Assigned to FICO AS VETOED



# ARIZONA STATE SENATE

Fifty-Sixth Legislature, Second Regular Session

### **VETOED**

## **AMENDED**

FACT SHEET FOR H.B. 2570/S.B. 1112

planning; home design; restrictions; prohibition

#### Purpose

Prescribes certain restrictions on municipalities relating to home design and minimum development standards for single-family homes.

### **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 (A.R.S. § 9-461.05).

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 (A.R.S. § 9-461.07). 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. § 9-461.08). The planning agency of a municipality must not require as part of a subdivision regulation or zoning ordinance that a subdivider or developer establish an association. A municipality may require the establishment of an association to maintain private, common or community owned improvements that are approved and installed as part of a preliminary plat, final plat or specific plan. A municipality must not require that an association be formed or operated other than for the maintenance of the common areas or community owned property (A.R.S. § 9-461.15).

Statute authorizes municipalities to adopt zoning ordinances and codes to conserve and promote the public health, safety, convenience and general welfare and outlines zoning guidelines and requirements (A.R.S. § 9-462.01).

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

#### **Provisions**

## Home Design

- 1. Prohibits a municipality from interfering with a home buyer's right to choose the features, amenities, structure, floor plan and interior and exterior design of a home.
- 2. Prohibits a municipality from requiring:
  - a) a homeowners' association (HOA), condominium association (COA) or any other association;
  - b) a shared feature or amenity that would require an HOA, COA or any other association to maintain or operate the feature or amenity, unless necessary for stormwater management;
  - c) screening, walls or fences; or
  - d) private streets or roads.
- 3. Specifies that property owners may voluntarily form or establish an HOA, COA or another association.
- 4. Specifies that the home design standards:
  - a) do not supersede applicable building codes, fire codes or public health and safety regulations; and
  - b) apply to developments constructed after the effective date.

#### Single-Family Home Development

- 5. Prohibits a municipality from adopting or enforcing any code, ordinance, regulation, standard, stipulation or other requirement establishing:
  - a) minimum lot sizes that are greater than 1,500 square feet, for developments that are 5 or more acres in size that will be platted and located in an area zoned for single-family homes;
  - b) minimum square footage or dimensions for a single-family home;
  - c) maximum or minimum lot coverage for a single-family home and any accessory structures;
  - d) minimum building setbacks for a single-family home that are greater than 5 feet from the side lot and 10 feet from the front and rear lot lines; or
  - e) design, architectural or aesthetic elements for a single-family home.
- 6. Allows a municipality to enforce adopted minimum lot sizes greater than 1,500 square feet where multiple lots smaller than 5 acres with existing dwelling units are aggregated together.
- 7. Excludes, from the design, architectural or aesthetic element prohibition, areas that are designated as:
  - a) a district of historic significance in accordance with statute; or
  - b) historic on the National Register of Historic Places.
- 8. Specifies that the single-family home design standards:
  - a) do not supersede applicable building codes, fire codes, minimum parking standards or public health and safety regulations; and
  - b) apply to developments constructed after the effective date in a municipality with a population of more than 70,000 persons that is designated as an urban area by the U.S. Census Bureau or that is located on tribal land.

#### Miscellaneous

- 9. Declares that the Legislature finds and determines that:
  - a) the citizens of Arizona continue to experience the significant detrimental effects of a severe crisis due to the shortage of available housing;
  - b) it has become virtually impossible for many Arizonans to achieve the American dream of owning their own home;
  - c) the statewide housing crisis is caused in no small part due to highly restrictive regulations imposed by municipalities;
  - d) property rights are a fundamental element of individual rights and personal freedom in accordance with the Arizona Constitution; and
  - e) a property owner's right to use their property, protected from unreasonable abridgment by municipal regulation and enforcement, is a matter of statewide concern and is not subject to further regulation by a municipality.
- 10. Designates this legislation as the *Arizona Starter Homes Act*.
- 11. Becomes effective on the general effective date.

#### Amendments Adopted by Committee of the Whole

- 1. Applies the home design and single-family home development standards to developments constructed after the effective date.
- 2. Clarifies that the single-family home development standards apply to a municipality:
  - a) with a population of 70,000 persons, rather than 50,000 persons; or
  - b) located on tribal land.
- 3. Stipulates that the single-family home development standards do not supersede applicable minimum parking requirements.
- 4. Specifies that a municipality is prohibited from requiring:
  - a) minimum lot sizes that are greater than 1,500 square feet, for new developments that are 5 or more acres in size and platted and located in areas zoned for single-family homes; or
  - b) minimum building setbacks for a single-family home that are greater than 5 feet from the side lot lines and 10 feet from the front and rear lot lines.
- 5. Allows a municipality to enforce adopted minimum lot sizes greater than 1,500 square feet where multiple lots smaller than 5 acres with existing dwelling units are aggregated together.
- 6. Excludes, from the design elements restriction for single-family home development, areas that are designated as:
  - a) a district of historic significance in accordance with statute; or
  - b) historic on the National Register of Historic Places.
- 7. Adds legislative findings and determinations as follows:
  - a) the citizens of Arizona continue to experience the significant detrimental effects of a severe crisis due to the shortage of available housing;

- b) it has become virtually impossible for many Arizonans to achieve the American dream of owning their own home;
- c) the statewide housing crisis is caused in no small part due to highly restrictive regulations imposed by municipalities;
- d) property rights are a fundamental element of individual rights and personal freedom in accordance with the Arizona Constitution; and
- e) a property owner's right to use their property, protected from unreasonable abridgment by municipal regulation and enforcement, is a matter of statewide concern and is not subject to further regulation by a municipality.

#### 8. Makes conforming changes.

## Governor's Veto Message

The Governor indicates in her <u>veto message</u> that H.B. 2570 is an expansive bill that lacks the nuance necessary for statewide reform and believes there is great promise in other ongoing efforts in the Legislature to build more attainable housing in Arizona.

| House Action                |                    |    |                      | Senate Action  |                                  |                  |                                |
|-----------------------------|--------------------|----|----------------------|--|----------------------------------|------------------|--------------------------------|
| COM<br>3 <sup>rd</sup> Read | 1/30/24<br>2/22/24 | DP | 8-1-1<br>33-26-0-0-1 | FICO<br>3 <sup>rd</sup> Read<br>(H.B. 2570 w.<br>3 <sup>rd</sup> Read) | 2/5/23<br>3/6/24<br>as substitut | DP<br>ed for S.E | 5-2-0<br>16-13-1<br>3. 1112 on |

Vetoed by the Governor 3/18/24

Prepared by Senate Research March 25, 2024 JT/cs