

REFERENCE TITLE: municipal development; permits; review

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

SB 1353

Introduced by
Senator Gowan

AN ACT

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

4 9-470.01. Building permits; inspections; third-party review;
5 appeals; immunity; applicability; definition

6 A. IF A MUNICIPALITY DOES NOT APPROVE, CONDITIONALLY APPROVE OR
7 RESPOND WITH REQUIRED ADDITIONS OR REVISIONS TO AN APPLICATION FOR A
8 SINGLE-FAMILY RESIDENTIAL BUILDING PERMIT WITHIN FIFTEEN WORKING DAYS
9 AFTER THE DATE THE APPLICATION IS SUBMITTED, ANY REQUIRED REVIEW OF THE
10 APPLICATION MAY BE PERFORMED BY A QUALIFIED THIRD PARTY SELECTED BY THE
11 APPLICANT PURSUANT TO THE REQUIREMENTS OF THIS SECTION. THE QUALIFIED
12 THIRD PARTY SELECTED BY THE APPLICANT MAY NOT BE THE APPLICANT, A PERSON
13 WHOSE WORK IS THE SUBJECT OF THE APPLICATION OR A PERSON WITH A FINANCIAL
14 OR PROPRIETARY INTEREST IN THE APPLICATION OR PROPERTY THAT IS THE SUBJECT
15 OF THE APPLICATION OTHER THAN COMPENSATION FOR THE WORK PERFORMED PURSUANT
16 TO THIS SECTION. A QUALIFIED THIRD PARTY SELECTED BY THE APPLICANT MAY BE
17 ANY OF THE FOLLOWING:

18 1. A PERSON WHO IS EMPLOYED BY A THIRD-PARTY VENDOR IDENTIFIED ON A
19 LIST OF APPROVED VENDORS BY THE MUNICIPALITY IF THE LIST OF APPROVED
20 VENDORS HAS MORE THAN ONE VENDOR.

21 2. AN ENGINEER OR ARCHITECT WHO IS REGISTERED PURSUANT TO TITLE 32,
22 CHAPTER 1.

23 3. A PERSON WHO IS CERTIFIED BY AN INTERNATIONAL COUNCIL ON MODEL
24 CODES AND STANDARDS FOR BUILDING SAFETY WITH A CREDENTIAL SPECIFIC TO THE
25 RESIDENTIAL CODE ON SINGLE-FAMILY DWELLING CONSTRUCTION AND WHO ATTENDS A
26 CLASS OFFERED BY THE MUNICIPALITY THAT EXCLUSIVELY REVIEWS THE
27 MUNICIPALITY'S ADOPTED CODE AMENDMENTS RELATED TO SINGLE-FAMILY DWELLING
28 CONSTRUCTION, IF THE MUNICIPALITY REQUIRES THE PERSON TO ATTEND THE CLASS
29 AND IF THE CLASS IS OFFERED BY THE MUNICIPALITY AT LEAST ONCE A YEAR.

30 B. IF A MUNICIPALITY DOES NOT CONDUCT AN INSPECTION FOR A
31 SINGLE-FAMILY RESIDENTIAL DWELLING UNIT WITHIN TWO WORKING DAYS AFTER AN
32 INSPECTION REQUEST, THE INSPECTION MAY BE PERFORMED BY A QUALIFIED THIRD
33 PARTY SELECTED BY THE APPLICANT. THE QUALIFIED THIRD PARTY SELECTED BY
34 THE APPLICANT MAY NOT BE THE APPLICANT, A PERSON WHOSE WORK IS THE SUBJECT
35 OF THE APPLICATION OR A PERSON WITH A FINANCIAL OR PROPRIETARY INTEREST IN
36 THE APPLICATION OR PROPERTY THAT IS THE SUBJECT OF THE APPLICATION OTHER
37 THAN COMPENSATION FOR THE WORK PERFORMED PURSUANT TO THIS SECTION. A
38 QUALIFIED THIRD PARTY SELECTED BY THE APPLICANT TO PERFORM THE INSPECTION
39 MAY BE ANY OF THE FOLLOWING:

40 1. A PERSON WHO IS CERTIFIED TO INSPECT BUILDINGS BY AN
41 INTERNATIONAL COUNCIL ON MODEL CODES AND STANDARDS FOR BUILDING SAFETY
42 WITH A CREDENTIAL SPECIFIC TO THE RESIDENTIAL CODE ON SINGLE-FAMILY
43 DWELLING CONSTRUCTION AND WHO ATTENDS A CLASS OFFERED BY THE MUNICIPALITY
44 THAT EXCLUSIVELY REVIEWS THE MUNICIPALITY'S ADOPTED CODE AMENDMENTS
45 RELATED TO SINGLE-FAMILY DWELLING CONSTRUCTION, IF THE MUNICIPALITY

1 REQUIRES THE PERSON TO ATTEND THE CLASS AND IF THE CLASS IS OFFERED BY THE
2 MUNICIPALITY AT LEAST ONCE A YEAR.

3 2. AN ENGINEER OR ARCHITECT WHO IS REGISTERED PURSUANT TO TITLE 32,
4 CHAPTER 1.

5 3. A PERSON WHO IS EMPLOYED BY A THIRD-PARTY VENDOR THAT IS
6 IDENTIFIED ON A LIST OF APPROVED VENDORS BY THE MUNICIPALITY IF THE LIST
7 OF APPROVED VENDORS HAS MORE THAN ONE VENDOR.

8 C. A THIRD PARTY WHO REVIEWS A SINGLE-FAMILY RESIDENTIAL BUILDING
9 PERMIT APPLICATION OR WHO PERFORMS AN INSPECTION PURSUANT TO THIS SECTION
10 SHALL DO BOTH OF THE FOLLOWING:

11 1. REVIEW THE APPLICATION OR CONDUCT THE INSPECTION, OR BOTH, AND
12 TAKE ALL OTHER RELATED ACTIONS IN ACCORDANCE WITH ALL REQUIREMENTS ADOPTED
13 BY THE MUNICIPALITY WHERE THE APPLICATION WAS SUBMITTED.

14 2. NOTIFY THE MUNICIPALITY AND THE APPLICANT OF THE RESULTS OF THE
15 REVIEW OR INSPECTION.

16 D. A MUNICIPALITY MAY PRESCRIBE A REASONABLE FORMAT FOR THE NOTICE
17 REQUIRED BY SUBSECTION C OF THIS SECTION.

18 E. A MUNICIPALITY MAY NOT REQUEST OR REQUIRE AN APPLICANT TO WAIVE
19 A DEADLINE OR OTHER PROCEDURE REQUIRED BY THIS SECTION.

20 F. THE APPLICANT MAY APPEAL ANY OF THE FOLLOWING:

21 1. A DECISION BY THE MUNICIPALITY TO APPROVE, CONDITIONALLY APPROVE
22 OR DENY A SINGLE-FAMILY RESIDENTIAL BUILDING PERMIT APPLICATION.

23 2. A DECISION MADE BY A QUALIFIED THIRD PARTY THAT IS AUTHORIZED
24 PURSUANT TO SUBSECTION A OF THIS SECTION TO REVIEW A SINGLE-FAMILY
25 RESIDENTIAL BUILDING PERMIT APPLICATION.

26 3. THE RESULTS OF AN INSPECTION CONDUCTED BY THE MUNICIPALITY.

27 4. THE RESULTS OF AN INSPECTION CONDUCTED BY A QUALIFIED THIRD
28 PARTY THAT IS AUTHORIZED PURSUANT TO SUBSECTION B OF THIS SECTION TO
29 CONDUCT AN INSPECTION.

30 G. AN APPEAL FILED PURSUANT TO SUBSECTION F OF THIS SECTION SHALL
31 BE FILED IN THE MANNER REQUIRED BY THE MUNICIPALITY WITHIN FIFTEEN WORKING
32 DAYS AFTER THE DATE OF THE DECISION OR RESULT BEING APPEALED. IF A
33 DECISION IS NOT RENDERED WITHIN SIXTY WORKING DAYS AFTER THE APPEAL IS
34 FILED, THE APPLICATION THAT IS THE SUBJECT OF THE APPEAL SHALL BE DEEMED
35 APPROVED OR THE INSPECTION THAT IS THE SUBJECT OF THE APPEAL IS WAIVED.

36 H. A MUNICIPALITY THAT ISSUES A PERMIT, APPROVAL OR CERTIFICATE OF
37 OCCUPANCY AFTER A THIRD-PARTY PLAN REVIEW OR INSPECTION PURSUANT TO THIS
38 SECTION SHALL HAVE IMMUNITY AS PRESCRIBED IN SECTIONS 12-820.01 AND
39 12-820.02.

40 I. THE APPLICANT IS RESPONSIBLE FOR ANY FEES AND COSTS ASSOCIATED
41 WITH A THIRD-PARTY REVIEW OR INSPECTION AND SHALL PAY THE FEES AND COSTS
42 EITHER DIRECTLY TO THE THIRD-PARTY VENDOR OR IN AN AGREED ALTERNATIVE
43 MANNER. THE MUNICIPALITY IS NOT RESPONSIBLE FOR ASSESSING OR COLLECTING
44 ANY FEES OR COSTS ASSOCIATED WITH A THIRD-PARTY REVIEW OR INSPECTION
45 CONDUCTED PURSUANT TO THIS SECTION.

1 J. THIS SECTION DOES NOT APPLY TO APPLICATIONS REQUIRED TO COMPLY
2 WITH A HILLSIDE DEVELOPMENT ORDINANCE OR FOR FLOODPLAIN REVIEWS THAT ARE
3 REQUIRED PURSUANT TO FEDERAL FLOODPLAIN REGULATIONS.

4 K. THIS SECTION DOES NOT MODIFY THE AUTHORITY OF A BUILDING
5 OFFICIAL TO WITHHOLD A CERTIFICATE OF OCCUPANCY IN ACCORDANCE WITH THE
6 MUNICIPALITY'S ADOPTED CODES AND ORDINANCES.

7 L. FOR THE PURPOSES OF THIS SECTION, "APPLICATION":

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

11 2. DOES NOT INCLUDE A CERTIFICATE OF OCCUPANCY.

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

14 9-835. Licensing time frames; compliance; consequence for
15 failure to comply with time frame; exemption;
16 definition

17 A. For any new ordinance or code requiring a license, a
18 municipality shall have in place an overall time frame during which the
19 municipality will either grant or deny each type of license that it
20 issues. The overall time frame for each type of license shall state
21 separately the administrative completeness review time frame and the
22 substantive review time frame and shall be posted on the municipality's
23 website or the website of an association of cities and towns if the
24 municipality does not have a website.

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

35 C. In establishing time frames, municipalities shall consider all
36 of the following:

- 37 1. The complexity of the licensing subject matter.
- 38 2. The resources of the municipality.
- 39 3. The economic impact of delay on the regulated community.
- 40 4. The impact of the licensing decision on public health and
41 safety.
- 42 5. The possible use of volunteers with expertise in the subject
43 matter area.
- 44 6. The possible increased use of general licenses for similar types
45 of licensed businesses or facilities.

1 7. The possible increased cooperation between the municipality and
2 the regulated community.

3 8. Increased municipal flexibility in structuring the licensing
4 process and personnel including:

5 (a) Adult businesses and other licenses that are related to the
6 first amendment.

7 (b) Master planned communities.

8 (c) Suspension of the substantive and overall time frames for
9 purposes including delays caused by the need for public hearings, state or
10 federal licenses or approvals from public utilities on residential or
11 commercial development projects.

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

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

16 D. A municipality shall issue a written or electronic notice of
17 administrative completeness or deficiencies to an applicant for a license
18 within the administrative completeness review time frame. If the permit
19 sought requires approval of more than one department of the municipality,
20 each department may issue a written or electronic notice of administrative
21 completeness or deficiencies.

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

37 F. If a municipality does not issue a written or electronic notice
38 of administrative completeness or deficiencies within the administrative
39 completeness review time frame, the application is deemed administratively
40 complete. If a municipality issues a timely written or electronic notice
41 of deficiencies, an application ~~shall~~ IS not ~~be~~ complete until all
42 requested information has been received by the municipality. A
43 municipality may consider an application withdrawn if, by fifteen days or
44 more after the date of notice, as established by the municipality, the
45 applicant does not supply the documentation or information requested or an

1 explanation of why the information cannot be provided within the
2 established time period.

3 G. During the substantive review time frame, a municipality may
4 make one comprehensive written or electronic request for corrections. If
5 the municipality identifies legal requirements that were not included in
6 the comprehensive request for corrections, the municipality may amend the
7 comprehensive request for corrections once to include the legal
8 requirements and the legal authority for the requirements. **WITHIN TEN**
9 **WORKING DAYS AFTER A REQUEST BY THE APPLICANT, THE MUNICIPALITY SHALL MEET**
10 **OR DISCUSS WITH THE APPLICANT THE REQUEST FOR CORRECTIONS AND PROVIDE**
11 **SUFFICIENT INFORMATION AND INSTRUCTION TO ALLOW THE APPLICANT TO PROVIDE**
12 **THE REQUESTED CORRECTIONS.** If the permit sought requires approval of more
13 than one department of the municipality, each department may issue a
14 comprehensive written or electronic request for corrections. If the
15 applicant fails to resolve an issue identified in a request for
16 corrections, the municipality may make supplemental written or electronic
17 requests for corrections that are limited to issues previously identified
18 in a comprehensive request for corrections. If a municipality issues a
19 comprehensive written or electronic request or a supplemental request for
20 corrections, the substantive review time frame and the overall time frame
21 are suspended from the date the request is issued until the date that the
22 municipality receives the corrections from the applicant. If an applicant
23 requests significant changes, alterations, additions or amendments to an
24 application that are consistent with the purposes of the original
25 application and that are not in response to the request for corrections, a
26 municipality may make one additional comprehensive written or electronic
27 request for corrections and may have ~~no~~ **NOT** more than an additional fifty
28 ~~per-cent~~ **PERCENT** of the substantive review time frame as established by
29 the municipality for that license to grant or deny the license. Nothing
30 shall prevent communication between a municipality and an applicant
31 regarding a comprehensive written or electronic request for corrections or
32 a supplemental request for corrections. **EXCEPT FOR AN APPLICATION**
33 **SUBMITTED PURSUANT TO CHAPTER 4, ARTICLE 6 OR 6.1 OF THIS TITLE, A**
34 **MUNICIPALITY MAY NOT DENY A LICENSE APPLICATION THAT IS NECESSARY FOR LAND**
35 **DEVELOPMENT OR BUILDING CONSTRUCTION UNLESS THE MUNICIPALITY CONSIDERS THE**
36 **APPLICATION WITHDRAWN.** A municipality may consider an application
37 withdrawn if, by thirty days or more after the date of notice, as
38 established by the municipality, the applicant does not supply the
39 documentation or information requested or an explanation of why the
40 information cannot be provided within the established time period.

41 H. Nothing shall prevent the municipality from continuing to
42 process the application during the suspension of the substantive review
43 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 ~~per cent~~ PERCENT of the overall time frame.

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

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

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

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

K. If a municipality MAKES MORE THAN ONE COMPREHENSIVE WRITTEN OR ELECTRONIC REQUEST FOR CORRECTIONS AND ONE SUPPLEMENTAL WRITTEN OR ELECTRONIC REQUEST FOR CORRECTIONS LIMITED TO PREVIOUSLY IDENTIFIED ISSUES OR IN RESPONSE TO MODIFICATIONS MADE BY THE APPLICANT OR 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.

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 ~~per cent~~ PERCENT of the original ~~applicant~~ APPLICATION fees that have not been refunded to the applicant. This subsection does not apply to license applications that were denied for disqualifying criminal convictions or that were submitted fraudulently.

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

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

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

3. IS MADE BY THE MUNICIPALITY TO CORRECT NONCOMPLIANCE WITH AN OBJECTIVE CODE REQUIREMENT THAT WAS NOT IDENTIFIED BY A THIRD PARTY WHO CONDUCTED A PLAN REVIEW PURSUANT TO SECTION 9-470.01. ANY AMBIGUITY OR NECESSARY INTERPRETATION SHALL BE CONSTRUED IN FAVOR OF THE APPROVED PLAN OR PERMIT.

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

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

~~0. 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~~

1 ~~involved, any such property that is divided into two or more lots, tracts~~
2 ~~or parcels of land, or, any such property, the boundaries of which have~~
3 ~~been fixed by a recorded plat, which is divided into more than two parts.~~
4 ~~Subdivision includes any condominium, cooperative, community apartment,~~
5 ~~townhouse or similar project containing four or more parcels, in which an~~
6 ~~undivided interest in the land is coupled with the right of exclusive~~
7 ~~occupancy of any unit located thereon, but plats of such projects need not~~
8 ~~show the buildings or the manner in which the buildings or airspace above~~
9 ~~the property shown on the plat are to be divided.~~

10 P. FOR THE PURPOSES OF THIS SECTION, "OBJECTIVE" MEANS INVOLVING NO
11 PERSONAL OR SUBJECTIVE JUDGMENT AND BEING UNIFORMLY VERIFIABLE BY
12 REFERENCE TO AN EXTERNAL AND UNIFORM BENCHMARK, STANDARD OR CRITERION THAT
13 IS AVAILABLE AND KNOWABLE TO THE APPLICANT AT THE TIME THE PLANS WERE
14 SUBMITTED.