

COMMITTEE ON COMMERCE

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1162

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 9-462.04, Arizona Revised Statutes, is amended
3 to read:

4 9-462.04. Public hearing required; definition

5 A. If the municipality has a planning commission or a hearing
6 officer, the planning commission or hearing officer shall hold a public
7 hearing on any zoning ordinance. Notice of the time and place of the
8 hearing including a general explanation of the matter to be considered and
9 including a general description of the area affected shall be given at
10 least fifteen days before the hearing in the following manner:

11 1. The notice shall be published at least once in a newspaper of
12 general circulation published or circulated in the municipality, or if
13 there is none, it shall be posted on the affected property in such a
14 manner as to be legible from the public right-of-way and in at least ten
15 public places in the municipality. A posted notice shall be printed so
16 that the following are visible from a distance of one hundred feet: the
17 word "zoning", the present zoning district classification, the proposed
18 zoning district classification and the date and time of the hearing.

19 2. In proceedings involving rezoning of land that abuts other
20 municipalities or unincorporated areas of the county or a combination of a
21 municipality and an unincorporated area, copies of the notice of public
22 hearing shall be transmitted to the planning agency of the governmental
23 unit abutting such land. In proceedings involving rezoning of land that
24 is located within the territory in the vicinity of a military airport or
25 ancillary military facility as defined in section 28-8461, the

1 municipality shall send copies of the notice of public hearing by first
2 class mail to the military airport. In addition to notice by publication,
3 a municipality may give notice of the hearing in any other manner that the
4 municipality deems necessary or desirable.

5 3. In proceedings that are not initiated by the property owner
6 involving rezoning of land that may change the zoning classification,
7 notice by first class mail shall be sent to each real property owner, as
8 shown on the last assessment of the property, of the area to be rezoned
9 and all property owners, as shown on the last assessment of the property,
10 within three hundred feet of the property to be rezoned.

11 4. In proceedings involving one or more of the following proposed
12 changes or related series of changes in the standards governing land uses,
13 notice shall be provided in the manner prescribed by paragraph 5 of this
14 subsection:

15 (a) A ten percent or more increase or decrease in the number of
16 square feet or units that may be developed.

17 (b) A ten percent or more increase or reduction in the allowable
18 height of buildings.

19 (c) An increase or reduction in the allowable number of stories of
20 buildings.

21 (d) A ten percent or more increase or decrease in setback or open
22 space requirements.

23 (e) An increase or reduction in permitted uses.

24 5. In proceedings governed by paragraph 4 of this subsection, the
25 municipality shall provide notice to real property owners pursuant to at
26 least one of the following notification procedures:

27 (a) Notice shall be sent by first class mail to each real property
28 owner, as shown on the last assessment, whose real property is directly
29 governed by the changes.

30 (b) If the municipality issues utility bills or other mass mailings
31 that periodically include notices or other informational or advertising
32 materials, the municipality shall include notice of the changes with such
33 utility bills or other mailings.

1 (c) The municipality shall publish the changes before the first
2 hearing on such changes in a newspaper of general circulation in the
3 municipality. The changes shall be published in a "display ad" covering
4 not less than one-eighth of a full page.

5 6. If notice is provided pursuant to paragraph 5, subdivision (b)
6 or (c) of this subsection, the municipality shall also send notice by
7 first class mail to persons who register their names and addresses with
8 the municipality as being interested in receiving such notice. The
9 municipality may charge a fee not to exceed \$5 per year for providing this
10 service and may adopt procedures to implement this paragraph.

11 7. Notwithstanding the notice requirements in paragraph 4 of this
12 subsection, the failure of any person or entity to receive notice does not
13 constitute grounds for any court to invalidate the actions of a
14 municipality for which the notice was given.

15 B. If the matter to be considered applies to territory in a high
16 noise or accident potential zone as defined in section 28-8461, the notice
17 prescribed in subsection A of this section shall include a general
18 statement that the matter applies to property located in the high noise or
19 accident potential zone.

20 C. After the hearing, the planning commission or hearing officer
21 shall render a decision in the form of a written recommendation to the
22 governing body. The recommendation shall include the reasons for the
23 recommendation and be transmitted to the governing body in the form and
24 manner prescribed by the governing body.

25 D. If the planning commission or hearing officer has held a public
26 hearing, the governing body may adopt the recommendations of the planning
27 commission or hearing officer without holding a second public hearing if
28 there is no objection, request for public hearing or other protest. The
29 governing body shall hold a public hearing if requested by the party
30 aggrieved or any member of the public or of the governing body, or, in any
31 case, if a public hearing has not been held by the planning commission or
32 hearing officer. The governing body may consider the testimony of any
33 party aggrieved when making its decision. In municipalities with

1 territory in the vicinity of a military airport or ancillary military
2 facility as defined in section 28-8461, the governing body shall hold a
3 public hearing if, after notice is transmitted to the military airport
4 pursuant to subsection A of this section and before the public hearing,
5 the military airport provides comments or analysis concerning the
6 compatibility of the proposed rezoning with the high noise or accident
7 potential generated by military airport or ancillary military facility
8 operations that may have an adverse impact on public health and safety,
9 and the governing body shall consider and analyze the comments or analysis
10 before making a final determination. Notice of the time and place of the
11 hearing shall be given in the time and manner provided for the giving of
12 notice of the hearing by the planning commission as specified in
13 subsection A of this section. A municipality may give additional notice
14 of the hearing in any other manner as the municipality deems necessary or
15 desirable. For the purposes of this subsection, "party aggrieved" means
16 any property owner within the notification area prescribed by subsection
17 A, paragraph 3 of this section.

18 E. A municipality may enact an ordinance authorizing county zoning
19 to continue in effect until municipal zoning is applied to land previously
20 zoned by the county and annexed by the municipality, but not longer than
21 six months after the annexation.

22 F. A municipality is not required to adopt a general plan before
23 the adoption of a zoning ordinance.

24 G. If there is no planning commission or hearing officer, the
25 governing body of the municipality shall perform the functions assigned to
26 the planning commission or hearing officer.

27 H. If the owners of twenty percent or more of the property by area
28 and number of lots, tracts and condominium units within the zoning area of
29 the affected property, **EXCLUDING GOVERNMENT OWNED PROPERTY**, file a protest
30 in writing against a proposed amendment, the change shall not become
31 effective except by the favorable vote of three-fourths of all members of
32 the governing body of the municipality. If any members of the governing
33 body are unable to vote on such a question because of a conflict of

1 interest, then the required number of votes for passage of the question
2 shall be three-fourths of the remaining membership of the governing body,
3 provided that such required number of votes shall not be less than a
4 majority of the full membership of the legally established governing body.
5 For the purposes of this subsection, the vote shall be rounded to the
6 nearest whole number. A protest filed pursuant to this subsection shall
7 be signed by the property owners, **EXCLUDING GOVERNMENT OWNED PROPERTY,**
8 opposing the proposed amendment and filed in the office of the clerk of
9 the municipality not later than 12:00 noon one business day before the
10 date on which the governing body will vote on the proposed amendment or on
11 an earlier time and date established by the governing body.

12 I. In applying an open space element or a growth element of a
13 general plan, a parcel of land shall not be rezoned for open space,
14 recreation, conservation or agriculture unless the owner of the land
15 consents to the rezoning in writing.

16 J. Notwithstanding section 19-142, subsection B, a decision by the
17 governing body involving rezoning of land that is not owned by the
18 municipality and that changes the zoning classification of such land may
19 not be enacted as an emergency measure and the change shall not be
20 effective for at least thirty days after final approval of the change in
21 classification by the governing body.

22 K. For the purposes of this section, "zoning area" means both of
23 the following:

24 1. The area within one hundred fifty feet, including all
25 rights-of-way, of the affected property subject to the proposed amendment
26 or change.

27 2. The area of the proposed amendment or change.

28 Sec. 2. Title 9, chapter 4, article 6.1, Arizona Revised Statutes,
29 is amended by adding section 9-462.10, to read:

30 9-462.10. Residential zoning; amendment; applications;
31 deadline; extensions; applicability

32 **A. ON OR BEFORE JANUARY 1, 2025, A MUNICIPALITY SHALL ADOPT AN**
33 **AMENDMENT TO THE MUNICIPALITY'S ZONING ORDINANCE THAT REQUIRES THE**

1 MUNICIPALITY TO DETERMINE WHETHER A ZONING APPLICATION IS ADMINISTRATIVELY
2 COMPLETE WITHIN THIRTY DAYS AFTER RECEIVING THE APPLICATION. IF THE
3 MUNICIPALITY DETERMINES THAT THE APPLICATION IS NOT ADMINISTRATIVELY
4 COMPLETE, THE MUNICIPALITY SHALL FOLLOW THE PROCEDURES PRESCRIBED IN
5 SECTION 9-835, SUBSECTION E UNTIL THE APPLICATION IS ADMINISTRATIVELY
6 COMPLETE. THE MUNICIPALITY SHALL DETERMINE WHETHER A RESUBMITTED
7 APPLICATION IS ADMINISTRATIVELY COMPLETE WITHIN FIFTEEN DAYS AFTER
8 RECEIVING THE RESUBMITTED APPLICATION. AFTER DETERMINING THAT THE
9 APPLICATION IS ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL APPROVE OR
10 DENY THE APPLICATION WITHIN ONE HUNDRED EIGHTY DAYS.

11 B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, THE MUNICIPALITY
12 MAY EXTEND THE TIME FRAME TO APPROVE OR DENY THE REQUEST BEYOND ONE HUNDRED
13 EIGHTY DAYS FOR EITHER OF THE FOLLOWING REASONS:

14 1. FOR EXTENUATING CIRCUMSTANCES, THE MUNICIPALITY MAY GRANT A
15 ONETIME EXTENSION OF NOT MORE THAN THIRTY DAYS.

16 2. IF AN APPLICANT REQUESTS AN EXTENSION, THE MUNICIPALITY MAY GRANT
17 EXTENSIONS OF THIRTY DAYS FOR EACH EXTENSION GRANTED.

18 C. THIS SECTION DOES NOT APPLY TO LAND THAT IS DESIGNATED AS A
19 DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01,
20 SUBSECTION A, PARAGRAPH 10 OR AN AREA THAT IS DESIGNATED AS HISTORIC ON THE
21 NATIONAL REGISTER OF HISTORIC PLACES OR PLANNED AREA DEVELOPMENTS.

22 Sec. 3. Title 9, chapter 4, article 6.4, Arizona Revised Statutes,
23 is amended by adding section 9-469, to read:

24 9-469. Municipal housing needs assessment; annual report;
25 applicability

26 A. BEGINNING JANUARY 1, 2025 AND EVERY FIVE YEARS THEREAFTER, A
27 MUNICIPALITY SHALL PUBLISH A HOUSING NEEDS ASSESSMENT THAT INCLUDES THE
28 FOLLOWING:

29 1. THE TOTAL POPULATION GROWTH PROJECTED FOR THE SUBSEQUENT
30 FIVE-YEAR PERIOD.

31 2. THE TOTAL JOB GROWTH PROJECTED FOR THE SUBSEQUENT FIVE-YEAR
32 PERIOD.

1 3. THE TOTAL AMOUNT OF RESIDENTIALLY ZONED LAND WITH DETAIL ON LAND
2 ZONED AS SINGLE-FAMILY AND MULTIFAMILY.

3 4. THE TOTAL NEED FOR ADDITIONAL RESIDENTIAL HOUSING UNITS FOR RENT
4 AND FOR SALE IN THE MUNICIPALITY TO MEET:

5 (a) ANY DEFICIENCIES IN HOUSING THE EXISTING POPULATION.

6 (b) ANY DEFICIENCIES IN HOUSING THE EXISTING WORKFORCE.

7 (c) POPULATION GROWTH PROJECTIONS.

8 (d) JOB GROWTH PROJECTIONS.

9 (e) HOUSING NEEDS ACROSS ALL VARIOUS INCOME LEVELS.

10 B. BEGINNING JANUARY 1, 2025 AND EVERY YEAR THEREAFTER, EACH
11 MUNICIPALITY SHALL SUBMIT AN ANNUAL REPORT TO THE ARIZONA DEPARTMENT OF
12 HOUSING ACCOUNTING FOR THE TOTAL NUMBER OF PROPOSED RESIDENTIAL HOUSING
13 UNITS SUBMITTED TO THE MUNICIPALITY, THE TOTAL NUMBER OF NET NEW
14 RESIDENTIAL HOUSING UNITS SUBMITTED TO THE MUNICIPALITY AND THE TOTAL
15 NUMBER OF NEW RESIDENTIAL HOUSING UNITS THAT ARE ENTITLED, HAVE BEEN
16 PLATTED, HAVE BEEN ISSUED A BUILDING PERMIT AND HAVE RECEIVED A CERTIFICATE
17 OF OCCUPANCY BY THE MUNICIPALITY. THE ANNUAL REPORT SHALL INCLUDE ALL OF
18 THE FOLLOWING:

19 1. THE NUMBER OF HOUSING DEVELOPMENT APPLICATIONS RECEIVED IN THE
20 PRIOR YEAR.

21 2. THE NUMBER OF LOTS AND MULTIFAMILY UNITS INCLUDED IN ALL
22 DEVELOPMENT APPLICATIONS IN THE PRIOR YEAR.

23 3. THE NUMBER OF LOTS AND MULTIFAMILY UNITS APPROVED AND DISAPPROVED
24 OR OTHERWISE NOT APPROVED IN THE PRIOR YEAR.

25 4. A THRESHOLD PERCENTAGE REQUIREMENT OF MULTIFAMILY ZONED LAND
26 VERSUS SINGLE-FAMILY ZONED LAND NEEDED TO MEET POPULATION DEMAND IN EACH
27 MUNICIPALITY.

28 5. THE STATUS AND PROGRESS IN MEETING THE MUNICIPALITY'S HOUSING
29 NEEDS.

30 6. A PLAN THAT SPECIFIES HOW THE MUNICIPALITY INTENDS TO SATISFY THE
31 IDENTIFIED NEED FOR ADDITIONAL HOUSING UNITS WITHIN THE MUNICIPALITY.

1 C. A MUNICIPALITY THAT HAS CONDUCTED A HOUSING NEEDS ASSESSMENT
2 REPORT AS OF JANUARY 1, 2021 SHALL AMEND ALL EXISTING REPORTS TO INCLUDE
3 THE INFORMATION REQUIRED IN SUBSECTION A OF THIS SECTION.

4 D. THE ARIZONA DEPARTMENT OF HOUSING SHALL COMPILE THE REPORTS
5 RECEIVED PURSUANT TO SUBSECTION B OF THIS SECTION AND SUBMIT THE REPORTS TO
6 THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
7 REPRESENTATIVES.

8 E. THIS SECTION DOES NOT REQUIRE A MUNICIPALITY TO FULFILL THE
9 PROJECTIONS IN THE HOUSING NEEDS ASSESSMENT REQUIRED BY SUBSECTION A OF
10 THIS SECTION.

11 F. THIS SECTION DOES NOT APPLY TO A MUNICIPALITY THAT IS LOCATED ON
12 TRIBAL LAND OR A MUNICIPALITY WITH A POPULATION OF LESS THAN THIRTY
13 THOUSAND PERSONS."

14 Amend title to conform

And, as so amended, it do pass

JUSTIN WILMETH
CHAIRMAN

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