

REFERENCE TITLE: residential lease community; Prescott AMA

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2487

Introduced by
Representative Bliss

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.4, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-469; AMENDING TITLE 11, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-324; AMENDING TITLE 45, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-581; 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. Title 9, chapter 4, article 6.4, Arizona Revised
3 Statutes, is amended by adding section 9-469, to read:

4 9-469. Residential lease communities; building permits; water
5 supply; exception; definitions

6 A. THE LEGISLATIVE BODY OF A MUNICIPALITY MAY APPROVE A COMMERCIAL
7 BUILDING PLAN FOR ONE OR MORE DETACHED RESIDENTIAL DWELLING UNITS THAT ARE
8 LOCATED IN A RESIDENTIAL LEASE COMMUNITY OR FOR MULTIFAMILY RESIDENTIAL
9 PROPERTIES WITHIN THE PRESCOTT ACTIVE MANAGEMENT AREA ONLY IF ONE OF THE
10 FOLLOWING APPLIES:

11 1. THE DEVELOPMENT IS LOCATED WITHIN THE WATER SERVICE AREA OF A
12 CITY, TOWN OR PRIVATE WATER COMPANY THAT IS DESIGNATED AS HAVING AN
13 ASSURED WATER SUPPLY AND THE DEVELOPERS HAVE OBTAINED A WRITTEN COMMITMENT
14 OF WATER SERVICE FROM A DESIGNATED PROVIDER AND PROVIDED THAT COMMITMENT
15 WITH THE DEVELOPER'S APPLICATION FOR A COMMERCIAL BUILDING PERMIT.

16 2. THE DEVELOPMENT IS LOCATED OUTSIDE OF THE SERVICE AREA OF A
17 DESIGNATED PROVIDER, THE DEVELOPMENT HAS ACQUIRED SUFFICIENT TYPE ONE
18 IRRIGATION GRANDFATHERED RIGHTS TO MEET THE ENTIRETY OF THE ANNUAL WATER
19 DEMAND OF THE DEVELOPMENT AND THE DEVELOPER HAS INCLUDED A COPY OF THE
20 RELEVANT NOTICE OF CHANGE OF USE WITH THE DEVELOPER'S APPLICATION FOR A
21 COMMERCIAL BUILDING PERMIT.

22 3. THE DEVELOPMENT IS LOCATED OUTSIDE OF THE SERVICE AREA OF A
23 DESIGNATED PROVIDER AND THE DEVELOPMENT HAS ACQUIRED SUFFICIENT IRRIGATION
24 GRANDFATHERED RIGHTS TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF
25 THE DEVELOPMENT. FOR THE MUNICIPALITY TO APPROVE THE COMMERCIAL BUILDING
26 PERMIT, THE DEVELOPER SHALL INCLUDE A COPY OF THE RELEVANT NOTICE CHANGE
27 OF USE FOR THE TYPE ONE IRRIGATION GRANDFATHERED RIGHTS WITH THE
28 DEVELOPER'S APPLICATION FOR A COMMERCIAL BUILDING PERMIT. FOR ANY TYPE
29 TWO IRRIGATION RIGHTS IN THE EXPECTED WATER PORTFOLIO, THE DEVELOPER SHALL
30 ATTACH PROOF THAT THE WITHDRAWAL WILL BE IN THE SAME LOCATION AS THE
31 ORIGINAL GRANDFATHERED RIGHT OR, IF IN ANOTHER LOCATION, THE DEVELOPER
32 SHALL ATTACH PROOF THAT THE DEVELOPER HAS RECEIVED APPROVAL OF A NEW
33 GROUNDWATER WITHDRAWAL PERMIT WHICH COMPLIES WITH RULES ADOPTED PURSUANT
34 TO SECTION 45-598, SUBSECTION A.

35 B. THIS SECTION DOES NOT APPLY TO AN EXISTING RESIDENTIAL LEASE
36 COMMUNITY, MULTIFAMILY RESIDENTIAL PROPERTY, PLANNED RESIDENTIAL LEASE
37 COMMUNITY OR PLANNED MULTIFAMILY RESIDENTIAL PROPERTY THAT APPLIED FOR OR
38 THAT RECEIVED ZONING ENTITLEMENTS ON OR BEFORE DECEMBER 31, 2024.

39 C. THE LEGISLATIVE BODY OF THE MUNICIPALITY SHALL NOTE ON THE FACE
40 OF ANY APPROVED COMMERCIAL BUILDING PERMIT FOR A RESIDENTIAL LEASE
41 COMMUNITY OR MULTIFAMILY RESIDENTIAL PROPERTY THAT THE APPLICANT HAS
42 COMPLIED WITH THIS SECTION OR IS EXEMPT FROM THIS SECTION PURSUANT TO
43 SUBSECTION C OF THIS SECTION.

44 D. FOR THE PURPOSES OF THIS SECTION:

45 1. "MULTIFAMILY RESIDENTIAL PROPERTIES" HAS THE SAME MEANING
46 PRESCRIBED IN SECTION 49-746.

1 2. "RESIDENTIAL LEASE COMMUNITY":

2 (a) MEANS SIX OR MORE DETACHED RESIDENTIAL DWELLING UNITS ON ONE OR
3 MORE LOTS, PARCELS OR FRACTIONAL INTERESTS, WITHOUT REGARD TO THE ZONING
4 CLASSIFICATION OF THE LOTS, PARCELS OR FRACTIONAL INTERESTS, THAT ARE
5 INTENDED TO BE OFFERED FOR THE PURPOSE OF LEASE, WHETHER IMMEDIATE OR
6 FUTURE, WITHOUT REGARD TO THE LEASE TERM, UNDER A COMMON PROMOTIONAL PLAN
7 AS DEFINED IN SECTION 32-2101.

8 (b) DOES NOT INCLUDE THE CONSTRUCTION, PROVISION OR LEASING OF
9 RESIDENTIAL STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE
10 EXEMPT FROM TITLE 11, CHAPTER 6, ARTICLE 5 AS PRESCRIBED BY SECTION
11 11-865, SUBSECTION A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF
12 HOUSING PERSONS WHO ARE AGRICULTURAL WORKERS.

13 Sec. 2. Title 11, chapter 2, article 9, Arizona Revised Statutes,
14 is amended by adding section 11-324, to read:

15 11-324. Residential lease communities; building permits;
16 water supply; exception; definitions

17 A. THE BOARD OF SUPERVISORS MAY APPROVE A COMMERCIAL BUILDING PLAN
18 FOR ONE OR MORE DETACHED RESIDENTIAL DWELLING UNITS THAT ARE LOCATED IN A
19 RESIDENTIAL LEASE COMMUNITY OR FOR MULTIFAMILY RESIDENTIAL PROPERTIES
20 WITHIN THE PRESCOTT ACTIVE MANAGEMENT AREA ONLY IF ONE OF THE FOLLOWING
21 APPLIES:

22 1. THE DEVELOPMENT IS LOCATED WITHIN THE WATER SERVICE AREA OF A
23 CITY, TOWN OR PRIVATE WATER COMPANY THAT IS DESIGNATED AS HAVING AN
24 ASSURED WATER SUPPLY AND THE DEVELOPERS HAVE OBTAINED A WRITTEN COMMITMENT
25 OF WATER SERVICE AND PROVIDED THAT COMMITMENT WITH THE DEVELOPER'S
26 APPLICATION FOR A COMMERCIAL BUILDING PERMIT.

27 2. THE DEVELOPMENT IS LOCATED OUTSIDE OF THE SERVICE AREA OF A
28 DESIGNATED PROVIDER, THE DEVELOPMENT HAS ACQUIRED SUFFICIENT TYPE ONE
29 IRRIGATION GRANDFATHERED RIGHTS TO MEET THE ENTIRETY OF THE ANNUAL WATER
30 DEMAND OF THE DEVELOPMENT AND THE DEVELOPER HAS INCLUDED A COPY OF THE
31 RELEVANT NOTICE CHANGE OF USE WITH THE DEVELOPER'S APPLICATION FOR A
32 COMMERCIAL BUILDING PERMIT.

33 3. THE DEVELOPMENT IS LOCATED OUTSIDE OF THE SERVICE AREA OF A
34 DESIGNATED PROVIDER AND THE DEVELOPMENT HAS ACQUIRED SUFFICIENT IRRIGATION
35 GRANDFATHERED RIGHTS TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF
36 THE DEVELOPMENT. FOR THE BOARD OF SUPERVISORS TO APPROVE THE COMMERCIAL
37 BUILDING PERMIT, THE DEVELOPER SHALL INCLUDE A COPY OF THE RELEVANT NOTICE
38 CHANGE OF USE FOR THE TYPE ONE IRRIGATION GRANDFATHERED RIGHTS WITH THE
39 DEVELOPER'S APPLICATION FOR A COMMERCIAL BUILDING PERMIT. FOR ANY TYPE
40 TWO IRRIGATION RIGHTS IN THE EXPECTED WATER PORTFOLIO, THE DEVELOPER SHALL
41 ATTACH PROOF THAT THE WITHDRAWAL WILL BE IN THE SAME LOCATION AS THE
42 ORIGINAL GRANDFATHERED RIGHT OR, IF IN ANOTHER LOCATION, THE DEVELOPER
43 SHALL ATTACH PROOF THE DEVELOPER HAS RECEIVED APPROVAL OF A NEW
44 GROUNDWATER WITHDRAWAL PERMIT WHICH COMPLIES WITH RULES ADOPTED PURSUANT
45 TO SECTION 45-598, SUBSECTION A.

1 B. THIS SECTION DOES NOT APPLY TO AN EXISTING RESIDENTIAL LEASE
2 COMMUNITY, MULTIFAMILY RESIDENTIAL PROPERTY, PLANNED RESIDENTIAL LEASE
3 COMMUNITY OR PLANNED MULTIFAMILY RESIDENTIAL PROPERTY THAT APPLIED FOR OR
4 THAT RECEIVED ZONING ENTITLEMENTS ON OR BEFORE DECEMBER 31, 2024.

5 C. THE BOARD OF SUPERVISORS SHALL NOTE ON THE FACE OF ANY APPROVED
6 COMMERCIAL BUILDING PERMIT FOR A RESIDENTIAL LEASE COMMUNITY OR
7 MULTIFAMILY RESIDENTIAL PROPERTY THAT THE APPLICANT HAS COMPLIED WITH THIS
8 SECTION OR IS EXEMPT FROM THIS SECTION PURSUANT TO SUBSECTION B OF THIS
9 SECTION.

10 D. FOR THE PURPOSES OF THIS SECTION:

11 1. "MULTIFAMILY RESIDENTIAL PROPERTIES" HAS THE SAME MEANING
12 PRESCRIBED IN SECTION 49-746.

13 2. "RESIDENTIAL LEASE COMMUNITY":

14 (a) MEANS SIX OR MORE DETACHED RESIDENTIAL DWELLING UNITS ON ONE OR
15 MORE LOTS, PARCELS OR FRACTIONAL INTERESTS, WITHOUT REGARD TO THE ZONING
16 CLASSIFICATION OF THE LOTS, PARCELS OR FRACTIONAL INTERESTS, THAT ARE
17 INTENDED TO BE OFFERED FOR THE PURPOSE OF LEASE, WHETHER IMMEDIATE OR
18 FUTURE, WITHOUT REGARD TO THE LEASE TERM, UNDER A COMMON PROMOTIONAL PLAN
19 AS DEFINED IN SECTION 32-2101.

20 (b) DOES NOT INCLUDE THE CONSTRUCTION, PROVISION OR LEASING OF
21 RESIDENTIAL STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE
22 EXEMPT FROM CHAPTER 6, ARTICLE 5 OF THIS TITLE AS PRESCRIBED BY SECTION
23 11-865, SUBSECTION A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF
24 HOUSING PERSONS WHO ARE AGRICULTURAL WORKERS.

25 Sec. 3. Title 45, chapter 2, article 9, Arizona Revised Statutes,
26 is amended by adding section 45-581, to read:

27 45-581. Prescott AMA; commercial building permits;
28 application process; definitions

29 A. THE DIRECTOR SHALL SEPARATELY ACCOUNT FOR THE TRANSFER OF TYPE
30 TWO IRRIGATION GRANDFATHERED RIGHTS IN THE PRESCOTT ACTIVE MANAGEMENT AREA
31 THAT A DEVELOPER WISHES TO USE TO SECURE A COMMERCIAL BUILDING PERMIT
32 PURSUANT TO SECTION 9-469 OR 11-324. THE DEPARTMENT SHALL PROVIDE A
33 SEPARATE APPLICATION PROCESS CONSISTENT WITH SECTIONS 9-469 AND 11-324 AND
34 RULES ADOPTED PURSUANT TO SECTION 45-598, SUBSECTION A FOR A GROUNDWATER
35 USER THAT WISHES TO SECURE A COMMERCIAL BUILDING PERMIT FOR A RESIDENTIAL
36 LEASE COMMUNITY OR FOR MULTIFAMILY RESIDENTIAL PROPERTIES IN THE PRESCOTT
37 ACTIVE MANAGEMENT AREA.

38 B. FOR THE PURPOSES OF THIS SECTION:

39 1. "MULTIFAMILY RESIDENTIAL PROPERTIES" HAS THE SAME MEANING
40 PRESCRIBED IN SECTION 45-746.

41 2. "RESIDENTIAL LEASE COMMUNITY" HAS THE SAME MEANING PRESCRIBED IN
42 SECTIONS 9-469 AND 11-324.

43 Sec. 4. Legislative finding

44 The legislature finds that residential lease communities as defined
45 by this act are a commercial development similar to apartments and other
46 multifamily properties.