

House Engrossed

water conservation grant fund; disclosure

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# **CHAPTER 35**

## **HOUSE BILL 2029**

AN ACT

AMENDING SECTION 49-1333, ARIZONA REVISED STATUTES; RELATING TO THE WATER INFRASTRUCTURE FINANCE PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 49-1333, Arizona Revised Statutes, is amended to  
3 read:

4 49-1333. Water conservation grant fund; procedures;  
5 reporting; definition

6 A. In compliance with any applicable requirements, an eligible  
7 entity ~~as defined in section 49-1301~~ may apply to the authority for and  
8 accept grants from the water conservation grant fund for a water  
9 conservation program or project that complies with the requirements of  
10 sections 49-1332 and 49-1334. A ~~nongovernment~~ NONGOVERNMENTAL  
11 organization that focuses on water conservation or environmental  
12 protection may apply to the authority for and accept grants from the water  
13 conservation grant fund for a water conservation program or project if it  
14 partners with an eligible entity ~~as defined in section 49-1301~~. An  
15 eligible entity may apply to the authority for and accept grants from the  
16 water conservation grant fund to distribute rebates for the installation  
17 of gray water systems.

18 B. The authority shall:

19 1. Prescribe a simplified form and procedure to apply for and  
20 approve assistance.

21 2. Establish by rule criteria that are consistent with this article  
22 by which assistance will be awarded.

23 3. Determine the order and priority of water conservation programs  
24 or projects assisted under this section based on the merits of the  
25 application with respect to the requirements of sections 49-1332 and  
26 49-1334.

27 4. Provide that a single water conservation program grant may not  
28 exceed \$3,000,000, a single water conservation project grant may not  
29 exceed \$250,000 and at least a twenty-five percent match is required for  
30 each water conservation program or project. Monies from any other source  
31 may satisfy the match requirement.

32 C. AN ELIGIBLE ENTITY THAT RECEIVES WATER FROM A MULTI-COUNTY WATER  
33 CONSERVATION DISTRICT ORGANIZED PURSUANT TO TITLE 48, CHAPTER 22 AND THAT  
34 APPLIES FOR A GRANT FROM THE WATER CONSERVATION GRANT FUND SHALL DISCLOSE  
35 THE FOLLOWING IN THE ELIGIBLE ENTITY'S APPLICATION:

36 1. THE PROJECTED WATER SAVINGS.

37 2. THE SOURCE OF ANY WATER THAT THE PROJECT IS ESTIMATED TO SAVE  
38 AND WHETHER THE ESTIMATED WATER TO BE SAVED IS GROUNDWATER OR SURFACE  
39 WATER.

40 3. THE ELIGIBLE ENTITY'S PLAN FOR THE SAVED WATER.

41 D. FOR THE PURPOSES OF THIS SECTION, "ELIGIBLE ENTITY" HAS THE SAME  
42 MEANING PRESCRIBED IN SECTION 49-1301.

43 Sec. 2. Rulemaking

44 Not later than ninety days after the effective date of this act, the  
45 water infrastructure finance authority shall adopt rules to implement this  
46 act.

APPROVED BY THE GOVERNOR APRIL 13, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 13, 2026.