

Senate Engrossed

assured water supply; certificate; model.

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# SENATE BILL 1200

AN ACT

PROVIDING FOR CERTIFICATES OF ASSURED WATER SUPPLY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Certificate of assured water supply: review:  
3 delayed repeal

4 A. On request of an applicant, the department of water resources  
5 shall review the merits of an application for a certificate of assured  
6 water supply and shall issue a new written determination of action if all  
7 of the following apply:

8 1. The application is for a certificate of assured water supply for  
9 land located in the Phoenix active management area.

10 2. The application was submitted on or after January 26, 2021 and  
11 on or before August 31, 2023.

12 3. As of the effective date of this section, the department of  
13 water resources has not issued the applicant a certificate of assured  
14 water supply.

15 4. The municipal provider for the land covered by the application  
16 has submitted to the department of water resources a notice of intent to  
17 serve that states that:

18 (a) Each year after the issuance of the certificate of assured  
19 water supply for the land covered by the application, the municipal  
20 provider shall calculate the total amount of excess groundwater delivered  
21 by the municipal provider during the preceding calendar year to parcels of  
22 member land contained within the land covered by the application.

23 (b) On or before March 31 of each year after the issuance of the  
24 certificate of assured water supply for the land covered by the  
25 application, the municipal provider shall offer to assign to the  
26 multi-county water conservation district that is established pursuant to  
27 title 48, chapter 22, Arizona Revised Statutes, and that operates as the  
28 central Arizona groundwater replenishment district or the central Arizona  
29 groundwater replenishment district pursuant to title 48, chapter 22,  
30 article 4, Arizona Revised Statutes, long-term storage credits accrued  
31 pursuant to title 45, chapter 3.1, Arizona Revised Statutes, in the  
32 Phoenix active management area and held by the municipal provider.

33 (c) The number of long-term storage credits offered by the  
34 municipal provider in a year shall equal twenty-five percent of the total  
35 excess groundwater calculated by the municipal provider for the preceding  
36 calendar year pursuant to subdivision (a) of this paragraph.

37 (d) The central Arizona groundwater replenishment district may  
38 elect to purchase all or a portion of the long-term storage credits  
39 offered in a year and the municipal provider shall accept a purchase price  
40 per acre-foot of not less than the average per-acre-foot price paid by the  
41 central Arizona groundwater replenishment district for long-term storage  
42 credits in the Phoenix active management area during the preceding five  
43 calendar years.

44 (e) The obligation to assign long-term storage credits shall  
45 continue for so long as the parcels of member land contained within the  
46 land covered by the certificate of assured water supply retain all or any

1 portion of a parcel replenishment obligation pursuant to section 48-3771,  
2 Arizona Revised Statutes.

3 B. If a municipal provider enters into a member service area  
4 agreement with the central Arizona groundwater replenishment district, the  
5 minimum amount of excess groundwater that the municipal provider is  
6 obligated to report to the central Arizona groundwater replenishment  
7 district in a year and that is subject to an annual replenishment tax  
8 under section 48-3781, Arizona Revised Statutes, shall be reduced by the  
9 long-term storage credits transferred to the central Arizona groundwater  
10 replenishment district by the municipal provider in that year pursuant to  
11 subsection A of this section.

12 C. The central Arizona groundwater replenishment district's  
13 purchase of long-term storage credits that are offered by a municipal  
14 provider pursuant to subsection A of this section shall not affect the  
15 annual replenishment assessment charged by the central Arizona groundwater  
16 replenishment district against parcels of member land contained within the  
17 land covered by a certificate of assured water supply issued under this  
18 section.

19 D. If an application for a certificate of assured water supply  
20 reviewed by the department of water resources under this section was  
21 supported using either the 2006-2009 Salt River valley regional model or  
22 the 2006 Lower Hassayampa Sub-basin groundwater flow model, the department  
23 of water resources shall determine that the application meets the physical  
24 availability requirements for groundwater pursuant to section 45-576,  
25 Arizona Revised Statutes. All remaining requirements for a certificate of  
26 assured water supply shall remain applicable to the determination to issue  
27 the certificate of assured water supply.

28 E. Within ten days after the effective date of this section, the  
29 department shall notify all applicants that meet the criteria of  
30 subsection A, paragraphs 1, 2 and 3 of this section of the ability to have  
31 their determinations of assured water supply reviewed.

32 F. Applicants may request that the department review their pending  
33 applications or may resubmit and request review of a withdrawn  
34 application.

35 G. A certificate of assured water supply issued pursuant to this  
36 section shall relate back as if issued in calendar year 2023 for the  
37 purposes of an application for designation of assured water supply under  
38 rules adopted by the department of water resources pursuant to section  
39 45-576, Arizona Revised Statutes, for inclusion in the base supply of  
40 physically available groundwater for the municipal provider on issuance of  
41 the designation of assured water supply.

42 H. This section is repealed from and after December 31, 2028.

43 (ENACTED WITHOUT THE EMERGENCY)

44 Sec. 2. Emergency

1           This act is an emergency measure that is necessary to preserve the  
2 public peace, health or safety and is operative immediately as provided by  
3 law.