



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
Second Regular Session

House: NREW DP 7-3-0-0

## **HB 2487: residential lease community; Prescott AMA**

**Sponsor: Representative Bliss, LD 1**

**Caucus & COW**

### **Overview**

Allows the legislative body of a municipality and a county board of supervisors (BOS) to approve a commercial building plan for detached residential dwelling units or for multifamily residential properties within the Prescott active management area (AMA) provided that the development: 1) is located within a water service area with an assured water supply designation; or 2) acquires adequate irrigation grandfathered rights.

### **History**

Grandfathered rights are withdrawal rights based on historic pumping which includes the five-year period preceding the call for the election or the five-year period preceding the designation of the AMA ([A.R.S. § 45-476](#))([ADWR](#)).

The Director of the Arizona Department of Water Resources (ADWR) is required to adopt rules regarding the location of new and replacement wells in new locations in AMAs to prevent unreasonably increasing damage to surrounding land or other water users from the concentration of wells. A person with groundwater withdrawal rights in an AMA may construct a new or replacement well in a new location if the person applies for and receives a permit from the ADWR Director ([A.R.S. § 45-598](#)).

*Multifamily residential properties* means any real property that has one or more structures and that contains five or more dwelling units for rent or lease that are subject to the Arizona Residential Landlord and Tenant Act ([A.R.S. § 49-746](#)).

### **Provisions**

1. Allows the legislative body of a municipality and a county BOS to approve a commercial building plan for one or more detached residential dwelling units located in a residential lease community or for multifamily residential properties within the Prescott AMA if the development is located:
  - a) within the water service area of a municipality or private water company designated as having an assured water supply and the developers have obtained a written commitment of water service from a designated provider;
  - b) outside the service area of a designated provider, the development has acquired sufficient type one irrigation grandfathered rights to meet the entirety of the annual water demand of the development and the developer has included a copy of the relevant notice with their commercial building permit application; or
  - c) outside of the service area of a designated provider and the development has acquired sufficient irrigation grandfathered rights to meet the entirety of the annual water demand of the development. (Sec. 1 and 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. Specifies that the developer must include a copy of the relevant notice change of use for the type one irrigation grandfathered rights with their commercial building permit application. (Sec. 1 and 2)
3. States that, for any type two irrigation rights in the expected water portfolio, the developer must attach proof that the withdrawal will be in the same location as the original grandfathered right or, if in another location, attach proof of a new groundwater withdrawal permit that complies with rules regarding withdrawal from new and replacement wells in an AMA. (Sec. 1 and 2)
4. Specifies that this legislation does not apply to an existing residential lease community, multifamily residential property, planned residential lease community or planned multifamily residential property that applied for or received zoning entitlements on or before December 31, 2024. (Sec. 1 and 2)
5. Requires the legislative body of the municipality and county BOS to note on the face of any approved commercial building permit for a residential lease community or multifamily residential property that the applicant has complied with or is exempt from these requirements. (Sec. 1 and 2)
6. Instructs the Director of ADWR to separately account for the transfer of type two irrigation grandfathered rights in the Prescott AMA that a developer wishes to use to secure a commercial building permit. (Sec. 3)
7. Requires ADWR to provide a separate application process for a groundwater user that wishes to secure a commercial building permit for a residential lease community or for multifamily residential properties in the Prescott AMA. (Sec. 3)
8. States that the Legislature finds that residential lease communities as defined by this legislation are a commercial development similar to apartments and other multifamily properties. (Sec. 4)
9. Defines *multifamily residential properties* and *residential lease community*. (Sec. 1-3)