

House Engrossed Senate Bill

~~helium exploration; aquifer protection permit~~
(now: domestic water improvement districts; hauling)

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SENATE BILL 1444

AN ACT

AMENDING SECTIONS 48-901, 48-902 AND 48-909, ARIZONA REVISED STATUTES;
RELATING TO COUNTY 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":

37 (a) Includes any portion, piece, parcel or subdivision of
38 land. ~~, but~~

39 (b) DOES not INCLUDE property owned or controlled by any person as
40 a railroad right of way.

41 13. "Owner" means the person in whom legal title appears by
42 recorded deed, or the person in possession under claim or title, or the
43 person exercising acts of ownership for ~~himself~~ THE PERSON or as the
44 personal representative of the owner, including the boards of trustees of

1 school districts and the boards of education of high school districts
2 owning property within the proposed improvement district.

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

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

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

17 ~~17. "Time of delinquency" means the time when assessments become~~
18 ~~delinquent.~~

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

22 ~~19.~~ 18. "Unincorporated area" means any portion of a county not
23 within the limits of an incorporated city or town, so situated that any of
24 the improvements provided for in this article might reasonably or properly
25 be made or constructed for the benefit of the inhabitants of the area
26 under existing special assessment statutes if the area were situated
27 within an incorporated city or town.

28 ~~20.~~ 19. "Wastewater systems" means sewers and other wastewater
29 treatment facilities.

30 ~~21.~~ 20. "Waterworks":

31 (a) Means works for the storage or development of water for
32 domestic uses. ~~including~~

33 (b) INCLUDES drinking water treatment facilities, wells, pumping
34 machinery, power plants, STANDPIPES, pipelines and all equipment necessary
35 for those purposes.

36 ~~22.~~ 21. "Work" or "improvement" includes any of the improvements
37 mentioned and authorized to be made in this article, the construction,
38 reconstruction and repair of all or any portion of any such improvement,
39 and labor, services, expenses and material necessary or incidental
40 thereto.

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

3 48-902. Authorization for improvement district; areas and
4 lands excluded

5 A. An improvement district may be established in any unincorporated
6 area, whether or not contiguous, by the board of supervisors of the county
7 in which the proposed district is located, for the purpose of constructing
8 and operating a wastewater treatment facility **OR A DOMESTIC WATER DELIVERY**
9 **SYSTEM THAT IS LOCATED IN A SUBSEQUENT ACTIVE MANAGEMENT AREA FOR THE**
10 **PURPOSE OF DELIVERING WATER THROUGH WATER HAULING** and making other local
11 improvements or acquisitions in the district or for the benefit of the
12 district that are ~~permitted~~ **ALLOWED** by this article, and may contract for
13 or in any other manner provide transportation services within the district
14 through special assessments in such districts, or the issuing of bonds or
15 making other contractual arrangements for improvements, and levying taxes
16 for the operation and maintenance of improvements and streets within the
17 district or for the benefit of the district.

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

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

26 D. At the time of the establishment of an improvement district,
27 ~~none of~~ the following shall **NOT** be included in the improvement district:

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

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

32 3. Unpatented mining claims.

33 E. Unless the improvement district is formed for the purposes
34 described in section 48-909, subsection A, paragraph 7, at the time of
35 establishment of an improvement district, ~~none of~~ the following shall **NOT**
36 be included in the improvement district if the owner objects to such
37 inclusion as provided in subsection F of this section:

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

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

43 F. The owner of any property included in the classifications listed
44 in subsection E of this section may have the property excluded from the
45 proposed improvement district if the owner files a verified statement with

1 the board of supervisors ~~prior to~~ BEFORE the adoption of the resolution
2 ordering the formation of the district, stating that the person executing
3 the statement is one of the owners of the respective lot or parcel, the
4 respective classification, that the lot or parcel is within such
5 classification on the date of the statement, the legal description of the
6 lot or parcel and that the signer requests that the lot or parcel be
7 excluded from the improvement district. Any property owner may contest
8 the statement at the hearing on formation of the improvement district.
9 The board of supervisors shall rule on all such objections.

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

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

17 48-909. Purposes for which public improvements may be
18 undertaken; powers incidental to public
19 improvements

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

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

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

28 3. The construction or reconstruction of sidewalks, crosswalks,
29 curbs, gutters, culverts, bridges, tunnels, siphons, manholes, steps,
30 parkings and parkways.

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

33 5. The acquisition, construction, reconstruction, maintenance or
34 repair of wastewater treatment facilities, sewers, ditches, drains,
35 conduits, pipelines and channels for sanitary and drainage purposes, with
36 outlets, cesspools, manholes, catch basins, flush tanks, septic tanks,
37 connecting sewers, ditches, drains, conduits, channels and other
38 appurtenances in, under, over or through any street or any land of the
39 district or any right-of-way granted or obtained for such a purpose,
40 either within or without the district limits.

41 6. The acquisition, construction, reconstruction, maintenance or
42 repair of waterworks, including WELLS, STANDPIPES AND drinking water
43 treatment facilities, for the delivery of water for domestic purposes,
44 INCLUDING FOR THE DELIVERY OF WATER IN A SUBSEQUENT ACTIVE MANAGEMENT AREA
45 THROUGH WATER HAULING, and of wells, ditches, canals, channels, conduits,

1 pipelines and siphons, together with the necessary or usual appurtenances
2 for carrying ~~storm water~~ STORMWATER or water from irrigation ditches,
3 watercourses, streams or springs into, through or out of the district in,
4 under, over or through any street, or any land of the district or any
5 right-of-way granted or obtained for such a purpose, either within or
6 without the district limits. This section does not prohibit the board of
7 directors of an improvement district from purchasing an existing domestic
8 water delivery system within the district or outside the district or
9 constructing an initial or improving an existing domestic water delivery
10 system inside or outside the district.

11 7. The construction, reconstruction or repair of breakwater levees
12 or walls, riverbank protection or replacement of riverbanks and supporting
13 land. A district established for this purpose shall cooperate and
14 coordinate its plans and activities with the county flood control district
15 established in the county and any incorporated city or town in which the
16 district is established.

17 8. The acquisition, construction, reconstruction or repair of
18 lighting plants and poles, wire conduits, lamps, standards and other
19 appliances for the purpose of lighting and beautifying streets or other
20 public lands.

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

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

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

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

33 1. EXCEPT AS PRESCRIBED BY SUBSECTION F OF THIS SECTION, acquire by
34 gift, purchase, condemnation or otherwise in the name of the district and
35 own, control, manage and dispose of any real or personal property or
36 interest in the property necessary or convenient for the construction,
37 operation and maintenance of any of the improvements provided for by this
38 article.

39 2. Join with any other improvement district, any city, town,
40 governmental agency or Indian tribe, or any agency or instrumentality of
41 an Indian tribe, or any person in the construction, operation or
42 maintenance of any of the improvements hereby authorized.

43 3. Join with any other improvement district or any city, town,
44 county or Indian tribe, or any agency or instrumentality of an Indian
45 tribe, in improving streets running on or along the boundary of the

1 district and levy assessments and issue bonds for the district's part of
2 the cost of those improvements.

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

7 5. Sell or otherwise dispose of any property or material acquired
8 in the construction or operation of any improvements as a by-product or
9 otherwise, and acquire rights-of-way for the disposal by condemnation or
10 otherwise.

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

14 7. Notwithstanding any other law, sell improvement bonds to the
15 federal government, or any agency, department or instrumentality of the
16 federal government, for the construction of any of the improvements
17 provided by this chapter.

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

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

28 10. Do all things incidental to the exercise of the powers granted
29 by this article.

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

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

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

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

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

8 F. AN IMPROVEMENT DISTRICT THAT IS FORMED IN A SUBSEQUENT ACTIVE
9 MANAGEMENT AREA FOR THE PURPOSE OF DELIVERING WATER THROUGH WATER HAULING
10 MAY EXERCISE THE POWER OF EMINENT DOMAIN ONLY FOR THE LIMITED PURPOSE OF
11 ACQUIRING OR OTHERWISE SECURING A SITE IN THE SUBSEQUENT ACTIVE MANAGEMENT
12 AREA FOR THE CONSTRUCTION OF AND LEGAL ACCESS TO A SINGLE WELL AND A
13 STANDPIPE TO PRODUCE WATER AND MAKE WATER AVAILABLE AT THE SITE FOR
14 DELIVERY THROUGH WATER HAULING.