

House Engrossed

McMullen Valley; eligible entities; groundwater

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2758

AN ACT

AMENDING SECTIONS 11-254.09 AND 33-422, ARIZONA REVISED STATUTES;
REPEALING SECTION 45-552, ARIZONA REVISED STATUTES; AMENDING TITLE 45,
CHAPTER 2, ARTICLE 8.1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION
45-552; AMENDING SECTIONS 45-556, 45-2281, 48-901, 48-902 AND 48-909,
ARIZONA REVISED STATUTES; RELATING TO THE TRANSPORTATION OF GROUNDWATER.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 11-254.09, Arizona Revised Statutes, is amended
3 to read:

4 11-254.09. Water improvements program; grants; requirements;
5 annual report

6 A. The board of supervisors may establish a program to allow
7 persons to make gifts, grants or donations for the purpose of providing
8 financial assistance to qualified owners of residential real property for
9 making improvements to an existing drinking water well or providing for
10 WATER HAULING FOR WATER DELIVERY OR a water delivery system for the
11 residence.

12 B. The board shall designate an entity to operate the program, to
13 establish criteria for grants and to award grants as prescribed by this
14 section. The entity may be a county agency, department or division or may
15 be a private, nonprofit corporation as determined by the board of
16 supervisors.

17 C. The program shall do all of the following:

18 1. Limit grant recipients to persons who are low-income or
19 fixed-income owners of residential property.

20 2. Develop application criteria and criteria for awarding grants.

21 3. Restrict a grant recipient's use of grant monies to deepening an
22 existing drinking water well for the recipient's residence, TO ACQUIRING
23 OR INSTALLING ONE OR MORE STORAGE TANKS FOR RECEIVING AND STORING WATER
24 DELIVERED THROUGH WATER HAULING or to plumbing or replumbing the
25 recipient's residence for a water delivery system.

26 D. EXCEPT AS PROVIDED IN SECTION 45-556, SUBSECTION G, the board of
27 supervisors may not use general county monies for grants under the
28 program.

29 E. The entity that operates the program shall make and submit to
30 the county board of supervisors, the president of the senate and the
31 speaker of the house of representatives on or before July 1 of each year a
32 report containing a description of program operations of the preceding
33 year, including the amount of gifts, grants or donations received and the
34 grants awarded.

35 Sec. 2. Section 33-422, Arizona Revised Statutes, is amended to
36 read:

37 33-422. Land divisions; recording; disclosure affidavit

38 A. A seller of five or fewer parcels of land, other than subdivided
39 land, in an unincorporated area of a county and any subsequent seller of
40 ~~such a~~ ANY parcel THAT IS THE SUBJECT OF AN AFFIDAVIT RECORDED AS
41 PRESCRIBED BY THIS SECTION shall complete and furnish a written affidavit
42 of disclosure to the buyer at least seven days before the transfer of the
43 property and the buyer shall acknowledge receipt of the affidavit.

44 B. The affidavit must be written in twelve-point type.

1 C. A release or waiver of a seller's liability arising out of any
2 omission or misrepresentation contained in an affidavit of disclosure is
3 not valid or binding on the buyer.

4 D. The buyer has the right to rescind the sales transaction for a
5 period of five days after the affidavit of disclosure is furnished to the
6 buyer.

7 E. The seller OR, ON THE REQUEST, DIRECTION OR INSTRUCTION OF THE
8 SELLER, THE ESCROW AGENT FOR THE TRANSACTION WHO IS LICENSED PURSUANT TO
9 TITLE 6, CHAPTER 7 shall record the executed affidavit of disclosure at
10 the same time that the deed is recorded. The county recorder is not
11 required to verify the accuracy of any statement in the affidavit of
12 disclosure. A subsequently recorded affidavit supersedes any previous
13 affidavit, AND THE SUBSEQUENT SELLER OR, ON THE REQUEST, DIRECTION OR
14 INSTRUCTION OF THE SUBSEQUENT SELLER, THE ESCROW AGENT FOR THE SUBSEQUENT
15 TRANSACTION WHO IS LICENSED PURSUANT TO TITLE 6, CHAPTER 7 SHALL RECORD
16 THE SUBSEQUENTLY EXECUTED AFFIDAVIT PRESCRIBED BY THIS SECTION. A
17 LICENSED ESCROW AGENT WHO RECORDS AN AFFIDAVIT PURSUANT TO THIS SUBSECTION
18 IS NOT LIABLE FOR ANY INACCURATE INFORMATION IN THE AFFIDAVIT, INCLUDING
19 ANY OMISSIONS OF MATERIAL FACTS.

20 F. The affidavit of disclosure shall contain all of the following
21 disclosures, be completed by the seller, meet the requirements of section
22 11-480 and follow substantially the following form:

23 When recorded mail to:

24 _____
25 _____
26 _____
27 _____

28 Affidavit of Disclosure
29 Pursuant to A.R.S. § 33-422

30 I, _____ (seller(s))
31 being duly sworn, hereby make this affidavit of disclosure
32 relating to the real property situated in the unincorporated
33 area of:

34 _____, County, State of Arizona, located at:

35 _____
36 and legally described as:

37 (Legal description attached hereto as exhibit "A")
38 (property).

- 39 1. There ☐ is ☐ is not legal access to the property, as
40 defined in A.R.S. § 11-831 ☐ unknown

41 Explain: _____
42 _____
43 _____

- 1 2. There ☐ is ☐ is not physical access to the property.
2 ☐ unknown
3 Explain: _____
4 _____
5 _____
- 6 3. There ☐ is ☐ is not a statement from a licensed
7 surveyor or engineer available stating whether the property has
8 physical access that is traversable by a two-wheel drive
9 passenger motor vehicle.
- 10 4. The legal and physical access to the property ☐ is ☐ is not . .
11 . . the same....☐ unknown ☐ not applicable.
12 Explain: _____
13 _____
14 _____
- 15 *If access to the parcel is not traversable by emergency*
16 *vehicles, the county and emergency service providers may not*
17 *be held liable for any damages resulting from the inability to*
18 *traverse the access to provide needed services.*
- 19 5. The road(s) is/are ☐ publicly maintained ☐ privately
20 maintained ☐ not maintained ☐ not applicable. If
21 applicable, there ☐ is ☐ is not a recorded road
22 maintenance agreement.
23 *If the roads are not publicly maintained, it is the*
24 *responsibility of the property owner(s) to maintain the roads*
25 *and roads that are not improved to county standards and*
26 *accepted for maintenance are not the county's responsibility.*
- 27 6. A portion or all of the property ☐ is ☐ is not
28 located in a FEMA designated regulatory floodplain. If the
29 property is in a floodplain, it may be subject to floodplain
30 regulation.
- 31 7. The property ☐ is ☐ is not subject to ☐ fissures or
32 ☐ expansive soils. ☐ unknown
33 Explain: _____
34 _____
35 _____
- 36 8. The following services are currently provided to the property:
37 ☐ water ☐ sewer ☐ electric ☐ natural gas ☐ single
38 party telephone ☐ cable television services.
- 39 9. The property ☐ is ☐ is not served by a water supply
40 that requires the transportation of water to the property. If
41 the property is served by a water supply that requires the
42 transportation of water to the property, the seller shall
43 disclose the name and contact information of the water hauler
44 or water hauling company that is currently providing the
45 transportation services to the property and the name and

location of the water supply from which the water is currently being transported.

Water hauler name: _____ Phone: _____

Water supply: _____ Location: _____

10. The property is served by ☐ a private water company ☐ a municipal water provider ☐ a private well ☐ a shared well ☐ no well. If served by a shared well, the shared well ☐ is ☐ is not a public water system, as defined by the safe drinking water act (42 United States Code § 300f). IF SERVED BY A PRIVATE WELL, THE PRIVATE WELL ☐ IS ☐ IS NOT REGISTERED WITH THE DEPARTMENT OF WATER RESOURCES. ☐ UNKNOWN. THE WELL ☐ DOES ☐ DOES NOT HAVE A PUMP COMPLETION REPORT ON FILE WITH THE DEPARTMENT OF WATER RESOURCES. ☐ UNKNOWN. WELL REGISTRATION NUMBER: _____

Notice to buyer: If the property is served by a well, a private water company or a municipal water provider the Arizona department of water resources may not have made a water supply determination. WELLS REQUIRE MAINTENANCE. IT IS THE BUYER'S RESPONSIBILITY TO INSPECT A PRIVATE WELL. DUE TO GEOLOGIC CONDITIONS, WATER DELIVERY SYSTEMS OR WATER HAULING MAY BE REQUIRED. TRANSPORTING WATER BY WATER HAULING IS ACCEPTABLE. For more information about water supply, contact the water provider.

11. The property or the water used on the property ☐ is ☐ is not the subject of a statement of claimant for the use of water in a general adjudication of water rights. ☐ unknown.

This is a lawsuit to determine the use of and relative priority of water rights. A map of adjudicated areas is available at the website of the department of water resources.

12. THE PROPERTY ☐ IS ☐ IS NOT LOCATED IN A BASIN OR SUBBASIN FROM WHICH GROUNDWATER MAY BE TRANSPORTED AWAY PURSUANT TO TITLE 45, CHAPTER 2, ARTICLE 8.1, A.R.S. IF THE PROPERTY IS LOCATED IN SUCH A BASIN OR SUBBASIN, THE SELLER SHALL DISCLOSE THE BASIN OR SUBBASIN THAT THE PROPERTY IS LOCATED IN:

- ☐ BUTLER VALLEY GROUNDWATER BASIN.
- ☐ MCMULLEN VALLEY GROUNDWATER BASIN.
- ☐ HARQUAHALA IRRIGATION NON-EXPANSION AREA.
- ☐ BIG CHINO GROUNDWATER SUBBASIN.

NOTICE TO BUYER: PURSUANT TO TITLE 45, CHAPTER 2, ARTICLE 8.1, A.R.S., AN ELIGIBLE ENTITY LOCATED OUTSIDE OF A BASIN OR SUBBASIN LISTED ABOVE MAY LAWFULLY WITHDRAW AND TRANSPORT GROUNDWATER AWAY FROM SUCH A BASIN OR SUBBASIN TO THE LOCATIONS AND FOR THE PURPOSES ALLOWED BY THAT ARTICLE. THE WITHDRAWAL AND TRANSPORTATION OF GROUNDWATER PURSUANT TO THAT ARTICLE MAY RESULT IN DAMAGE TO RESIDENTS OF SURROUNDING LANDS

AND OTHER WATER USERS, WHICH THE ELIGIBLE ENTITY MAY BE REQUIRED TO MITIGATE.

~~12.~~ 13. The property ☐ does have ☐ does not have an on-site wastewater treatment facility (i.e., standard septic or alternative system to treat and dispose of wastewater). ☐ unknown. If applicable: a) The property ☐ will ☐ will not require installation of an on-site wastewater treatment facility; b) The on-site wastewater treatment facility ☐ has ☐ has not been inspected.

14. THE DATE THE ON-SITE WASTEWATER TREATMENT FACILITY WAS LAST INSPECTED: (DATE) . ☐ UNKNOWN.

15. IF THE ON-SITE WASTEWATER TREATMENT FACILITY IS A STANDARD SEPTIC SYSTEM, THE DATE THE SEPTIC TANK WAS LAST PUMPED: ____ (DATE) ____ . ☐ UNKNOWN.

NOTICE TO BUYER: SEPTIC SYSTEMS ARE LAWFUL. CESSPOOLS ARE UNLAWFUL. A PERSON MAY NOT USE A CESSPOOL FOR SEWAGE DISPOSAL.

~~13-~~ 16. The property $\square$ has been $\square$ has not been subject to a percolation test. $\square$ unknown.

~~14.~~ 17. The property ☐ does have ☐ does not have one or more solar energy devices that are ☐ leased ☐ owned.

If the solar energy devices are leased, the seller shall disclose the name and contact information of the leasing company.

Leasing company name: _____ Phone: _____

~~15-~~ 18. The property ☐ does have ☐ does not have one or more battery energy storage devices that are ☐ leased ☐ owned.

If the battery energy storage devices are leased, the seller shall disclose the name and contact information of the leasing company.

Leasing company name: Phone:

~~16-~~ 19. The property does ☐ does ☐ does not meet the minimum applicable county zoning requirements of the applicable zoning designation.

~~17.~~ 20. The sale of the property □ does □ does not . . . meet the requirements of A.R.S. § 11-831 and § 32-2181 regarding land divisions. If those requirements are not met, the property owner may not be able to obtain a building permit. It is unlawful pursuant to A.R.S. § 11-831, subsection F and A.R.S. § 32-2181, subsection D for a person or group of persons to attempt to avoid the subdivision laws of this state by acting in concert to divide a parcel of land into six or more lots or parcels. The county where the land division occurred or the state real estate department may investigate and enforce the prohibition against acting in concert to unlawfully divide a parcel of land into six or more lots or parcels. The seller or

property owner shall disclose each of the deficiencies to the buyer.

Explain: _____

~~18.~~ 21. The property ☐ is ☐ is not located in the clear zone of a military airport or ancillary military facility, as defined in A.R.S. § 28-8461. (Maps are available at the state real estate department's website.)

~~19.~~ 22. The property ☐ is ☐ is not located in the high noise or accident potential zone of a military airport or ancillary military facility, as defined in A.R.S. § 28-8461. (Maps are available at the state real estate department's website.)

~~20.~~ 23. Notice: If the property is located within the territory in the vicinity of a military airport or ancillary military facility, the property is required to comply with sound attenuation standards as prescribed by A.R.S. § 28-8482. (Maps are available at the state real estate department's website.)

~~21.~~ 24. The property ☐ is ☐ is not located under military restricted airspace. ☐ unknown. (Maps are available at the state real estate department's website.)

~~22.~~ 25. The property ☐ is ☐ is not located in a military electronics range as defined in A.R.S. § 9-500.28 and § 11-818. ☐ unknown. (Maps are available at the state real estate department's website.)

~~23.~~ 26. The property ☐ is ☐ is not located within the influence area of a military installation or range or Arizona national guard site as defined in ~~sections~~ A.R.S. § 9-500.50 and § 11-818.01. (Maps are available at the state real estate department website.)

~~24.~~ 27. Use of the property ☐ is ☐ is not limited in any way relating to an encumbrance of title due to a lis pendens, a court order or a state real estate department order or a pending legal action. If the use of the property is limited due to an encumbrance of title, the seller or property owner shall disclose the limitations to the buyer.

Explain: _____

28. IF THE PROPERTY WAS SOLD PURSUANT TO A TRUSTEE'S SALE, EXECUTION SALE OR MORTGAGE FORECLOSURE OR BY A PERSONAL REPRESENTATIVE OF AN ESTATE, THOSE SELLERS ARE EXEMPT FROM PROVIDING AN AFFIDAVIT. THE BUYER SHOULD INVESTIGATE THESE UNKNOWN ITEMS.

This affidavit of disclosure supersedes any previously recorded affidavit of disclosure.

1 I certify under penalty of perjury that the information
2 contained in this affidavit is true, complete and correct
3 according to my best belief and knowledge.

4 Dated this ____ (date) ____ day of ____ (year) ____ by:
5 Seller's name (print): _____ Signature: _____
6 Seller's name (print): _____ Signature: _____
7 State of Arizona)

8) ss.

9 County of _____)

10 Subscribed and sworn before me this ____ (date) ____ day
11 of ____ (year) ____, by _____.

12 _____
13 Notary public

14 My commission expires:

15 _____ (date) _____

16 Buyer(s) hereby acknowledges receipt of a copy of this
17 affidavit of disclosure this ____ (date) ____ day
18 of ____ (year) ____

19 Buyer's name (print): _____ Signature: _____

20 Buyer's name (print): _____ Signature: _____

21 G. IF THE SELLER IS A TRUSTEE OF A SUBDIVISION TRUST AS DEFINED IN
22 SECTION 6-801, THE BENEFICIARY OF THE SUBDIVISION TRUST SHALL PROVIDE THE
23 DISCLOSURE AFFIDAVIT REQUIRED BY THIS SECTION.

24 ~~H.~~ H. For the purposes of this section, seller and subsequent
25 seller do not include ANY OF THE FOLLOWING:

26 1. A trustee of a deed of trust who is selling property by a
27 trustee's sale pursuant to chapter 6.1 of this title. ~~or~~

28 2. Any officer who is selling property by execution sale pursuant
29 to title 12, chapter 9 and chapter 6 of this title. ~~If the seller is a~~
30 ~~trustee of a subdivision trust as defined in section 6-801, the disclosure~~
31 ~~affidavit required by this section shall be provided by the beneficiary of~~
32 ~~the subdivision trust.~~

33 3. A PERSONAL REPRESENTATIVE ACTING ON BEHALF OF AN ESTATE THAT IS
34 SELLING THE PROPERTY.

35 Sec. 3. Repeal

36 Section 45-552, Arizona Revised Statutes, is repealed.

37 Sec. 4. Title 45, chapter 2, article 8.1, Arizona Revised Statutes,
38 is amended by adding a new section 45-552, to read:

39 45-552. Transportation of groundwater withdrawn in McMullen
40 Valley basin to an active management area; annual
41 report; definition

42 A. AN ENTITY DESCRIBED IN SUBSECTION B OF THIS SECTION THAT OWNS
43 HISTORICALLY IRRIGATED ACRES IN THE MCMULLEN VALLEY GROUNDWATER BASIN MAY
44 WITHDRAW GROUNDWATER FROM THE LAND FOR TRANSPORTATION TO A LOCATION AND
45 FOR THE PURPOSES PRESCRIBED IN SUBSECTION D OF THIS SECTION:

1 1. IF THE GROUNDWATER IS WITHDRAWN:
2 (a) FROM A DEPTH TO ONE THOUSAND TWO HUNDRED FEET AT THE SITE OR
3 SITES OF THE PROPOSED WITHDRAWALS.
4 (b) AT A RATE THAT, WHEN ADDED TO THE EXISTING RATE OF WITHDRAWALS
5 IN THE AREA, DOES NOT CAUSE THE GROUNDWATER TABLE AT THE SITE OR SITES OF
6 THE WITHDRAWALS TO DECLINE MORE THAN AN AVERAGE OF TEN FEET PER YEAR
7 DURING THE ONE HUNDRED YEAR EVALUATION PERIOD.
8 2. IN AN AMOUNT EITHER:
9 (a) PER ACRE OF THE HISTORICALLY IRRIGATED ACRES, NOT TO EXCEED:
10 (i) SIX ACRE-FEET IN ANY YEAR.
11 (ii) THIRTY ACRE-FEET FOR ANY PERIOD OF TEN CONSECUTIVE YEARS
12 COMPUTED IN CONTINUING PROGRESSIVE SERIES BEGINNING IN THE YEAR
13 TRANSPORTATION OF GROUNDWATER FROM THE LAND BEGINS.
14 (b) ESTABLISHED BY THE DIRECTOR, BUT ONLY IF THE DIRECTOR
15 DETERMINES THAT WITHDRAWALS IN AN AMOUNT GREATER THAN THAT ALLOWED BY
16 SUBDIVISION (a) OF THIS PARAGRAPH WILL NOT UNREASONABLY INCREASE DAMAGE TO
17 RESIDENTS OF SURROUNDING LAND AND OTHER WATER USERS IN THE MCMULLEN VALLEY
18 GROUNDWATER BASIN, OR THAT ONE OR MORE OF THE ENTITIES WITHDRAWING THE
19 GROUNDWATER WILL MITIGATE THE DAMAGE TO THE RESIDENTS AND OTHER WATER
20 USERS.
21 3. BY A PUBLIC SERVICE CORPORATION, IF ALL COSTS ASSOCIATED WITH
22 WITHDRAWING, TRANSPORTING AND DELIVERING GROUNDWATER AWAY FROM THE
23 MCMULLEN VALLEY GROUNDWATER BASIN ARE COLLECTED FROM THE CUSTOMERS OF THE
24 PUBLIC SERVICE CORPORATION'S WATER DISTRICT WHERE THE TRANSPORTED
25 GROUNDWATER IS USED.
26 4. IF BEFORE THE WITHDRAWAL OF GROUNDWATER FROM THE MCMULLEN VALLEY
27 GROUNDWATER BASIN, THE ELIGIBLE ENTITY HAS DEMONSTRATED COMPLIANCE WITH
28 THE CRITERIA IN THIS SUBSECTION USING A HYDROLOGICAL STUDY. THE DIRECTOR
29 SHALL PRESCRIBE THE CONTENTS OF THE STUDY THAT IS SUBMITTED WITH THE
30 APPLICATION.
31 5. IF BEFORE THE WITHDRAWAL OF GROUNDWATER FROM THE MCMULLEN VALLEY
32 GROUNDWATER BASIN, THE ELIGIBLE ENTITY INSTALLS WATER MEASURING DEVICES,
33 OR OTHER SIMILARLY RELIABLE AND ACCESSIBLE METHODS AS APPROVED BY THE
34 DEPARTMENT, TO DETERMINE THE VOLUME OF GROUNDWATER THAT IS WITHDRAWN FROM
35 WELLS RELATED TO THE TRANSPORTATION ACTIVITY AND THAT IS TRANSPORTED OUT
36 OF THE MCMULLEN VALLEY GROUNDWATER BASIN BY PIPELINES, CANALS OR CONDUITS.
37 6. IF WITHIN THIRTY DAYS AFTER THE WITHDRAWAL OF GROUNDWATER FROM
38 THE MCMULLEN VALLEY GROUNDWATER BASIN FOR TRANSPORTATION, THE ELIGIBLE
39 ENTITY SUBMITS A MONTHLY REPORT TO THE DEPARTMENT CONTAINING ALL OF THE
40 FOLLOWING INFORMATION:
41 (a) THE VOLUME OF GROUNDWATER THE ENTITY WITHDREW FROM THE MCMULLEN
42 VALLEY GROUNDWATER BASIN IN THE PRECEDING MONTH.
43 (b) THE VOLUME OF GROUNDWATER THE ENTITY TRANSPORTED OUT OF THE
44 MCMULLEN VALLEY GROUNDWATER BASIN IN THE PRECEDING MONTH.

1 (c) THE END USE OR DESTINATION OF GROUNDWATER THE ENTITY
2 TRANSPORTED OUT OF THE MCMULLEN VALLEY GROUNDWATER BASIN IN THE PRECEDING
3 MONTH.

4 B. THE FOLLOWING ENTITIES ARE ELIGIBLE TO TRANSPORT GROUNDWATER
5 AWAY FROM THE MCMULLEN VALLEY GROUNDWATER BASIN PURSUANT TO SUBSECTION A
6 OF THIS SECTION:

7 1. THIS STATE.

8 2. A POLITICAL SUBDIVISION OF THIS STATE.

9 3. A PUBLIC SERVICE CORPORATION THAT IS REGULATED BY THE
10 CORPORATION COMMISSION AND THAT HOLDS A CERTIFICATE OF CONVENIENCE AND
11 NECESSITY FOR WATER SERVICE.

12 C. RULES ADOPTED PURSUANT TO SECTION 45-554 SHALL APPLY TO THIS
13 SECTION, INCLUDING FOR THE REPORTING OF GROUNDWATER TRANSPORTED FROM THE
14 MCMULLEN VALLEY GROUNDWATER BASIN.

15 D. THE FOLLOWING LOCATIONS AND PURPOSES ARE ELIGIBLE TO RECEIVE
16 GROUNDWATER TRANSPORTED AWAY FROM THE MCMULLEN VALLEY GROUNDWATER BASIN
17 PURSUANT TO SUBSECTION A OF THIS SECTION:

18 1. AN INITIAL ACTIVE MANAGEMENT AREA FOR USE BY AN ELIGIBLE ENTITY
19 OR THE ARIZONA WATER BANKING AUTHORITY PURSUANT TO SECTION 45-2491.

20 2. LA PAZ COUNTY BY AN ELIGIBLE ENTITY IN A TOTAL CUMULATIVE VOLUME
21 NOT TO EXCEED TEN PERCENT OF THE TOTAL ANNUAL VOLUME OF GROUNDWATER THE
22 DEPARTMENT DETERMINES IS AVAILABLE FOR TRANSPORT OUT OF THE MCMULLEN
23 VALLEY GROUNDWATER BASIN. AN ELIGIBLE ENTITY IN LA PAZ COUNTY MAY DO
24 EITHER OF THE FOLLOWING:

25 (a) TRANSPORT GROUNDWATER FROM HISTORICALLY IRRIGATED ACRES IN THE
26 MCMULLEN VALLEY GROUNDWATER BASIN OWNED BY THE ELIGIBLE ENTITY TO A
27 LOCATION IN LA PAZ COUNTY FOR THE ELIGIBLE ENTITY'S OWN USE.

28 (b) SELL OR LEASE GROUNDWATER FROM HISTORICALLY IRRIGATED ACRES
29 OWNED BY THE ELIGIBLE ENTITY THAT ARE LOCATED IN LA PAZ COUNTY TO A
30 DESIGNATED PROVIDER IN THE PHOENIX, TUCSON OR PINAL ACTIVE MANAGEMENT AREA
31 FOR THE DESIGNATED PROVIDER'S OWN USE, IF THE TOTAL CUMULATIVE VOLUME OF
32 GROUNDWATER SOLD OR LEASED PURSUANT TO THIS SUBDIVISION DOES NOT EXCEED
33 NINETY PERCENT OF THE TOTAL CUMULATIVE VOLUME OF GROUNDWATER AVAILABLE TO
34 LA PAZ COUNTY PURSUANT TO THIS PARAGRAPH.

35 E. ANY LOCAL USE OF GROUNDWATER BY AN ELIGIBLE ENTITY THAT SELLS OR
36 LEASES GROUNDWATER PURSUANT TO SUBSECTION D, PARAGRAPH 2 OF THIS SECTION
37 SHALL COUNT TOWARD THE ELIGIBLE ENTITY'S MAXIMUM PER ACRE WITHDRAWAL LIMIT
38 PRESCRIBED IN SUBSECTION A, PARAGRAPH 2, SUBDIVISION (a) OF THIS SECTION.

39 F. ON OR BEFORE JULY 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT A
40 REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE
41 HOUSE OF REPRESENTATIVES, AND SHALL PROVIDE A COPY OF THIS REPORT TO THE
42 SECRETARY OF STATE, OF THE TOTAL AMOUNT OF GROUNDWATER ALL ELIGIBLE
43 ENTITIES WITHDREW FROM THE MCMULLEN VALLEY GROUNDWATER BASIN IN THE
44 PRECEDING YEAR.

G. THIS SECTION DOES NOT PROHIBIT A PERSON FROM STORING AND RECOVERING WATER THAT IS NOT GROUNDWATER AND THAT IS STORED PURSUANT TO CHAPTER 3.1 OF THIS TITLE. WATER THAT IS NOT GROUNDWATER AND THAT IS STORED PURSUANT TO CHAPTER 3.1 OF THIS TITLE DOES NOT COUNT TOWARD THE WITHDRAWAL LIMITS PRESCRIBED IN SUBSECTION A, PARAGRAPH 2 OF THIS SECTION.

H. FOR THE PURPOSES OF THIS SECTION, "HISTORICALLY IRRIGATED ACRES" MEANS LAND OVERLAYING AN AQUIFER THAT WAS IRRIGATED WITH GROUNDWATER FROM THAT AQUIFER BEFORE JANUARY 1, 1988.

Sec. 5. Section 45-556, Arizona Revised Statutes, is amended to read:

45-556. Groundwater transportation fee; annual adjustment; credits; enforcement

A. Except as provided in subsection B of this section, a person who directly or indirectly transports groundwater, withdrawn in a groundwater basin or ~~sub-basin~~ SUBBASIN as provided by this article or in the Pinal active management area, away from the county in which it was withdrawn to an initial active management area shall pay annually to the county a groundwater transportation fee determined by the director for each acre-foot of groundwater transported directly or indirectly away from the county, ~~less~~ MINUS any amount of central Arizona project water actually used on the property from which the groundwater is transported. THE FEES COLLECTED PURSUANT TO THIS SUBSECTION ARE CONSIDERED GENERAL COUNTY MONIES AND SHALL BE DEPOSITED IN THE COUNTY GENERAL FUND.

B. A person is not required to pay a transportation fee under this section for stored water withdrawn pursuant to recovery well permits issued by the director pursuant to this title.

C. Except as provided in subsection D of this section, the director shall set the fee as follows for the cumulative amount of groundwater transported away from the county, ~~less~~ MINUS any amount of central Arizona project water actually used on the property from which the groundwater is transported:

<u>Net Groundwater Transported</u>	<u>Fee Per Acre-Foot</u>
0 - 1,000,000 acre-feet	\$ 3.00
1,000,001 - 2,000,000 acre-feet	\$ 5.00
2,000,001 - 3,000,000 acre-feet	\$ 7.50
3,000,001 - 4,000,000 acre-feet	\$10.00
4,000,001 - 5,000,000 acre-feet	\$15.00
Over 5,000,000 acre-feet	\$30.00

D. The director shall:

1. WITHIN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, POST ON THE DEPARTMENT'S WEBSITE THE TABLE OF FEES ESTABLISHED PURSUANT TO SUBSECTION C OF THIS SECTION AND ANNUALLY UPDATE THE TABLE WITH THE ANNUAL CHANGE IN THE GDP PRICE DEFLATOR AND FEE ADJUSTMENTS DETERMINED PURSUANT TO PARAGRAPH 2 OF THIS SUBSECTION.

1 2. Annually adjust the dollar amount of the fee according to the
2 annual changes in the GDP price deflator, as defined in section 41-563,
3 using the 1993 calendar year as the base year. The director shall
4 immediately notify all concerned parties of the fee adjustments under this
5 ~~subsection~~ PARAGRAPH.

6 E. Credits are allowed against the fees imposed by this section as
7 described and in the amounts provided under this subsection. If the
8 amount of the credit exceeds the amount of the fee imposed for any year,
9 the unused portion of the credit may be carried forward and applied to
10 subsequent years' fees until the amount of the credit is exhausted. The
11 allowable credits are as follows:

12 1. The amount of any increase in property tax revenues, including
13 contributions in lieu of property taxes under title 9, chapter 4, article
14 3, derived from remote municipal property, as defined in section 42-15251,
15 from which the groundwater is withdrawn. The credit shall account for
16 increased revenues due to improvements to the property and increased
17 revenues due to higher property tax valuations and assessment ratios
18 resulting from changes in use of the property. The credit shall not
19 account for increased revenues due to normal market or economic factors.
20 The amount of the credit for any year is the sum of the amounts computed
21 under subdivisions (a) and (b) OF THIS PARAGRAPH as follows:

22 (a) Delete from consideration under this subdivision any property
23 with respect to which an amount is computed under subdivision (b) OF THIS
24 PARAGRAPH. Subtract the amount of property tax or in lieu revenues that
25 would have been derived from the remaining property during the immediately
26 preceding tax year if the use of and improvements to the property had
27 remained unchanged since the date the city or town acquired the property
28 from the amount of property tax or in lieu revenues actually derived from
29 that property during the immediately preceding tax year. If a city or
30 town conveys all or part of its interest in remote municipal property to
31 another political subdivision, the political subdivision succeeds to the
32 credit allowed under this section. The amount of credit computed under
33 this subdivision shall be computed each year, beginning in the year
34 groundwater is first transported, and, if not used to offset the fee
35 under this section, shall be cumulated from year to year.

36 (b) This subdivision applies with respect to any portion of the
37 remote municipal property that, before January 1, 1992, was classified at
38 that time as class four property for purposes of property taxation under
39 title 42 but was developed or improved at any time after December 31, 1991
40 and is not currently classified as class two property. Subtract the
41 amount of property tax or in lieu revenues that would have been derived
42 from that developed or improved portion of the remote municipal property
43 during the immediately preceding tax year if the use of and improvements
44 to the property had remained unchanged since the date the city or town
45 acquired the property from the amount of property tax or in lieu revenues

1 actually derived from that portion of the property during the immediately
2 preceding tax year. If a city or town conveys all or part of its interest
3 in remote municipal property to another political subdivision, the
4 political subdivision succeeds to the credit allowed under this section.
5 The amount of credit computed under this subdivision shall be computed
6 each year, beginning in the year that the property is developed or
7 improved and reclassified for tax purposes, and, if not used to offset
8 the fee under this section, shall be cumulated from year to year.

9 2. An amount equal to the market value of land donated to the
10 county if the county agrees in writing to prohibit or limit the withdrawal
11 of groundwater from the land. The amount of the credit shall account for
12 the reduced value of the land due to the groundwater withdrawal
13 limitations.

14 3. An amount agreed to by intergovernmental agreement between the
15 county in which the groundwater is withdrawn and the city, town or other
16 person transporting the groundwater.

17 F. The board of supervisors of a county to which fees are due and
18 payable under this section may request the county attorney to commence and
19 prosecute any action or proceeding to enforce the collection of the fees.

20 G. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A COUNTY THAT
21 ESTABLISHES A WATER IMPROVEMENTS PROGRAM PURSUANT TO SECTION 11-254.09 MAY
22 DESIGNATE AN AMOUNT OR PERCENTAGE OF THE TOTAL GROUNDWATER TRANSPORTATION
23 FEES RECEIVED TO BE USED UNDER THE WATER IMPROVEMENTS PROGRAM ONLY FOR
24 QUALIFIED OWNERS OF RESIDENTIAL PROPERTY WHO RESIDE WITHIN THE GROUNDWATER
25 BASIN OR SUBBASIN FROM WHICH THE GROUNDWATER WAS WITHDRAWN AND TRANSPORTED
26 AWAY. THE COUNTY SHALL SEPARATELY ACCOUNT FOR MONIES RECEIVED FROM THE
27 FEES IMPOSED PURSUANT TO SUBSECTION A OF THIS SECTION, AND ANY MONIES IN
28 EXCESS OF THE AMOUNT OR PERCENTAGE DESIGNATED BY THE COUNTY SHALL BE
29 DEPOSITED IN THE COUNTY GENERAL FUND.

30 Sec. 6. Section 45-2281, Arizona Revised Statutes, is amended to
31 read:

32 45-2281. Establishment of funds; allocation of authority
33 revenues; member dues; applicability

34 A. On the authority's formation, a grant fund, a water acquisition
35 fund and an operating fund are established. The authority's revenues
36 shall be deposited in and disbursed from the funds as provided by this
37 section. Revenues deposited in the grant fund may be used to make grants
38 to authority members for water acquisition, water conservation and water
39 reuse. Revenues deposited in the water acquisition fund may be used to
40 acquire water pursuant to section 45-2245. Revenues deposited in the
41 operating fund shall be used as provided in subsection E of this section.

42 B. Except as provided in subsection D of this section and for an
43 authority that is formed in a county that contains a portion of the
44 Harquahala irrigation non-expansion area and that does not contain any

1 portion of an active management area, all revenues of the authority shall
2 be deposited in the grant fund except the following:

3 1. Dues paid by authority members which shall be deposited in the
4 operating fund.

5 2. Ten percent of all amounts paid by municipal subcontractors
6 under subcontracts entered into as provided in section 45-2244, subsection
7 B which may be deposited in the operating fund or the water acquisition
8 fund as determined by the board.

9 3. Fifty percent of all amounts paid by subcontractors of the
10 authority pursuant to subcontracts entered into as provided in section
11 45-2244, subsection E or F.

12 4. That portion of the monies earned by the authority under
13 subcontracts entered into pursuant to section 45-2245, subsection H that
14 is equal to the cost to the authority of obtaining the water transferred
15 under those subcontracts and, after payment of \$7,500,000 as adjusted
16 pursuant to subsection C of this section, all of the monies earned from
17 those subcontracts.

18 C. Except as provided in subsection B of this section, all of the
19 authority's revenues shall be deposited in the grant fund until the full
20 amount of the initial grant and any additional amounts required in a grant
21 agreement between the authority and the member that receives the grant
22 have been disbursed from the grant fund as provided in this subsection.
23 The initial grant from the grant fund shall be made to the authority
24 member that transferred, or caused to be transferred, to the authority the
25 right to the delivery of eighteen thousand five hundred acre-feet per year
26 of Colorado River water in connection with the authority's formation. The
27 amount of the grant to that member shall equal \$7,500,000 plus any
28 additional monies that the authority and the member agree to in a grant
29 agreement between the authority and the member, which amount shall be
30 adjusted annually from the date of the authority's formation either for
31 inflation or as may otherwise be provided in the subcontracts of the
32 authority or in the grant agreement, until the amount of the initial grant
33 required by this subsection and any additional amounts required by the
34 grant agreement are paid in full. The initial grant may be disbursed in a
35 lump sum or in partial payments in accordance with the request of the
36 authority member that is entitled to receive the grant and as revenues
37 become available to the authority and are deposited in the grant fund.
38 The authority member that is entitled to receive the grant may request
39 that disbursements be made whenever revenues have been deposited in the
40 grant fund. Notwithstanding section 45-2282, the authority shall promptly
41 disburse those revenues that are deposited in the fund on receipt of a
42 request from that member.

43 D. After the disbursement of the full amount of the initial grant
44 and any additional amounts required in a grant agreement of the authority
45 from the grant fund as provided in subsection C of this section, the

1 authority's revenues, except dues paid by authority members, may be
2 deposited in the grant fund, water acquisition fund or operating fund as
3 determined by the board.

4 E. The authority shall establish a schedule of dues that is
5 sufficient, when aggregated with other monies available for the payment of
6 administrative expenses, to pay the estimated administrative expenses of
7 the authority. Dues shall be assessed and allocated equitably among
8 authority members as determined by the board. All dues received by the
9 authority shall be deposited in the operating fund. Expenditures may be
10 made from the operating fund to pay:

11 1. The authority's administrative expenses.

12 2. The costs of the authority's formation including an equitable
13 portion of the costs of the municipal corporation that transferred rights
14 to the delivery of Colorado River water as provided in section 45-2202.

15 3. The costs associated with holding any entitlement to water
16 acquired by the authority.

17 4. Subject to subsection C of this section, the costs incurred by
18 the authority in the operation of any project undertaken by the authority
19 pursuant to this chapter.

20 5. Amounts payable to the United States annually for the right to
21 hold and use the eighteen thousand five hundred acre-feet per year of
22 Colorado River water acquired by the authority pursuant to section
23 45-2202, subsection C which amounts may include any tax, fee or excise
24 imposed on the sale or transfer of the water.

25 F. Any authority member that is in arrears in the payment of its
26 dues for more than sixty days shall lose the right of its appointed
27 director to vote on all authority matters until all of the dues that are
28 in arrears are fully paid. An authority member whose dues are in arrears
29 does not lose membership in the authority because of the arrearage.

30 G. ~~EXCEPT AS PROVIDED IN SECTION 45-556, SUBSECTION G,~~ all
31 transportation fees paid to the authority pursuant to section 45-556 may
32 be deposited in the grant fund, water acquisition fund or operating fund
33 established ~~by~~ PURSUANT TO this section as determined by the board.

34 H. For an authority that is formed in a county with a population of
35 less than ninety thousand persons, all revenues of the authority shall be
36 deposited in the grant fund, water acquisition fund or operating fund
37 established ~~by~~ PURSUANT TO this section as determined by the board.

38 Sec. 7. Section 48-901, Arizona Revised Statutes, is amended to
39 read:

40 48-901. Definitions

41 In this article, unless the context otherwise requires:

42 1. "Assessment" or "assessment roll" means a special assessment
43 made under this article.

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

1 3. "Chairman of the board" means the person designated to preside
2 over meetings of the board of directors.

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

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

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

11 7. "Contractor" includes personal representatives or assignee of
12 the contractor.

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

14 9. "Engineer" or "district engineer" means a person designated or
15 employed by the board of directors of a district to perform any or all of
16 the engineering work authorized to be done by the district under this
17 article.

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

19 11. "Lighting plants" includes electric light plants, electric
20 power plants, gas plants, distribution systems, poles, parts, pipes,
21 conduits, wires, tanks, reservoirs, generators for gas or electricity,
22 transmission lines, towers, lamps, transformers of every character,
23 machinery, apparatus, equipment and all appliances and structures
24 necessary or incidental to the construction, installation or operation of
25 a complete electric light, power and gas plant and distribution system
26 placed on the streets improved, though extended beyond.

27 12. "Lot":

28 (a) Includes any portion, piece, parcel or subdivision of land.

29 ~~, but~~

30 (b) DOES not INCLUDE property owned or controlled by any person as
31 a railroad ~~right of way~~ RIGHT-OF-WAY.

32 13. "Owner" means the person in whom legal title appears by
33 recorded deed, or the person in possession under claim or title, or the
34 person exercising acts of ownership for ~~himself~~ THE PERSON or as the
35 personal representative of the owner, including the boards of trustees of
36 school districts and the boards of education of high school districts
37 owning property within the proposed improvement district.

38 14. "Sewers" includes wastewater treatment facilities, tunnels,
39 excavations, ditches, drains, conduits, channels, outlets, outfalls,
40 cesspools, manholes, catch basins, flush tanks, septic tanks, connecting
41 sewers of every character, machinery, apparatus, equipment and all
42 appliances and structures necessary or incidental to the construction,
43 installation or operation of a complete sewer system for either sanitary
44 or drainage purposes.

1 15. "Street" includes avenues, alleys, highways, lanes, crossings,
2 intersections, courts, places and grounds opened or dedicated to public
3 use and public ways.

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

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

10 ~~18.~~ 17. "Treasurer" or "district treasurer" means the treasurer of
11 the county in which a district is situated, who shall be the treasurer of
12 the district.

13 ~~19.~~ 18. "Unincorporated area" means any portion of a county not
14 within the limits of an incorporated city or town, so situated that any of
15 the improvements provided for in this article might reasonably or properly
16 be made or constructed for the benefit of the inhabitants of the area
17 under existing special assessment statutes if the area were situated
18 within an incorporated city or town.

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

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

22 (a) Means works for the storage or development of water for
23 domestic uses. ~~, including~~

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

27 ~~22.~~ 21. "Work" or "improvement" includes any of the improvements
28 mentioned and authorized to be made in this article, the construction,
29 reconstruction and repair of all or any portion of any such improvement,
30 and labor, services, expenses and material necessary or incidental
31 thereto.

32 Sec. 8. Section 48-902, Arizona Revised Statutes, is amended to
33 read:

34 48-902. Authorization for improvement district; areas and
35 lands excluded

36 A. An improvement district may be established in any unincorporated
37 area, whether or not contiguous, by the board of supervisors of the county
38 in which the proposed district is located, for the purpose of constructing
39 and operating a wastewater treatment facility OR A DOMESTIC WATER DELIVERY
40 SYSTEM THAT IS LOCATED IN A SUBSEQUENT ACTIVE MANAGEMENT AREA ESTABLISHED
41 PURSUANT TO TITLE 45, CHAPTER 2, ARTICLE 2 OR THAT IS LOCATED IN A BASIN
42 OR SUBBASIN FROM WHICH GROUNDWATER MAY BE TRANSPORTED PURSUANT TO TITLE
43 45, CHAPTER 2, ARTICLE 8.1, FOR THE PURPOSE OF DELIVERING WATER THROUGH
44 WATER HAULING and making other local improvements or acquisitions in the
45 district or for the benefit of the district that are ~~permitted~~ ALLOWED by

1 this article, and may contract for or in any other manner provide
2 transportation services within the district through special assessments in
3 such districts, or the issuing of bonds or making other contractual
4 arrangements for improvements, and levying taxes for the operation and
5 maintenance of improvements and streets within the district or for the
6 benefit of the district.

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

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

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

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

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

21 3. Unpatented mining claims.

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

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

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

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

44 G. A domestic water improvement district may be formed or expanded
45 in noncontiguous areas. If the proposed boundaries of a noncontiguous

1 district are located within six miles of an incorporated city or town, the
2 district shall obtain the consent of the governing body of the city or
3 town ~~prior to~~ BEFORE the formation or expansion of the district.

4 Sec. 9. Section 48-909, Arizona Revised Statutes, is amended to
5 read:

6 48-909. Purposes for which public improvements may be
7 undertaken; powers incidental to public
8 improvements

9 A. When the public interest or convenience requires, the board of
10 directors of an improvement district may ~~order~~:

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

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

17 3. ORDER the construction or reconstruction of sidewalks,
18 crosswalks, curbs, gutters, culverts, bridges, tunnels, siphons, manholes,
19 steps, parkings and parkways.

20 4. ORDER the placement, replacement or repair of pipes, hydrants
21 and appliances for fire protection.

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

30 6. ORDER the acquisition, construction, reconstruction, maintenance
31 or repair of waterworks, including ~~WELLS, STANDPIPES AND~~ drinking water
32 treatment facilities, for the delivery of water for domestic purposes,
33 ~~INCLUDING FOR THE DELIVERY OF WATER IN A SUBSEQUENT ACTIVE MANAGEMENT AREA~~
34 ~~ESTABLISHED PURSUANT TO TITLE 45, CHAPTER 2, ARTICLE 2 OR IN A BASIN OR~~
35 ~~SUBBASIN FROM WHICH GROUNDWATER MAY BE TRANSPORTED PURSUANT TO TITLE 45,~~
36 ~~CHAPTER 2, ARTICLE 8.1 THROUGH WATER HAULING,~~ and of wells, ditches,
37 canals, channels, conduits, pipelines and siphons, together with the
38 necessary or usual appurtenances for carrying ~~storm water~~ STORMWATER or
39 water from irrigation ditches, watercourses, streams or springs into,
40 through or out of the district in, under, over or through any street, or
41 any land of the district or any right-of-way granted or obtained for such
42 a purpose, either within or without the district limits. This section
43 does not prohibit the board of directors of an improvement district from
44 purchasing an existing domestic water delivery system within the district

1 or outside the district or constructing an initial or improving an
2 existing domestic water delivery system inside or outside the district.

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

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

13 9. ORDER the construction, reconstruction or repair of any work
14 incidental to or connected with any improvement.

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

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

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

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

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

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

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

44 5. Sell or otherwise dispose of any property or material acquired
45 in the construction or operation of any improvements as a by-product or

1 otherwise, and acquire rights-of-way for the disposal by condemnation or
2 otherwise.

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

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

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

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

20 10. Do all things incidental to the exercise of the powers granted
21 by this article.

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

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

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

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

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

1 F. AN IMPROVEMENT DISTRICT THAT IS FORMED IN A SUBSEQUENT ACTIVE
2 MANAGEMENT AREA ESTABLISHED PURSUANT TO TITLE 45, CHAPTER 2, ARTICLE 2 OR
3 IN A BASIN OR SUBBASIN FROM WHICH GROUNDWATER MAY BE TRANSPORTED PURSUANT
4 TO TITLE 45, CHAPTER 2, ARTICLE 8.1 FOR THE PURPOSE OF DELIVERING WATER
5 THROUGH WATER HAULING MAY EXERCISE THE POWER OF EMINENT DOMAIN ONLY FOR
6 THE LIMITED PURPOSE OF ACQUIRING OR OTHERWISE SECURING A SITE IN THE
7 SUBSEQUENT ACTIVE MANAGEMENT AREA OR BASIN OR SUBBASIN FROM WHICH
8 GROUNDWATER MAY BE TRANSPORTED FOR THE CONSTRUCTION OF AND LEGAL ACCESS TO
9 A SINGLE WELL AND A STANDPIPE TO PRODUCE WATER AND MAKE WATER AVAILABLE AT
10 THE SITE FOR DELIVERY THROUGH WATER HAULING.
11