

REFERENCE TITLE: **building permits; utilities; repeal**

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

## **SB 1536**

Introduced by  
Senators Sundareshan: Alston, Epstein, Gabaldón, Hernandez, Marsh, Mendez,  
Terán; Representative Travers

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)

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

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

4 9-467. Building permits; issuance; distribution of copies;  
5 subsequent owner

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

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

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

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

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

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

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

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

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

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

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

10 Sec. 2. Repeal

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

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

14 11-321. Building permits; issuance; distribution of copies;  
15 subsequent owner

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

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

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

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

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

42 ~~F.~~ C. Where deemed of public convenience, the board of supervisors  
43 shall allow the application for and the issuance of building permits by  
44 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.