

Senate Engrossed House Bill

~~groundwater permits; technical correction~~
(now: real estate; water service; study)

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HOUSE BILL 2445

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.4, ARIZONA REVISED STATUTES, BY
ADDING SECTION 9-469; AMENDING SECTIONS 11-321, 11-801, 32-2101, 45-576,
48-3772 AND 48-3774, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 4, article 6.4, Arizona Revised
3 Statutes, is amended by adding section 9-469, to read:

4 9-469. Residential lease communities; building permits; water
5 supply; applicability; definition

6 A. THE LEGISLATIVE BODY OF A MUNICIPALITY MAY NOT APPROVE A
7 BUILDING PERMIT FOR ONE OR MORE DETACHED RESIDENTIAL DWELLING UNITS THAT
8 ARE LOCATED IN A RESIDENTIAL LEASE COMMUNITY WITHIN AN INITIAL ACTIVE
9 MANAGEMENT AREA UNLESS BOTH OF THE FOLLOWING APPLY:

10 1. THE RESIDENTIAL DWELLING UNITS HAVE OBTAINED A WRITTEN
11 COMMITMENT OF WATER SERVICE FROM A CITY, TOWN OR PRIVATE WATER COMPANY
12 THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY OR ARE LOCATED ON A
13 PARCEL OF LAND THAT HAS QUALIFIED AS MEMBER LAND PURSUANT TO SECTION
14 48-3774.

15 2. THE APPLICANT HAS PAID ALL APPLICABLE FEES PURSUANT TO SECTIONS
16 48-3772 AND 48-3774.01 AND HAS ATTACHED TO THE BUILDING PERMIT APPLICATION
17 PROOF THAT THE APPLICABLE FEES HAVE BEEN PAID.

18 B. THE LEGISLATIVE BODY OF THE MUNICIPALITY SHALL NOTE ON THE FACE
19 OF THE BUILDING PERMIT THAT THE APPLICANT HAS COMPLIED WITH SUBSECTION A
20 OF THIS SECTION OR IS EXEMPT FROM THIS SECTION PURSUANT TO SUBSECTION C OF
21 THIS SECTION.

22 C. THIS SECTION DOES NOT APPLY TO AN EXISTING RESIDENTIAL LEASE
23 COMMUNITY OR PLANNED RESIDENTIAL LEASE COMMUNITY THAT APPLIED FOR OR THAT
24 RECEIVED ZONING ENTITLEMENTS ON OR BEFORE SEPTEMBER 30, 2023.

25 D. FOR THE PURPOSES OF THIS SECTION, "RESIDENTIAL LEASE COMMUNITY":

26 1. MEANS SIX OR MORE DETACHED RESIDENTIAL DWELLING UNITS ON ONE OR
27 MORE LOTS, PARCELS OR FRACTIONAL INTERESTS, WITHOUT REGARD TO THE ZONING
28 CLASSIFICATION OF THE LOTS, PARCELS OR FRACTIONAL INTERESTS, THAT ARE
29 INTENDED TO BE OFFERED FOR THE PURPOSE OF LEASE, WHETHER IMMEDIATE OR
30 FUTURE, WITHOUT REGARD TO THE LEASE TERM, UNDER A COMMON PROMOTIONAL PLAN
31 AS DEFINED IN SECTION 32-2101.

32 2. DOES NOT INCLUDE THE CONSTRUCTION, PROVISION OR LEASING OF
33 RESIDENTIAL STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE
34 EXEMPT FROM TITLE 11, CHAPTER 6, ARTICLE 5 AS PRESCRIBED BY SECTION
35 11-865, SUBSECTION A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF
36 HOUSING PERSONS WHO ARE AGRICULTURAL WORKERS.

37 Sec. 2. Section 11-321, Arizona Revised Statutes, is amended to
38 read:

39 11-321. Building permits; issuance; state preemption;
40 utilities; distribution of copies; subsequent
41 owner; limitation; definition

42 A. Except in those cities and towns that have an ordinance relating
43 to the issuance of building permits, the board of supervisors shall
44 require a building permit for any construction of a building or an
45 addition to a building exceeding a cost of \$1,000 within its

1 jurisdiction. The building permit shall be filed with the board of
2 supervisors or its designated agent.

3 B. THE BOARD OF SUPERVISORS MAY NOT APPROVE A BUILDING PERMIT FOR
4 ONE OR MORE DETACHED RESIDENTIAL DWELLING UNITS THAT ARE LOCATED IN A
5 RESIDENTIAL LEASE COMMUNITY AS DEFINED IN SECTION 11-801 WITHIN AN INITIAL
6 ACTIVE MANAGEMENT AREA UNLESS BOTH OF THE FOLLOWING APPLY:

7 1. THE RESIDENTIAL DWELLING UNITS HAVE OBTAINED A WRITTEN
8 COMMITMENT OF WATER SERVICE FROM A CITY, TOWN OR PRIVATE WATER COMPANY
9 THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY OR ARE LOCATED ON A
10 PARCEL OF LAND THAT HAS QUALIFIED AS MEMBER LAND PURSUANT TO SECTION
11 48-3774.

12 2. THE APPLICANT HAS PAID ALL APPLICABLE FEES PURSUANT TO SECTIONS
13 48-3772 AND 48-3774.01 AND HAS ATTACHED TO THE BUILDING PERMIT APPLICATION
14 PROOF THAT THE APPLICABLE FEES HAVE BEEN PAID.

15 C. SUBSECTION B OF THIS SECTION DOES NOT APPLY TO AN EXISTING
16 RESIDENTIAL LEASE COMMUNITY AS DEFINED IN SECTION 11-801 OR PLANNED
17 RESIDENTIAL LEASE COMMUNITY THAT APPLIED FOR OR THAT RECEIVED ZONING
18 ENTITLEMENTS ON OR BEFORE SEPTEMBER 30, 2023.

19 D. THE BOARD OF SUPERVISORS SHALL NOTE ON THE FACE OF THE BUILDING
20 PERMIT THAT THE APPLICANT HAS COMPLIED WITH SUBSECTION B OF THIS SECTION
21 OR IS EXEMPT PURSUANT TO SUBSECTION C OF THIS SECTION.

22 ~~B.~~ E. The regulation of a utility provider's authority to operate
23 and serve customers is a matter of statewide concern. The regulation of
24 building permits as it relates to a building permit applicant's ability to
25 use a utility provider that is capable and authorized to provide utility
26 service is allowed solely in accordance with subsections ~~E~~ F and ~~D~~ G of
27 this section. A building permit applicant's ability to use a utility
28 provider that is capable and authorized to provide utility service is not
29 subject to further regulation by a county.

30 ~~E.~~ F. A county may not deny a permit application based on the
31 utility provider proposed to provide utility service to the project.

32 ~~D.~~ G. A county issuing a building permit shall ensure that all
33 applicable permits and associated fees assessed on a building permit
34 applicant contain requirements and amounts that do not exceed the
35 requirements and amounts for use of other utility providers and do not
36 have the effect of restricting ~~A~~ THE permit applicant's ability to use
37 the services of a utility provider that is capable and authorized to
38 provide utility service.

39 ~~E.~~ H. The board of supervisors may not require an applicant for a
40 building permit to hold a transaction privilege tax license or business
41 license as a condition for issuing the building permit.

42 ~~F.~~ I. Where deemed of public convenience, the board of supervisors
43 shall allow the application for and the issuance of building permits by
44 mail.

1 ~~G.~~ J. One copy of the building permit required by the terms of
2 subsection A of this section shall be transmitted to the county assessor
3 and one copy shall be transmitted to the director of the department of
4 revenue. The permit copy provided to the assessor and the department of
5 revenue shall have the permit number, the issue date and the parcel number
6 for which the permit is issued. On the issuance of the certificate of
7 occupancy or the certificate of completion or on the expiration or
8 cancellation of the permit, the assessor and the department of revenue
9 shall be notified in writing or in electronic format of the permit number,
10 parcel number, issue date and completion date.

11 ~~H.~~ K. If a person has constructed a building or an addition to a
12 building without obtaining a building permit, a county shall not require a
13 subsequent owner to obtain a permit for the construction or addition done
14 by the prior owner before issuing a permit for a building addition except
15 that this section does not prohibit A COUNTY FROM enforcing an applicable
16 ordinance or code provision that affects the public health or safety.

17 ~~I.~~ L. This section does not prohibit a county from recovering
18 reasonable costs associated with reviewing and issuing a building permit.

19 ~~J.~~ M. This section does not affect any authority of a county to
20 manage or operate a county-owned utility.

21 ~~K.~~ N. For the purposes of this section, "utility service" means
22 water, wastewater, natural gas, including propane gas, or electric service
23 provided to an end user.

24 Sec. 3. Section 11-801, Arizona Revised Statutes, is amended to
25 read:

26 11-801. Definitions

27 In this chapter, unless the context otherwise requires:

28 1. "Aggregate" means cinder, crushed rock or stone, decomposed
29 granite, gravel, pumice, pumicite and sand.

30 2. "Area of jurisdiction" means that part of the county outside the
31 corporate limits of any municipality.

32 3. "Board" means the board of supervisors.

33 4. "Commission" means the county planning and zoning commission.

34 5. "Indian reservation" means all lands that are held in trust by
35 the United States for the exclusive use and occupancy of Indian tribes by
36 treaty, law or executive order and that are currently recognized as Indian
37 reservations by the United States department of the interior.

38 6. "Inspector" means the county zoning inspector.

39 7. "Newspaper of general circulation in the county seat" means a
40 daily or weekly newspaper if any is published in the county seat.

1 8. "RESIDENTIAL LEASE COMMUNITY":

2 (a) MEANS SIX OR MORE DETACHED RESIDENTIAL DWELLING UNITS ON ONE OR
3 MORE LOTS, PARCELS OR FRACTIONAL INTERESTS, WITHOUT REGARD TO THE ZONING
4 CLASSIFICATION OF THE LOTS, PARCELS OR FRACTIONAL INTERESTS, THAT ARE
5 INTENDED TO BE OFFERED FOR THE PURPOSE OF LEASE, WHETHER IMMEDIATE OR
6 FUTURE, WITHOUT REGARD TO THE LEASE TERM, UNDER A COMMON PROMOTIONAL PLAN
7 AS DEFINED IN SECTION 32-2101.

8 (b) DOES NOT INCLUDE THE CONSTRUCTION, PROVISION OR LEASING OF
9 RESIDENTIAL STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE
10 EXEMPT FROM ARTICLE 5 OF THIS CHAPTER AS PRESCRIBED BY SECTION 11-865,
11 SUBSECTION A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF HOUSING
12 PERSONS WHO ARE AGRICULTURAL WORKERS.

13 ~~8.~~ 9. "Rezoning" means a change in the zoning ordinance changing
14 the zoning district boundaries within an area previously zoned.

15 ~~9.~~ 10. "Zoning district" means any portion of a county in which
16 the same set of zoning regulations applies.

17 ~~10.~~ 11. "Zoning ordinance" means an ordinance that is adopted by
18 the board of supervisors and that contains zoning regulations together
19 with a map setting forth the precise boundaries of zoning districts within
20 which the various zoning regulations are effective.

21 ~~11.~~ 12. "Zoning regulations" means provisions that govern the use
22 of land or buildings, or both, the height and location of buildings, the
23 size of yards, courts and open spaces, the establishment of setback lines
24 and such other matters as may otherwise be authorized under this chapter
25 and that the board deems suitable and proper.

26 ~~12.~~ 13. "Zoning regulations amendment" means a change in the
27 zoning ordinance that modifies, adds to, transfers or repeals one or more
28 zoning regulations or that adds one or more zoning regulations.

29 Sec. 4. Section 32-2101, Arizona Revised Statutes, is amended to
30 read:

31 32-2101. Definitions

32 In this chapter, unless the context otherwise requires:

33 1. "Acting in concert" means evidence of collaborating to pursue a
34 concerted plan.

35 2. "Advertising" means attempting by publication, dissemination,
36 exhibition, solicitation or circulation, oral or written, or for broadcast
37 on radio or television to induce directly or indirectly any person to
38 enter into any obligation or acquire any title or interest in lands
39 subject to this chapter, including the land sales contract to be used and
40 any photographs, drawings or artist's presentations of physical conditions
41 or facilities existing or to exist on the property. Advertising does not
42 include:

43 (a) Press releases or other communications delivered to newspapers,
44 periodicals or other news media for general information or public

1 relations purposes if no charge is made by the newspapers, periodicals or
2 other news media to publish or use any part of these communications.

3 (b) Communications to stockholders as follows:

4 (i) Annual reports and interim financial reports.

5 (ii) Proxy materials.

6 (iii) Registration statements.

7 (iv) Securities prospectuses.

8 (v) Applications for listing of securities on stock exchanges.

9 (vi) Prospectuses.

10 (vii) Property reports.

11 (viii) Offering statements.

12 3. "Affiliate" means a person who, directly or indirectly through
13 one or more intermediaries, controls, is controlled by or is under common
14 control with the person specified.

15 4. "Associate broker" means a licensed broker who is employed by
16 another broker. Unless otherwise specifically provided, an associate
17 broker has the same license privileges as a salesperson.

18 5. "Barrier" means a natural or man-made geographic feature that
19 prevents parcels of land from being practicably, reasonably and
20 economically united or reunited and that was not caused or created by the
21 owner of the parcels.

22 6. "Blanket encumbrance":

23 (a) Means either:

24 (i) Any mortgage, any deed of trust or any other encumbrance or
25 lien that secures or evidences the payment of monies and that affects more
26 than one lot or parcel of subdivided land.

27 (ii) An agreement that affects more than one lot or parcel by which
28 the subdivider holds the subdivision under an option, contract to sell or
29 trust agreement.

30 (b) Does not include taxes and assessments that are levied by
31 public authority.

32 7. "Board" means the real estate advisory board.

33 8. "Broker", when used without modification, means a person who is
34 licensed as a broker under this chapter or who is required to be licensed
35 as a broker under this chapter.

36 9. "Business broker" means a real estate broker who acts as an
37 intermediary or agent between sellers or buyers, or both, in the sale or
38 purchase, or both, of businesses or business opportunities where a lease
39 or sale of real property is either a direct or incidental part of the
40 transaction.

41 10. "Camping site" means a space that is designed and promoted for
42 the purpose of locating any trailer, tent, tent trailer, pickup camper or
43 other similar device used for camping.

- 1 11. "Cemetery" or "cemetery property" means any one, or a
2 combination of more than one, of the following in a place that is used, or
3 intended to be used, and dedicated for cemetery purposes:
4 (a) A burial park, for earth interments.
5 (b) A mausoleum, for crypt or vault entombments.
6 (c) A crematory, or a crematory and columbarium, for cinerary
7 interments.
8 (d) A cemetery plot, including interment rights, mausoleum crypts,
9 niches and burial spaces.
- 10 12. "Cemetery broker" means a person other than a real estate
11 broker or real estate salesperson who, for another, for compensation:
12 (a) Sells, leases or exchanges cemetery property or interment
13 services of or for another, or on the person's own account.
14 (b) Offers for another or for the person's own account to buy,
15 sell, lease or exchange cemetery property or interment services.
16 (c) Negotiates the purchase and sale, lease or exchange of cemetery
17 property or interment services.
18 (d) Negotiates the purchase or sale, lease or exchange, or lists or
19 solicits, or negotiates a loan on or leasing of cemetery property or
20 interment services.
- 21 13. "Cemetery salesperson" means a natural person who acts on the
22 person's own behalf or through and on behalf of a professional limited
23 liability company or a professional corporation engaged by or on behalf of a
24 licensed cemetery or real estate broker, or through and on behalf of a
25 corporation, partnership or limited liability company that is licensed as
26 a cemetery or real estate broker, to perform any act or transaction
27 included in the definition of cemetery broker.
- 28 14. "Commissioner" means the state real estate commissioner.
- 29 15. "Common promotional plan" means a plan, undertaken by a person
30 or a group of persons acting in concert, to offer lots for sale or lease.
31 If the land is offered for sale by a person or group of persons acting in
32 concert, and the land is contiguous or is known, designated or advertised
33 as a common unit or by a common name, the land is presumed, without regard
34 to the number of lots covered by each individual offering, as being
35 offered for sale or lease as part of a common promotional plan. Separate
36 subdividers selling lots or parcels in separately platted subdivisions
37 within a master planned community shall not be deemed to be offering their
38 combined lots for sale or lease as part of a common promotional plan.
- 39 16. "Compensation" means any fee, commission, salary, monies or
40 other valuable consideration for services rendered or to be rendered as
41 well as the promise of consideration whether contingent or not.
- 42 17. "Contiguous":
43 (a) Means lots, parcels or fractional interests that share a common
44 boundary or point.

1 (b) Does not include lots, parcels or fractional interests that are
2 separated by either of the following:

3 (i) A barrier.

4 (ii) A road, street or highway that has been established by this
5 state or by any agency or political subdivision of this state, that has
6 been designated by the federal government as an interstate highway or that
7 has been regularly maintained by this state or by any agency or political
8 subdivision of this state and has been used continuously by the public for
9 at least the last five years.

10 18. "Control" or "controlled" means a person who, through
11 ownership, voting rights, power of attorney, proxy, management rights,
12 operational rights or other rights, has the right to make decisions
13 binding on an entity, whether a corporation, a partnership or any other
14 entity.

15 19. "Corporation licensee" means a lawfully organized corporation
16 that is registered with the Arizona corporation commission and that has an
17 officer licensed as the designated broker pursuant to section 32-2125.

18 20. "Department" means the state real estate department.

19 21. "Designated broker" means a natural person who is licensed as a
20 broker under this chapter and who is either:

21 (a) Designated to act on behalf of an employing real estate,
22 cemetery or membership camping entity.

23 (b) Doing business as a sole proprietor.

24 22. "Developer":

25 (a) Means a person who offers real property in a development for
26 sale, lease or use, either immediately or in the future, on the person's
27 own behalf or on behalf of another person, under this chapter.

28 (b) Does not include a person whose involvement with a development
29 is limited to listing property within the development for sale, lease or
30 use.

31 23. "Development" means any division, proposed division or use of
32 real property that the department has authority to regulate, including
33 subdivided and unsubdivided lands, cemeteries, condominiums, timeshares,
34 membership campgrounds and stock cooperatives.

35 24. "Employing broker" means a person who is licensed or is
36 required to be licensed as a:

37 (a) Broker entity pursuant to section 32-2125, subsection A.

38 (b) Sole proprietorship if the sole proprietor is a broker licensed
39 pursuant to this chapter.

40 25. "Fractional interest" means an undivided interest in improved
41 or unimproved land, lots or parcels of any size created for the purpose of
42 sale or lease and evidenced by any receipt, certificate, deed or other
43 document conveying the interest. Undivided interests in land, lots or
44 parcels created in the names of a husband and wife as community property,
45 joint tenants or tenants in common, or in the names of other persons who,

1 acting together as part of a single transaction, acquire the interests
2 without a purpose to divide the interests for present or future sale or
3 lease shall be deemed to constitute only one fractional interest.

4 26. "Improved lot or parcel" means a lot or parcel of a subdivision
5 on which there is a residential, commercial or industrial building or
6 concerning which a contract has been entered into between a subdivider and
7 a purchaser that obligates the subdivider directly, or indirectly through
8 a building contractor, to completely construct a residential, commercial
9 or industrial building on the lot or parcel within two years after the
10 date on which the contract of sale for the lot is entered into, **EXCEPT FOR**
11 **A CONDOMINIUM AS DEFINED IN SECTION 33-1202, WITHIN FOUR YEARS AFTER THE**
12 **DATE ON WHICH THE CONTRACT FOR SALE IS ENTERED INTO.**

13 27. "Inactive license" means a license that is issued pursuant to
14 article 2 of this chapter to a licensee who is on inactive status during
15 the current license period and who is not engaged by or on behalf of a
16 broker.

17 28. "Lease" or "leasing" includes any lease, whether it is the
18 sole, the principal or any incidental part of a transaction.

19 29. "License" means the whole or part of any agency permit,
20 certificate, approval, registration, public report, charter or similar
21 form of permission required by this chapter.

22 30. "Licensee" means a person to whom a license for the current
23 license period has been granted under any provision of this chapter, and,
24 for the purposes of section 32-2153, subsection A, includes original
25 license applicants.

26 31. "License period" means the two-year period beginning with the
27 date of original issue or renewal of a particular license and ending on
28 the expiration date, if any.

29 32. "Limited liability company licensee" means a lawfully organized
30 limited liability company that has a member or manager who is a natural
31 person and who is licensed as the designated broker pursuant to section
32 32-2125.

33 33. "Live classroom course" means a course or instructional segment
34 delivered in either an in-person classroom instructional format or a
35 synchronous remote instructional format that allows students to observe
36 and participate remotely in an instructional segment via livestreaming.

37 34. "Lot reservation" means an expression of interest by a
38 prospective purchaser in buying at some time in the future a subdivided or
39 unsubdivided lot, unit or parcel in this state. In all cases, a
40 subsequent affirmative action by the prospective purchaser must be taken
41 to create a contractual obligation to purchase.

42 35. "Master planned community" means a development that consists of
43 two or more separately platted subdivisions and that is either subject to
44 a master declaration of covenants, conditions or restrictions, is subject
45 to restrictive covenants sufficiently uniform in character to clearly

1 indicate a general scheme for improving or developing real property or is
2 governed or administered by a master owner's association.

3 36. "Member" means a member of the real estate advisory board.

4 37. "Membership camping broker" means a person, other than a
5 salesperson, who, for compensation:

6 (a) Sells, purchases, lists, exchanges or leases membership camping
7 contracts.

8 (b) Offers to sell, purchase, exchange or lease membership camping
9 contracts.

10 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
11 purchase, exchange or lease of membership camping contracts.

12 (d) Advertises or holds himself out as being engaged in the
13 business of selling, buying, exchanging or leasing membership camping
14 contracts or counseling or advising regarding membership camping
15 contracts.

16 (e) Assists or directs in procuring prospects calculated or
17 intended to result in the sale, purchase, listing, exchange or lease of
18 membership camping contracts.

19 (f) Performs any of the foregoing acts as an employee or on behalf
20 of a membership camping operator or membership contract owner.

21 38. "Membership camping contract" means an agreement that is
22 offered or sold in this state evidencing a purchaser's right or license to
23 use the camping or outdoor recreation facilities of a membership camping
24 operator and includes a membership that provides for this use.

25 39. "Membership camping operator":

26 (a) Means an enterprise, other than one that is tax exempt under
27 section 501(c)(3) of the internal revenue code of 1986, as amended, that
28 solicits membership paid for by a fee or periodic payments and has as one
29 of its purposes camping or outdoor recreation, including the use of
30 camping sites primarily by members.

31 (b) Does not include camping or recreational trailer parks that are
32 open to the general public and that contain camping sites rented for a per
33 use fee or a mobile home park.

34 40. "Membership camping salesperson" means a natural person who
35 acts on the person's own behalf or through and on behalf of a professional
36 limited liability company or a professional corporation engaged by or on
37 behalf of a licensed membership camping or real estate broker, or by or on
38 behalf of a corporation, partnership or limited liability company that is
39 licensed as a membership camping or real estate broker, to perform any act
40 or participate in any transaction in a manner included in the definition
41 of membership camping broker.

42 41. "Online course" means prelicensure education that is a planned
43 learning experience with a geographic separation that may be synchronous
44 or asynchronous, that does not require real-time interaction between a
45 student and an instructor and that uses a platform with self-paced or

1 prerecorded lessons and materials that a student can access via the
2 internet to proceed at the student's own pace.

3 42. "Partnership licensee" means a partnership with a managing
4 general partner who is licensed as the designated broker pursuant to
5 section 32-2125.

6 43. "Permanent access", as required under article 4 of this
7 chapter, means permanent access from the subdivision to any federal, state
8 or county highway.

9 44. "Perpetual care" or "endowed care":

10 (a) Means maintaining and caring, in all places where interments
11 have been made, for the trees, shrubs, roads, streets and other
12 improvements and embellishments contained within or forming a part of the
13 cemetery.

14 (b) Does not include maintaining or repairing monuments, tombs,
15 copings or other man-made ornaments as associated with individual burial
16 spaces.

17 45. "Perpetual or endowed-care cemetery" means a cemetery in which
18 lots or other burial spaces are sold or transferred under the
19 representation that the cemetery will receive perpetual care or endowed
20 care free of further cost to the purchaser after payment of the original
21 purchase price for the lot, burial space or interment right.

22 46. "Person" means any individual, corporation, partnership or
23 company and any other form of multiple organization for carrying on
24 business, foreign or domestic.

25 47. "Private cemetery" means a cemetery or place that is not
26 licensed under article 6 of this chapter, where burials or interments of
27 human remains are made, in which sales or transfers of interment rights or
28 burial plots are not made to the public and in which not more than ten
29 interments or burials occur annually.

30 48. "Promotion" or "promotional practice" means advertising and any
31 other act, practice, device or scheme to induce directly or indirectly any
32 person to enter into any obligation or acquire any title or interest in or
33 use of real property subject to this chapter, including meetings with
34 prospective purchasers, arrangements for prospective purchasers to visit
35 real property, travel allowances and discount, exchange, refund and
36 cancellation privileges.

37 49. "Real estate" includes leasehold-interests and any estates in
38 land as defined in title 33, chapter 2, articles 1 and 2, regardless of
39 whether located in this state.

40 50. "Real estate broker" means a person, other than a salesperson,
41 who, for another and for compensation:

42 (a) Sells, exchanges, purchases, rents or leases real estate,
43 businesses and business opportunities or timeshare interests.

44 (b) Offers to sell, exchange, purchase, rent or lease real estate,
45 businesses and business opportunities or timeshare interests.

1 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
2 exchange, purchase, rental or leasing of real estate, businesses and
3 business opportunities or timeshare interests.

4 (d) Lists or offers, attempts or agrees to list real estate,
5 businesses and business opportunities or timeshare interests for sale,
6 lease or exchange.

7 (e) Auctions or offers, attempts or agrees to auction real estate,
8 businesses and business opportunities or timeshare interests.

9 (f) Buys, sells, offers to buy or sell or otherwise deals in
10 options on real estate, businesses and business opportunities or timeshare
11 interests or improvements to real estate, businesses and business
12 opportunities or timeshare interests.

13 (g) Collects or offers, attempts or agrees to collect rent for the
14 use of real estate, businesses and business opportunities or timeshare
15 interests. This subdivision does not apply to a person who is not a
16 licensee, who works for a real estate broker or a real estate salesperson,
17 who collects in-person rent and related fees on behalf of the real estate
18 broker or real estate salesperson for the use of real estate as part of
19 the person's clerical duties and who provides a receipt when rent is paid.

20 (h) Advertises or holds himself out as being engaged in the
21 business of buying, selling, exchanging, renting or leasing real estate,
22 businesses and business opportunities or timeshare interests or counseling
23 or advising regarding real estate, businesses and business opportunities
24 or timeshare interests.

25 (i) Assists or directs in procuring prospects that are calculated
26 to result in the sale, exchange, leasing or rental of real estate,
27 businesses and business opportunities or timeshare interests.

28 (j) Assists or directs in negotiating any transaction calculated or
29 intended to result in the sale, exchange, leasing or rental of real
30 estate, businesses and business opportunities or timeshare interests.

31 (k) Incident to the sale of real estate, businesses and business
32 opportunities negotiates or offers, attempts or agrees to negotiate a loan
33 secured or to be secured by any mortgage or other encumbrance on or
34 transfer of real estate, businesses and business opportunities or
35 timeshare interests subject to section 32-2155, subsection D. This
36 subdivision does not apply to mortgage brokers as defined in and subject
37 to title 6, chapter 9, article 1.

38 (l) Engages in the business of assisting or offering to assist
39 another in filing an application for the purchase or lease of, or in
40 locating or entering on, lands owned by the state or federal government.

41 (m) Claims, demands, charges, receives, collects or contracts to
42 collect an advance fee in connection with any employment enumerated in
43 this section, including employment undertaken to promote the sale or lease
44 of real property by advance fee listing, by furnishing rental information
45 to a prospective tenant for a fee paid by the prospective tenant, by

1 advertising or by any other offering to sell, lease, exchange or rent real
2 property or selling kits connected therewith. This does not include the
3 activities of any communications media of general circulation or coverage
4 not primarily engaged in advertising real estate or any communications
5 media activities that are specifically exempt from applicability of this
6 article under section 32-2121.

7 (n) Engages in any of the acts listed in subdivisions (a) through
8 (m) of this paragraph for the sale or lease of other than real property if
9 a real property sale or lease is a part of, contingent on or ancillary to
10 the transaction.

11 (o) Performs any of the acts listed in subdivisions (a) through (m)
12 of this paragraph as an employee of, or in behalf of, the owner of real
13 estate, or interest in the real estate, or improvements affixed on the
14 real estate, for compensation.

15 (p) Acts as a business broker.

16 51. "Real estate sales contract" means an agreement in which one
17 party agrees to convey title to real estate to another party on the
18 satisfaction of specified conditions set forth in the contract.

19 52. "Real estate salesperson" means a natural person who acts on
20 the person's own behalf or through and on behalf of a professional limited
21 liability company or a professional corporation engaged by or on behalf of
22 a licensed real estate broker, or by or on behalf of a limited liability
23 company, partnership or corporation that is licensed as a real estate
24 broker, to perform any act or participate in any transaction in a manner
25 included in the definition of real estate broker subject to section
26 32-2155.

27 53. "Sale" or "lease" includes every disposition, transfer, option
28 or offer or attempt to dispose of or transfer real property, or an
29 interest, use or estate in the real property, including offering the
30 property as a prize or gift if a monetary charge or consideration for
31 whatever purpose is required.

32 54. "Salesperson", when used without modification, means a natural
33 person who acts on the person's own behalf or through and on behalf of a
34 professional limited liability company or a professional corporation
35 licensed under this chapter or any person required to be licensed as a
36 salesperson under this chapter.

37 55. "School" means a person or entity that offers a course of study
38 toward completion of the education requirements leading to licensure or
39 renewal of licensure under this chapter.

40 56. "Stock cooperative" means a corporation to which all of the
41 following apply:

42 (a) The corporation is formed or used to hold title to improved
43 real property in fee simple or for a term of years.

1 (b) All or substantially all of the shareholders of the corporation
2 each receive a right of exclusive occupancy in a portion of the real
3 property to which the corporation holds title.

4 (c) The right of occupancy may only be transferred with the
5 concurrent transfer of the shares of stock in the corporation held by the
6 person having the right of occupancy.

7 57. "Subdivider":

8 (a) Means any person who offers for sale or lease six or more lots,
9 parcels or fractional interests in a subdivision or who causes land to be
10 subdivided into a subdivision for the subdivider or for others, or who
11 undertakes to develop a subdivision.

12 (b) Does not include a public agency or officer authorized by law
13 to create subdivisions.

14 58. "Subdivision" or "subdivided lands":

15 (a) Means improved or unimproved land or lands divided or proposed
16 to be divided for the purpose of sale or lease, whether immediate or
17 future, into six or more lots, parcels or fractional interests.

18 (b) Includes a stock cooperative, lands divided or proposed to be
19 divided as part of a common promotional plan and residential condominiums
20 as defined in title 33, chapter 9.

21 (c) Does not include:

22 (i) Leasehold offerings of one year or less.

23 (ii) The division or proposed division of land located in this
24 state into lots or parcels each of which is or will be thirty-six acres or
25 more in area including to the centerline of dedicated roads or easements,
26 if any, contiguous to the lot or parcel.

27 (iii) The leasing of agricultural lands or apartments, offices,
28 stores, hotels, motels, pads or similar space within an apartment
29 building, industrial building, rental recreational vehicle community,
30 rental manufactured home community, rental mobile home park or commercial
31 building OR THE CONSTRUCTION, PROVISION OR LEASING OF RESIDENTIAL
32 STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE EXEMPT FROM
33 TITLE 11, CHAPTER 6, ARTICLE 5 AS PRESCRIBED BY SECTION 11-865, SUBSECTION
34 A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF HOUSING PERSONS WHO
35 ARE AGRICULTURAL WORKERS.

36 (iv) The subdivision into or development of parcels, plots or
37 fractional portions within the boundaries of a cemetery that has been
38 formed and approved pursuant to this chapter.

39 (v) A sale or lease of a lot, parcel or fractional interest that
40 occurs ten or more years after the sale or lease of another lot, parcel or
41 fractional interest if the other lot, parcel or fractional interest is not
42 subject to this article and is treated as an independent parcel unless, on
43 investigation by the commissioner, there is evidence of intent to
44 subdivide.

1 59. "Timeshare" or "timeshare property" means real property
2 ownership or right of occupancy in real property pursuant to article 9 of
3 this chapter. For the purposes of this chapter, a timeshare is not a
4 security unless it meets the definition of a security under section
5 44-1801.

6 60. "Trustee":

7 (a) Means a person who either:

8 (i) Is designated under section 32-2194.27 to act as a trustee for
9 an endowment-care cemetery fund.

10 (ii) Holds bare legal title to real property under a subdivision
11 trust.

12 (b) Does not include a developer, subdivider, broker or salesperson
13 within this chapter.

14 61. "Unimproved lot or parcel" means a lot or parcel of a
15 subdivision that is not an improved lot or parcel.

16 62. "Unsubdivided lands":

17 (a) Means land or lands divided or proposed to be divided for the
18 purpose of sale or lease, whether immediate or future, into six or more
19 lots, parcels or fractional interests and the lots or parcels are
20 thirty-six acres or more each but less than one hundred sixty acres each,
21 or that are offered, known or advertised under a common promotional plan
22 for sale or lease, except that agricultural leases shall not be included
23 in this definition.

24 (b) Includes any land that is sold and that would otherwise
25 constitute the sixth lot, parcel or fractional interest if the sale occurs
26 ten or more years after the earliest of the previous five sales and if all
27 of the sales consist of property that was originally contained within the
28 same parcel that is thirty-six acres or more and less than one hundred
29 sixty acres.

30 Sec. 5. Section 45-576, Arizona Revised Statutes, is amended to
31 read:

32 45-576. Certificate of assured water supply; designated
33 cities, towns and private water companies;
34 exemptions; definition

35 A. Except as provided in subsections G and J of this section, a
36 person who proposes to offer subdivided lands, as defined in section
37 32-2101, for sale or lease in an active management area shall apply for
38 and obtain a certificate of assured water supply from the director ~~prior~~
39 ~~to~~ BEFORE presenting the plat for approval to the city, town or county in
40 which the land is located, where such is required, and ~~prior to~~ BEFORE
41 filing with the state real estate commissioner a notice of intention to
42 offer such lands for sale or lease, pursuant to section 32-2181, unless
43 the subdivider has obtained a written commitment of water service for the
44 subdivision from a city, town or private water company designated as
45 having an assured water supply pursuant to this section.

1 B. Except as provided in subsections G and J of this section, a
2 city, town or county may approve a subdivision plat only if the subdivider
3 has obtained a certificate of assured water supply from the director or
4 the subdivider has obtained a written commitment of water service for the
5 subdivision from a city, town or private water company designated as
6 having an assured water supply pursuant to this section. The city, town
7 or county shall note on the face of the approved plat that a certificate
8 of assured water supply has been submitted with the plat or that the
9 subdivider has obtained a written commitment of water service for the
10 proposed subdivision from a city, town or private water company designated
11 as having an assured water supply pursuant to this section.

12 C. Except as provided in subsections G and J of this section, the
13 state real estate commissioner may issue a public report authorizing the
14 sale or lease of subdivided lands only on compliance with either of the
15 following:

16 1. The subdivider, owner or agent has paid any activation fee
17 required under section 48-3772, subsection A, paragraph 7 and any
18 replenishment reserve fee required under section 48-3774.01, subsection A,
19 paragraph 2 and has obtained a certificate of assured water supply from
20 the director.

21 2. The subdivider has obtained a written commitment of water
22 service for the lands from a city, town or private water company
23 designated as having an assured water supply pursuant to this section and
24 the subdivider, owner or agent has paid any activation fee required under
25 section 48-3772, subsection A, paragraph 7.

26 D. The director shall designate private water companies in active
27 management areas that have an assured water supply. If a city or town
28 acquires a private water company that has contracted for central Arizona
29 project water, the city or town shall assume the private water company's
30 contract for central Arizona project water.

31 E. The director shall designate cities and towns in active
32 management areas where an assured water supply exists. If a city or town
33 has entered into a contract for central Arizona project water, the city or
34 town is deemed to continue to have an assured water supply until December
35 31, 1997. Commencing on January 1, 1998, the determination that the city
36 or town has an assured water supply is subject to review by the director
37 and the director may determine that a city or town does not have an
38 assured water supply.

39 F. The director shall notify the mayors of all cities and towns in
40 active management areas and the chairmen of the boards of supervisors of
41 counties in which active management areas are located of the cities, towns
42 and private water companies designated as having an assured water supply
43 and any modification of that designation within thirty days ~~of~~ AFTER the
44 designation or modification. If the service area of the city, town or
45 private water company has qualified as a member service area pursuant to

1 title 48, chapter 22, article 4, the director shall also notify the
2 conservation district of the designation or modification and shall report
3 the projected average annual replenishment obligation for the member
4 service area based on the projected and committed average annual demand
5 for water within the service area during the effective term of the
6 designation or modification subject to any limitation in an agreement
7 between the conservation district and the city, town or private water
8 company. For each city, town or private water company that qualified as a
9 member service area under title 48, chapter 22 and was designated as
10 having an assured water supply before January 1, 2004, the director shall
11 report to the conservation district on or before January 1, 2005 the
12 projected average annual replenishment obligation based on the projected
13 and committed average annual demand for water within the service area
14 during the effective term of the designation subject to any limitation in
15 an agreement between the conservation district and the city, town or
16 private water company. Persons proposing to offer subdivided lands served
17 by those designated cities, towns and private water companies for sale or
18 lease are exempt from applying for and obtaining a certificate of assured
19 water supply.

20 G. This section does not apply in the case of the sale of lands for
21 developments that are subject to a mineral extraction and processing
22 permit or an industrial use permit pursuant to sections 45-514 and 45-515.

23 H. The director shall adopt rules to carry out the purposes of this
24 section. On or before January 1, 2008, the rules shall provide for a
25 reduction in water demand for an application for a designation of assured
26 water supply or a certificate of assured water supply if a gray water
27 reuse system will be installed that meets the requirements of the rules
28 adopted by the department of environmental quality for gray water systems
29 and if the application is for a certificate of assured water supply, the
30 land for which the certificate is sought must qualify as a member land in
31 a conservation district pursuant to title 48, chapter 22, article 4. For
32 the purposes of this subsection, "gray water" has the same meaning
33 prescribed in section 49-201.

34 I. If the director designates a municipal provider as having an
35 assured water supply under this section and the designation lapses or
36 otherwise terminates while the municipal provider's service area is a
37 member service area of a conservation district, the municipal provider or
38 its successor shall continue to comply with the consistency with
39 management goal requirements in the rules adopted by the director under
40 subsection H of this section as if the designation was still in effect
41 with respect to the municipal provider's designation uses. When
42 determining compliance by the municipal provider or its successor with the
43 consistency with management goal requirements in the rules, the director
44 shall consider only water delivered by the municipal provider or its
45 successor to the municipal provider's designation uses. A person is the

1 successor of a municipal provider if the person commences water service to
2 uses that were previously designation uses of the municipal provider. Any
3 groundwater delivered by the municipal provider or its successor to the
4 municipal provider's designation uses in excess of the amount allowed
5 under the consistency with management goal requirements in the rules shall
6 be considered excess groundwater for purposes of title 48, chapter 22.
7 For the purposes of this subsection, "designation uses" means all water
8 uses served by a municipal provider on the date the municipal provider's
9 designation of assured water supply lapses or otherwise terminates and all
10 recorded lots within the municipal provider's service area that were not
11 being served by the municipal provider on that date but that received
12 final plat approval from a city, town or county on or before that
13 date. Designation uses do not include industrial uses served by an
14 irrigation district under section 45-497.

15 J. Subsections A, B and C of this section do not apply to a person
16 who proposes to offer subdivided land for sale or lease in an active
17 management area if all the following apply:

18 1. The director issued a certificate of assured water supply for
19 the land to a previous owner of the land and the certificate was
20 classified as a type A certificate under rules adopted by the director
21 pursuant to subsection H of this section.

22 2. The director has not revoked the certificate of assured water
23 supply described in paragraph 1 of this subsection, and proceedings to
24 revoke the certificate are not pending before the department or a court.
25 The department shall post on its website a list of all certificates of
26 assured water supply that have been revoked or for which proceedings are
27 pending before the department or a court.

28 3. The plat submitted to the department in the application for the
29 certificate of assured water supply described in paragraph 1 of this
30 subsection has not changed.

31 4. Water service is currently available to each lot within the
32 subdivided land and the water provider listed on the certificate of
33 assured water supply described in paragraph 1 of this subsection has not
34 changed.

35 5. The subdivided land qualifies as a member land under title 48,
36 chapter 22 and the subdivider has paid any activation fee required under
37 section 48-3772, subsection A, paragraph 7 and any replenishment reserve
38 fee required under section 48-3774.01, subsection A, paragraph 2.

39 6. The plat is submitted for approval to a city, town or county
40 that is listed on the department's website as a qualified platting
41 authority.

42 K. Subsection J of this section does not affect the assignment of a
43 certificate of assured water supply as prescribed by section 45-579.

1 L. BEFORE PRESENTING A PERMIT APPLICATION FOR APPROVAL TO THE
2 LEGISLATIVE BODY OF THE MUNICIPALITY OR THE BOARD OF SUPERVISORS OF THE
3 COUNTY IN WHICH THE LAND IS LOCATED, A PERSON THAT SEEKS A BUILDING PERMIT
4 FOR ONE OR MORE DETACHED RESIDENTIAL DWELLING UNITS THAT ARE LOCATED IN A
5 RESIDENTIAL LEASE COMMUNITY AS DEFINED IN SECTION 9-469 OR 11-801, AS
6 APPLICABLE, WITHIN AN ACTIVE MANAGEMENT AREA SHALL APPLY FOR AND OBTAIN
7 PURSUANT TO SECTION 9-469 OR 11-321 A WRITTEN COMMITMENT OF WATER SERVICE
8 FROM A CITY, TOWN OR PRIVATE WATER COMPANY THAT IS DESIGNATED AS HAVING AN
9 ASSURED WATER SUPPLY, PAY ALL APPLICABLE FEES PURSUANT TO SECTION 48-3772
10 AND ATTACH TO THE BUILDING PERMIT APPLICATION PROOF THAT THE APPLICABLE
11 FEES HAVE BEEN PAID, UNLESS ALL OF THE FOLLOWING APPLY:

12 1. THE RESIDENTIAL DWELLING UNITS ARE LOCATED ON A PARCEL OF LAND
13 THAT HAS QUALIFIED AS MEMBER LAND PURSUANT TO SECTION 48-3774.

14 2. THE APPLICANT HAS PAID ALL APPLICABLE FEES PURSUANT TO SECTIONS
15 48-3772 AND 48-3774.01.

16 3. THE APPLICANT HAS ATTACHED TO THE BUILDING PERMIT APPLICATION
17 PROOF THAT THE APPLICABLE FEES HAVE BEEN PAID.

18 ~~L.~~ M. For the purposes of this section, "assured water supply"
19 means all of the following:

20 1. Sufficient groundwater, surface water or effluent of adequate
21 quality will be continuously available to satisfy the water needs of the
22 proposed use for at least one hundred years. Beginning January 1 of the
23 calendar year following the year in which a groundwater replenishment
24 district is required to submit its preliminary plan pursuant to section
25 45-576.02, subsection A, paragraph 1, with respect to an applicant that is
26 a member of the district, "sufficient groundwater" for the purposes of
27 this paragraph means that the proposed groundwater withdrawals that the
28 applicant will cause over a period of one hundred years will be of
29 adequate quality and will not exceed, in combination with other
30 withdrawals from land in the replenishment district, a depth to water of
31 one thousand feet or the depth of the bottom of the aquifer, whichever is
32 less. In determining depth to water for the purposes of this paragraph,
33 the director shall consider the combination of:

34 (a) The existing rate of decline.

35 (b) The proposed withdrawals.

36 (c) The expected water requirements of all recorded lots that are
37 not yet served water and that are located in the service area of a
38 municipal provider.

39 2. The projected groundwater use is consistent with the management
40 plan and achievement of the management goal for the active management
41 area.

42 3. The financial capability has been demonstrated to construct the
43 water facilities necessary to make the supply of water available for the
44 proposed use, including a delivery system and any storage facilities or
45 treatment works. The director may accept evidence of the construction

1 assurances required by section 9-463.01, 11-823 or 32-2181 to satisfy this
2 requirement.

3 Sec. 6. Section 48-3772, Arizona Revised Statutes, is amended to
4 read:

5 48-3772. Duties and powers of district regarding
6 replenishment

7 A. The district shall:

8 1. Establish annually the costs and expenses to replenish
9 groundwater pursuant to this article with respect to all parcels of member
10 lands and all member service areas located in each active management area,
11 including capital expenses, debt service expenses, the operation,
12 maintenance, replacement and administrative costs and expenses of the
13 district, replenishment reserve costs and expenses as provided in
14 subsection E of this section and reasonable reserves. Separate
15 calculations of costs and expenses shall be made for each active
16 management area in which member lands or member service areas are located
17 and for each membership category. Costs and expenses attributed by the
18 district to contract replenishment obligations shall not be included in
19 these calculations.

20 2. Provide for the payment of all costs and expenses to replenish
21 groundwater pursuant to this chapter and the payment of operation,
22 maintenance, replacement and administrative costs and expenses and debt
23 service expenses of the district.

24 3. Levy an annual replenishment assessment against each parcel of
25 member land pursuant to section 48-3778 and an annual replenishment tax
26 against each municipal provider that has a member service area pursuant to
27 section 48-3781 to pay the district's costs and expenses as established
28 pursuant to paragraph 1 of this subsection.

29 4. Levy a contract replenishment tax against municipal providers
30 that are parties to contracts authorized under subsection B, paragraph 9
31 of this section to pay the district's costs and expenses to replenish
32 groundwater based on contract replenishment obligations.

33 5. Establish and maintain reserve accounts in amounts as may be
34 deemed necessary to perform the district's obligations under this article.

35 6. Fulfill all obligations under resolutions adopted pursuant to
36 subsection B, paragraph 10 of this section.

37 7. Levy an activation fee as follows:

38 (a) For subdivisions within member lands and member service areas
39 that are enrolled before May 6, 2004 and that had not been issued a public
40 report before August 12, 2005, the district shall levy a onetime
41 activation fee against each housing unit to be constructed within the
42 subdivision.

43 (b) For subdivisions within member lands and member service areas
44 that are enrolled on or after May 6, 2004, the district shall levy a

1 onetime activation fee against each housing unit to be constructed within
2 the subdivision.

3 (c) FOR RESIDENTIAL LEASE COMMUNITIES WITHIN MEMBER LANDS AND
4 MEMBER SERVICE AREAS THAT ARE ENROLLED ON OR AFTER JANUARY 1, 2023, THE
5 DISTRICT SHALL LEVY A ONETIME ACTIVATION FEE AGAINST EACH DETACHED
6 RESIDENTIAL DWELLING UNIT TO BE CONSTRUCTED WITHIN THE RESIDENTIAL LEASE
7 COMMUNITY.

8 ~~(c)~~ (d) The activation fee shall be paid to the district according
9 to ~~either~~ ONE of the following schedules, whichever the ~~subdivider~~ PAYOR
10 elects:

11 (i) Paid in full before issuance of a public report for each real
12 estate subdivision identified in subdivision (a) or (b) of this paragraph.

13 (ii) One-half paid before issuance of a public report for each real
14 estate subdivision identified in subdivision (a) or (b) of this paragraph
15 and the remaining amount paid no later than one year after the issuance of
16 the public report. The total amount of the activation fee must be the
17 amount of the activation fee in effect at the time of the initial payment.
18 Payment of the initial one-half of the activation fee pursuant to this
19 item constitutes sufficient payment of applicable fees for notice of
20 intent to subdivide as prescribed in section 32-2181, subsection C and for
21 issuance of a public report as prescribed in section 32-2183, subsection G
22 and section 45-576, subsection C, except that on failure to pay the
23 remaining amount, the commissioner shall suspend the public report for
24 that subdivision pursuant to section 32-2183.

25 (iii) PAID IN FULL FOR A RESIDENTIAL LEASE COMMUNITY AT THE TIME OF
26 ENROLLMENT TO SHOW COMPLIANCE WITH SECTION 9-469 OR 11-321, AS APPLICABLE.

27 ~~(d)~~ (e) The activation fee shall be established annually by the
28 district. The amount of the activation fee to be paid to the district
29 under subdivision ~~(c)~~ (d) of this paragraph must be the amount of the
30 activation fee in effect at the time of payment. Revenues from the
31 activation fee together with revenues from other sources that are legally
32 available to the district for those uses shall be used by the district to
33 acquire, lease or exchange water or water rights and develop
34 infrastructure necessary for the district to perform its replenishment
35 obligations.

36 8. For any year, set all of its rates and charges associated with
37 the acquisition, lease or exchange of water or water rights and
38 development of infrastructure necessary for the district to perform its
39 replenishment obligations, other than the annual membership dues
40 established pursuant to section 48-3779, so that the total projected
41 revenues from revenue sources other than the annual membership dues, that
42 are legally available to the district in that year to pay costs associated
43 with the acquisition, lease or exchange of water or water rights and
44 development of infrastructure necessary for the district to perform its
45 replenishment obligations, shall be at least three times the total

1 projected revenues from the annual membership dues in that year. For the
2 purposes of this paragraph, costs associated with the acquisition, lease
3 or exchange of water or water rights do not include the annual costs
4 associated with delivery of water for replenishment purposes.

5 B. The district may:

6 1. Acquire, develop, construct, operate, maintain, replace and
7 acquire permits for water storage, storage facilities and recovery wells
8 for replenishment purposes.

9 2. Acquire, transport, hold, exchange, own, lease, store or
10 replenish water, except groundwater withdrawn from an active management
11 area, subject to the provisions of title 45, for the benefit of member
12 lands and member service areas.

13 3. Acquire, hold, exchange, own, lease, retire or dispose of water
14 rights for the benefit of member lands and member service areas.

15 4. Require municipal providers to provide such information, in such
16 form and within the time limits prescribed by the district, as may be
17 necessary to carry out the purpose of this chapter.

18 5. Levy and collect assessments, fees, charges, taxes and other
19 revenues as are provided in this chapter for the financing of
20 replenishment activities.

21 6. Contract for or perform feasibility studies of water storage,
22 storage facilities and recovery wells for replenishment purposes.

23 7. Acquire real and personal property for water storage, storage
24 facilities and recovery wells for replenishment purposes by purchase,
25 lease, donation, dedication, exchange or other lawful means.

26 8. Use any facilities and any excess storage capacity of any state
27 demonstration projects undertaken pursuant to title 45, chapter 3.1 for
28 water storage for replenishment purposes.

29 9. Subject to subsection G of this section, contract with any
30 municipal provider having a member service area to replenish groundwater
31 on behalf of the municipal provider and with respect to the member service
32 area in an amount in excess of the sum of the service area replenishment
33 obligations applicable to the member service area for all years in which
34 the district has not completed the replenishment of the groundwater
35 replenishment obligation for the member service area.

36 10. Adopt resolutions granting water availability status to a member
37 service area of a city, town or private water company and committing to
38 replenish a specified average annual volume of water in a location where
39 the city, town or private water company may physically access the water
40 for service to its customers, if all of the following apply:

41 (a) The district has reviewed its requirements for transportation
42 of central Arizona project water, its contracts, subcontracts, letter
43 agreements, excess water contracts and other contractual obligations and
44 its member service area and member land requirements and has determined
45 that the district can meet those obligations and that capacity remains in

1 the central Arizona project to meet the obligations undertaken through the
2 resolution.

3 (b) The resolution acknowledges that the commitment to replenish
4 the specified average annual volume of water in the location cited in the
5 resolution shall be a permanent obligation of the district, unless one of
6 the following applies:

7 (i) A permanent substitute supply of water is found for the city,
8 town or private water company and the substitution is approved by the
9 director of water resources, thus terminating the water availability
10 status of the member service area.

11 (ii) The requirements of section 45-576.07, subsection A are not
12 met, and thus the director of water resources does not issue an order
13 granting or maintaining the city, town or private water company as having
14 an assured water supply based in whole or in part on section 45-576.07.
15 If no order is issued within two years of the district adopting the
16 resolution, the resolution may be repealed, and the district shall be
17 relieved of all obligations under the resolution.

18 (c) The average annual volume of water specified in the resolution,
19 when added to the average annual volume of water specified in all other
20 resolutions adopted pursuant to this paragraph, does not exceed twenty
21 thousand acre-feet.

22 (d) The district has entered into an agreement with the city, town
23 or private water company under which the city, town or private water
24 company will hold for the district's future use, and provide to the
25 district when needed, sufficient water to meet the obligations undertaken
26 by the district through the resolution.

27 (e) The district determines that the obligations undertaken by the
28 district through the resolution will not increase annual replenishment
29 assessment rates or costs to central Arizona project contract and
30 subcontract holders and its member service areas and member lands.

31 (f) The director of water resources has found, pursuant to section
32 45-576.07, subsection H, that the district has the capability to grant
33 water availability status to member service areas.

34 11. Provide in resolutions adopted pursuant to paragraph 10 of this
35 subsection that the district may fulfill its obligations under the
36 resolution in any year by directly delivering to the city, town or private
37 water company the water that otherwise would have been replenished
38 pursuant to the resolution, if all of the following apply:

39 (a) The district has reviewed its requirements for transportation
40 of central Arizona project water, its contracts, subcontracts, letter
41 agreements, excess water contracts and other contractual obligations and
42 its member service area and member land requirements and has determined
43 that the district can meet those obligations and that capacity remains in
44 the central Arizona project to make direct deliveries pursuant to this
45 paragraph.

1 (b) The district determines that the delivery will not increase
2 annual replenishment assessment rates or costs to central Arizona project
3 contract and subcontract holders, its member service area and member
4 lands.

5 12. Enter into agreements with a city, town or private water company
6 that will have water made available to it through a resolution adopted
7 pursuant to paragraph 10 of this subsection and under which the city, town
8 or private water company compensates the district for the costs and fair
9 value of the water supply provided by the district.

10 13. Issue revenue bonds pursuant to article 3 of this chapter to
11 fund the costs and expenses of the district for the acquisition, lease or
12 exchange of water or water rights and the development of infrastructure
13 necessary for the district to perform its replenishment obligations
14 subject to the following:

15 (a) The principal of, interest and premiums, if any, on revenue
16 bonds issued pursuant to article 3 of this chapter to acquire, lease or
17 exchange water or water rights and develop infrastructure necessary for
18 the district to perform its replenishment obligations are not payable from
19 any revenues of the district other than revenues generated or collected
20 pursuant to this article that are legally available to the district for
21 those purposes and revenues from the investment of the proceeds of the
22 bonds.

23 (b) The district may not use the proceeds of the bonds to acquire
24 or lease:

25 (i) Groundwater, as defined in section 45-101, except as expressly
26 authorized in sections 45-547, 45-553 and 45-554.

27 (ii) Surface water, as defined in section 45-101, that is the
28 subject of a general adjudication pursuant to title 45, chapter 1,
29 article 9.

30 (c) ~~Nothing in~~ Subdivision (b) of this paragraph ~~prohibits~~ DOES NOT
31 PROHIBIT the district from acquiring or leasing central Arizona project
32 water.

33 14. Except as provided in section 48-3780.01, subsection B, in
34 addition to any other assessments, fees, charges or taxes levied and
35 collected under this chapter, or under any declaration, contract or
36 agreement entered into under this chapter, charge annual dues for
37 membership pursuant to section 48-3779 against each parcel of member land
38 and each municipal provider that has a member service area.

39 C. The functions of the district under subsection B, paragraph 1 of
40 this section may be performed on behalf of the district by other persons
41 under contract with the district.

42 D. The capital costs of the facilities of any state demonstration
43 projects used by the district pursuant to subsection B, paragraph 8 of
44 this section shall not be included in the capital costs and expenses

1 established by the district under subsection A, paragraph 1 of this
2 section.

3 E. The district shall establish and maintain a replenishment
4 reserve as follows:

5 1. The district shall calculate a reserve target for each of the
6 three active management areas within the district and shall identify the
7 reserve target in the plan of operation prepared pursuant to section
8 45-576.02. The reserve target for each active management area shall be
9 calculated as follows:

10 (a) For each active management area, add together the projected
11 replenishment obligation for each of the one hundred years following
12 submission of the plan of operation. For the purposes of this
13 subdivision, each active management area's projected replenishment
14 obligation does not include replenishment obligations under resolutions
15 adopted pursuant to subsection B, paragraph 10 of this section or
16 replenishment obligations for category 2 member lands.

17 (b) Subtract from the sum of the active management area's projected
18 replenishment obligation over the one hundred-year period the sum of the
19 following volumes of water derived from sources identified in the plan as
20 water that the district plans to use to meet its replenishment obligations
21 for that active management area:

22 (i) The annual volume of each nondeclining, long-term municipal and
23 industrial subcontract for central Arizona project water multiplied by one
24 hundred.

25 (ii) The annual volume of water under leases or contracts that can
26 be made physically and legally available to the district consistent with
27 the rules adopted pursuant to section 45-576, subsection H, multiplied by
28 the number of years, not to exceed one hundred, in which the water is to
29 be made available to the district. The water need not be continuously
30 available to be included in this item. A lease or contract shall not be
31 considered under this item if the water to be made available under the
32 lease or contract is for a term of less than twenty years.

33 (iii) The total volume of groundwater that the district plans to
34 transport to the active management area during the next one hundred years
35 as allowed by title 45, chapter 2, article 8.1.

36 (iv) The total volume of all sources of water not identified in
37 items (i), (ii) or (iii) of this subdivision that will not be held by the
38 district under a lease or contract. Volumes to be included under this
39 item must be consistent with the rules adopted by the director pursuant to
40 section 45-576, subsection H.

41 (c) Multiply the result from subdivision (b) of this paragraph by
42 twenty percent. The result is the reserve target for the active
43 management area.

1 2. The reserve target for an active management area may be adjusted
2 by the district, subject to the approval of the director of water
3 resources, based on changes in either of the following:

4 (a) The active management area's projected replenishment
5 obligation.

6 (b) The volumes of water identified in the plan of operation
7 prepared pursuant to section 45-576.02 as water that the district plans to
8 use to meet its replenishment obligations for that active management area.

9 3. The district shall include a replenishment reserve charge in the
10 annual replenishment assessment levied against all parcels of category 1
11 member land as provided in section 48-3774.01 and in the annual
12 replenishment tax levied against all municipal providers that have member
13 service areas as provided in section 48-3780.01. The replenishment
14 reserve charge for each active management area is established annually by
15 the district based on the reserve target for that active management area.

16 4. The district shall levy a replenishment reserve fee against
17 category 1 member lands pursuant to section 48-3774.01 and against member
18 service areas pursuant to section 48-3780.01. For category 1 member lands
19 the fee is equal to twice the applicable replenishment reserve charge
20 multiplied by the total projected average annual replenishment obligation
21 for the member lands as reported by the director of water resources
22 pursuant to section 45-578, subsection F. For member service areas the
23 fee is equal to twice the applicable replenishment reserve charge
24 multiplied by the excess groundwater increment. With the approval of the
25 district and the director of water resources, long-term storage credits as
26 defined in section 45-802.01 may be assigned to the district's
27 replenishment reserve subaccount in lieu of paying the replenishment
28 reserve fee.

29 5. The district shall use replenishment reserve charges and
30 replenishment reserve fees collected within each active management area
31 together with all interest earned on the charges and fees to store water
32 in that active management area in advance of groundwater replenishment
33 obligations for the purpose of developing long-term storage credits as
34 defined in section 45-802.01 that shall be credited to the replenishment
35 reserve subaccount for that active management area as provided in section
36 45-859.01.

37 6. Beginning on January 1, 2030 or earlier, on approval of the
38 director of water resources pursuant to section 45-859.01, subsection K,
39 the district may transfer credits from a replenishment reserve subaccount
40 to a conservation district account as provided in section 45-859.01 to
41 satisfy its groundwater replenishment obligations.

42 7. If the district transfers credits from the replenishment reserve
43 subaccount for an active management area pursuant to section 45-859.01,
44 subsection E, the district shall include in the annual replenishment
45 assessment levied against all parcels of category 1 member land in that

1 active management area and, except as provided in section 48-3780.01,
2 subsection B, in the annual replenishment tax levied against all municipal
3 providers that have member service areas in that active management area a
4 reserve replacement component to fund the replacement of the transferred
5 credits. The district shall use all monies from the reserve replacement
6 component collected within an active management area together with all
7 interest earned on the monies to develop long-term storage credits as
8 defined in section 45-802.01 within that active management area to be
9 credited to the replenishment reserve subaccount for that active
10 management area as provided in section 45-859.01.

11 8. For the purposes of establishing and maintaining the
12 replenishment reserve, the district shall have access to excess central
13 Arizona project water equivalent to but not more than the access the
14 Arizona water banking authority has for the purposes specified in section
15 45-2401, subsection H, paragraph 2.

16 F. Groundwater replenished by the district pursuant to a contract
17 to replenish groundwater under subsection B, paragraph 9 of this section
18 shall not be credited to a replenishment reserve subaccount established
19 under section 45-859.01.

20 G. The district shall not enter into a contract authorized under
21 subsection B, paragraph 9 of this section unless the district has
22 determined that the contract will not adversely affect the district's
23 ability to fulfill its obligations under this chapter. For each contract
24 entered into under subsection B, paragraph 9 of this section, the district
25 shall perform its contract replenishment obligations in the active
26 management area in which the service area of the municipal provider that
27 is the party to the contract is located.

28 H. If the district replenishes groundwater on behalf of a municipal
29 provider pursuant to a contract to replenish groundwater under subsection
30 B, paragraph 9 of this section, the amount of groundwater so replenished
31 shall be a replenishment credit to the municipal provider that may be
32 applied by the municipal provider on notice to the district to reduce the
33 service area replenishment obligations applicable to the municipal
34 provider.

35 I. In the Phoenix active management area, the district, to the
36 extent reasonably feasible, shall replenish groundwater in the east
37 portion of the active management area and in the west portion of the
38 active management area in the approximate proportion that the groundwater
39 replenishment obligation attributable in a particular year to member lands
40 and member service areas located in the east portion of the active
41 management area bears to the groundwater replenishment obligation
42 attributable in that year to member lands and member service areas located
43 in the west portion of the active management area. For the purposes of
44 this subsection, the boundary between the east Salt river valley subbasin

1 and the west Salt river valley subbasin is the boundary between the east
2 and west portions of the active management area.

3 J. The costs and expenses charged by the district to an active
4 management area water district established under chapter 28 of this title
5 for delivery of surplus central Arizona project water to such active
6 management area water district for replenishment purposes shall not exceed
7 the costs and expenses for delivery of such water that are or would be
8 included by the district in the costs and expenses of replenishment for
9 member lands and member service areas within the active management area in
10 which such active management area water district is situated.

11 Sec. 7. Section 48-3774, Arizona Revised Statutes, is amended to
12 read:

13 48-3774. Qualification as member land

14 A. Real property qualifies as member land only if all of the
15 following apply:

16 1. The real property is located in an active management area in
17 which a part of the central Arizona project aqueduct is located.

18 2. The real property is not in a member service area or in a
19 groundwater replenishment district under chapter 27 of this title.

20 3. The real property is not a water district member land or a
21 parcel of water district member land, or in a water district member
22 service area established under chapter 28 of this title.

23 4. The conditions stated in section 45-576.01, subsection B,
24 paragraphs 2 and 3 are satisfied with respect to the district at the time
25 of the qualification.

26 5. The owner of the real property, or other person or entity, such
27 as a property owners' or homeowners' association, if the person or entity
28 has proper authority, records a declaration that has been approved by the
29 district against the real property in the official records of the county
30 where the real property is located that:

31 (a) Contains the legal description of the real property.

32 (b) Declares the intent of the owner that the real property qualify
33 as member land under this chapter.

34 (c) Declares that, in order to permit the delivery of excess
35 groundwater to the real property, each parcel of member land thereafter
36 established at the real property is subject to a parcel replenishment
37 obligation and to a replenishment assessment to be determined by the
38 district.

39 (d) Declares that qualifying as member land and subjecting the real
40 property to the parcel replenishment obligation and the replenishment
41 assessment directly benefits the real property by increasing the potential
42 of the property to qualify for a BUILDING PERMIT AS A RESIDENTIAL LEASE
43 COMMUNITY PURSUANT TO SECTION 9-469 OR 11-321 OR A certificate of assured
44 water supply issued by the department of water resources pursuant to title

1 45, chapter 2, article 9, thereby allowing the development, use and
2 enjoyment of the real property.

3 (e) Contains a covenant that is binding against the real property
4 and each parcel of member land thereafter established at the real property
5 to pay to the district a replenishment assessment based on the parcel
6 replenishment obligation in an amount determined by the district pursuant
7 to section 48-3772, subsection A.

8 (f) Declares that the district may impose a lien on the real
9 property and each parcel of member land thereafter established at the real
10 property to secure payment of the replenishment assessment and any
11 applicable replenishment reserve fee.

12 (g) Declares that the covenants, conditions and restrictions
13 contained in the declaration run with the land and bind all successors and
14 assigns of the owner.

15 B. The declaration may contain covenants, conditions and
16 restrictions in addition to those prescribed by this section. The
17 declaration may be an amendment or supplement to covenants, conditions and
18 restrictions recorded against developed or undeveloped land.

19 C. Notwithstanding subsection A of this section, no real property
20 qualifies as member land unless the municipal provider that will provide
21 water to the real property that is subject to the declaration records in
22 the official records of the county where the real property is located an
23 agreement between the district and the municipal provider that contains
24 both of the following:

25 1. The legal description of the real property and the tax parcel
26 numbers for the real property.

27 2. An agreement by the municipal provider to submit to the district
28 by March 31 of each year after the recordation of the instrument the
29 information prescribed by section 48-3775, subsection A and such other
30 information as the district may reasonably request.

31 D. Real property previously accepted as member land pursuant to
32 subsection A of this section terminates its member land status only if all
33 of the following apply:

34 1. No lot or parcel of subdivided land within the real property has
35 been sold or leased to a retail purchaser or lessee.

36 2. The state real estate commissioner has not issued a public
37 report for the real property.

38 3. If lot or parcel boundaries were previously recorded for the
39 real property, the planning agency having planning authority over the real
40 property has approved a plat vacating the lot or parcel boundaries that
41 were previously recorded for the real property.

42 4. The owner or owners of the real property or other person or
43 entity, such as a property owners' or homeowners' association, if the
44 person or entity has proper authority, records a declaration that has been
45 executed by the district and the director of water resources against the

1 real property in the official records of the county where the real
2 property is located AND that:

3 (a) Contains the legal description of the real property that is
4 substantially similar to the legal description of the real property
5 included in the declaration recorded pursuant to subsection A, paragraph 5
6 of this section.

7 (b) Declares that the covenants, conditions and restrictions
8 previously recorded pursuant to subsection A, paragraph 5 of this section
9 are revoked.

10 5. The agreement recorded pursuant to subsection C of this section
11 has been revoked by mutual agreement of the parties to that agreement and
12 the municipal provider has recorded notice of the revocation in the
13 official records of the county where the real property is located.

14 6. If the department of water resources has issued a certificate of
15 assured water supply for the real property, the director of water
16 resources has revoked the certificate pursuant to a written agreement for
17 revocation entered into between the holder of the certificate and the
18 director.

19 E. For the purposes of subsection D of this section, ~~a~~ "retail
20 purchaser or lessee" means a purchaser or lessee of a lot or parcel of
21 subdivided lands that is entitled to receive a public report from the
22 seller or lessor pursuant to section 32-2183, subsection I.

23 Sec. 8. City or town water service outside city or town;
24 requirements; delayed repeal

25 A. On the effective date of this section, a city or town that
26 provides water service in a county with a population of more than one
27 million five hundred thousand persons shall execute a treat and transport
28 agreement with one or more third parties and, for a period of not more
29 than three years, shall treat and transport water to a standpipe and allow
30 use of the standpipe for water to be hauled to residences that are outside
31 the city's or town's water service area if all of the following apply:

32 1. The number of residences to be served is not more than seven
33 hundred fifty, and the residences are in an area that is an unincorporated
34 community within the county and adjacent to the city or town.

35 2. The city or town previously provided standpipe service to water
36 haulers that deliver water to the residences and the city or town ceased
37 providing that service pursuant to a drought management plan adopted by
38 the city or town.

39 3. Before ceasing standpipe service, the city or town had an
40 opportunity to execute a treat and transport agreement with one or more
41 third parties that would have allowed the city or town to continue
42 providing standpipe service to the water haulers at no cost to the city or
43 town but the city or town did not execute the agreement before the
44 effective date of this section.

1 4. There is no other source of water for those persons within ten
2 miles of their residences.

3 5. The city or town is reimbursed for the full reasonable costs of
4 treating and transporting the water and allowing the water to be hauled
5 from the standpipe as prescribed by this section. The city or town shall
6 not charge residences, water haulers or other third parties prescribed by
7 this section for water-related costs, expenses and acre-feet of water that
8 do not provide a direct benefit to the residences.

9 6. Treating and transporting the water to and allowing the water to
10 be hauled from the standpipe does not, without the city's or town's
11 consent, reduce the amount of water available to residences and businesses
12 within the city's or town's water service area or to residences and
13 businesses outside of the city's or town's water service area with whom
14 the city or town has directly contracted to provide water through means
15 other than water hauling.

16 B. A city or town that treats and transports water and that allows
17 water to be hauled from a standpipe pursuant to subsection A of this
18 section shall do all of the following either directly or by way of a
19 contract with one or more third parties:

20 1. Treat and transport water to the standpipe.

21 2. Allow the water to be received at the standpipe and delivered
22 pursuant to this section through water haulers that have established a
23 water hauling account with the city or town or its contractors. Self
24 hauling of water is allowed.

25 3. Bill and collect from the water haulers the reasonable cost of
26 treating and transporting the water to and allowing the water to be hauled
27 from the standpipe pursuant to this section, which shall not exceed \$20
28 per each one thousand gallons.

29 4. Provide annually not less than one hundred fifty acre-feet of
30 water at the standpipe.

31 C. A city, town or third party that secures, procures or provides
32 water for treatment, transportation and water hauling pursuant to this
33 section shall disclose to the public the source and quantity of the water
34 provided.

35 D. A city or town that treats and transports water and that allows
36 water to be hauled from a standpipe pursuant to subsection A of this
37 section is not liable for any actions taken or omissions after water is
38 received by a water hauler at the standpipe.

39 E. A city, town or third party that secures, procures or provides
40 water for treatment, transportation and water hauling pursuant to
41 subsection A of this section may not reduce or suspend the amount of water
42 provided pursuant to this section for any reason except if the city, town
43 or third party has disclosed the source and quantity of the water pursuant
44 to subsection C of this section and that source has been reduced or

1 suspended by a proportionate amount outside the city's, town's or third
2 party's control.

3 F. A city or town drought management plan shall not prohibit the
4 city or town from entering into contracts with private entities, including
5 private water companies, to ensure the integration of stable and secure
6 water supplies.

7 G. If a city or town has fulfilled its obligations under this
8 section, the city or town is not liable to any person or entity for
9 providing or failing to provide water pursuant to this section.

10 H. For the purposes of section 9-516, Arizona Revised Statutes,
11 standpipe service prescribed by this section does not constitute utility
12 service. For the purposes of section 45-402, paragraph 31, subdivision
13 (a), Arizona Revised Statutes, the area outside of a city's or town's
14 utility service area where a water hauler may deliver water pursuant to
15 this section does not constitute a part of the city's or town's service
16 area. A city or town is not obligated to provide standpipe service
17 outside of its service area unless required by law or contract.

18 I. This section does not preclude the execution or implementation
19 of a voluntary agreement before the effective date of this section. This
20 section does not apply if the voluntary agreement results in adequate
21 water being supplied to the residences that would otherwise be served.

22 J. This section is repealed from and after December 31, 2025.

23 Sec. 9. Joint legislative study committee on land divisions;
24 members; duties; report; delayed repeal

25 A. The joint legislative study committee on land divisions of five
26 or fewer lots, parcels or fractional interests is established consisting
27 of the following members:

28 1. Three members of the house of representatives who are appointed
29 by the speaker of the house of representatives, not more than two of whom
30 are members of the same political party. The speaker of the house of
31 representatives shall designate one of these members to serve as
32 cochairperson of the committee.

33 2. Three members of the senate who are appointed by the president
34 of the senate, not more than two of whom are members of the same political
35 party. The president of the senate shall designate one of these members to
36 serve as cochairperson of the committee.

37 B. The committee shall:

38 1. Meet as often as the chairpersons deem necessary.

39 2. Gather information related to land divisions of five or fewer
40 lots, parcels or fractional interests.

41 3. Conduct fact-finding on issues related to lot splits and land
42 divisions of five or fewer lots, parcels or fractional interests.

43 4. On or before December 31, 2023, submit a report regarding the
44 committee's findings and recommendations to the governor, the president of

1 the senate and the speaker of the house of representatives and shall
2 provide a copy of this report to the secretary of state.

3 C. The legislature shall provide administrative assistance and
4 staffing for the committee as required.

5 D. On request of the committee, any agency or political subdivision
6 of this state shall provide the committee with services, equipment,
7 documents, personnel and facilities without cost to the committee.

8 E. This section is repealed from and after January 31, 2024.

9 Sec. 10. Emergency

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