

House Engrossed

domestic water improvement districts; hauling

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

HOUSE BILL 2084

AN ACT

AMENDING SECTIONS 48-901, 48-902 AND 48-909, ARIZONA REVISED STATUTES;
RELATING TO DOMESTIC WATER IMPROVEMENT DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-901, Arizona Revised Statutes, is amended to
3 read:

4 48-901. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Assessment" or "assessment roll" means a special assessment
7 made under this article.

8 2. "Block" means a parcel of ground, regular or irregular, bounded
9 by streets or by streets and district boundary lines.

10 3. "Chairman of the board" means the person designated to preside
11 over meetings of the board of directors.

12 4. "Clerk" or "district clerk" means the clerk of the board of
13 supervisors, who shall be the clerk under this article and in whose office
14 shall be filed all papers directed or required to be filed with the clerk.

15 5. "Commercial farming" means the intensive cultivation of arable
16 land by the raising of agricultural or horticultural products as a
17 principal source of the owner's livelihood.

18 6. "Commercial stock raising" means the breeding, raising and care
19 of domestic animals as a principal source of the owner's livelihood.

20 7. "Contractor" includes personal representatives or assignee of
21 the contractor.

22 8. "Delinquency" means delinquency in the payment of an assessment.

23 9. "Engineer" or "district engineer" means a person designated or
24 employed by the board of directors of a district to perform any or all of
25 the engineering work authorized to be done by the district under this
26 article.

27 10. "Improvement bond" means a bond issued under this article.

28 11. "Lighting plants" includes electric light plants, electric
29 power plants, gas plants, distribution systems, poles, parts, pipes,
30 conduits, wires, tanks, reservoirs, generators for gas or electricity,
31 transmission lines, towers, lamps, transformers of every character,
32 machinery, apparatus, equipment and all appliances and structures
33 necessary or incidental to the construction, installation or operation of
34 a complete electric light, power and gas plant and distribution system
35 placed on the streets improved, though extended beyond.

36 12. "Lot" includes any portion, piece, parcel or subdivision of
37 land, but not property owned or controlled by any person as a railroad
38 right of way.

39 13. "Owner" means the person in whom legal title appears by
40 recorded deed, or the person in possession under claim or title, or the
41 person exercising acts of ownership for ~~himself~~ THE PERSON or as the
42 personal representative of the owner, including the boards of trustees of
43 school districts and the boards of education of high school districts
44 owning property within the proposed improvement district.

1 14. "Sewers" includes wastewater treatment facilities, tunnels,
2 excavations, ditches, drains, conduits, channels, outlets, outfalls,
3 cesspools, manholes, catch basins, flush tanks, septic tanks, connecting
4 sewers of every character, machinery, apparatus, equipment and all
5 appliances and structures necessary or incidental to the construction,
6 installation or operation of a complete sewer system for either sanitary
7 or drainage purposes.

8 15. "Street" includes avenues, alleys, highways, lanes, crossings,
9 intersections, courts, places and grounds opened or dedicated to public
10 use and public ways.

11 16. "Street superintendent" or "superintendent" means a county
12 employee designated by the board of supervisors to perform the duties of
13 street superintendent for all the districts organized under this article
14 in any county.

15 17. "Time of delinquency" means the time when assessments become
16 delinquent.

17 18. "Treasurer" or "district treasurer" means the treasurer of the
18 county in which a district is situated, who shall be the treasurer of the
19 district.

20 19. "Unincorporated area" means any portion of a county not within
21 the limits of an incorporated city or town, so situated that any of the
22 improvements provided for in this article might reasonably or properly be
23 made or constructed for the benefit of the inhabitants of the area under
24 existing special assessment statutes if the area were situated within an
25 incorporated city or town.

26 20. "Wastewater systems" means sewers and other wastewater
27 treatment facilities.

28 21. "Waterworks" means works for the storage or development of
29 water for domestic uses, including drinking water treatment facilities,
30 wells, pumping machinery, power plants, STANDPIPES, pipelines and all
31 equipment necessary for those purposes.

32 22. "Work" or "improvement" includes any of the improvements
33 mentioned and authorized to be made in this article, the construction,
34 reconstruction and repair of all or any portion of any such improvement,
35 and labor, services, expenses and material necessary or incidental
36 thereto.

37 Sec. 2. Section 48-902, Arizona Revised Statutes, is amended to
38 read:

39 48-902. Authorization for improvement district; areas and
40 lands excluded

41 A. An improvement district may be established in any unincorporated
42 area, whether or not contiguous, by the board of supervisors of the county
43 in which the proposed district is located, for the purpose of constructing
44 and operating WATERWORKS, a wastewater treatment facility OR A DOMESTIC
45 WATER DELIVERY SYSTEM FOR THE PURPOSE OF DELIVERING WATER THROUGH WATER

1 HAULING and making other local improvements or acquisitions in the
2 district or for the benefit of the district that are ~~permitted~~ ALLOWED by
3 this article, and may contract for or in any other manner provide
4 transportation services within the district through special assessments in
5 such districts, or the issuing of bonds or making other contractual
6 arrangements for improvements, and levying taxes for the operation and
7 maintenance of improvements and streets within the district or for the
8 benefit of the district.

9 B. With written consent of the state land commissioner, an
10 improvement district may include state lands or state trust lands within
11 its boundaries, but those lands shall not be included for purposes of
12 forming or objecting to the formation or expansion of a district.

13 C. Notwithstanding subsection A of this section, an improvement
14 district established for the purposes described in section 48-909,
15 subsection A, paragraph 1, 6, 7 or 10 may include areas in an incorporated
16 city or town with the consent of the city's or town's governing body.

17 D. At the time of the establishment of an improvement district,
18 none of the following shall be included in the improvement district:

19 1. Territory lying within an incorporated city or town except as
20 provided in subsection C of this section.

21 2. Lands owned or held by any common carrier for use in connection
22 with interstate or intrastate commerce.

23 3. Unpatented mining claims.

24 E. Unless the improvement district is formed for the purposes
25 described in section 48-909, subsection A, paragraph 7, at the time of
26 establishment of an improvement district, none of the following shall be
27 included in the improvement district if the owner objects to such
28 inclusion as provided in subsection F of this section:

29 1. Lands owned or held for mining or metallurgical purposes.

30 2. Any tract of land of twenty or more acres in area actually used
31 for commercial farming or commercial stock raising, or any subdivided
32 lands of which lots or blocks have not been offered generally for sale
33 since the lands were subdivided.

34 F. The owner of any property included in the classifications listed
35 in subsection E of this section may have the property excluded from the
36 proposed improvement district if the owner files a verified statement with
37 the board of supervisors ~~prior to~~ BEFORE the adoption of the resolution
38 ordering the formation of the district, stating that the person executing
39 the statement is one of the owners of the respective lot or parcel, the
40 respective classification, that the lot or parcel is within such
41 classification on the date of the statement, the legal description of the
42 lot or parcel and that the signer requests that the lot or parcel be
43 excluded from the improvement district. Any property owner may contest
44 the statement at the hearing on formation of the improvement district.
45 The board of supervisors shall rule on all such objections.

1 G. A domestic water improvement district may be formed or expanded
2 in noncontiguous areas. If the proposed boundaries of a noncontiguous
3 district are located within six miles of an incorporated city or town, the
4 district shall obtain the consent of the governing body of the city or
5 town prior to the formation or expansion of the district.

6 Sec. 3. Section 48-909, Arizona Revised Statutes, is amended to
7 read:

8 48-909. Purposes for which public improvements may be
9 undertaken; powers incidental to public
10 improvements

11 A. When the public interest or convenience requires, the board of
12 directors of an improvement district may order:

13 1. The whole or any portion, either in length or width, of one or
14 more of the streets of the district graded or regraded, paved or repaved,
15 landscaped or otherwise maintained, improved or reimproved.

16 2. The acquisition, construction, reconstruction or repair of any
17 street, tunnel, subway, viaduct or conduit in, on, under or over which the
18 district may have an easement or right-of-way therefor.

19 3. The construction or reconstruction of sidewalks, crosswalks,
20 curbs, gutters, culverts, bridges, tunnels, siphons, manholes, steps,
21 parkings and parkways.

22 4. The placement, replacement or repair of pipes, hydrants and
23 appliances for fire protection.

24 5. The acquisition, construction, reconstruction, maintenance or
25 repair of wastewater treatment facilities, sewers, ditches, drains,
26 conduits, pipelines and channels for sanitary and drainage purposes, with
27 outlets, cesspools, manholes, catch basins, flush tanks, septic tanks,
28 connecting sewers, ditches, drains, conduits, channels and other
29 appurtenances in, under, over or through any street or any land of the
30 district or any right-of-way granted or obtained for such a purpose,
31 either within or without the district limits.

32 6. The acquisition, construction, reconstruction, maintenance or
33 repair of waterworks, including WELLS, STANDPIPES AND drinking water
34 treatment facilities, for the delivery of water for domestic purposes,
35 INCLUDING FOR THE DELIVERY OF WATER THROUGH WATER HAULING, and of wells,
36 ditches, canals, channels, conduits, pipelines and siphons, together with
37 the necessary or usual appurtenances for carrying ~~storm water~~ STORMWATER
38 or water from irrigation ditches, watercourses, streams or springs into,
39 through or out of the district in, under, over or through any street, or
40 any land of the district or any right-of-way granted or obtained for such
41 a purpose, either within or without the district limits. This section
42 does not prohibit the board of directors of an improvement district from
43 purchasing an existing domestic water delivery system within the district
44 or outside the district or constructing an initial or improving an
45 existing domestic water delivery system inside or outside the district.

1 7. The construction, reconstruction or repair of breakwater levees
2 or walls, riverbank protection or replacement of riverbanks and supporting
3 land. A district established for this purpose shall cooperate and
4 coordinate its plans and activities with the county flood control district
5 established in the county and any incorporated city or town in which the
6 district is established.

7 8. The acquisition, construction, reconstruction or repair of
8 lighting plants and poles, wire conduits, lamps, standards and other
9 appliances for the purpose of lighting and beautifying streets or other
10 public lands.

11 9. The construction, reconstruction or repair of any work
12 incidental to or connected with any improvement.

13 10. The acquisition, in the name of the district, by gift, purchase
14 or otherwise and the maintenance, repair, improvement or disposal of any
15 real or personal property necessary or convenient for district operation
16 for a community center, park or recreational area.

17 11. Pursuant to section 48-902, the board of directors of an
18 improvement district may contract for or in any other manner provide
19 transportation services within the district.

20 B. In addition to the powers specifically granted by or reasonably
21 inferred from this article, an improvement district through its board of
22 directors may:

23 1. EXCEPT AS PRESCRIBED BY SUBSECTION F OF THIS SECTION, acquire by
24 gift, purchase, condemnation or otherwise in the name of the district and
25 own, control, manage and dispose of any real or personal property or
26 interest in the property necessary or convenient for the construction,
27 operation and maintenance of any of the improvements provided for by this
28 article.

29 2. Join with any other improvement district, any city, town,
30 governmental agency or Indian tribe, or any agency or instrumentality of
31 an Indian tribe, or any person in the construction, operation or
32 maintenance of any of the improvements hereby authorized.

33 3. Join with any other improvement district or any city, town,
34 county or Indian tribe, or any agency or instrumentality of an Indian
35 tribe, in improving streets running on or along the boundary of the
36 district and levy assessments and issue bonds for the district's part of
37 the cost of those improvements.

38 4. Sell, lease or otherwise dispose of any property of the district
39 or interest in the property when the property is no longer required for
40 the purposes of the district or the use of which may be permitted without
41 interfering with the use thereof by the district.

1 5. Sell or otherwise dispose of any property or material acquired
2 in the construction or operation of any improvements as a by-product or
3 otherwise, and acquire rights-of-way for the disposal by condemnation or
4 otherwise.

5 6. Accept from this state or the federal government, or any agency,
6 department or instrumentality of either, grants for or in aid of the
7 construction of any of the improvements provided for by this chapter.

8 7. Notwithstanding any other law, sell improvement bonds to the
9 federal government, or any agency, department or instrumentality of the
10 federal government, for the construction of any of the improvements
11 provided by this chapter.

12 8. Enter into contracts with this state or the federal government,
13 or any agency, department or instrumentality of either or both, for the
14 construction or supervision of construction by ~~the~~ THIS state ~~of Arizona~~
15 or the federal government, or any agency, department or instrumentality of
16 either or both, but reserving to the district the right to assess against
17 the property benefited by the improvement, and located within the
18 district, that portion of the cost of the improvement that does not
19 qualify for aid under a state or federal grant.

20 9. Operate, maintain and repair the streets within the district and
21 any improvements made pursuant to this chapter.

22 10. Do all things incidental to the exercise of the powers granted
23 by this article.

24 C. A county improvement district formed for the purpose of
25 purchasing an existing or constructing a new domestic water delivery
26 system within the district or outside the district shall have the same
27 authority and responsibility as an incorporated city or town pursuant to
28 title 45 and chapters 22 and 28 of this title.

29 D. An improvement district that proposes to provide domestic water
30 service within the certificated area of a public service corporation
31 serving domestic water shall provide just compensation to the public
32 service corporation pursuant to section 9-516 for the facilities or
33 certificated area taken. The right to compensation for a public service
34 corporation from an improvement district shall not apply if no facilities
35 of the public service corporation are actually acquired by the improvement
36 district and either of the following conditions exist:

37 1. At the time the law providing for compensation became effective
38 the certificated area for which compensation is sought is an area that was
39 within the boundaries of an improvement district.

40 2. A certificate is issued to a public service corporation for any
41 area that is within an improvement district at the time the certificate is
42 issued.

1 E. If the county board of supervisors determines that the public
2 interest or convenience so requires, an improvement district that is
3 formed for the purposes of providing domestic water service pursuant to
4 article 4 of this chapter may also provide domestic wastewater service.

5 F. AN IMPROVEMENT DISTRICT THAT IS ESTABLISHED FOR THE PURPOSE OF
6 DELIVERING WATER THROUGH WATER HAULING MAY EXERCISE THE POWER OF EMINENT
7 DOMAIN ONLY FOR THE LIMITED PURPOSE OF ACQUIRING OR OTHERWISE SECURING A
8 SITE FOR THE CONSTRUCTION OF AND LEGAL ACCESS TO A SINGLE WELL AND A
9 STANDPIPE TO PRODUCE WATER AND MAKE WATER AVAILABLE AT THE SITE FOR
10 DELIVERY THROUGH WATER HAULING.