



# ARIZONA HOUSE OF REPRESENTATIVES

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## **SB 1274: assured water supply; subdivisions. (Substituted for HB 2336)**

**Sponsor: Senator Shope, LD 8**  
**Transmitted to the Governor**

### **Overview**

Allows a water provider in the Pinal Active Management Area (AMA) to retain the volume of groundwater and stored water approved in its most recent designation of assured water supply (AWS) without further hydrologic review. Also allows developers to increase the number of housing units or lots on subdivision plats associated with existing AWS certificates in this AMA.

### **History**

#### ***Groundwater Management Act and Assured Water Supply Requirements***

Under the Groundwater Management Act, someone who plans to sell or lease subdivided lands in an AMA must obtain an AWS certificate from the Arizona Department of Water Resources (ADWR) or obtain a commitment for water service from a city, town or private water company that has an AWS designation. Otherwise, a municipality or county cannot approve that subdivision plat, and the State Real Estate Commissioner will not authorize the sale or lease of the subdivided lands. An AWS means:

- 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;
- Projected groundwater use is consistent with the management plan and achieving the AMA's management goal; and
- Demonstrating the financial capability to build the facilities necessary to make water available for the proposed use ([A.R.S. § 45-576](#)).

Arizona Administrative Code establishes specific requirements for satisfying each of these criteria ([R12-15-704](#) and [R12-15-710](#)), such as determining whether enough water is physically available to meet proposed uses ([R12-15-716](#)).

#### ***Certificates of Assured Water Supply and Material Changes to Plats***

An AWS certificate remains valid for the original plat for which it was issued unless there are material changes to that plat. A material change can include increasing the number of lots on that plat by more than:

- One lot, for subdivisions of 6-10 lots;
- 10% rounding up to the nearest whole number for subdivisions of 11-499 lots; and
- 50 lots for subdivisions of 500 lots or more.

When there is a material change to a plat after a certificate was issued, the certificate holder can either apply for a new certificate for the revised plat, use the original plat for which the certificate was issued, or revise the plat so that any changes are not material ([R12-15-708](#)).

A certificate holder can assign a certificate to someone else if certain statutory criteria are met. One of these criteria is that there must not be any material change in the subdivision plat since

the certificate was issued, including any increase in the total number of housing units or the subdivision's total water demand ([A.R.S. § 45-579\(A\)](#)).

### ***Reviewing Designations of Assured Water Supply***

A city, town, and private water company in AMAs can be designated as having an AWS by the ADWR Director if it meets criteria established in rule (A.R.S. §§ [45-576\(D\)](#), [45-576\(E\)](#), and [R12-15-710](#)). ADWR must review this designation at least every 15 years to determine whether it should be modified or revoked ([R12-15-711\(C\)](#)). As part of this review, a city, town or private water company must demonstrate that it continues to meet the AWS criteria, which includes demonstrating that enough water will be physically available for at least 100 years ([R12-15-716](#)).

### ***Underground Water Storage and Credits***

Statute allows someone to store and save water underground if they have obtained the appropriate permit ([A.R.S. § 45-802.01](#)). Those who store water underground for over a year and meet additional statutory requirements can earn long-term storage credits (LTSCs) that are credited to a long-term storage account ([A.R.S. § 45-852.01](#)). LTSCs can be recovered in the future for various uses, including demonstrating an AWS ([A.R.S. § 45-855.01](#)).

## **Provisions**

### ***Pinal AMA***

1. For an application to modify or renew an AWS designation in the Pinal AMA:
  - a. If the amount of groundwater and stored water that will be recovered outside the *area of impact of storage* included in the designation does not exceed the amount of those sources included in the previous designation minus:
    - i. the sum of the amount of groundwater actually withdrawn; and
    - ii. the volume of stored water recovered outside the *area of impact of storage* by the applicant since the previous designation was issued; and
  - b. Then prohibits both of the following:
    - i. the ADWR Director from reviewing the physical availability of groundwater and *stored water* recovered outside the *area of impact of storage* that will be included in that designation; and
    - ii. the physical availability of groundwater and *stored water* that will be recovered outside the *area of impact of storage* from being grounds for objection. (Sec. 1)
2. Clarifies that this prohibition does not impact the ADWR Director's review of AWS criteria other than the physical availability of groundwater and *stored water* that will be recovered outside the *area of impact of storage*. (Sec. 1)
3. Establishes that the following are considered physically available for an AWS designation:
  - a. Stored water that an applicant will recover within the *area of impact of storage* through existing LTSCs pledged to the designation; and
  - b. Requires that stored water to be recovered within the *area of impact of storage* by the applicant must be done so either annually or as LTSCs that will be earned in the future if the water stored meets the physical availability requirements for AWS rules. (Sec. 1)
4. Specifies that when the ADWR Director is determining whether to approve assigning an AWS certificate to another person, an increase in the total number of housing units or lots since the certificate was originally issued is not a material change to the subdivision plat, plan or map. (Sec. 2)
5. Prohibits the ADWR Director from considering any change in the number of housing units or lots provided there is a reduction in the subdivision's total water demand when determining if changes to a plat in the Pinal AMA with an AWS certificate are material under the AWS rules. (Sec. 3)

**Other AMAs**

6. Authorizes the ADWR Director to revise AWS rules to apply this law's changes to the Pinal AMA's AWS statutes to plats in other AMAs. (Sec. 1)

**Miscellaneous**

7. Defines *area of impact of storage, long-term storage credit and stored water*. (Sec. 1)
8. Makes technical changes. (Sec. 2)

Prop 105 (45 votes)     Prop 108 (40 votes)     Emergency (40 votes)     Fiscal Note