



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2025: residential lease community; water; requirements

Sponsor: Representative Griffin, LD 19

Committee on Natural Resources, Energy & Water

Overview

Requires a person applying for a building permit for a detached residential dwelling unit located in a residential lease community within an active management area (AMA) to obtain a written commitment of water service or be located on land that qualifies as member land.

History

Someone who plans to sell or lease subdivided lands in an AMA must obtain a certificate of assured water supply from the Arizona Department of Water Resources (ADWR) or obtain a commitment for water service from a municipality or private water company with a designation of assured water supply. Otherwise, a municipality or county cannot approve the subdivision plat and the State Real Estate Commissioner will not issue a public report authorizing the sale or lease of the subdivided lands. An assured water supply means:

- 1) sufficient groundwater, surface water or effluent of adequate quality that will be legally, physically and continuously available to meet proposed water needs for at least 100 years;
- 2) any projected groundwater use that is consistent with the AMA's management plan and achieving its management goal; and
- 3) the applicant has demonstrated the financial capability to build the infrastructure necessary to make water available for the proposed use ([A.R.S. § 45-576](#)).

For each AMA in which member lands or service areas are located, a multi-county water conservation district must replenish groundwater in an amount equal to the groundwater replenishment obligation for that AMA ([A.R.S. § 48-3771](#)).

Member land is any real property that satisfies specified criteria including being located in an AMA in which a part of the Central Arizona Project aqueduct is located ([A.R.S. § 48-3774](#)).

Provisions

1. Prohibits the legislative body of a municipality and county BOS from approving a building permit for one or more detached residential dwelling units that are located in a residential lease community within an AMA unless:
 - a) the residential dwelling units obtain a written commitment of water service from a municipality or private water company that has an assured water supply designation or are located on land that qualifies as member land; and
 - b) the applicant pays all applicable fees and attaches proof of payment to the building permit application. (Sec. 1 and 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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2. Requires the legislative body of a municipality and county BOS to note on the face of the building permit application proof of payment of the applicable fees. (Sec. 1 and 2)
3. Specifies that these provisions do not apply to an existing or planned residential lease community that applied for or received zoning entitlements by September 30, 2024. (Sec. 1 and 2)
4. Requires a person applying for a building permit for one of more detached residential dwelling units located in a residential lease community within an AMA to:
 - a) apply for and obtain a written commitment of water service from a municipality or private water company that has an assured water supply designation;
 - b) pay all applicable fees; and
 - c) attach proof of payment of applicable fees to the building permit application. (Sec. 4)
5. Exempts a person from applying for and obtaining a written commitment of water service if the residential dwelling units are located on land that qualifies as member land, paid all applicable fees and attached proof of payment of applicable fees to the building permit application. (Sec. 4)
6. Requires a District to levy a onetime activation fee against each detached residential dwelling unit to be constructed within a residential lease community that is enrolled in member lands and member service areas on or after January 1, 2024. (Sec. 5)
7. Requires the levy to be paid in full at the time of enrollment as member land. (Sec. 5)
8. Adds that real property can qualify as member land if the owner declares that qualifying as member land benefits the real property by increasing the potential of the property to qualify for a building permit as a residential lease community. (Sec. 6)
9. Excludes from the definition of *improved lot or parcel* a condominium that is completely constructed within four years of the subdivider entering into a contract for sale. (Sec 3)
10. Excludes from the definition of *subdivision* the construction or leasing of residential structures that are located on agricultural property, exempt from building codes requirements and are offered for the purpose of housing agricultural workers. (Sec. 3)
11. Defines *residential lease community*. (Sec. 1 and 2)
12. Makes technical and conforming changes. (Sec. 4-6)