

Senate Engrossed House Bill

~~land division; applicant submissions; review~~
(now: assured water supply; certificate; model)

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2091

AN ACT

PROVIDING FOR CERTIFICATES OF ASSURED WATER SUPPLY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Certificate of assured water supply; review; delayed
repeal

A. On request of an applicant, the department of water resources shall review the merits of an application for a certificate of assured water supply and shall issue a new written determination of action if all of the following apply:

1. The application is for a certificate of assured water supply for land located in the Phoenix active management area.

2. The application was submitted on or after January 26, 2021 and on or before August 31, 2023.

3. As of the effective date of this section, the department of water resources has not issued the applicant a certificate of assured water supply.

4. The municipal provider for the land covered by the application has submitted to the department of water resources a notice of intent to serve that states that:

(a) Each year after the issuance of the certificate of assured water supply for the land covered by the application, the municipal provider shall calculate the total amount of excess groundwater delivered by the municipal provider during the preceding calendar year to parcels of member land contained within the land covered by the application.

(b) On or before March 31 of each year after the issuance of the certificate of assured water supply for the land covered by the application, the municipal provider shall offer to assign to the multi-county water conservation district that is established pursuant to title 48, chapter 22, Arizona Revised Statutes, and that operates as the central Arizona groundwater replenishment district or the central Arizona groundwater replenishment district pursuant to title 48, chapter 22, article 4, Arizona Revised Statutes, long-term storage credits accrued pursuant to Title 45, chapter 3.1, Arizona Revised Statutes, in the Phoenix active management area and held by the municipal provider.

(c) The number of long-term storage credits offered by the municipal provider in a year shall equal twenty-five percent of the total excess groundwater calculated by the municipal provider for the preceding calendar year pursuant to subdivision (a) of this paragraph.

(d) The central Arizona groundwater replenishment district may elect to purchase all or a portion of the long-term storage credits offered in a year and the municipal provider shall accept a purchase price per acre foot of not less than the average per-acre-foot price paid by the central Arizona groundwater replenishment district for long-term storage credits in the Phoenix active management area during the preceding five calendar years.

(e) The obligation to assign long-term storage credits shall continue for so long as the parcels of member land contained within the land covered by the certificate of assured water supply retain all or any portion of a parcel

1 replenishment obligation pursuant to section 48-3771, Arizona Revised
2 Statutes.

3 B. If a municipal provider enters into a member service area agreement
4 with the central Arizona groundwater replenishment district, the minimum
5 amount of excess groundwater that the municipal provider is obligated to
6 report to the central Arizona groundwater replenishment district in a year and
7 that is subject to an annual replenishment tax under section 48-3781, Arizona
8 Revised Statutes, shall be reduced by the long-term storage credits
9 transferred to the central Arizona groundwater replenishment district by the
10 municipal provider in that year pursuant to subsection A of this section.

11 C. The central Arizona groundwater replenishment district's purchase of
12 long-term storage credits that are offered by a municipal provider pursuant to
13 subsection A of this section shall not affect the annual replenishment
14 assessment charged by the central Arizona groundwater replenishment district
15 against parcels of member land contained within the land covered by a
16 certificate of assured water supply issued under this section.

17 D. If an application for a certificate of assured water supply reviewed
18 by the department of water resources under this section was supported using
19 either the 2006-2009 Salt River valley regional model or the 2006 Lower
20 Hassayampa Sub-basin groundwater flow model, the department of water resources
21 shall determine that the application meets the physical availability
22 requirements for groundwater pursuant to section 45-576, Arizona Revised
23 Statutes. All remaining requirements for a certificate of assured water
24 supply shall remain applicable to the determination to issue the certificate
25 of assured water supply.

26 E. Within ten days after the effective date of this section, the
27 department shall notify all applicants that meet the criteria of subsection A,
28 paragraphs 1, 2 and 3 of this section of the ability to have their
29 determinations of assured water supply reviewed.

30 F. Applicants may request that the department review their pending
31 applications or may resubmit and request review of a withdrawn application.

32 G. A certificate of assured water supply issued pursuant to this
33 section shall relate back as if issued in calendar year 2023 for the purposes
34 of an application for designation of assured water supply under rules adopted
35 by the department of water resources pursuant to section 45-576, Arizona
36 Revised Statutes, for inclusion in the base supply of physically available
37 groundwater for the municipal provider on issuance of the designation of
38 assured water supply.

39 H. This section is repealed from and after December 31, 2028.

40 (ENACTED WITHOUT THE EMERGENCY)

41 Sec. 2. Emergency

42 This act is an emergency measure that is necessary to preserve the
43 public peace, health or safety and is operative immediately as provided by
44 law.