



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature  
First Regular Session

Senate: FIN DP 7-0-0-0 | 3rd Read 28-0-2-0

House: IT DPA/SE 8-0-0-2 | 3rd Read 40-19-1-0

Final Read: 17-13-0-0 | Chapter: 74

**SB1543: homestead exemption; equity increase**

**NOW: ancillary use; international headquarters campus**

**Signed by the Governor**

## **Overview**

Prescribes specified requirements for municipal ancillary use and multifamily residential housing. Directs a municipality of 200,000 or more but less than 500,000 persons to allow hotel use and multifamily residential housing as an allowed ancillary use in a zoning district that permits light industrial use without requiring any type of application needing a public hearing if the ancillary use is located within an international headquarters campus.

## **History**

The planning agency may, or if directed by the legislative body must, prepare specific plans based on the general plan and drafts of such regulations, programs and legislation as may in the judgment of the agency be required for the systematic execution of the general plan. Specific plans may, in addition to recommended zoning ordinances and subdivision regulations, include regulations determining the location of buildings and other improvements with respect to existing rights-of-way, floodplains and public facilities and regulations of the use of land, buildings and structures, the height and bulk of buildings and structures and the open spaces around buildings and structures, among others ([A.R.S. § 9-461.08](#)).

The objective standards required by a municipality for a multifamily residential development are required to include 1) a municipal site plan review and approval process, including review by any utility provider impacted by the proposed development, 2) adequate public sewer and water service for the entire proposed development, 3) compliance with all applicable building and fire codes, 4) that the existing buildings are economically or functionally obsolete, 5) that existing buildings are located on a parcel or parcels that are at least one acre in size but not more than 20 acres in size and 6) a set-aside of 10% of the total dwelling units for either moderate or low-income housing or any combination of the two or at least 20 years after the initial occupation of the proposed development. The developer may set aside more than 10% at the developer's sole discretion ([A.R.S. § 9-462.10](#)).

## **Provisions**

1. Requires a municipality with a population of 200,000 or more persons but less than 500,000 persons to allow hotel use and multifamily residential housing as an allowed ancillary use on land that is vacant as of the date of the application for the allowed ancillary use in a zoning district that allows light industrial use without requiring any type of application requiring a public hearing if the ancillary use:

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
--	--	---	--------------------------------------

- a) Is located within an international headquarters campus (campus) solely owned by either a single entity or related entities at the time that development of the campus commences and, on completion, the international headquarters will employ more than 1,000 full-time employees at an average annual compensation over 125% of the median wage of the county where the campus is located; and
  - b) If the campus containing the ancillary use is bound by a recorded instrument enforceable by the municipality, and:
    - i. Restricts occupancy in at least 30% of the multifamily residential housing units on campus to international headquarters employees, police officers, firefighters, teachers, veterans or health care workers and who work within five miles of the campus or who are families of employees of the international headquarters as outlined; and
    - ii. Prohibits an agreement for occupancy of any multifamily residential housing unit within the campus for a period of less than 90 consecutive days and limits occupancy to the same occupants for the entirety of the 90 days unless a tenant is an employee or contractor of an entity located within the campus, as specified. (Sec. 1)
2. Subjects an ancillary use to compliance with all applicable municipal building codes and fire codes and the objective development standards. (Sec. 1)
  3. Restricts the governing body of the municipality from unreasonably withholding a building permit or delay a building inspection or a certificate of occupancy for an ancillary use that complies with one of the prescribed requirements. (Sec. 1)
  4. Directs a municipality to allow complementary retail and restaurant use within the campus for campuses that include hotel use or multifamily residential housing units as an ancillary use. (Sec. 1)
  5. Applies objective standards to an ancillary use building developed as prescribed. (Sec. 1)
  6. Mandates that a building permit for a developed ancillary use building may not be obtained until the municipality issues a building permit for construction of the international headquarters building. (Sec. 1)
  7. Asserts that a certificate of occupancy may not be granted for a developed ancillary use building before the municipality grants a certificate of occupancy for the international headquarters building. (Sec. 1)
  8. Mandates that a certificate of occupancy must be granted for a developed ancillary use building before the municipality grants a certificate of occupancy for the international headquarters building if the Arizona State Land Department has received a sufficient prescribed financial assurance, if the municipality does not grant a permanent certificate for the building within five years after granting the certificate for ancillary use building. (Sec. 1)
  9. Requires a municipality to consent to amendments to existing development agreements to which the municipality is a signatory that are reasonably necessary to allow for the development of hotel use or multifamily residential use as an ancillary use. (Sec. 1)
  10. Requires the developer of the ancillary use development to designate at least 5% of the total for-rent multifamily residential dwellings as affordable units, for 10 years after the ancillary use development.

11. Restricts the affordable units, at the developer's discretion, as low-income or middle-income housing or a mixture of both and allows the units to be contained within one building or within multiple buildings.
12. Exempts land in the vicinity of a military airport or ancillary military facility, from regulation on municipal allowed ancillary use. (Sec. 1)
13. Contains a severability clause. (Sec. 2)
14. Contains legislative findings. (Sec. 3)
15. Defines pertinent terms. (Sec. 1)