



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1081

exemption area; assured water supply

Purpose

Requires the Director of the Arizona Department of Water Resources (ADWR), on application to the ADWR by a city or town, to designate a portion of a city or town that is located both in the area delineated for exemption and in the Phoenix Active Management Area (AMA) as having an assured water supply if outlined requirements are met.

Background

A person who proposes to offer subdivided lands for sale or lease in an AMA must apply for and obtain a certificate of assured water supply from the Director of ADWR before presenting the plat for approval to the city, town or county in which the land is located, if required, and before filing with the State Real Estate Commissioner a notice of intention to offer such lands for sale or lease, unless the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an assured water supply ([A.R.S. § 45-576](#)).

In an AMA, a city, town or private water company or irrigation district may withdraw groundwater only pursuant to the established groundwater rights, except as provided by a grandfathered right or as otherwise stated ([A.R.S. § 45-491](#)).

Current statute prohibits the groundwater rights and uses of service areas from being construed to enlarge the authority of an irrigation district to withdraw and distribute groundwater for municipal or industrial purposes ([A.R.S. § 45-497](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires the Director of the ADWR, on application to the ADWR by a city or town, to designate a portion of a city or town that is located both in the area delineated for exemption and in the Phoenix AMA as having an assured water supply if:
 - a) the portion of the city or town seeking an assured water supply designation is located entirely within an irrigation and water conservation district;
 - b) the city or town seeking an assured water supply designation has contracted with the irrigation and water conservation district for a term of not less than 100 years under which the city or town will receive water that the landowners in the district have the right to use on their lands and will treat and deliver the water for exclusive use on irrigation and conservation district lands for municipal use; and
 - c) the city or town seeking an assured water supply designation is not using new groundwater as the basis for the assured water supply within any portion of the city's or town's service area located inside the irrigation and water conservation district.

FACT SHEET

S.B. 1081

Page 2

2. Allows an irrigation and conservation district to allow withdrawal of up to 10,000 acre feet per year of groundwater by the city or town from the irrigation and water conservation district wells for municipal use on lands within the boundaries of an irrigation and water conservation district.
3. Requires the Director of the ADWR to deem groundwater withdrawn to be:
 - a) physically available and sufficient groundwater; and
 - b) consistent with the management goals of the Phoenix AMA if the average groundwater level in the irrigation and water conservation district, as measured by 10 index wells, is less than 150 feet below surface level over a three year period.
4. Requires, if the Director of the ADWR determines average groundwater levels in the irrigation and water conservation district, as measured by 10 index wells, is more than 150 feet below surface level over a three year period;
 - a) all future groundwater withdrawals from wells in the irrigation and water conservation district for municipal use to be deemed to be groundwater subject to replenishment; and
 - b) any portion of the city or town with a contract for groundwater with an irrigation and water conservation district either be, or apply for and become, a member service area.
5. Becomes effective on the general effective date.

Prepared by Senate Research

January 22, 2024

RA/slp