

REFERENCE TITLE: **utilities; restrictions; prohibitions; preemption; repeal**

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2544

Introduced by
Representative Mathis

AN ACT

AMENDING SECTION 9-467, ARIZONA REVISED STATUTES; REPEALING SECTION 9-810, ARIZONA REVISED STATUTES; AMENDING SECTION 11-321, ARIZONA REVISED STATUTES; REPEALING SECTION 11-867, ARIZONA REVISED STATUTES; RELATING TO BUILDING PERMITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 9-467, Arizona Revised Statutes, is amended to read:

9-467. Building permits; issuance; distribution of copies; subsequent owner

A. Any municipality requiring the issuance of a building permit shall transmit one copy of the permit to the county assessor and one copy to the director of the department of revenue. Permit copies shall provide the permit number, issue date and parcel number. On the issuance of the certificate of occupancy or the certificate of completion or on the expiration or cancellation of the permit, the assessor and the department of revenue shall be notified in writing or in electronic format of the permit number, parcel number, issue date and completion date.

~~B. The regulation of a utility provider's authority to operate and serve customers is a matter of statewide concern. The regulation of building permits as it relates to a building permit applicant's ability to use a utility provider that is capable and authorized to provide utility service is allowed solely in accordance with subsections C and D of this section. A building permit applicant's ability to use a utility provider that is capable and authorized to provide utility service is not subject to further regulation by a municipality.~~

~~C. A municipality requiring the issuance of a building permit may not deny a permit application based on the utility provider proposed to provide utility service to the project.~~

~~D. A municipality issuing a building permit shall ensure that all applicable permits and associated fees assessed on a building permit applicant contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers and do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is capable and authorized to provide utility service.~~

~~E. B.~~ B. A municipality may not require an applicant for a building permit to hold a transaction privilege tax license or business license as a condition for issuing the building permit. A ~~city or town~~ MUNICIPALITY may require a person that has been issued a building permit and that does not otherwise hold a business license from the municipality to apply for a business license within thirty days after issuing the building permit.

~~F. C.~~ C. If a person has constructed a building or an addition to a building without obtaining a building permit, a municipality shall not require a subsequent owner to obtain a permit for the construction or addition done by the prior owner before issuing a permit for a building addition except that this section does not prohibit A MUNICIPALITY FROM enforcing an applicable ordinance or code provision that affects the public health or safety.

~~G. This section does not prohibit a municipality from recovering reasonable costs associated with reviewing and issuing a building permit.~~

~~H. This section does not affect any authority of a municipality to manage or operate a municipally owned utility.~~

~~I. For the purposes of this section:~~

~~1. "Municipality" means a city or town organized in accordance with law, including a home rule or charter city.~~

~~2. "Utility service" means water, wastewater, natural gas, including propane gas, or electric service provided to an end user.~~

Sec. 2. Repeal

Section 9-810, Arizona Revised Statutes, is repealed.

Sec. 3. Section 11-321, Arizona Revised Statutes, is amended to read:

11-321. Building permits; issuance; distribution of copies; subsequent owner

A. Except in those cities and towns that have an ordinance relating to the issuance of building permits, the board of supervisors shall require a building permit for any construction of a building or an addition to a building exceeding a cost of \$1,000 within its jurisdiction. The building permit shall be filed with the board of supervisors or its designated agent.

~~B. The regulation of a utility provider's authority to operate and serve customers is a matter of statewide concern. The regulation of building permits as it relates to a building permit applicant's ability to use a utility provider that is capable and authorized to provide utility service is allowed solely in accordance with subsections C and D of this section. A building permit applicant's ability to use a utility provider that is capable and authorized to provide utility service is not subject to further regulation by a county.~~

~~C. A county may not deny a permit application based on the utility provider proposed to provide utility service to the project.~~

~~D. A county issuing a building permit shall ensure that all applicable permits and associated fees assessed on a building permit applicant contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers and do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is capable and authorized to provide utility service.~~

~~E.~~ B. The board of supervisors may not require an applicant for a building permit to hold a transaction privilege tax license or business license as a condition for issuing the building permit.

~~F.~~ C. Where deemed of public convenience, the board of supervisors shall allow the application for and the issuance of building permits by mail.

1 ~~G.~~ D. One copy of the building permit required by the terms of
2 subsection A of this section shall be transmitted to the county assessor
3 and one copy shall be transmitted to the director of the department of
4 revenue. The permit copy provided to the assessor and the department of
5 revenue shall have the permit number, the issue date and the parcel number
6 for which the permit is issued. On the issuance of the certificate of
7 occupancy or the certificate of completion or on the expiration or
8 cancellation of the permit, the assessor and the department of revenue
9 shall be notified in writing or in electronic format of the permit number,
10 parcel number, issue date and completion date.

11 ~~H.~~ E. If a person has constructed a building or an addition to a
12 building without obtaining a building permit, a county shall not require a
13 subsequent owner to obtain a permit for the construction or addition done
14 by the prior owner before issuing a permit for a building addition except
15 that this section does not prohibit A COUNTY FROM enforcing an applicable
16 ordinance or code provision that affects the public health or safety.

17 ~~I. This section does not prohibit a county from recovering~~
18 ~~reasonable costs associated with reviewing and issuing a building permit.~~

19 ~~J. This section does not affect any authority of a county to manage~~
20 ~~or operate a county-owned utility.~~

21 ~~K. For the purposes of this section, "utility service" means water,~~
22 ~~wastewater, natural gas, including propane gas, or electric service~~
23 ~~provided to an end user.~~

24 Sec. 4. Repeal

25 Section 11-867, Arizona Revised Statutes, is repealed.