



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, First Regular Session*

**AMENDED**  
FACT SHEET FOR S.B. 1117

~~municipal platting; technical correction~~  
(NOW: housing; infrastructure; regulation; administration)

Purpose

Establishes residential zoning district regulations, limitations of residential housing design standards and municipal housing need assessments. Modifies current municipal zoning requirements.

Background

Statute authorizes municipalities to adopt zoning ordinances and codes to conserve and promote the public health, safety, convenience and general welfare and outlines zoning guidelines and requirements ([A.R.S. Title 9, Ch.4, Art. 6.1](#)). The governing body of a municipality must 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 must include at least: 1) notifying adjacent landowners and other potentially affected citizens of the application; 2) informing adjacent landowners and other potentially affected citizens on the substance of the proposed rezoning; and 3) providing adjacent landowners and other potentially affected citizen an opportunity to express any issues or concerns regarding the rezoning. Any zoning ordinances that propose to change property from one zone to another, that imposes any regulation not previously imposed or that removes any such regulation previously imposed must be adopted following the procedure prescribed in the citizen review process and in the manner set for public hearings ([A.R.S. § 9-462.03](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

***Residential Zoning Districts***

1. Declares that housing supply and affordability are matters of statewide concern.
2. Asserts that the 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.
3. Requires, by January 1, 2024, a municipality to adopt an amendment to its zoning ordinance that requires the municipality to do the following on any rezoning of land to a residential use:
  - a) administratively approve the application within 30 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; and
  - b) determine whether the application is administratively complete within 30 days after receiving the application.

4. Requires the municipality, if an application is determined to not be administratively complete, to follow the statutory procedures for review of administrative completeness, until the application is administratively complete.
5. Requires the municipality to determine whether a resubmitted application is administratively complete within 15 days of receipt.
6. Requires, after determining that an application is administratively complete, the municipality to approve the application within 180 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.
7. Deems an applicant 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:
  - a) grading and drainage; and
  - b) required street improvements, including stormwater and street improvement development fees in accordance with statute.
8. Prohibits the municipality's identified objective externalities, including any mitigation measures prescribed by code, ordinance, standard, regulation or other legal requirement, from creating an undue burden on the development and construction of new housing units.
9. Requires the application for changes to the municipality's zoning ordinance to be adopted following a public hearing before the governing board of the municipality.
10. Requires the notice and place of the public hearing, including a general explanation of the matter, to:
  - a) be provided in accordance with public hearing requirements; and
  - b) comply with any other notice requirements adopted by the municipality in accordance with state law.
11. Allows the municipality, at its discretion, to require a public hearing before a planning and zoning commission if the required hearings take place with the outlined time frame.
12. Requires the municipality, if it is found that a property owner within the zoning area proved an objective externality by clear and convincing evidence, to:
  - a) specifically identify the least restrictive mean to sufficiently mitigate the identified objective externality; and
  - b) conditionally approve the application subject to the specifically identified mitigation measures.
13. Allows an applicant, following the municipality's finding, to bring an action in superior court to challenge the finding 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:
  - a) the property owner while on the owner's property; and
  - b) the municipality's specifically identified least restrictive means of mitigating the identified objective externality.

14. Requires the trial, in any judicial action brought, to be *de novo*.
15. Prohibits the court from using any deferential standard to the findings of the municipality.
16. Specifies that the residential zoning district requirements do not apply to:
  - a) any land within the immediate vicinity of a municipal, Federal Aviation Administration commercially licensed, general aviation or military airport or ancillary military facility;
  - b) any land within an area that is designated as a district of historical significance by a municipality in accordance with statute or designated as historic on the National Register of Historic Places;
  - c) a municipality with a population of fewer than 30,000 persons; or
  - d) a municipality that is located on tribal land.
17. Excludes a modification made in accordance with the residential zoning districts regulation from the citizen review process outlined for zoning changes.

#### ***Residential Housing Design Standards***

18. Prohibits a municipality from adopting or enforcing any ordinance, code, standard, regulation, guideline, agreement, stipulation or other legal requirement related to or regulating residential housing design elements.
19. Prohibits a municipality from withholding 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.
20. Allows 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 to bring action in the superior court to enforce the requirements on residential housing design standards.
21. Specifies that the requirements on residential housing design standards do not apply to any ordinance, code, standard, regulation, guideline, agreement, stipulation or other legal requirement that is:
  - a) a requirement of an adopted minimum standard building code, including any local amendments that are less restrictive than the unamended minimum standard building code;
  - b) applicable solely to structures located in an area designated as a local district of historical significance or an area designated as historic on the National Register of Historic Places;
  - c) applicable solely to structures individually designated as local, state or national historic landmarks;
  - d) applied to manufactured homes in a manner consistent with state and federal law;
  - e) required as a condition of participating in the national flood insurance program; and
  - f) a stipulation on a recorded subdivision plat adopted by the municipality before the effective date.
22. Specifies that the requirement on residential housing design standards 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.

23. Specifies that the requirement on residential housing design standards does not apply to:
- a) a municipality with a population of fewer than 30,000 persons; or
  - b) a municipality that is located on tribal land.

***Municipal Zoning Regulations***

24. Excludes areas zoned for residential use in a municipality that has a population of more than 30,000 persons from the ability to establish by ordinance requirements relating to off-street parking and loading.
25. Prohibits a municipality with a population of more than 30,000 persons, on vacant land in any zone that allows single-family residential use, from requiring the following:
- a) lot size minimums that are greater than 4,000 square feet in area, but the density may be limited to six primary dwelling units per acre;
  - b) lot width minimums that are greater than 40 feet;
  - c) front setbacks that are greater than 10 feet, except for portions of a dwelling that are occupied by a garage, in which the front setback minimum may not be greater than 18 feet from the back of the sidewalk or lot line if there is no sidewalk;
  - d) side yard setbacks that are greater than 5 feet;
  - e) rear setbacks that are greater than 10 feet; and
  - f) the percentage of a lot that may be occupied by a building or structure to be greater than the setbacks.
26. Precludes a municipality with a population of more than 30,000 persons, in any zone that allows residential uses, from prohibiting the following:
- a) accessory dwelling units;
  - b) assessor dwelling units that are occupied by a person other than the owner or that are on a property not occupied by the owners; and
  - c) the placement of a new U.S. Department of Housing and Urban Development (U.S. HUD)-code manufactured home that is, or will be after purchase, titled as real property.
27. Allows the municipality to require a lease for an accessory dwelling unit to have a duration of at least three months.
28. Allows a municipality to require single-family or duplex new U.S. HUD-code manufactured housing to be securely fixed to a permanent standard or engineered foundation at an equivalent level as the requirements applicable to single-family dwellings within the municipality on which the new U.S. HUD-code manufactured housing is proposed to be located.
29. Eliminates the ability, within residential zones, for the regulations to permit modifications to minimum yard lot area.
30. Requires a municipality with a population of more than 30,000 persons to provide additional residential zoning that allow for construction or use of duplexes, triplexes, lots that are smaller than 4,000 square feet, single-room occupancies and other housing types proposed by applicants.

31. Specifies that the zoning regulation statute 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.
32. Stipulates that prescribed requirements for minimum zoning standards do not apply to:
  - a) a municipality that is located on tribal land; or
  - b) an area designated as a district of historical significance by a municipality in accordance with statute or as historic on the National Register of Historic Places.
33. Eliminates the requirement for preliminary and final plats to be approved by a legislative body.
34. Requires a municipality to prescribed procedures for the administrative approval of all final plats.
35. Requires the municipality, at the applicant's request and after preliminary plat submittal and approval from the Department of Environmental Quality, to issue an at-risk permit for grading, and earthmoving that relates to the property that is subject of the preliminary plat.
36. Specifies that the municipality issuing an at-risk permit does not constitute final preliminary plat approval or final approval of any grading or drainage or infrastructure construction plans.
37. Specifies that any work, services or materials accomplished or acquired by the applicant or its agents is done at the financial risk of the applicant with no financial liability to the municipality for issuing the at-risk permit.
38. Allows the municipality to require that all grading and earthmoving be done in compliance with all municipal codes, ordinances and standards and other legal requirements.
39. Stipulates that the requirement to issue an at-risk permit prior to final plat approval does not apply to:
  - a) a municipality with a population of fewer than 30,000 persons;
  - b) a municipality that is located on tribal land; or
  - c) land in an area that is designated as a district of historic significance by a municipality in accordance with statute or as historic on the National Register of Historic Places.
40. Allows a municipality with a population of fewer than 30,000 persons or that is located on tribal land to require final plats to be approved by the legislative body of the municipality.

#### ***Municipal Licensing Requirements***

41. Entitles a person to have a municipality not base a licensing decision in whole or in part on licensing conditions or requirements that are not objective.
42. Prohibits a municipality from basing a licensing decision in whole or in part on a licensing requirement or condition that is not objective.
43. Defines *objective* as 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.

44. Applies the exemption to the municipal licensing time frame requirement for a license necessary for the construction or development of a residential lot only to:
  - a) a municipality with fewer than 30,000 persons; or
  - b) a municipality that is located on tribal land.
45. Requires a municipality, in establishing licensing time frames, to consider the impact on the supply and cost of housing from unnecessary delays in the approval and permitting process.
46. Requires, within five working days of an applicant's request, a municipality during the substantive review time frame to:
  - a) meet or discuss with an applicant the request for corrections; and
  - b) provide sufficient information and instruction to allow the applicant to provide requested corrections, within five working days following a request by the applicant.
47. Prohibits a municipality from denying a license application that is necessary for land development or building construction unless the municipality considers the application withdrawn, except for an application:
  - a) submitted for a change in zoning; or
  - b) related to a structure in an area designated as a district of historical significance by a municipality in accordance with statute or as historic on the National Register of Historic Places or a structure individually designed as a local, state or national historic landmark.
48. Requires a municipality to refund all fees charged for reviewing and acting on an application for a license and excuse payment of any fees that have not yet been paid if the municipality does not issue the applicant the written or electronic notice conditionally granting a license within the overall time frame or mutually agreed on time frame extensions.
49. Requires the application, if for a license or approval necessary for land development or building construction, to 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.
50. Excludes a final certificate of occupancy or a final inspection for land development or building construction from the requirement to deem the application approved.

#### ***Municipal Housing Needs Assessment***

51. Requires a municipality, beginning January 1, 2024, and every five years thereafter, to publish a housing needs assessment that includes at least the following:
  - a) the total population and job growth projected for the subsequent five-year period;
  - b) the total need for additional residential housing units for rent and sale in the municipality to meet any deficiencies in housing the existing population and the existing workforce; and
  - c) the total need for additional residential housing units for rent and sale in the municipality to meet the population growth projections, the job growth projections and the housing needs across all various income levels.
52. Requires each municipality, beginning January 1, 2025, to submit an annual report accounting for:
  - a) the total number of proposed residential housing units submitted to the city or town;

- b) the total number of net new residential housing units submitted to the city or town; and
- c) 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.

53. Requires the annual report to also include the following:

- a) the number of housing development applications received in the prior year;
- b) the number of lots and multifamily units, included in all development applications in the prior year;
- c) the number of housing units for sale and rent approved and disapproved or otherwise not approved in the prior year;
- d) the status and progress in meeting the municipality's housing needs; and
- e) a plan that specifies how the municipality intends to satisfy the identified need for additional housing units within the municipality.

54. Requires the annual report to be submitted to the Arizona Department of Housing.

55. Specifies that the reporting requirements do not create a requirement for a municipality to meet or otherwise fulfill the projections in the housing need assessment.

56. Stipulates that the municipal housing needs assessment requirements do not apply to:

- a) a municipality with a population of fewer than 30,000 persons; or
- b) a municipality that is located on tribal land.

### *Miscellaneous*

57. Defines terms.

58. Makes technical and conforming changes.

59. Becomes effective on the general effective date.

### Amendments Adopted by Committee

- Adopted the strike-everything amendment.

### Amendments Adopted by Committee of the Whole

1. Specifies that a municipality that has a population of more than 30,000 persons is excluded from the ability to establish requirements for off-street parking and loading in areas zoned for residential use.
2. Specifies that a municipality with a population of more than 30,000 persons must not, on any vacant land in any zone that allows single-family residential use, require the following:
  - a) lot size minimums that are greater than 4,000 square feet in area, but the density may be limited to six primary dwelling units per acre;
  - b) lot width minimums that are greater than 40 feet;
  - c) front setbacks that are greater than 10 feet, except for portions of a dwelling that are occupied by a garage, in which the front setback minimum may not be greater than 18 feet from the back of the sidewalk or lot line if there is no sidewalk;
  - d) side yard setbacks that are greater than 5 feet;

- e) rear setbacks that are greater than 10 feet; and
  - f) the percentage of a lot that may be occupied by a building or structure to be greater than the setbacks.
3. Prohibits a municipality with a population of more than 30,000 persons, in any zone that allows residential uses, from prohibiting the following:
    - a) accessory dwelling units;
    - b) assessor dwelling units that are occupied by a person other than the owner or that are on a property not occupied by the owners; and
    - c) the placement of a new U.S. HUD-code manufactured home that is, or will be after purchase, titled as real property.
  4. Allows the municipality to require a lease for an accessory dwelling unit to have a duration of at least three months.
  5. Eliminates the ability of the municipality to require single-family or duplex new U.S. HUD-code manufactured housing to have a value equal to or greater than the median taxable value for each single-family dwelling located within 500 feet of the lot on which the new U.S. HUD-code manufactured housing is proposed to be located, as determined by the most recent certified tax appraisal roll for each county in which the properties are located.
  6. Eliminates the prohibition on a regulation or ordinance from preventing single room occupancies in any municipality.
  7. Specifies that a municipality with a population of more than 30,000 persons must provide additional residential zones that allow for construction or use of duplexes, triplexes, lots that are smaller than 4,000 square feet, single-room occupancies and other housing types proposed by applicants.
  8. Stipulates that prescribed requirements for minimum zoning standards do not apply to:
    - a) a municipality that is located on tribal lands; or
    - b) an area that is designated as a district of historical significance by a municipality in accordance with statute or an area that is designated as historic on the National Register of Historic Places.
  9. Defines accessory dwelling unit.
  10. Eliminates a political subdivision of Arizona from the prescribed entities where regulation of housing within residential zoning districts are not subject to further regulation.
  11. Requires a municipality, on any rezoning of land to a residential use, to approve the application within 180 days, rather than 90 days, after determining that the application is administratively complete.
  12. Requires the public hearing on any rezoning of land to a residential use to comply with any other notice requirements adopted by the municipality in accordance with state law.



13. Eliminates the requirement, by January 1, 2024, for a municipality to allow, by right, in existing commercial, mixed-use or multifamily residential district, the construction of multifamily dwelling units with prescribed development standards.
14. Specifies that the residential zoning district requirements do not apply to any land within:
  - a) a municipality with a population of fewer than 30,000 persons, rather than 25,000 persons;
  - b) a municipality that is located on tribal land;
  - c) any land within an area that is designated as a district of historical significance by a municipality in accordance with statute or an area that is designated as historic on the National Register of Historic Places; or
  - d) any land within the immediate vicinity of a municipal, federal aviation administration commercially licensed or general aviation airport.
15. Eliminates the requirement for a municipality to issue an at-risk permit for infrastructure construction.
16. Specifies that any work, services or materials accomplished or acquired by the applicant for an at-risk permit is done with no financial liability to the municipality for issuing the at-risk permit.
17. Stipulates that the requirement to issue an at-risk permit for grading or earthmoving prior to final plat approval does not apply to:
  - a) a municipality with a population of fewer than 30,000 persons;
  - b) a municipality that is located on tribal land; or
  - c) land in an area that is designated as a district of historical significance by a municipality in accordance with statute or an area that is designated as historic on the National Register of Historic Places.
18. Allows a municipality with a population of fewer than 30,000 persons or that is located on tribal land to require final plats to be approved by the legislative body of the municipality, rather than by administrative approval.
19. Prohibits a municipality from denying a license application that is necessary for land development or building construction unless considered withdrawn, except for an application related to:
  - a) a structure in an area designated as a district of historical significance by a municipality in accordance with statute;
  - b) an area designated as historic on the National Register of Historic Places; or
  - c) a structure individually designed as a local, state or national historic landmark.
20. Specifies that the exemption to the municipal time frame requirement for a license necessary for the construction or development of a residential lot applies only to:
  - a) a municipality with fewer than 30,000 persons; or
  - b) a municipality that is located on tribal land.
21. Specifies that the residential housing design standards requirements do not apply to:
  - a) a municipality with a population of more than 30,000 persons, rather than 25,000 persons; or
  - b) a municipality that is located on tribal land.

22. Eliminates, from the definition of *design element*, landscaping and landscaping maintenance requirement.
23. Specifies that, for the definition of *design element*, a municipality may:
  - a) limit the number of times an elevation can be built next to or across from the same elevation;
  - b) regulate the location and size of open space solely for water conservation.
24. Clarifies that the definition of *residential housing* includes improvements made by a tenant on behalf of the owner.
25. Requires the annual housing report to include the number of lots and multifamily units included in all development applications, rather than the number of housing units for sale and for rent.
26. Stipulates that the municipal housing needs assessment requirements do not apply to:
  - a) a municipality with a population of fewer than 30,000 persons; or
  - b) a municipality that is located on tribal land.
27. Removes the establishment of the Rural Housing Infrastructure Grant Program.
28. Makes technical and conforming changes.

Senate Action

COM            2/8/23        DPA/SE        5-2-0

Prepared by Senate Research

March 13, 2023

JT/sr