



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1665

municipal developments; permits; review

Purpose

Authorizes third party reviews for single-family residential building permits and inspections relating to applications for building construction. Modifies municipal licensing time frame requirements.

Background

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 A municipality may consider an application withdrawn if, by 30 days or more after the date of notice, the applicant does not supply the documentation or information requested or an explanation of why the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

Third Party Reviews

1. Allows, if a municipality does not approve, conditionally approve or respond with required revisions to an application for a single-family residential building permit within 15 working days after the date the application is submitted, any required review of the application to be performed by a qualified third party selected by the applicant.

2. Allows any of the following to be the qualified third party selected by the applicant:
 - a) a person who is employed by a third party vendor identified on a list of approved vendors by the municipality, provided the list contains more than one vendor;
 - b) a person who is employed by another municipality to review residential building permit applications;
 - c) a registered engineer or architect; or
 - d) a person who is certified by an international council on model codes and standards for building safety.
3. Allows, if a municipality does not conduct an inspection required as a condition of obtaining a certificate of occupancy for a single-family residential dwelling unit within two working days after an inspection request, any required inspection to be performed by a qualified third party selected by the applicant.
4. Allows any of the following to be the qualified third party selected by the applicant to conduct the inspection:
 - a) a person who is certified to inspect buildings by an international council on model codes and standards for building safety;
 - b) a person who is employed by the municipality as a building inspector;
 - c) a person who is employed by another municipality as a building inspector; or
 - d) a registered engineer or architect.
5. Prohibits a person with a financial interest in the work that is the subject of the application from being a qualified third party who reviews a single-family residential building permit.
6. Prohibits the applicant or a person whose work is the subject of the application from being a qualified third party who reviews a single-family residential building permit application or who performs an inspection.
7. Requires a third party who reviews a single-family residential building permit application or who performs an inspection required to obtain a single-family residential dwelling unit certificate of occupancy to:
 - a) review the application or conduct the inspection and take all other related actions in accordance with all requirements adopted by the municipality where the application was submitted; and
 - b) provide notice to the municipality of the results of the review or inspection.
8. Allows a municipality to prescribe a reasonable format for the notice required to be provided by a third party.
9. Prohibits a municipality from requesting or requiring an applicant to waive a deadline or other required procedure.
10. Allows a person to appeal to the governing body of the municipality any of the following:
 - a) a decision by the municipality to approve, conditionally approve or deny a single-family residential building permit application;
 - b) a decision made by a qualified third party authorized to review a residential building permit;

- c) the results of an inspection conducted by the municipality; or
 - d) the results of an inspection conducted by a qualified third party authorized to conduct an inspection.
11. Requires an appeal to be filed in a manner required by the municipality within 15 days after the date the decision being appealed was made.
 12. Requires, if the governing body hearing the appeal does not affirm the decision being appealed within 60 days after the appeal is filed, the application that is the subject of the appeal to be deemed approved or the inspection that is the subject of the appeal to be waived.
 13. Requires a municipality that issues a permit, approval or certificate of occupancy following a third party plan review or inspection to have qualified immunity in accordance with statute.

Municipal Licensing Time Frames

14. Requires a municipality, in establishing licensing time frames, to consider the third party review and inspection time frames.
15. Requires, within 10 working days after a request by the applicant, a municipality to meet or discuss with the applicant the request for corrections and provide sufficient information and instruction to allow the applicant to provide the requested corrections.
16. Prohibits, except for an application submitted for a change in zoning, a municipality from denying a license application that is necessary for land development or building construction unless the municipality considers the application withdrawn.
17. Requires a municipality to refund to an applicant all fees charged for reviewing and acting on an application for a license, to excuse payment of any fees that have not yet been paid and to pay any monetary damages resulting from any delay if:
 - a) the municipality makes more than one comprehensive written or electronic request for corrections and one supplemental written or electronic request for corrections limited to previously identified issues or in response to modifications made by the applicant; or
 - b) does not issue an applicant the written or electronic notice granting, conditionally granting or denying a license within the overall times frames or a mutually agreed on time frame extension.
18. Allows a municipality to require evidence of monetary damages.
19. Requires the payment for monetary damages to be made within 30 working days after the applicant provides the required evidence.
20. Eliminates the exemption of licensing time frame requirements for the construction or development of a residential lot, including swimming pools, hardscape and property walls, subdivisions or master planned community.

Miscellaneous

21. Defines *application* as a plan, permit or other document that is related to building construction and that is necessary for the construction of a single-family residential dwelling unit.

22. Excludes from the definition of *application* a certificate of occupancy.

23. Makes technical and conforming changes.

24. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Limits a third party review or inspection to single-family residential dwelling units.
2. Allows a third party building permit review to be performed if the municipality does not respond with required revisions to the application, rather than does not deny an application.
3. Clarifies that a municipality has 15 working days, rather than 15 days, to review a building permit before an applicant may select a third party review.
4. Adds a person with a financial interest in the application to the list of persons prohibited from being selected as a qualified third party for building permit reviews.
5. Eliminates a person who is employed by the municipality from the list of qualified third parties for building permit reviews.
6. Adds to the list of qualified third parties for building permit reviews:
 - a) a person who is employed by a third party vendor identified on a list of approved vendors by the municipality, provided the list contains more than one vendor; and
 - b) a person who is certified by an international council on model codes and standards for building safety.
7. Clarifies that a municipality has two working days after a request, rather than 48 hours, before an applicant may select a third party inspection.
8. Requires a municipality that issues a permit, approval or certificate of occupancy following a third party plan review or inspection to have qualified immunity in accordance with statute.
9. Requires an appeal to a decision relating to a third party review or inspection to be filed in a manner required by the municipality, rather than with the governing body.
10. Requires a municipality, in establishing licensing time frames, to consider the third party review and inspection time frames.
11. Increases the time period, from 5 to 10 working days, within which a municipality must meet or discuss with the applicant the request for corrections.
12. Specifies that a request for supplemental revisions may be in response to modifications made by an applicant.
13. Clarifies the definition of *application* as a plan, permit or other document that is related to building construction and that is necessary for the construction of a single-family residential dwelling unit.

14. Excludes from the definition of *application* a certificate of occupancy.

15. Makes conforming changes.

Senate Action

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Prepared by Senate Research

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