

Senate Engrossed House Bill
groundwater replenishment; Pinal AMA

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

CHAPTER 216
HOUSE BILL 2753

AN ACT

AMENDING SECTION 48-3771, ARIZONA REVISED STATUTES; RELATING TO
GROUNDWATER.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-3771, Arizona Revised Statutes, is amended to
3 read:

4 48-3771. District replenishment obligations; replenishment
5 location; source of replenishment; exception

6 A. For each active management area in which member lands or member
7 service areas are or may be located, the district shall replenish
8 groundwater in an amount equal to the groundwater replenishment obligation
9 for that active management area. Except as provided in section 48-3781,
10 subsection G, the district shall complete the replenishment of the
11 groundwater replenishment obligation of that active management area
12 applicable to a particular year within three full calendar years after the
13 year that the district incurs the groundwater replenishment obligation.
14 Replenishment of the groundwater replenishment obligation of an active
15 management area applicable to a particular year is complete when the
16 amount of water added to aquifers through water storage that has been
17 credited directly to the district's conservation district account pursuant
18 to title 45, chapter 3.1, plus long-term storage credits that have been
19 transferred from the district's long-term storage account to its
20 conservation district account pursuant to title 45, chapter 3.1, less the
21 groundwater replenishment obligation of member lands and member service
22 areas located in the active management area and applicable to previous
23 years, less the contract replenishment obligations relative to municipal
24 providers in the active management area for previous years and the year of
25 the calculation, equals or exceeds the groundwater replenishment
26 obligation of the active management area for that year.

27 B. With respect to the portion of the groundwater replenishment
28 obligation attributable to a parcel of member land or a member service
29 area, the district shall replenish groundwater in the active management
30 area where the parcel of member land or the member service area is located
31 in an amount equal to the groundwater replenishment obligation applicable
32 to that parcel of member land or that member service area.

33 C. Except as provided by title 45, chapter 3.1, the district may
34 replenish groundwater with central Arizona project water or water from any
35 other lawfully available source except groundwater withdrawn from within
36 an active management area.

37 D. Notwithstanding any other provision of this chapter, if a parcel
38 of member land is included in the service area of a municipal provider
39 that is not a member service area but that has been designated as having
40 an assured water supply under section 45-576, the parcel of member land
41 has no parcel replenishment obligation and the district has no groundwater
42 replenishment obligation attributable to that parcel of member land for as
43 long as the designation remains in effect.

44 E. Notwithstanding any other provision of this chapter and except
45 as provided in subsection F of this section, if a parcel of member land is

1 included in the service area of a municipal provider that is a member
2 service area and that has been designated as having an assured water
3 supply under section 45-576, the parcel of member land has no further
4 parcel replenishment obligation.

5 F. After September 14, 2024, a municipal provider that submits an
6 application for a new designation of assured water supply pursuant to
7 rules adopted by the department of water resources in the Phoenix ~~AND~~
8 ~~PINAL~~ active management ~~area~~ AREAS that relies on a member service area
9 agreement may elect for all parcels of member land in the municipal
10 service area to retain a replenishment obligation. For parcels of member
11 land that retain a replenishment obligation, the district shall replenish
12 groundwater in an amount equal to the obligation applicable to that parcel
13 of member land.

14 G. If, pursuant to subsection F of this section, a municipal
15 provider's service area contains member lands and the municipal provider
16 applies to become designated as having an assured water supply, the
17 municipal provider shall notify the district and the director of the
18 department of water resources at the time of application whether it
19 chooses to assume the member lands' replenishment obligation under the
20 municipal provider's designation of assured water supply and member
21 service area agreement. This section does not authorize new member lands
22 to be enrolled within the municipal provider's service area after the
23 service area is designated as having an assured water supply.

24 H. If a municipal provider chooses to allow parcels of member land
25 within its service area to retain the parcel replenishment obligation
26 pursuant to this section, the designation of assured water supply and
27 member service area agreement for the municipal provider shall provide
28 that the parcels of member land retain the parcel replenishment obligation
29 for the lesser of either of the following:

30 1. Ten years from the date of commencement of the first term of the
31 designation.

32 2. The first term of the designation.

33 I. On the lesser of the conditions prescribed by subsection H of
34 this section, the municipal provider shall begin to assume a percentage of
35 the groundwater delivered to parcels of member land and any associated
36 parcel replenishment obligation and provide the information to the
37 district in the annual reports required by section 48-3775. In the first
38 year of reporting pursuant to this subsection, the municipal provider may
39 assume not less than ten percent of the total reported groundwater
40 delivered to each parcel of member land. In each successive year the
41 municipal provider shall assume at least an additional ten percent so that
42 within ten years, all reported groundwater delivered and parcel
43 replenishment obligation are assumed by the municipal provider and the
44 parcels of member land have no further parcel replenishment obligation.

1 J. After a municipal provider assumes all groundwater deliveries
2 from all parcels of member land as prescribed by subsection I of this
3 section, the municipal provider shall cease submitting reports to the
4 district for parcels of member land pursuant to section 48-3775 while the
5 municipal provider's designation of assured water supply remains valid.

6 K. If a municipal provider assumes the parcel replenishment
7 obligation of member lands pursuant to a designation of assured water
8 supply that relies on a member service area agreement, any groundwater
9 allowance or extinguishment credits, as provided in rules adopted by the
10 department of water resources pursuant to section 45-576, associated with
11 the member lands assumed by the municipal provider may be used as follows:

12 1. If the parcel replenishment obligation and reported groundwater
13 delivered to the member lands are entirely assumed on the initial
14 designation of an assured water supply, the remaining extinguishment
15 credits or groundwater allowance associated with the member lands may be
16 used by the municipal provider as authorized pursuant to a member service
17 area agreement.

18 2. If the parcel replenishment obligation and reported groundwater
19 delivered to the member lands are assumed in stages as provided in
20 subsection I of this section, the municipal provider may use the
21 groundwater allowance and extinguishment credits for the member lands in
22 the same manner as authorized in the applicable agreement and notice of
23 municipal reporting requirements if the groundwater is being reported as
24 delivered to member lands. Thereafter, any remaining extinguishment
25 credits or groundwater allowance may be used by the municipal provider as
26 authorized under the member service area agreement.

APPROVED BY THE GOVERNOR MAY 23, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 23, 2025.