

House Engrossed

municipalities; housing needs assessment; zoning

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

HOUSE BILL 2518

AN ACT

AMENDING SECTION 9-462.04, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-462.10; AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.4, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-469; RELATING TO MUNICIPAL PLANNING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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
9 and ~~including~~ a general description of the area affected, shall be given
10 at 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
26 municipality shall send copies of the notice of public hearing by first
27 class mail to the military airport. In addition to notice by publication,
28 a municipality may give notice of the hearing in any other manner that the
29 municipality deems necessary or desirable.

30 3. In proceedings that are not initiated by the property owner
31 involving rezoning of land that may change the zoning classification,
32 notice by first class mail shall be sent to each real property owner, as
33 shown on the last assessment of the property, of the area to be rezoned
34 and all property owners, as shown on the last assessment of the property,
35 within three hundred feet of the property to be rezoned.

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

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

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

44 (c) An increase or reduction in the allowable number of stories of
45 buildings.

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

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

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

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

10 (b) If the municipality issues utility bills or other mass mailings
11 that periodically include notices or other informational or advertising
12 materials, the municipality shall include notice of the changes with such
13 utility bills or other mailings.

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

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

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

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

33 C. After the hearing, the planning commission or hearing officer
34 shall render a decision in the form of a written recommendation to the
35 governing body. The recommendation shall include the reasons for the
36 recommendation and be transmitted to the governing body in the form and
37 manner prescribed by the governing body.

38 D. If the planning commission or hearing officer has held a public
39 hearing, the governing body may adopt the recommendations of the planning
40 commission or hearing officer without holding a second public hearing if
41 there is no objection, request for public hearing or other protest. The
42 governing body shall hold a public hearing if requested by the party
43 aggrieved or any member of the public or of the governing body, or, in any
44 case, if a public hearing has not been held by the planning commission or
45 hearing officer. The governing body may consider the testimony of any

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

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

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

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

28 H. If the owners of twenty percent or more of the property by area
 29 and number of lots, tracts and condominium units within the zoning area of
 30 the affected property file a protest in writing against a proposed
 31 amendment, the change shall not become effective except by the favorable
 32 vote of three-fourths of all members of the governing body of the
 33 municipality. If any members of the governing body are unable to vote on
 34 such a question because of a conflict of interest, then the required
 35 number of votes for passage of the question shall be three-fourths of the
 36 remaining membership of the governing body, ~~provided that~~ IF such required
 37 number of votes ~~shall~~ IS not ~~be~~ less than a majority of the full
 38 membership of the legally established governing body. For the purposes of
 39 this subsection, the vote shall be rounded to the nearest whole number. A
 40 protest filed pursuant to this subsection shall be signed by the property
 41 owners opposing the proposed amendment and filed in the office of the
 42 clerk of the municipality not later than 12:00 noon one business day
 43 before the date on which the governing body will vote on the proposed
 44 amendment or on an earlier time and date established by the governing
 45 body.

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

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

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

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

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

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

19 9-462.10. Residential zoning; amendment; applications;
20 deadline; extensions; applicability

21 A. ON OR BEFORE JANUARY 1, 2025, A MUNICIPALITY SHALL ADOPT AN
22 AMENDMENT TO THE MUNICIPALITY'S ZONING ORDINANCE THAT REQUIRES THE
23 MUNICIPALITY TO DETERMINE WHETHER A ZONING APPLICATION IS ADMINISTRATIVELY
24 COMPLETE WITHIN THIRTY DAYS AFTER RECEIVING THE APPLICATION. IF THE
25 MUNICIPALITY DETERMINES THAT THE APPLICATION IS NOT ADMINISTRATIVELY
26 COMPLETE, THE MUNICIPALITY SHALL FOLLOW THE PROCEDURES PRESCRIBED IN
27 SECTION 9-835, SUBSECTION E UNTIL THE APPLICATION IS ADMINISTRATIVELY
28 COMPLETE. THE MUNICIPALITY SHALL DETERMINE WHETHER A RESUBMITTED
29 APPLICATION IS ADMINISTRATIVELY COMPLETE WITHIN FIFTEEN DAYS AFTER
30 RECEIVING THE RESUBMITTED APPLICATION. AFTER DETERMINING THAT THE
31 APPLICATION IS ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL APPROVE
32 OR DENY THE APPLICATION WITHIN ONE HUNDRED EIGHTY DAYS.

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

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

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

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

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

3 9-469. Municipal housing needs assessment; annual report;
4 applicability

5 A. BEGINNING JANUARY 1, 2025 AND EVERY FIVE YEARS THEREAFTER, A
6 MUNICIPALITY SHALL PUBLISH A HOUSING NEEDS ASSESSMENT THAT INCLUDES THE
7 FOLLOWING:

8 1. THE TOTAL POPULATION GROWTH PROJECTED FOR THE SUBSEQUENT
9 FIVE-YEAR PERIOD.

10 2. THE TOTAL JOB GROWTH PROJECTED FOR THE SUBSEQUENT FIVE-YEAR
11 PERIOD.

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

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

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

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

18 (c) POPULATION GROWTH PROJECTIONS.

19 (d) JOB GROWTH PROJECTIONS.

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

21 B. BEGINNING JANUARY 1, 2025 AND EVERY YEAR THEREAFTER, EACH
22 MUNICIPALITY SHALL SUBMIT AN ANNUAL REPORT TO THE ARIZONA DEPARTMENT OF
23 HOUSING ACCOUNTING FOR THE TOTAL NUMBER OF PROPOSED RESIDENTIAL HOUSING
24 UNITS SUBMITTED TO THE MUNICIPALITY, THE TOTAL NUMBER OF NET NEW
25 RESIDENTIAL HOUSING UNITS SUBMITTED TO THE MUNICIPALITY AND THE TOTAL
26 NUMBER OF NEW RESIDENTIAL HOUSING UNITS THAT ARE ENTITLED, HAVE BEEN
27 PLATTED, HAVE BEEN ISSUED A BUILDING PERMIT AND HAVE RECEIVED A
28 CERTIFICATE OF OCCUPANCY BY THE MUNICIPALITY. THE ANNUAL REPORT SHALL
29 INCLUDE ALL OF THE FOLLOWING:

30 1. THE NUMBER OF HOUSING DEVELOPMENT APPLICATIONS RECEIVED IN THE
31 PRIOR YEAR.

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

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

36 4. A THRESHOLD PERCENTAGE REQUIREMENT OF MULTIFAMILY ZONED LAND
37 VERSUS SINGLE-FAMILY ZONED LAND NEEDED TO MEET POPULATION DEMAND IN EACH
38 MUNICIPALITY.

39 5. THE STATUS AND PROGRESS IN MEETING THE MUNICIPALITY'S HOUSING
40 NEEDS.

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

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

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

5 E. THIS SECTION DOES NOT REQUIRE A MUNICIPALITY TO FULFILL THE
6 PROJECTIONS IN THE HOUSING NEEDS ASSESSMENT REQUIRED BY SUBSECTION A OF
7 THIS SECTION.

8 F. THIS SECTION DOES NOT APPLY TO A MUNICIPALITY THAT IS LOCATED ON
9 TRIBAL LAND OR A MUNICIPALITY WITH A POPULATION OF LESS THAN THIRTY
10 THOUSAND PERSONS.