

REFERENCE TITLE: assured water supply; certificate; model.

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

SB 1200

Introduced by
Senator Shope

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 Sec. 2. Emergency

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