.04.

Sec. 6. 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. License

   (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. "Person" means an individual, partnership, corporation, association, governmental subdivision or unit of a governmental subdivision or a public or private organization of any character.
7. "Request for corrections" means a request for technical or clarifying corrections from an applicant who has submitted an administratively complete application for a license.

8. "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.

9. "Working day" means a twenty-four-hour TWENTY-FOUR-HOUR period excluding weekends and THE legal holidays PRESCRIBED IN SECTION 1-301.

Sec. 7. 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; definitions

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.

10. THE IMPACT ON THE SUPPLY AND COST OF HOUSING FROM UNNECESSARY
DELAYS IN THE APPROVAL AND PERMITTING PROCESS.
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 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 AFTER 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 OR AN APPLICATION RELATED TO A STRUCTURE IN AN AREA DESIGNATED AS A DISTRICT
OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10 OR HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES OR A STRUCTURE INDIVIDUALLY DESIGNATED AS A LOCAL, STATE OR NATIONAL HISTORIC LANDMARK, 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.
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 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 a master planned community that is located in a municipality located on tribal land or in a municipality with a population of less than twenty-five thousand persons.

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."

Amend title to conform