



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1162

~~telecommunications fund; report; posting~~
(NOW: residential zoning; housing; assessment; hearings)

As passed the Senate, S.B. 1162 required the Director of the Arizona Department of Administration to post the Telecommunications Program Office report on its website.

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

Purpose

Establishes municipal housing needs assessments and time frames for zoning applications.

Background

Statute authorizes municipalities to adopt zoning ordinances and codes to conserve and promote the public health, safety, convenience and general welfare. A municipality may: 1) regulate the use of buildings, structures and land between agriculture, residence, industry and business; 2) regulate the location, height, bulk, number of stories and size of buildings and structures, the size and use of lots, yards, courts and other open spaces, the percentage of a lot that may be occupied by a building or structure, access to incident solar energy and the intensity of land use; 3) establish requirements for off-street parking and loading; 4) establish and maintain building setback lines; and 5) establish floodplain and age-specific community zoning districts and districts of historical significance. ([A.R.S. § 9-462.01](#)).

Municipalities must post time frames during which the municipality will either grant or deny each license required by an ordinance or code, with specified exceptions. The overall timeframe must separately state the administrative completeness review timeframe and the substantive review timeframe. During the substantive review timeframe, a municipality may make: 1) one comprehensive request for corrections; and 2) supplemental requests for corrections limited to previously identified issues, if the applicant fails to resolve an issue identified in the comprehensive request for corrections. The substantive review timeframe and overall timeframe are suspended from the date a request for corrections is issued until the date the municipality receives the corrections. A municipality may consider an application withdrawn if, by 30 days or more after the date of notice, the applicant does not supply the documentation or information requested or an explanation of why the information cannot be provided within the established time period. If a municipality does not issue the applicant a written or electronic notice granting or denying a license within the overall time frame or within mutually agreed on time frame extension, the municipality must refund to the applicant all fees charged for reviewing and acting on the application for the license and excuse payment of any fees that have not yet been paid. The statutory requirements do not apply to a license that is: 1) necessary for residential lot construction or development, including swimming pools, hardscape and property walls, a subdivision or a

master planned community; 2) issued within seven working days after initial application receipt; and 3) a permit that expires within 21 working days after issuance ([A.R.S. § 9-835](#)).

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

Provisions

Zoning Application Time Frames

1. Requires, by January 1, 2025, a municipality to adopt an amendment to the municipality's zoning ordinance that requires the municipality to determine whether a zoning application is administratively complete within 30 days after receiving the application.
2. Requires the municipality, if it determines that the application is not administratively complete, to follow statutory procedures until the application is administratively complete.
3. Requires the municipality to determine whether a resubmitted application is administratively complete within 15 days after receiving the resubmitted application.
4. Requires the municipality to approve or deny the application within 180 days after determining that the application is administratively complete.
5. Allows the municipality to extend the time frame to approve or deny the request beyond 180 days:
 - a) for extenuating circumstances; or
 - b) if an applicant requests an extension.
6. Allows the municipality to grant:
 - a) a onetime extension of 30 days for each granted extenuating circumstance; and
 - b) extensions of 30 days for each granted request from an applicant.
7. Stipulates that the zoning application time frames do not apply to:
 - a) land that is designated as a district of historical significance by municipality in accordance with statute;
 - b) an area designated as historic of the National Register of Historic Places; or
 - c) planned area developments.

Municipal Housing Assessments

8. Requires, beginning January 1, 2025 and every five years thereafter, a municipality to publish a housing needs assessment that includes:
 - a) the total population growth projected for the subsequent five-year period;
 - b) the total job growth projected for the subsequent five-year period;
 - c) the total amount of residentially zoned land with detail on land zoned as single-family and multifamily; and
 - d) the total need for additional residential housing units for rent and for sale in the municipality to meet any deficiencies in housing the existing population and workforce, population and job growth projections and housing needs across all various income levels.

9. Requires, beginning January 1, 2025, each municipality to submit an annual report to the Arizona Department of Housing (ADOH) accounting for the total number of:
 - a) proposed residential housing units submitted to the municipality;
 - b) net new residential housing units submitted to the municipality; and
 - c) new residential housing units that are entitled, have been platted, have been issued a building permit and have received a certificate of occupancy by the municipality.
10. Requires the annual report to also include:
 - a) the number of housing development applications received in the prior year;
 - b) the number of lots and multifamily units included in all development applications in the prior year;
 - c) the number of lots and multifamily units approved and disapproved or otherwise not approved in the prior year;
 - d) a threshold percentage requirement of multifamily zoned land versus single-family zoned land needed to meet population demand in each municipality;
 - e) the status and progress in meeting the municipality's housing needs; and
 - f) a plan that specifies how the municipality intends to satisfy the identified need for additional housing units within the municipality.
11. Requires a municipality that has conducted a housing needs assessment report as of January 1, 2021 to amend all existing reports to include all the statutorily required information.
12. Requires the ADOH to compile the annual reports received from the municipalities and submit the reports to:
 - a) the Governor;
 - b) the President of the Senate; and
 - c) the Speaker of the House of Representatives.
13. Stipulates that the housing needs assessment requirement does not require a municipality to fulfill the projections in the assessment.
14. Exempts, from the housing needs assessment and annual report requirements:
 - a) a municipality located on tribal land; or
 - b) a municipality with a population of less than 30,000 persons.

Miscellaneous

15. Excludes government owned property from the property in a zoning area in which the property owners may file a protest against a proposed zoning amendment.
16. Becomes effective on the general effective date.

Amendments Adopted by the House of Representatives

- Adopted the strike-everything amendment relating to zoning and housing.

Senate Action

TTMC	2/12/24	DP	4-2-1
3 rd Read	3/5/24		24-4-2

House Action

COM	3/19/24	DPA/SE	8-1-0-1
3 rd Read	4/2/24		53-0-6-0-1

Prepared by Senate Research
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JT/cs