

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **SB 1543**

Chaplik Floor Amendment

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1. Requires the State Land Commissioner, within 30 days after the expiration of the five-year period after a certificate of occupancy is granted for an ancillary use building, to declare the forfeiture of the bond, letter of credit or other financial assurance if the certificate of occupancy for the international headquarters building has not been issued.
 2. States the owner of the international headquarters building is liable for a civil penalty of \$1,000,000 per day for each additional day that a certificate of occupancy has not been issued for the international headquarters building.
 3. Removes legislative findings.

Amendment explanation prepared by Luca Moldovan

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4/9/2025

CHAPLIK FLOOR AMENDMENT #3
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1543
(Reference to INTERNATIONAL TRADE S/E Committee amendment)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.

[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Strike everything after the enacting clause and insert:

3 "Section 1. Title 9, chapter 4, article 6, Arizona Revised
4 Statutes, is amended by adding section 9-461.19, to read:

5 9-461.19. Municipal allowed ancillary use; multifamily
6 residential housing; hotel use; regulations;
7 compliance; civil penalty; applicability;
8 definitions

9 A. NOTWITHSTANDING ANY OTHER LAW, A MUNICIPALITY WITH A POPULATION
10 OF TWO HUNDRED THOUSAND OR MORE PERSONS BUT NOT MORE THAN FIVE HUNDRED
11 THOUSAND PERSONS SHALL ALLOW HOTEL USE AND MULTIFAMILY RESIDENTIAL HOUSING
12 AS AN ALLOWED ANCILLARY USE IN A ZONING DISTRICT THAT ALLOWS LIGHT
13 INDUSTRIAL USE WITHOUT REQUIRING ANY TYPE OF APPLICATION THAT WILL REQUIRE
14 A PUBLIC HEARING IF THE ANCILLARY USE MEETS BOTH OF THE FOLLOWING
15 CRITERIA:

16 1. THE ANCILLARY USE IS LOCATED WITHIN AN INTERNATIONAL
17 HEADQUARTERS CAMPUS THAT IS SOLELY OWNED BY EITHER A SINGLE ENTITY OR
18 RELATED ENTITIES AT THE TIME THAT DEVELOPMENT OF THE INTERNATIONAL
19 HEADQUARTERS CAMPUS COMMENCES AND, ON COMPLETION, THE INTERNATIONAL
20 HEADQUARTERS ON THE INTERNATIONAL HEADQUARTERS CAMPUS EMPLOYS MORE THAN
21 TWO THOUSAND FULL-TIME EMPLOYEES AT AN AVERAGE ANNUAL COMPENSATION OF MORE
22 THAN ONE HUNDRED TWENTY-FIVE PERCENT OF THE MEDIAN WAGE OF THE COUNTY
23 WHERE THE INTERNATIONAL HEADQUARTERS CAMPUS IS LOCATED.

24 2. THE INTERNATIONAL HEADQUARTERS CAMPUS THAT CONTAINS THE
25 ANCILLARY USE IS BOUND BY A RECORDED INSTRUMENT THAT IS ENFORCEABLE BY THE
26 MUNICIPALITY AND THAT DOES BOTH OF THE FOLLOWING:

27 (a) RESTRICTS OCCUPANCY IN AT LEAST TWENTY PERCENT OF THE
28 MULTIFAMILY RESIDENTIAL HOUSING UNITS LOCATED ON THE INTERNATIONAL
29 HEADQUARTERS CAMPUS TO INDIVIDUALS EMPLOYED AT THE INTERNATIONAL
30 HEADQUARTERS AND THE FAMILIES OF INDIVIDUALS EMPLOYED AT THE INTERNATIONAL
31 HEADQUARTERS. THE RECORDED INSTRUMENT MUST ALSO PROVIDE THAT THE
32 MUNICIPALITY WHERE THE INTERNATIONAL HEADQUARTERS CAMPUS IS LOCATED, IN

1 THE MUNICIPALITY'S SOLE AND ABSOLUTE DISCRETION, MAY WAIVE THE OCCUPANCY
2 REQUIREMENT.

3 (b) PROHIBITS AN AGREEMENT FOR OCCUPANCY OF ANY MULTIFAMILY
4 RESIDENTIAL HOUSING UNIT WITHIN THE INTERNATIONAL HEADQUARTERS CAMPUS FOR
5 A PERIOD OF LESS THAN NINETY CONSECUTIVE DAYS AND LIMITS OCCUPANCY TO THE
6 SAME OCCUPANTS FOR THE ENTIRETY OF THE NINETY CONSECUTIVE DAYS UNLESS A
7 TENANT OF THE MULTIFAMILY RESIDENTIAL HOUSING UNIT IS AN EMPLOYEE OR
8 CONTRACTOR OF AN ENTITY LOCATED WITHIN THE INTERNATIONAL HEADQUARTERS
9 CAMPUS AND THAT EMPLOYEE OR CONTRACTOR PERFORMS JOB DUTIES AT THE
10 INTERNATIONAL HEADQUARTERS. THIS SUBDIVISION DOES NOT APPLY TO
11 MULTIFAMILY HOUSING DEVELOPMENTS THAT ARE PLATTED FOR INDIVIDUAL OWNERSHIP
12 OF UNITS.

13 B. AN ANCILLARY USE IS SUBJECT TO COMPLIANCE WITH GENERALLY
14 APPLICABLE MUNICIPAL BUILDING CODES AND FIRE CODES AND THE OBJECTIVE
15 DEVELOPMENT STANDARDS PURSUANT TO SUBSECTION E OF THIS SECTION.

16 C. THE GOVERNING BODY OF THE MUNICIPALITY MAY NOT WITHHOLD A
17 BUILDING PERMIT OR A CERTIFICATE OF OCCUPANCY FOR AN ANCILLARY USE THAT
18 COMPLIES WITH ONE OF THE FOLLOWING:

19 1. FOR INTERNATIONAL HEADQUARTERS CAMPUSES THAT INCLUDE MULTIFAMILY
20 RESIDENTIAL HOUSING UNITS AS AN ANCILLARY USE PURSUANT TO THIS SECTION, A
21 MUNICIPALITY SHALL ALLOW A NUMBER OF MULTIFAMILY RESIDENTIAL UNITS WITHIN
22 THE INTERNATIONAL HEADQUARTERS CAMPUS THAT ARE EQUAL TO OR MORE THAN THE
23 NUMBER OF GROSS ACRES IN THE INTERNATIONAL HEADQUARTERS CAMPUS MULTIPLIED
24 BY TWENTY-EIGHT.

25 2. FOR CAMPUSES THAT INCLUDE HOTEL USE AS AN ANCILLARY USE PURSUANT
26 TO THIS SECTION, A MUNICIPALITY SHALL ALLOW A NUMBER OF HOTEL ROOMS WITHIN
27 THE INTERNATIONAL HEADQUARTERS CAMPUS EQUAL TO OR MORE THAN THE NUMBER OF
28 GROSS ACRES IN THE INTERNATIONAL HEADQUARTERS CAMPUS MULTIPLIED BY
29 SEVEN. NOT MORE THAN TEN PERCENT OF THE HOTEL ROOMS WITHIN THE
30 INTERNATIONAL HEADQUARTERS CAMPUS SHALL BE ALLOWED AS FOR-SALE RESIDENTIAL
31 UNITS WITHIN THE HOTEL. THE MUNICIPALITY IS NOT REQUIRED TO ALLOW AN
32 AGGREGATE NUMBER OF HOTEL ROOMS AND MULTIFAMILY RESIDENTIAL HOUSING UNITS
33 AS AN ANCILLARY USE WITHIN THE INTERNATIONAL HEADQUARTERS CAMPUS OF MORE
34 THAN THE NUMBER OF GROSS ACRES IN THE INTERNATIONAL HEADQUARTERS CAMPUS
35 MULTIPLIED BY THIRTY-FIVE.

36 D. FOR CAMPUSES THAT INCLUDE HOTEL USE OR MULTIFAMILY RESIDENTIAL
37 HOUSING UNITS AS AN ANCILLARY USE PURSUANT TO THIS SECTION, A MUNICIPALITY
38 SHALL ALLOW COMPLEMENTARY RETAIL AND RESTAURANT USE WITHIN THE
39 INTERNATIONAL HEADQUARTERS CAMPUS.

40 E. THE FOLLOWING OBJECTIVE STANDARDS APPLY TO AN ANCILLARY USE
41 BUILDING DEVELOPED PURSUANT TO THIS SECTION:

42 1. A MUNICIPALITY MAY LIMIT THE HEIGHT OF THE ANCILLARY USE
43 BUILDING TO TWO STORIES IN A INTERNATIONAL HEADQUARTERS CAMPUS SITE THAT
44 IS LOCATED DIRECTLY ADJACENT TO AND WITHIN ONE HUNDRED FEET OF AN AREA
45 THAT IS ZONED FOR SINGLE-FAMILY RESIDENTIAL USE.

46 2. EXCEPT PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION, A
47 MUNICIPALITY MAY NOT RESTRICT THE MAXIMUM HEIGHT OF THE ANCILLARY USE

1 BUILDING TO LESS THAN SIX STORIES, NOT INCLUDING MECHANICAL SCREENING OR
2 ROOFTOP APPURTENANCES.

3 3. ANY UTILITY PROVIDER THAT MAY PROVIDE UTILITY SERVICE TO THE
4 ANCILLARY USE DEVELOPMENT MAY REVIEW CONSTRUCTION DOCUMENTS TO ENSURE
5 ADEQUATE WATER AND SEWER CAPACITY IMPACTED BY THE PROPOSED ANCILLARY USE
6 DEVELOPMENT.

7 4. EXISTING MUNICIPAL ZONING ORDINANCES FOR SETBACK AND PARKING
8 REQUIREMENTS FOR THE PROPOSED ANCILLARY USE DEVELOPMENT APPLY.

9 F. A BUILDING PERMIT FOR AN ANCILLARY USE BUILDING DEVELOPED
10 PURSUANT TO THIS SECTION MAY NOT BE OBTAINED UNTIL THE MUNICIPALITY ISSUES
11 A BUILDING PERMIT FOR CONSTRUCTION OF THE INTERNATIONAL HEADQUARTERS
12 BUILDING. A CERTIFICATE OF OCCUPANCY MAY NOT BE GRANTED FOR AN ANCILLARY
13 USE BUILDING DEVELOPED PURSUANT TO THIS SECTION BEFORE THE MUNICIPALITY
14 GRANTS A CERTIFICATE OF OCCUPANCY FOR THE INTERNATIONAL HEADQUARTERS
15 BUILDING.

16 G. NOTWITHSTANDING SUBSECTION F OF THIS SECTION, IF SUBSTANTIAL
17 CONSTRUCTION OF THE INTERNATIONAL HEADQUARTERS BUILDING HAS COMMENCED, A
18 CERTIFICATE OF OCCUPANCY MAY BE GRANTED FOR AN ANCILLARY USE BUILDING
19 DEVELOPED PURSUANT TO THIS SECTION BEFORE THE MUNICIPALITY GRANTS A
20 CERTIFICATE OF OCCUPANCY FOR THE INTERNATIONAL HEADQUARTERS BUILDING IF
21 THE STATE LAND DEPARTMENT HAS RECEIVED A BOND, A LETTER OF CREDIT OR ANY
22 OTHER SUFFICIENT FINANCIAL ASSURANCE THAT, IN THE REASONABLE DISCRETION OF
23 THE STATE LAND COMMISSIONER, PROVIDES FOR PAYMENT TO THE STATE LAND TRUST
24 OF AN AMOUNT EQUAL TO THE MARKET SALE VALUE OF THE LAND AND IMPROVEMENTS
25 CONTAINING THE ANCILLARY USE DEVELOPMENT, LESS DEVELOPMENT COSTS, IF THE
26 MUNICIPALITY DOES NOT GRANT A PERMANENT CERTIFICATE OF OCCUPANCY FOR THE
27 INTERNATIONAL HEADQUARTERS BUILDING WITHIN FIVE YEARS AFTER GRANTING THE
28 CERTIFICATE OF OCCUPANCY FOR THE ANCILLARY USE BUILDING. [WITHIN THIRTY
29 DAYS AFTER THE EXPIRATION OF THE FIVE-YEAR PERIOD AFTER A CERTIFICATE OF
30 OCCUPANCY IS GRANTED FOR AN ANCILLARY USE BUILDING, THE STATE LAND
31 COMMISSIONER SHALL DECLARE THE FORFEITURE OF THE BOND, LETTER OF CREDIT OR
32 OTHER FINANCIAL ASSURANCE IF THE CERTIFICATE OF OCCUPANCY FOR THE
33 INTERNATIONAL HEADQUARTERS BUILDING HAS NOT BEEN ISSUED. THE OWNER OF THE
34 INTERNATIONAL HEADQUARTERS BUILDING IS LIABLE FOR A CIVIL PENALTY OF
35 \$1,000,000 PER DAY FOR EACH ADDITIONAL DAY THAT A CERTIFICATE OF OCCUPANCY
36 HAS NOT BEEN ISSUED FOR THE INTERNATIONAL HEADQUARTERS BUILDING.]

37 H. A MUNICIPALITY SHALL CONSENT TO AMENDMENTS TO EXISTING
38 DEVELOPMENT AGREEMENTS TO WHICH THE MUNICIPALITY IS A SIGNATORY THAT ARE
39 REASONABLY NECESSARY TO ALLOW FOR THE DEVELOPMENT OF HOTEL USE OR
40 MULTIFAMILY RESIDENTIAL USE AS AN ANCILLARY USE PURSUANT TO THIS SECTION.

41 I. THIS SECTION DOES NOT APPLY TO LAND IN THE TERRITORY IN THE
42 VICINITY OF A MILITARY AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED
43 IN SECTION 28-8461.

44 J. FOR THE PURPOSES OF THIS SECTION:

45 1. "BUILDING CODE" HAS THE SAME MEANING PRESCRIBED IN SECTION
46 9-1301.

47 2. "INTERNATIONAL HEADQUARTERS" MEANS A PRINCIPAL CENTRAL
48 ADMINISTRATIVE OFFICE WHERE PRIMARY HEADQUARTERS-RELATED FUNCTIONS AND

1 SERVICES ARE PERFORMED, INCLUDING FINANCIAL, PERSONNEL, ADMINISTRATIVE,
2 LEGAL, PLANNING AND SIMILAR BUSINESS FUNCTIONS, AND THAT DOES NOT REPORT
3 TO ANY PARENT COMPANY OUTSIDE OF THIS STATE.

4 3. "INTERNATIONAL HEADQUARTERS BUILDING" MEANS THE PRIMARY BUILDING
5 THAT CONTAINS THE INTERNATIONAL HEADQUARTERS ON THE INTERNATIONAL
6 HEADQUARTERS CAMPUS.

7 4. "INTERNATIONAL HEADQUARTERS CAMPUS" MEANS A CONTIGUOUS AREA OF
8 NOT LESS THAN FORTY GROSS ACRES, PORTIONS OF WHICH MAY BE SEPARATED BY
9 PUBLIC RIGHTS-OF-WAY, ON WHICH AN INTERNATIONAL HEADQUARTERS IS LOCATED
10 AND WHICH MAY INCLUDE ANCILLARY USE PURSUANT TO THIS SECTION.

11 5. "LIGHT INDUSTRIAL USE" INCLUDES LIGHT MANUFACTURING AND
12 AERONAUTICAL USE.

13 6. "RELATED ENTITIES" MEANS ENTITIES THAT HAVE MORE THAN FIFTY
14 PERCENT DIRECT OR INDIRECT COMMON OWNERSHIP.

15 7. "ZONING DISTRICT" MEANS A ZONING DISTRICT, PLANNED COMMUNITY
16 DISTRICT, PLANNED AREA DEVELOPMENT OR PLANNED UNIT DEVELOPMENT.

17 <<Sec. 2. Legislative findings

18 The legislature finds:

19 1. That it is in the public interest of this state to encourage the
20 location or relocation of corporate headquarters to this state.

21 2. That the development of corporate international headquarters
22 campuses as defined in section 9-461.19, Arizona Revised Statutes, as
23 added by this act, that include primary commercial uses as well as
24 ancillary residential uses contribute greatly to the economic prosperity
25 and health of this state.

26 3. That it is necessary to adopt a uniform law governing
27 international headquarters campuses as defined in section 9-461.19,
28 Arizona Revised Statutes, as added by this act, to encourage the
29 development of corporate international headquarters campuses throughout
30 this state.>>"

31 Enroll and engross to conform

32 Amend title to conform

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