

House Engrossed Senate Bill
municipal development; permits; review

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

CHAPTER 187
SENATE BILL 1353

AN ACT

AMENDING SECTION 9-463.01, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.4, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-470.01; AMENDING SECTION 9-835, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL BUILDING PERMITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-463.01, Arizona Revised Statutes, is amended
3 to read:

4 9-463.01. Authority

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

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

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

13 2. Standards governing the design of subdivision plats.

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

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

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

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

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

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

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

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

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

42 8. Require the posting of performance bonds, assurances or such
43 other security as may be appropriate and necessary to assure the
44 installation of required street, sewer, electric and water utilities,
45 drainage, flood control and improvements meeting established minimum
46 standards of design and construction. THE MUNICIPALITY MAY ALLOW AN

1 APPLICANT TO REQUEST A HOLD ON THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY
2 AS A SECURITY REQUIRED BY THIS PARAGRAPH TO ASSURE THE INSTALLATION OF THE
3 REQUIRED STREETS, SEWER, ELECTRIC AND WATER UTILITIES, DRAINAGE, FLOOD
4 CONTROL AND IMPROVEMENTS MEETING ESTABLISHED STANDARDS OF DESIGN AND
5 CONSTRUCTION.

6 D. The legislative body of any municipality may require by
7 ordinance that land areas within a subdivision be reserved for parks,
8 recreational facilities, school sites and fire stations subject to the
9 following conditions:

10 1. The requirement may only be made ~~upon~~ ON preliminary plats filed
11 at least thirty days after the adoption of a general or specific plan
12 affecting the land area to be reserved.

13 2. The required reservations are in accordance with definite
14 principles and standards adopted by the legislative body.

15 3. The land area reserved shall be of such a size and shape as to
16 ~~permit~~ ALLOW the remainder of the land area of the subdivision within
17 which the reservation is located to develop in an orderly and efficient
18 manner.

19 4. The land area reserved shall be in such multiples of streets and
20 parcels as to ~~permit~~ ALLOW an efficient division of the reserved area in
21 the event that it is not acquired within the prescribed period.

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

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

36 G. The legislative body of every municipality shall comply with
37 this article and applicable state statutes pertaining to the hearing,
38 approval or rejection, and recordation of:

39 1. Final subdivision plats.

40 2. Plats filed for the purpose of reverting to acreage of land
41 previously subdivided.

42 3. Plats filed for the purpose of vacating streets or easements
43 previously dedicated to the public.

44 4. Plats filed for the purpose of vacating or redescribing lot or
45 parcel boundaries previously recorded.

1 H. Approval of every preliminary and final plat by a legislative
2 body is conditioned ~~upon~~ ON compliance by the subdivider with:

3 1. Rules as may be established by the department of transportation
4 relating to provisions for the safety of entrance ~~upon~~ ON and departure
5 from abutting state primary highways.

6 2. Rules as may be established by a county flood control district
7 relating to the construction or prevention of construction of streets in
8 land established as being subject to periodic inundation.

9 3. Rules as may be established by the department of health services
10 or a county health department relating to the provision of domestic water
11 supply and sanitary sewage disposal.

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

27 J. Except as provided in subsections K and P of this section, if
28 the subdivision is composed of subdivided lands as defined in section
29 32-2101 outside of an active management area and the director of water
30 resources has given written notice to the municipality pursuant to section
31 45-108, subsection H, the final plat shall not be approved unless one of
32 the following applies:

33 1. The director of water resources has determined that there is an
34 adequate water supply for the subdivision pursuant to section 45-108 and
35 the subdivider has included the report with the plat.

36 2. The subdivider has obtained a written commitment of water
37 service for the subdivision from a city, town or private water company
38 designated as having an adequate water supply by the director of water
39 resources pursuant to section 45-108.

40 K. The legislative body of a municipality that has received written
41 notice from the director of water resources pursuant to section 45-108,
42 subsection H or that has adopted an ordinance pursuant to subsection O of
43 this section may provide by ordinance an exemption from the requirement in
44 subsection J or O of this section for a subdivision that the director of
45 water resources has determined will have an inadequate water supply

1 because the water supply will be transported to the subdivision by motor
2 vehicle or train if all of the following apply:

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

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

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

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

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

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

35 N. If the legislative body of a municipality approves a subdivision
36 plat pursuant to an exemption authorized by subsection K of this section
37 or granted by the director of water resources pursuant to section
38 45-108.02 or 45-108.03:

39 1. The legislative body shall give written notice of the approval
40 to the director of water resources and the director of environmental
41 quality.

42 2. The legislative body shall include on the face of the plat a
43 statement that the director of water resources has determined that the
44 water supply for the subdivision is inadequate and a statement describing
45 the exemption under which the plat was approved, including a statement
46 that the legislative body or the director of water resources, whichever

1 applies, has determined that the specific conditions of the exemption were
2 met. If the director subsequently informs the legislative body that the
3 subdivision is being served by a water provider that has been designated
4 by the director as having an adequate water supply pursuant to section
5 45-108, the legislative body shall record in the county recorder's office
6 a statement disclosing that fact.

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

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

31 1. A proposed subdivision that the director of water resources has
32 determined will have an inadequate water supply pursuant to section 45-108
33 if the director grants an exemption for the subdivision pursuant to
34 section 45-108.02 and the exemption has not expired or if the director
35 grants an exemption pursuant to section 45-108.03.

36 2. A proposed subdivision that received final plat approval from
37 the municipality before the requirement for an adequate water supply
38 became effective in the municipality if the plat has not been materially
39 changed since it received the final plat approval. If changes were made
40 to the plat after the plat received the final plat approval, the director
41 of water resources shall determine whether the changes are material
42 pursuant to the rules adopted by the director to implement section
43 45-108. If the municipality approves a plat pursuant to this paragraph
44 and the director of water resources has determined that there is an
45 inadequate water supply for the subdivision pursuant to section 45-108,
46 the municipality shall note this on the face of the plat.

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

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

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

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

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

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

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

38 Sec. 2. Title 9, chapter 4, article 6.4, Arizona Revised Statutes,
39 is amended by adding section 9-470.01, to read:

40 9-470.01. Building permits; third-party review; appeals;
41 immunity; applicability; definition

42 A. IF A MUNICIPALITY WITH A POPULATION OF THIRTY THOUSAND PERSONS
43 OR MORE DOES NOT APPROVE, CONDITIONALLY APPROVE OR RESPOND WITH REQUIRED
44 ADDITIONS OR REVISIONS TO AN APPLICATION FOR A SINGLE-FAMILY RESIDENTIAL
45 BUILDING PERMIT WITHIN FIFTEEN WORKING DAYS AFTER THE DATE THE APPLICATION
46 IS SUBMITTED, ANY REQUIRED REVIEW OF THE APPLICATION MAY BE PERFORMED BY A

1 QUALIFIED THIRD PARTY SELECTED BY THE MUNICIPALITY PURSUANT TO THE
2 REQUIREMENTS OF THIS SECTION. A MUNICIPALITY SHALL MAINTAIN A LIST OF AT
3 LEAST THREE THIRD-PARTY REVIEWERS WHO ARE ELIGIBLE TO BE HIRED BY THE
4 MUNICIPALITY TO PERFORM A BUILDING PERMIT APPLICATION REVIEW PURSUANT TO
5 THIS SECTION. THE TIME FRAME PRESCRIBED BY THIS SUBSECTION DOES NOT BEGIN
6 UNTIL THE APPLICANT HAS SATISFIED THE FOLLOWING REQUIREMENTS:

7 1. THE MUNICIPALITY HAS APPROVED CONSTRUCTION DOCUMENTS FOR THE
8 DWELLING TO BE CONSTRUCTED.

9 2. THE MUNICIPALITY HAS APPROVED VERTICAL CONSTRUCTION ACTIVITIES
10 TO BEGIN IN THE SUBDIVISION IN WHICH THE DWELLING IS TO BE CONSTRUCTED OR,
11 IF THE DWELLING IS NOT TO BE CONSTRUCTED IN A SUBDIVISION, ON THE
12 INDIVIDUAL LOT ON WHICH THE DWELLING IS TO BE CONSTRUCTED.

13 B. A THIRD PARTY WHO REVIEWS A SINGLE-FAMILY RESIDENTIAL BUILDING
14 PERMIT APPLICATION PURSUANT TO THIS SECTION SHALL DO BOTH OF THE
15 FOLLOWING:

16 1. REVIEW THE APPLICATION AND TAKE ALL OTHER RELATED ACTIONS IN
17 ACCORDANCE WITH ALL REQUIREMENTS ADOPTED BY THE MUNICIPALITY WHERE THE
18 APPLICATION WAS SUBMITTED.

19 2. NOTIFY THE MUNICIPALITY AND THE APPLICANT OF THE RESULTS OF THE
20 REVIEW.

21 C. A MUNICIPALITY MAY NOT REQUEST OR REQUIRE AN APPLICANT TO WAIVE
22 A DEADLINE OR OTHER PROCEDURE REQUIRED BY THIS SECTION.

23 D. THE APPLICANT MAY APPEAL A DECISION BY THE MUNICIPALITY TO
24 APPROVE, CONDITIONALLY APPROVE OR DENY A SINGLE-FAMILY RESIDENTIAL
25 BUILDING PERMIT APPLICATION.

26 E. A MUNICIPALITY THAT ISSUES A PERMIT, APPROVAL OR CERTIFICATE OF
27 OCCUPANCY AFTER A THIRD-PARTY PLAN REVIEW PURSUANT TO THIS SECTION SHALL
28 HAVE IMMUNITY AS PRESCRIBED IN SECTIONS 12-820.01 AND 12-820.02.

29 F. THE APPLICANT IS RESPONSIBLE FOR ANY FEES AND COSTS ASSOCIATED
30 WITH A THIRD-PARTY REVIEW AND SHALL PAY THE FEES AND COSTS TO THE
31 MUNICIPALITY.

32 G. THIS SECTION DOES NOT APPLY TO APPLICATIONS REQUIRED TO COMPLY
33 WITH A HILLSIDE DEVELOPMENT ORDINANCE OR FOR FLOODPLAIN REVIEWS THAT ARE
34 REQUIRED PURSUANT TO FEDERAL FLOODPLAIN REGULATIONS.

35 H. THIS SECTION DOES NOT MODIFY THE AUTHORITY OF A BUILDING
36 OFFICIAL TO WITHHOLD A CERTIFICATE OF OCCUPANCY IN ACCORDANCE WITH THE
37 MUNICIPALITY'S ADOPTED CODES AND ORDINANCES.

38 I. FOR THE PURPOSES OF THIS SECTION, "APPLICATION":

39 1. MEANS A PLAN, PERMIT OR OTHER DOCUMENT THAT IS RELATED TO
40 BUILDING CONSTRUCTION AND THAT IS NECESSARY FOR THE CONSTRUCTION OF A
41 SINGLE-FAMILY RESIDENTIAL DWELLING UNIT.

42 2. DOES NOT INCLUDE EITHER:

43 (a) A CERTIFICATE OF OCCUPANCY.

44 (b) A SUBDIVISION PREPLAT.

1 Sec. 3. Section 9-835, Arizona Revised Statutes, is amended to
2 read:

3 9-835. Licensing time frames; compliance; consequence for
4 failure to comply with time frame; exemption

5 A. For any new ordinance or code requiring a license, a
6 municipality shall have in place an overall time frame during which the
7 municipality will either grant or deny each type of license that it
8 issues. The overall time frame for each type of license shall state
9 separately the administrative completeness review time frame and the
10 substantive review time frame and shall be posted on the municipality's
11 website or the website of an association of cities and towns if the
12 municipality does not have a website.

13 B. ~~On or before December 31, 2012,~~ A municipality that issues
14 licenses required under existing ordinances or codes shall have in place
15 an overall time frame during which the municipality will either grant or
16 deny each type of license that it issues. The overall time frame for each
17 type of license shall state separately the administrative completeness
18 review time frame and the substantive review time frame and shall be
19 posted on the municipality's website or the website of an association of
20 cities and towns if the municipality does not have a website.
21 Municipalities shall prioritize the establishment of time frames for those
22 licenses that have the greatest impact on the public.

23 C. In establishing time frames, municipalities shall consider all
24 of the following:

- 25 1. The complexity of the licensing subject matter.
- 26 2. The resources of the municipality.
- 27 3. The economic impact of delay on the regulated community.
- 28 4. The impact of the licensing decision on public health and
29 safety.
- 30 5. The possible use of volunteers with expertise in the subject
31 matter area.
- 32 6. The possible increased use of general licenses for similar types
33 of licensed businesses or facilities.
- 34 7. The possible increased cooperation between the municipality and
35 the regulated community.
- 36 8. Increased municipal flexibility in structuring the licensing
37 process and personnel including:
 - 38 (a) Adult businesses and other licenses that are related to the
39 first amendment.
 - 40 (b) Master planned communities.
 - 41 (c) Suspension of the substantive and overall time frames for
42 purposes including delays caused by the need for public hearings, state or
43 federal licenses or approvals from public utilities on residential or
44 commercial development projects.

1 9. That the substantive review time frames and overall time frames
2 do not include the time required for an applicant to obtain other
3 nonmunicipal licenses or to participate in meetings as required by law.

4 10. THE TIME FRAMES PRESCRIBED IN SECTION 9-470.01.

5 D. A municipality shall issue a written or electronic notice of
6 administrative completeness or deficiencies to an applicant for a license
7 within the administrative completeness review time frame. If the permit
8 sought requires approval of more than one department of the municipality,
9 each department may issue a written or electronic notice of administrative
10 completeness or deficiencies.

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

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

37 G. During the substantive review time frame, a municipality may
38 make one comprehensive written or electronic request for corrections. If
39 the municipality identifies legal requirements that were not included in
40 the comprehensive request for corrections, the municipality may amend the
41 comprehensive request for corrections once to include the legal
42 requirements and the legal authority for the requirements. **WITHIN TEN
43 WORKING DAYS AFTER A REQUEST BY THE APPLICANT, THE MUNICIPALITY SHALL MEET
44 OR DISCUSS WITH THE APPLICANT THE REQUEST FOR CORRECTIONS AND PROVIDE
45 SUFFICIENT INFORMATION AND INSTRUCTION TO ALLOW THE APPLICANT TO PROVIDE
46 THE REQUESTED CORRECTIONS.** If the permit sought requires approval of more

1 than one department of the municipality, each department may issue a
2 comprehensive written or electronic request for corrections. If the
3 applicant fails to resolve an issue identified in a request for
4 corrections, the municipality may make supplemental written or electronic
5 requests for corrections that are limited to issues previously identified
6 in a comprehensive request for corrections. If a municipality issues a
7 comprehensive written or electronic request or a supplemental request for
8 corrections, the substantive review time frame and the overall time frame
9 are suspended from the date the request is issued until the date that the
10 municipality receives the corrections from the applicant. If an applicant
11 requests significant changes, alterations, additions or amendments to an
12 application that are consistent with the purposes of the original
13 application and that are not in response to the request for corrections, a
14 municipality may make one additional comprehensive written or electronic
15 request for corrections and may have ~~no~~ NOT more than an additional fifty
16 ~~per-cent~~ PERCENT of the substantive review time frame as established by
17 the municipality for that license to grant or deny the license. Nothing
18 shall prevent communication between a municipality and an applicant
19 regarding a comprehensive written or electronic request for corrections or
20 a supplemental request for corrections. EXCEPT FOR AN APPLICATION
21 SUBMITTED PURSUANT TO CHAPTER 4, ARTICLE 6 OR 6.1 OF THIS TITLE, A
22 MUNICIPALITY MAY NOT DENY A RESIDENTIAL LICENSE APPLICATION THAT IS
23 NECESSARY FOR LAND DEVELOPMENT OR BUILDING CONSTRUCTION UNLESS THE
24 MUNICIPALITY CONSIDERS THE APPLICATION WITHDRAWN OR THE MUNICIPALITY HAS
25 NOTIFIED THE APPLICANT AND THE PROPERTY OWNER WITHIN FIFTEEN WORKING DAYS
26 AFTER THE SUBMISSION OF THE APPLICATION THAT THE APPLICATION MAY BE
27 SUBJECT TO DENIAL BECAUSE OF EXCESSIVE SUBSTANTIVE DEFICIENCIES. A
28 municipality may consider an application withdrawn if, by thirty days or
29 more after the date of notice, as established by the municipality, the
30 applicant does not supply the documentation or information requested or an
31 explanation of why the information cannot be provided within the
32 established time period.

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

36 I. By mutual written or electronic agreement, a municipality and an
37 applicant for a license may extend the substantive review time frame and
38 the overall time frame. An extension of the substantive review time frame
39 and the overall time frame may not exceed fifty ~~per-cent~~ PERCENT of the
40 overall time frame.

41 J. Unless a municipality and an applicant for a license mutually
42 agree to extend the substantive review time frame and the overall time
43 frame pursuant to subsection I of this section, a municipality shall issue
44 a written or electronic notice granting or denying a license to an
45 applicant. If a municipality denies or withdraws an application for a

1 license, the municipality shall include in the written or electronic
2 notice at least the following information:

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

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

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

15 K. If a municipality ~~MAKES MORE THAN ONE COMPREHENSIVE WRITTEN OR~~
16 ~~ELECTRONIC REQUEST FOR CORRECTIONS AND ONE SUPPLEMENTAL WRITTEN OR~~
17 ~~ELECTRONIC REQUEST FOR CORRECTIONS TO A LICENSE APPLICATION NECESSARY FOR~~
18 ~~RESIDENTIAL BUILDING CONSTRUCTION OR LAND DEVELOPMENT LIMITED TO~~
19 ~~PREVIOUSLY IDENTIFIED ISSUES OR IN RESPONSE TO MODIFICATIONS MADE BY THE~~
20 ~~APPLICANT OR~~ does not issue the applicant the written or electronic notice
21 granting, ~~CONDITIONALLY GRANTING~~ or denying a license within the overall
22 time frame or within the mutually agreed on time frame extension, the
23 municipality shall refund to the applicant all fees charged for reviewing
24 and acting on the application for the license and shall excuse payment of
25 any fees that have not yet been paid. The municipality shall not require
26 an applicant to submit an application for a refund pursuant to this
27 subsection. The refund shall be made within thirty working days after the
28 expiration of the overall time frame or the time frame extension. The
29 municipality shall continue to process the application. Notwithstanding
30 any other statute, the municipality shall make the refund from the fund in
31 which the application fees were originally deposited. The right to
32 receive a refund of fees charged for reviewing and acting on the
33 application for the license may not be waived by an applicant.

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

41 M. If an application for a license is withdrawn and the applicant
42 resubmits the application for the same purpose, the municipality shall not
43 assess any additional application fees that exceed fifty ~~per cent~~ PERCENT
44 of the original ~~applicant~~ APPLICATION fees that have not been refunded to
45 the applicant. This subsection does not apply to license applications

1 that were denied for disqualifying criminal convictions or that were
2 submitted fraudulently.

3 N. A MUNICIPALITY MAY NOT MODIFY, RESCIND OR REQUEST ANY SUBSEQUENT
4 MODIFICATIONS OR REVISIONS TO AN APPROVED PLAN OR PERMIT FOR RESIDENTIAL
5 LAND DEVELOPMENT OR RESIDENTIAL BUILDING CONSTRUCTION DURING CONSTRUCTION
6 IF THE CONSTRUCTION IS DONE IN ACCORDANCE WITH THE APPROVED PLAN OR PERMIT
7 UNLESS THE MODIFICATION, RESCISSION OR REVISION IS ANY OF THE FOLLOWING:

8 1. REQUIRED TO ADDRESS A FIELD CONDITION THAT WAS UNKNOWN WHEN THE
9 PLAN OR PERMIT WAS REVIEWED.

10 2. MADE AT THE REQUEST OF THE APPLICANT, THE APPLICANT'S DESIGNEE
11 OR A SUBSEQUENT OWNER OR OWNER'S DESIGNEE IF THE PROPERTY THAT IS THE
12 SUBJECT OF THE APPROVED PLAN OR PERMIT CHANGES OWNERSHIP. FOR THE
13 PURPOSES OF THIS PARAGRAPH, "APPLICANT" MEANS A PERSON THAT IS SEEKING
14 APPROVAL OR HAS RECEIVED APPROVAL FROM A MUNICIPALITY FOR CONSTRUCTION OR
15 LAND DEVELOPMENT ACTIVITIES.

16 3. MADE BY THE MUNICIPALITY TO CORRECT NONCOMPLIANCE WITH A CODE
17 REQUIREMENT UNLESS THE CODE REQUIREMENT WAS IDENTIFIED BEFORE THE PLAN WAS
18 APPROVED AND THE MUNICIPALITY MADE A DECISION OR INTERPRETATION ON WHICH
19 THE APPROVAL WAS BASED.

20 ~~N.~~ 0. This section does not apply to a license that is ~~either:~~
21 ~~1.~~ issued within seven working days after receipt of the initial
22 application or a permit that expires within twenty-one working days after
23 issuance.

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

27 ~~0. For the purposes of this section:~~

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

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

APPROVED BY THE GOVERNOR MAY 13, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 13, 2025.