



ARIZONA STATE SENATE
Fifty-Seventh Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1543

~~homestead exemption; equity increase~~
(NOW: ancillary use; international headquarters campus)

As passed the Senate, S.B. 1543 exempted a person's value in a homestead from bankruptcy proceedings, up to the amount of the homestead exemption plus any value increase during pendency of the case.

The House of Representatives adopted a strike-everything amendment that does the following:

Purpose

Requires certain municipalities to allow hotels and multifamily residential housing as an ancillary use in a district zoned for light industrial use without requiring an application that will require a public hearing if the ancillary use is located within an international headquarters campus and developed in accordance with prescribed standards.

Background

Current statute requires each municipality's planning agency and governing body to prepare and adopt, in coordination with the Arizona State Land Department, a comprehensive, long-range general plan for the development of the municipality. The general plan must include a statement of community goals and development policies, including maps and plan proposals. After a municipality has adopted a general plan, or plan amendment, the planning agency must investigate and make recommendations to the governing body for putting into effect the general plan in order that it will serve as a pattern and guide for the orderly growth and development of the municipality. The measures recommended may include plans, regulations, financial reports and capital budgets. The planning agency may, and if so directed by the governing body must, prepare specific plans based on the general plan and drafts of such regulations, programs and legislation as may be required for the systematic execution of the general plan, including zoning ordinances and subdivision regulations (A.R.S. §§ [9-461.05](#); [9-461.07](#); and [9-461.08](#)).

Statute authorizes municipalities to adopt zoning ordinances and codes to conserve and promote the public health, safety, convenience and general welfare. The governing body of a municipality must adopt by ordinance a citizen review process that applies to all rezoning and specific plan applications that require a public hearing. The citizen review process must include at least: 1) notifying adjacent landowners and other potentially affected citizens of the application; 2) informing adjacent landowners and other potentially affected citizens on the substance of the proposed rezoning; and 3) providing adjacent landowners and other potentially affected citizen an opportunity to express any issues or concerns regarding the rezoning. Any zoning ordinances that propose to change property from one zone to another, that imposes any regulation not previously imposed or that removes any such regulation previously imposed must be adopted following

procedures in accordance with the citizen review process and in the manner set for public hearings (A.R.S. §§ [9-462.01](#) and [9-462.03](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires a municipality with a population between 200,000 and 500,000 persons to allow hotel use and multifamily residential housing as an allowed ancillary use, on land that is vacant as of the date of the building permit application for the allowed ancillary use, in a zoning district that allows light industrial use without requiring any type of application that will require a public hearing if the ancillary use meets the following criteria:
 - a) the ancillary use is located within an international headquarters campus that is solely owned by either a single entity or related entities at the time that development of the international headquarters campus commences and, on completion, the international headquarters on the campus will employ more than 1,000 full-time employees at an average annual compensation of more than 125 percent of the median wage of the county where the campus is located; and
 - b) the international headquarters campus that contains the ancillary use is bound by a recorded instrument that is enforceable by the municipality.
2. Requires the recorded instrument to:
 - a) restrict occupancy in at least 30 percent of the multifamily residential housing units located on the international headquarters campus, which may include units designated as affordable at the developer's discretion, to individuals who are employed at the international headquarters and their families, or are police officers, firefighters, teachers, veterans or health care workers and work within five miles of the international headquarters campus;
 - b) provide that the municipality where the international headquarters campus is located, in the municipality's sole and absolute discretion, may waive the occupancy requirement; and
 - c) prohibit an agreement for occupancy of any multifamily residential housing unit within the international headquarters campus for a period of less than 90 consecutive days and limits occupancy to the same occupants for the entirety of the 90 consecutive days unless a tenant of the multifamily residential housing unit is an employee or contractor of an entity located within the international headquarters campus and that the employee or contractor performs job duties at the international headquarters.
3. States that the 90 consecutive day occupancy requirement does not apply to multifamily housing developments that are platted for individual ownership of units.
4. Subjects an ancillary use to compliance with generally applicable municipal building codes and fire codes and the prescribed objective development standards.
5. Prohibits the governing body of a municipality from unreasonably withholding a building permit or unreasonably delaying a building inspection or a certificate of occupancy for an ancillary use that complies with one of the following:
 - a) for international headquarters campuses that include multifamily residential housing units as an ancillary use, a municipality must allow a number of multifamily residential units

- within the international headquarters campus that are equal to 27 units per gross acre based on the total gross acreage on the international headquarters campus; or
- b) for campuses that include hotel use as an ancillary use, a municipality must:
 - i. allow a number of hotel rooms within the international headquarters campus equal to 10 hotel rooms per gross acre based on the total gross acreage of the international headquarters campus; and
 - ii. allow at least 10 percent of the hotel rooms within the international headquarters campus to be for-sale residential units within the hotel.
6. Requires a municipality, for campuses that include hotel use or multifamily residential housing units as an ancillary use, to allow complementary retail and restaurant use within the international headquarters campus.
 7. Applies the following objective standards to an ancillary use building development:
 - a) a municipality may limit the height of the ancillary use building to two stories in an international headquarters campus site that is located directly adjacent to and within 100 feet of an area that is zoned for single-family residential use;
 - b) for other instances, a municipality may not restrict the maximum height of the ancillary use building to less than six stories, not including mechanical screening or rooftop appurtenances;
 - c) any utility provider that may provide utility service to the ancillary use development may review construction documents to reasonably ensure adequate water and sewer capacity impacted by the proposed ancillary use development; and
 - d) existing municipal zoning ordinances for setbacks and parking requirements for the proposed ancillary use development apply.
 8. Prohibits a building permit for an ancillary use building development from being obtained until the municipality issues a building permit for construction of the international headquarters building.
 9. Prohibits a certificate of occupancy from being granted for an ancillary use building development before the municipality grants a certificate of occupancy for the international headquarters building.
 10. Requires a certificate of occupancy to be granted for an ancillary use building development before the municipality grants a certificate of occupancy for the international headquarters building if:
 - a) substantial construction of the international headquarters building has commenced; and
 - b) the Arizona State Land Department has received a bond, a letter of credit or any other sufficient financial assurance that, in the reasonable discretion of the State Land Commissioner, provides payment to the State Land Trust of an amount equal to the market sale value of the land and improvements containing the ancillary use development, less development costs, if the municipality does not grant a permanent certificate of occupancy for the international headquarters building within five years after granting the certificate of occupancy for the ancillary use building.
 11. Requires a municipality to consent to amendment to existing development agreements to which the municipality is a signatory that are reasonably necessary to allow for the development of hotel use or multifamily residential use as an ancillary use.

12. Requires the developer, for 10 years after the development of an allowed ancillary use development, to designate at least five percent of the total for-rent multifamily residential dwellings as affordable units.
13. Requires the units, at the developer's discretion, to be restricted as low-income or middle housing, or a mixture of both low-income and middle housing, that may be contained within one building or within multiple buildings.
14. States that the allowed ancillary use requirements do not apply to land in the territory in the vicinity of a military airport or ancillary military facility.
15. Defines *internation headquarters* as a principal central administrative office where primary headquarters-related functions and service are performed, including financial, personnel, administrative, legal, human resources, information technology, planning and similar business functions, and that does not report to any parent company outside of Arizona.
16. Defines *international headquarters building* as the primary building that contains an international headquarters on the international headquarters campus.
17. Defines *international headquarters campus* as a contiguous area of no less than 40 gross acres, portions of which may be separated by public rights-of-way, on which an international headquarters is located and which may include ancillary use.
18. Defines *light industrial use* as including light manufacturing, semiconductor production, law enforcement support, military research and development and aeronautical use.
19. Defines terms.
20. Contains a severability clause.
21. Contains a statement of legislative findings.
22. Becomes effective on the general effective date.

Amendments Adopted by the House of Representatives

- Adopted the strike-everything amendment relating to municipal planning.

House Action

COM	3/19/25	W/D	
IT	3/26/25	DPA/SE	8-0-0-2
3 rd Read	4/10/25		40-19-1

Prepared by Senate Research

April 10, 2025

JT/ci