



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

House: NREW DPA 9-0-0-1

HB 2026: residential lease community; water; certificate

Sponsor: Representative Griffin, LD 19

Caucus & COW

Overview

Requires a person applying for a building permit for six or more detached single-family residences within an active management area (AMA) in which any portion of the Central Arizona Project (CAP) aqueduct is located to obtain a certificate of assured water supply (Certificate) or a written commitment of water service.

History

Someone who plans to sell or lease subdivided lands in an AMA must obtain a certificate of assured water supply from the Arizona Department of Water Resources (ADWR) or obtain a commitment for water service from a municipality or private water company with a designation of assured water supply. Otherwise, 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 that is consistent with the AMA's management plan and achieving its management 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](#)).

For each AMA in which member lands or service areas are located, a multi-county water conservation district must replenish groundwater in an amount equal to the groundwater replenishment obligation for that AMA ([A.R.S. § 48-3771](#)).

Member land is any real property that satisfies specified criteria including being located in an AMA in which a part of the CAP aqueduct is located ([A.R.S. § 48-3774](#)).

Provisions

1. Requires, except for applications submitted by September 30, 2023, a person applying for a building permit for six or more detached single-family residences within an AMA in which any portion of the CAP aqueduct is located to:
 - a) apply for and obtain a Certificate from the ADWR Director unless the applicant has obtained a written commitment of water service for the residences from a municipality or private water company that has an assured water supply designation; and
 - b) pay all applicable fees and accompany proof of payment on the permit application. (Sec. 2)

<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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2. Allows, except for applications submitted by September 30, 2023, a municipality or county to approve a building permit for a building permit application that includes six or more detached single-family residences within an AMA in which any portion of the CAP aqueduct is located only if:
 - a) the detached single-family residences included in the building permit have obtained a Certificate; or
 - b) a written commitment of water service for the residences from a municipality or private water company that has an assured water supply designation. (Sec. 3)
3. Requires a District to levy a onetime activation fee against each detached residential dwelling unit to be constructed within a residential lease community that is enrolled in member lands and member service areas on or after January 1, 2024. (Sec. 3)
4. Requires the levy to be paid in full at the time of enrollment as member land. (Sec. 3)
5. Excludes from the definition of *improved lot or parcel* a condominium that is completely constructed within four years of the subdivider entering into a contract for sale. (Sec. 1)
6. Excludes from the definition of *subdivision* the construction or leasing of residential structures that are located on agricultural property, exempt from building codes requirements and are offered for the purpose of housing agricultural workers. (Sec. 1)
7. Makes technical and conforming changes. (Sec. 2-4)

Amendments

Committee on Natural Resources, Energy & Water

1. Adds the definition for a *residential lease community* to statute relating to multi county water conservation districts.
2. Allows each multi county water conservation district to charge annual membership dues on each detached single-family residence within a residential lease community.