

House Engrossed

~~groundwater permits; technical correction~~
(now: water supply development; reclamation projects)

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

CHAPTER 90
HOUSE BILL 2737

AN ACT

AMENDING SECTION 49-1201, ARIZONA REVISED STATUTES; RELATING TO WATER.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 49-1201, Arizona Revised Statutes, is amended to
3 read:

4 49-1201. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Authority" means the water infrastructure finance authority of
7 Arizona.

8 2. "Board" means the water infrastructure finance authority board
9 established by section 49-1206.

10 3. "Bonds of a political subdivision" means bonds issued by a
11 political subdivision as authorized by law.

12 4. "Clean water act" means the federal water pollution control act
13 amendments of 1972 (P.L. 92-500; 86 Stat. 816), as amended by the water
14 quality act of 1987 (P.L. 100-4; 101 Stat. 7).

15 5. "Concession agreement" means any lease, ground lease, franchise,
16 easement, permit or other binding agreement transferring rights for the
17 use or control, in whole or in part, of water-related facilities by the
18 authority to a private partner in accordance with this chapter.

19 6. "Drinking water facility":

20 (a) Means a community water system or a nonprofit noncommunity
21 water system as defined in the safe drinking water act of 1974
22 (P.L. 93-523; 88 Stat. 1660; P.L. 95-190; 91 Stat. 1393; P.L. 104-182; 110
23 Stat. 1613) that is located in this state.

24 (b) Does not include water systems owned by federal agencies.

25 7. "Financial assistance loan repayment agreement" means an
26 agreement to repay a loan provided to design, construct, acquire,
27 rehabilitate or improve water or wastewater infrastructure, related
28 property and appurtenances or a loan provided to finance a water supply
29 development project.

30 8. "Imported water" means any water that originates outside of this
31 state and that is made available to water users within this state by
32 conveyance, ~~OR~~ OR exchange or otherwise through projects that are funded or
33 financed in whole or in part with monies from the long-term water
34 augmentation fund.

35 9. "Import water" means to make water originating outside of this
36 state available to water users within this state by conveyance, ~~OR~~ OR
37 exchange or otherwise through projects that are funded or financed in
38 whole or in part with monies from the long-term water augmentation fund.

39 10. "Indian tribe" means any Indian tribe, band, group or community
40 that is recognized by the United States secretary of the interior and that
41 exercises governmental authority within the limits of any Indian
42 reservation under the jurisdiction of the United States government,
43 notwithstanding the issuance of any patent and including rights-of-way
44 running through the reservation.

- 1 11. "Long-term water augmentation bonds" means bonds that are
2 issued by the authority in accordance with article 4 of this chapter.
- 3 12. "Long-term water augmentation fund" means the fund established
4 by section 49-1302.
- 5 13. "Nonpoint source project" means a project designed to implement
6 a certified water quality management plan.
- 7 14. "Political subdivision" means a county, city, town or special
8 taxing district authorized by law to construct wastewater treatment
9 facilities, drinking water facilities or nonpoint source projects.
- 10 15. "Private partner" means a person, entity or organization that
11 is not the federal government, this state or a political subdivision of
12 this state.
- 13 16. "Public-private partnership project" means any water supply
14 development project that is the subject of a public-private partnership
15 agreement in accordance with this chapter.
- 16 17. "Safe drinking water act" means the federal safe drinking water
17 act of 1974 (P.L. 93-523; 88 Stat. 1660; P.L. 95-190; 91 Stat. 1393;
18 P.L. 104-182; 110 Stat. 1613), as amended in 1996.
- 19 18. "Technical assistance loan repayment agreement" means either of
20 the following:
- 21 (a) An agreement to repay a loan provided to develop, plan and
22 design water or wastewater infrastructure, related property and
23 appurtenances. The agreement shall be for a term of not more than three
24 years and the maximum amount that may be borrowed is limited to not more
25 than \$500,000.
- 26 (b) An agreement to repay a loan provided to develop, plan or
27 design a water supply development project.
- 28 19. "Wastewater treatment facility" means a treatment works, as
29 defined in section 212 of the clean water act, that is located in this
30 state and that is designed to hold, cleanse or purify or to prevent the
31 discharge of untreated or inadequately treated sewage or other polluted
32 waters for purposes of complying with the clean water act.
- 33 20. "Water provider" means any of the following:
- 34 (a) A municipal water delivery system as defined in section
35 42-5301.
- 36 (b) A county water augmentation authority established under
37 title 45, chapter 11.
- 38 (c) A county water authority established under title 45,
39 chapter 13.
- 40 (d) An Indian tribe.
- 41 (e) A community facilities district as established by title 48,
42 chapter 4.
- 43 (f) A public water system as prescribed in section 49-352.
- 44 (g) A county with a population of less than three hundred thousand
45 persons.

1 (h) A natural resource conservation district.

2 (i) For purposes of funding from the water supply development
3 revolving fund pursuant to article 3 of this chapter only, a county that
4 enters into an intergovernmental agreement or other formal written
5 agreement with a city, town or other water provider regarding a water
6 supply development project.

7 21. "Water-related facilities" means any facility related to the
8 production, delivery, conservation or storage of water, including any
9 canals, pipelines, desalination plants, pumping stations, storage
10 projects, recovery wells, delivery and retention projects, water and
11 wastewater treatment plants, and other equipment and facilities installed
12 for water conservation purposes, together with any land, buildings or
13 other improvements and equipment or personal property related thereto.

14 22. "Water supply development" means any of the following:

15 (a) Acquiring water or rights to or contracts for water to augment
16 the water supply of a water provider, including any environmental or other
17 reviews, permits or plans reasonably necessary for that acquisition.

18 (b) Planning, designing, building or developing water-related
19 facilities, including any environmental or other reviews, permits or plans
20 reasonably necessary for those facilities, for ~~either~~ ANY of the following
21 purposes:

22 (i) Conveyance or delivery of water.

23 (ii) Storage or recovery of water under title 45, chapter 3.1.

24 (iii) Reclamation, REMEDIATION and reuse of water, INCLUDING BY A
25 RECLAMATION OR REMEDIATION PROJECT THAT IS APPROVED BY THE UNITED STATES
26 ENVIRONMENTAL PROTECTION AGENCY AND THAT INCREASES THE AVAILABILITY OF
27 WATER.

28 (iv) Replenishment of groundwater.

29 (v) Active or passive stormwater recharge structures that increase
30 water supplies.

31 (c) Conservation through reducing existing water use or more
32 efficient uses of existing water supplies.

APPROVED BY THE GOVERNOR APRIL 18, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 21, 2025.