



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

Senate: NREW DPA 4-2-1-0 | 3rd Read 16-12-2-0

House: NREW DPA 6-4-0-0

SB 1041: groundwater savings certificate; assured water

Sponsor: Senator Hoffman, LD 15

Caucus & COW

Overview

Allows a person who plans to sell or lease subdivided lands in an active management area (AMA) to apply for and obtain a groundwater savings certificate from the Director of the Arizona Department of Water Resources (ADWR).

History

The Groundwater Management Code (Code), enacted in 1980, established the statutory framework to regulate and control the use of groundwater. As part of the management framework, the Code initially designated four AMAs. Currently there are six AMAs: Phoenix, Pinal, Prescott, Tucson, Santa Cruz and Douglas (A.R.S. §§ [45-411](#), [45-411.03](#))(ADWR)

The Code's *Assured and Adequate Water Supply Program* requires a developer who plans to sell or lease subdivided lands in an AMA to obtain a *Certificate of Assured Water Supply* from the Director of ADWR or obtain a commitment for water service from a municipality or private water company with an assured water supply designation. Without an assured water supply, a municipality or county cannot approve the subdivision plat and the State Real Estate Commissioner will not issue a public report authorizing the sale or lease of the subdivided lands. An assured water supply means:

- 1) sufficient groundwater, surface water or effluent of adequate quality that will be legally, physically and continuously available to meet proposed water needs for at least 100 years;
- 2) any projected groundwater use is consistent with the AMA's management plan and goal; and
- 3) the applicant has demonstrated the financial capability to build the infrastructure necessary to make water available for the proposed use ([A.R.S. § 45-576](#)).

The Central Arizona Groundwater Replenishment District (CAGRDR) is a function of the Central Arizona Project (CAP) that replenishes groundwater pumped in an AMA in which a part of the CAP aqueduct is located. Membership in CAGRDR is voluntary and provides a way to comply with requirements of the assured water supply program. CAGRDR members pay an annual replenishment assessment according to the amount of excess groundwater delivered to the member during a year. There are two types of CAGRDR members:

- 1) *member service areas* that include the service area of a municipality or private water company; and
- 2) *member lands* that include an individual subdivision or development ([CAGRDR](#)).

Provisions

1. Allows a person who proposes to offer subdivided lands for sale or lease in an AMA to apply for and obtain a groundwater savings certificate from the Director of ADWR.
2. Provides that a groundwater savings certificate may be used in place of a certificate of assured water supply to:
 - a) present a subdivision plat for approval to a municipality or county;
 - b) authorize the State Real Estate Commissioner to issue a public report allowing the sale or lease of subdivided lands. (Sec. 1)
3. Requires, by January 1, 2025, rules adopted by the Director of ADWR to:
 - a) provide for a reduction in water demand for an application for a groundwater savings certificate if a gray water system will be installed; and
 - b) provide that the land for which the groundwater savings certificate is sought qualifies as a CAGR member land. (Sec. 1)
4. States *groundwater savings certificate* means:
 - a) land will be enrolled as member land in a groundwater replenishment district;
 - b) wells subject to the groundwater savings certificate can be operated continuously for 100 years without exceeding a depth to water of 1,000 feet or the depth of the bottom of the aquifer, whichever is less;
 - c) the applicant makes no claim to sewage produced from the use of water on the land;
 - d) the projected groundwater use is consistent with management plans and goals of the AMA;
 - e) the water will be of adequate quality to satisfy the proposed needs; and
 - f) the applicant or groundwater replenishment district has the financial capability to deliver water of adequate quality. (Sec. 1)
5. Designates this legislation as the *Groundwater Protection and Housing Affordability Act*. (Sec 2)
6. Directs Legislative Council to prepare conforming legislation for consideration in the Fifty-seventh Legislature, First Regular Session. (Sec. 3)
7. Makes technical and conforming changes. (Sec. 1)

Amendments

Committee on Natural Resources, Energy & Water

1. Revises the definition of *groundwater savings certificate*.
2. Outlines requirements to obtain a groundwater savings certificate.
3. Describes the process and criteria for ADWR to issue a groundwater savings certificate.
4. Defines pertinent terms.
5. Makes conforming changes.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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