

REFERENCE TITLE: subsequent AMAs; assured water supply

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HB 2027

Introduced by  
Representative Griffin

## AN ACT

AMENDING SECTIONS 9-463.01 AND 11-823, ARIZONA REVISED STATUTES; RELATING TO ACTIVE MANAGEMENT AREAS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 9-463.01, Arizona Revised Statutes, is amended  
3 to read:  
4 9-463.01. Authority  
5 A. Pursuant to this article, the legislative body of every  
6 municipality shall regulate the subdivision of all lands within its  
7 corporate limits.  
8 B. The legislative body of a municipality shall exercise the  
9 authority granted in subsection A of this section by ordinance  
10 prescribing:  
11 1. Procedures to be followed in the preparation, submission, review  
12 and approval or rejection of all final plats.  
13 2. Standards governing the design of subdivision plats.  
14 3. Minimum requirements and standards for the installation of  
15 subdivision streets, sewer and water utilities and improvements as a  
16 condition of final plat approval.  
17 C. By ordinance, the legislative body of any municipality shall:  
18 1. Require the preparation, submission and approval of a  
19 preliminary plat as a condition precedent to submission of a final plat.  
20 2. Establish the procedures to be followed in the preparation,  
21 submission, review and approval of preliminary plats.  
22 3. Make requirements as to the form and content of preliminary  
23 plats.  
24 4. Either determine that certain lands may not be subdivided, by  
25 reason of adverse topography, periodic inundation, adverse soils,  
26 subsidence of the earth's surface, high water table, lack of water or  
27 other natural or man-made hazard to life or property, or control the lot  
28 size, establish special grading and drainage requirements and impose other  
29 regulations deemed reasonable and necessary for the public health, safety  
30 or general welfare on any lands to be subdivided affected by such  
31 characteristics.  
32 5. Require payment of a proper and reasonable fee by the subdivider  
33 based ~~upon~~ ON the number of lots or parcels on the surface of the land to  
34 defray municipal costs of plat review and site inspection.  
35 6. Require the dedication of public streets, sewer and water  
36 utility easements or rights-of-way, within the proposed subdivision.  
37 7. Require the preparation and submission of acceptable engineering  
38 plans and specifications for the installation of required street, sewer,  
39 electric and water utilities, drainage, flood control, adequacy of water  
40 and improvements as a condition precedent to recordation of an approved  
41 final plat.  
42 8. Require the posting of performance bonds, assurances or such  
43 other security as may be appropriate and necessary to assure the  
44 installation of required street, sewer, electric and water utilities,

1 drainage, flood control and improvements meeting established minimum  
2 standards of design and construction.

3 D. The legislative body of any municipality may require by  
4 ordinance that land areas within a subdivision be reserved for parks,  
5 recreational facilities, school sites and fire stations subject to the  
6 following conditions:

7 1. The requirement may only be made ~~upon~~ ON preliminary plats filed  
8 at least thirty days after the adoption of a general or specific plan  
9 affecting the land area to be reserved.

10 2. The required reservations are in accordance with definite  
11 principles and standards adopted by the legislative body.

12 3. The land area reserved shall be of such a size and shape as to  
13 permit the remainder of the land area of the subdivision within which the  
14 reservation is located to develop in an orderly and efficient manner.

15 4. The land area reserved shall be in such multiples of streets and  
16 parcels as to permit an efficient division of the reserved area in the  
17 event that it is not acquired within the prescribed period.

18 E. The public agency for whose benefit an area has been reserved  
19 shall have a period of one year after recording the final subdivision plat  
20 to enter into an agreement to acquire such reserved land area. The  
21 purchase price shall be the fair market value of the reserved land area at  
22 the time of the filing of the preliminary subdivision plat plus the taxes  
23 against such reserved area from the date of the reservation and any other  
24 costs incurred by the subdivider in the maintenance of such reserved area,  
25 including the interest cost incurred on any loan covering such reserved  
26 area.

27 F. If the public agency for whose benefit an area has been reserved  
28 does not exercise the reservation agreement set forth in subsection E of  
29 this section within such one year period or such extended period as may be  
30 mutually agreed ~~upon~~ ON by such public agency and the subdivider, the  
31 reservation of such area shall terminate.

32 G. The legislative body of every municipality shall comply with  
33 this article and applicable state statutes pertaining to the hearing,  
34 approval or rejection, and recordation of:

35 1. Final subdivision plats.

36 2. Plats filed for the purpose of reverting to acreage of land  
37 previously subdivided.

38 3. Plats filed for the purpose of vacating streets or easements  
39 previously dedicated to the public.

40 4. Plats filed for the purpose of vacating or redescribing lot or  
41 parcel boundaries previously recorded.

42 H. Approval of every preliminary and final plat by a legislative  
43 body is conditioned ~~upon~~ ON compliance by the subdivider with:

1           1. Rules as may be established by the department of transportation  
2 relating to provisions for the safety of entrance ~~upon~~ ON and departure  
3 from abutting state primary highways.

4           2. Rules as may be established by a county flood control district  
5 relating to the construction or prevention of construction of streets in  
6 land established as being subject to periodic inundation.

7           3. Rules as may be established by the department of health services  
8 or a county health department relating to the provision of domestic water  
9 supply and sanitary sewage disposal.

10          I. If the subdivision is ~~comprised~~ COMPOSED of subdivided lands, as  
11 defined in section 32-2101, and is within an active management area, as  
12 defined in section 45-402, the final plat shall not be approved unless it  
13 is accompanied by a certificate of assured water supply issued by the  
14 director of water resources, or unless the subdivider has obtained a  
15 written commitment of water service for the subdivision from a city, town  
16 or private water company designated as having an assured water supply by  
17 the director of water resources pursuant to section 45-576 or is exempt  
18 from the requirement pursuant to section 45-576. The legislative body of  
19 the municipality shall note on the face of the final plat that a  
20 certificate of assured water supply has been submitted with the plat or  
21 that the subdivider has obtained a written commitment of water service for  
22 the proposed subdivision from a city, town or private water company  
23 designated as having an assured water supply, pursuant to section 45-576,  
24 or is exempt from the requirement pursuant to section 45-576.

25          J. Except as provided in subsections K and P of this section, if  
26 the subdivision is composed of subdivided lands as defined in section  
27 32-2101 outside of an active management area and the director of water  
28 resources has given written notice to the municipality pursuant to section  
29 45-108, subsection H, the final plat shall not be approved unless one of  
30 the following applies:

31           1. The director of water resources has determined that there is an  
32 adequate water supply for the subdivision pursuant to section 45-108 and  
33 the subdivider has included the report with the plat.

34           2. The subdivider has obtained a written commitment of water  
35 service for the subdivision from a city, town or private water company  
36 designated as having an adequate water supply by the director of water  
37 resources pursuant to section 45-108.

38          K. The legislative body of a municipality that has received written  
39 notice from the director of water resources pursuant to section 45-108,  
40 subsection H or that has adopted an ordinance pursuant to subsection O of  
41 this section may provide by ordinance an exemption from the requirement in  
42 subsection J or O of this section for a subdivision that the director of  
43 water resources has determined will have an inadequate water supply

1 because the water supply will be transported to the subdivision by motor  
2 vehicle or train if all of the following apply:

3 1. The legislative body determines that there is no feasible  
4 alternative water supply for the subdivision and that the transportation  
5 of water to the subdivision will not constitute a significant risk to the  
6 health and safety of the residents of the subdivision.

7 2. If the water to be transported to the subdivision will be  
8 withdrawn or diverted in the service area of a municipal provider as  
9 defined in section 45-561, the municipal provider has consented to the  
10 withdrawal or diversion.

11 3. If the water to be transported is groundwater, the  
12 transportation complies with the provisions governing the transportation  
13 of groundwater in title 45, chapter 2, article 8.

14 4. The transportation of water to the subdivision meets any  
15 additional conditions imposed by the legislative body.

16 L. A municipality that adopts the exemption authorized by  
17 subsection K of this section shall give written notice of the adoption of  
18 the exemption, including a certified copy of the ordinance containing the  
19 exemption, to the director of water resources, the director of  
20 environmental quality and the state real estate commissioner. If the  
21 municipality later rescinds the exemption, the municipality shall give  
22 written notice of the rescission to the director of water resources, the  
23 director of environmental quality and the state real estate  
24 commissioner. A municipality that rescinds an exemption adopted pursuant  
25 to subsection K of this section shall not readopt the exemption for at  
26 least five years after the rescission becomes effective.

27 M. If the legislative body of a municipality approves a subdivision  
28 plat pursuant to subsection J, paragraph 1 or 2 or subsection O of this  
29 section, the legislative body shall note on the face of the plat that the  
30 director of water resources has reported that the subdivision has an  
31 adequate water supply or that the subdivider has obtained a commitment of  
32 water service for the proposed subdivision from a city, town or private  
33 water company designated as having an adequate water supply pursuant to  
34 section 45-108.

35 N. If the legislative body of a municipality approves a subdivision  
36 plat pursuant to an exemption authorized by subsection K of this section  
37 or granted by the director of water resources pursuant to section  
38 45-108.02 or 45-108.03:

39 1. The legislative body shall give written notice of the approval  
40 to the director of water resources and the director of environmental  
41 quality.

42 2. The legislative body shall include on the face of the plat a  
43 statement that the director of water resources has determined that the  
44 water supply for the subdivision is inadequate and a statement describing

1 the exemption under which the plat was approved, including a statement  
2 that the legislative body or the director of water resources, whichever  
3 applies, has determined that the specific conditions of the exemption were  
4 met. If the director subsequently informs the legislative body that the  
5 subdivision is being served by a water provider that has been designated  
6 by the director as having an adequate water supply pursuant to section  
7 45-108, the legislative body shall record in the county recorder's office  
8 a statement disclosing that fact.

9       O. If a municipality has not been given written notice by the  
10 director of water resources pursuant to section 45-108, subsection H, the  
11 legislative body of the municipality, to protect the public health and  
12 safety, may provide by ordinance that, except as provided in subsections K  
13 and P of this section, the final plat of a subdivision located in the  
14 municipality and outside of an active management area will not be approved  
15 by the legislative body unless the director of water resources has  
16 determined that there is an adequate water supply for the subdivision  
17 pursuant to section 45-108 or the subdivider has obtained a written  
18 commitment of water service for the subdivision from a city, town or  
19 private water company designated as having an adequate water supply by the  
20 director of water resources pursuant to section 45-108. Before holding a  
21 public hearing to consider whether to enact an ordinance pursuant to this  
22 subsection, a municipality shall provide written notice of the hearing to  
23 the board of supervisors of the county in which the municipality is  
24 located. A municipality that enacts an ordinance pursuant to this  
25 subsection shall give written notice of the enactment of the ordinance,  
26 including a certified copy of the ordinance, to the director of water  
27 resources, the director of environmental quality, the state real estate  
28 commissioner and the board of supervisors of the county in which the  
29 municipality is located. If a municipality enacts an ordinance pursuant  
30 to this subsection, water providers may be eligible to receive monies in a  
31 water supply development fund, as otherwise provided by law.

32       P. Subsections J and O of this section do not apply to:

33       1. A proposed subdivision that the director of water resources has  
34 determined will have an inadequate water supply pursuant to section 45-108  
35 if the director grants an exemption for the subdivision pursuant to  
36 section 45-108.02 and the exemption has not expired or if the director  
37 grants an exemption pursuant to section 45-108.03.

38       2. A proposed subdivision that received final plat approval from  
39 the municipality before the requirement for an adequate water supply  
40 became effective in the municipality if the plat has not been materially  
41 changed since it received the final plat approval. If changes were made  
42 to the plat after the plat received the final plat approval, the director  
43 of water resources shall determine whether the changes are material  
44 pursuant to the rules adopted by the director to implement section

1 45-108. If the municipality approves a plat pursuant to this paragraph  
2 and the director of water resources has determined that there is an  
3 inadequate water supply for the subdivision pursuant to section 45-108,  
4 the municipality shall note this on the face of the plat.

5 3. ANY PORTION OF A PROPOSED SUBDIVISION THAT IS LOCATED IN A  
6 MUNICIPALITY THAT ADOPTS AN ADEQUATE WATER SUPPLY ORDINANCE AND THAT IS  
7 INCLUDED IN A SUBSEQUENT ACTIVE MANAGEMENT AREA PURSUANT TO SECTION 45-412  
8 OR 45-415. ON THE EFFECTIVE DATE OF THE ACTIVE MANAGEMENT AREA, ANY  
9 ORDINANCES THAT WERE ADOPTED PURSUANT TO SUBSECTION J OR O OF THIS SECTION  
10 DO NOT APPLY TO THAT PORTION OF THE PROPOSED SUBDIVISION THAT IS LOCATED  
11 IN THE SUBSEQUENT ACTIVE MANAGEMENT AREA.

12 4. ANY PORTION OF A PROPOSED SUBDIVISION THAT IS LOCATED IN A  
13 COUNTY THAT ADOPTS AN ADEQUATE WATER SUPPLY ORDINANCE AND THAT IS INCLUDED  
14 IN A SUBSEQUENT ACTIVE MANAGEMENT AREA PURSUANT TO SECTION 45-412 OR  
15 45-415. ON THE EFFECTIVE DATE OF THE ACTIVE MANAGEMENT AREA, ANY  
16 ORDINANCES THAT WERE ADOPTED PURSUANT TO SUBSECTION J OR O OF THIS SECTION  
17 DO NOT APPLY TO THAT PORTION OF THE PROPOSED SUBDIVISION THAT IS LOCATED  
18 IN THE SUBSEQUENT ACTIVE MANAGEMENT AREA.

19 5. ANY SUBDIVISION THAT THE DIRECTOR HAS DETERMINED THAT THERE IS  
20 AN ADEQUATE WATER SUPPLY AND THAT IS LOCATED IN A SUBSEQUENT ACTIVE  
21 MANAGEMENT AREA PURSUANT TO SECTION 45-412 OR 45-415 IS DEEMED TO HAVE AN  
22 ASSURED WATER SUPPLY ON THE EFFECTIVE DATE OF THE SUBSEQUENT ACTIVE  
23 MANAGEMENT AREA.

24 Q. If the subdivision is composed of subdivided lands as defined in  
25 section 32-2101 outside of an active management area and the municipality  
26 has not received written notice pursuant to section 45-108, subsection H  
27 and has not adopted an ordinance pursuant to subsection O of this section:

28 1. If the director of water resources has determined that there is  
29 an adequate water supply for the subdivision pursuant to section 45-108 or  
30 if the subdivider has obtained a written commitment of water service for  
31 the subdivision from a city, town or private water company designated as  
32 having an adequate water supply by the director of water resources  
33 pursuant to section 45-108, the municipality shall note this on the face  
34 of the plat if the plat is approved.

35 2. If the director of water resources has determined that there is  
36 an inadequate water supply for the subdivision pursuant to section 45-108,  
37 the municipality shall note this on the face of the plat if the plat is  
38 approved.

39 R. Every municipality is responsible for the recordation of all  
40 final plats approved by the legislative body and shall receive from the  
41 subdivider and transmit to the county recorder the recordation fee  
42 established by the county recorder.

1 S. Pursuant to provisions of applicable state statutes, the  
2 legislative body of any municipality may itself prepare or have prepared a  
3 plat for the subdivision of land under municipal ownership.

4 T. The legislative bodies of cities and towns may regulate by  
5 ordinance land splits within their corporate limits. Authority granted  
6 under this section refers to the determination of division lines, area and  
7 shape of the tracts or parcels and does not include authority to regulate  
8 the terms or condition of the sale or lease nor does it include the  
9 authority to regulate the sale or lease of tracts or parcels that are not  
10 the result of land splits as defined in section 9-463.

11 U. For any subdivision that consists of ten or fewer lots, tracts  
12 or parcels, each of which is of a size as prescribed by the legislative  
13 body, the legislative body of each municipality may expedite the  
14 processing of or waive the requirement to prepare, submit and receive  
15 approval of a preliminary plat as a condition precedent to submitting a  
16 final plat and may waive or reduce infrastructure standards or  
17 requirements proportional to the impact of the subdivision. Requirements  
18 for dust-controlled access and drainage improvements shall not be waived.

19 Sec. 2. Section 11-823, Arizona Revised Statutes, is amended to  
20 read:

21 11-823. Water supply; adequacy; exemptions

22 A. To protect the public health and safety, the general regulations  
23 adopted by the board pursuant to section 11-821, subsection B, if approved  
24 by unanimous vote of the board of supervisors, may provide that, except as  
25 provided in subsection C and subsection D, paragraph 1 of this section,  
26 the board shall not approve a final plat for a subdivision composed of  
27 subdivided lands, as defined in section 32-2101, located outside of an  
28 active management area, as defined in section 45-402, unless one of the  
29 following applies:

30 1. The director of water resources has determined that there is an  
31 adequate water supply for the subdivision pursuant to section 45-108 and  
32 the subdivider has included the report with the plat.

33 2. The subdivider has obtained a written commitment of water  
34 service for the subdivision from a city, town or private water company  
35 designated as having an adequate water supply by the director of water  
36 resources pursuant to section 45-108.

37 B. If the board unanimously adopts the provision authorized by  
38 subsection A of this section:

39 1. The board may include in the general regulations an exemption  
40 from the provision for a subdivision that the director of water resources  
41 has determined will have an inadequate water supply because the water  
42 supply will be transported to the subdivision by motor vehicle or train if  
43 all of the following apply:



1 (a) The board determines that there is no feasible alternative  
2 water supply for the subdivision and that the transportation of water to  
3 the subdivision will not constitute a significant risk to the health and  
4 safety of the residents of the subdivision.

5 (b) If the water to be transported to the subdivision will be  
6 withdrawn or diverted in the service area of a municipal provider as  
7 defined in section 45-561, the municipal provider has consented to the  
8 withdrawal or diversion.

9 (c) If the water to be transported is groundwater, the  
10 transportation complies with the provisions governing the transportation  
11 of groundwater in title 45, chapter 2, article 8.

12 (d) The transportation of water to the subdivision meets any  
13 additional conditions imposed by the county.

14 2. The board shall promptly give written notice of the adoption of  
15 the provision to the director of water resources, the director of  
16 environmental quality and the state real estate commissioner. The notice  
17 shall include a certified copy of the provision and any exemptions adopted  
18 pursuant to paragraph 1 of this subsection. Water providers may be  
19 eligible to receive monies in a water supply development fund, as  
20 otherwise provided by law.

21 3. The board shall not rescind the provision or amend it in a  
22 manner that is inconsistent with subsection A of this section. If the  
23 board amends the provision, it shall give written notice of the amendment  
24 to the director of water resources, the director of environmental quality  
25 and the state real estate commissioner. The board may rescind an  
26 exemption adopted pursuant to paragraph 1 of this subsection. If the  
27 board rescinds the exemption, it shall give written notice of the  
28 rescission to the director of water resources, the director of  
29 environmental quality and the state real estate commissioner, and the  
30 board shall not readopt the exemption for at least five years after the  
31 rescission becomes effective.

32 4. If the board approves a subdivision plat pursuant to subsection  
33 A, paragraph 1 or 2 of this section, the board shall note on the face of  
34 the plat that the director of water resources has reported that the  
35 subdivision has an adequate water supply or that the subdivider has  
36 obtained a commitment of water service for the proposed subdivision from a  
37 city, town or private water company designated as having an adequate water  
38 supply pursuant to section 45-108.

39 5. If the board approves a subdivision plat pursuant to an  
40 exemption authorized by paragraph 1 of this subsection or granted by the  
41 director of water resources pursuant to section 45-108.02 or 45-108.03:

42 (a) The board shall give written notice of the approval to the  
43 director of water resources and the director of environmental quality.

1 (b) The board shall include on the face of the plat a statement  
2 that the director of water resources has determined that the water supply  
3 for the subdivision is inadequate and a statement describing the exemption  
4 under which the plat was approved, including a statement that the board or  
5 the director of water resources, whichever applies, has determined that  
6 the specific conditions of the exemption were met. If the director of  
7 water resources subsequently informs the board that the subdivision is  
8 being served by a water provider that has been designated by the director  
9 as having an adequate water supply pursuant to section 45-108, the board  
10 shall record in the county recorder's office a statement disclosing that  
11 fact.

12 C. Subsection A of this section does not apply to:

13 1. A proposed subdivision that the director of water resources has  
14 determined will have an inadequate water supply pursuant to section 45-108  
15 if the director grants an exemption for the subdivision pursuant to  
16 section 45-108.02 and the exemption has not expired or the director grants  
17 an exemption pursuant to section 45-108.03.

18 2. A proposed subdivision that received final plat approval from  
19 the county before the requirement for an adequate water supply became  
20 effective in the county if the plat has not been materially changed since  
21 it received the final plat approval. If changes were made to the plat  
22 after the plat received the final plat approval, the director of water  
23 resources shall determine whether the changes are material pursuant to the  
24 rules adopted by the director to implement section 45-108. If the county  
25 approves a plat pursuant to this paragraph and the director of water  
26 resources has determined that there is an inadequate water supply for the  
27 subdivision pursuant to section 45-108, the county shall note this on the  
28 face of the plat.

29 3. ANY PORTION OF A PROPOSED SUBDIVISION THAT IS LOCATED IN A  
30 COUNTY THAT ADOPTS AN ADEQUATE WATER SUPPLY ORDINANCE AND THAT IS INCLUDED  
31 IN A SUBSEQUENT ACTIVE MANAGEMENT AREA PURSUANT TO SECTION 45-412 OR  
32 45-415. ON THE EFFECTIVE DATE OF THE ACTIVE MANAGEMENT AREA, ANY  
33 ORDINANCES THAT WERE ADOPTED PURSUANT TO SUBSECTION A OF THIS SECTION DO  
34 NOT APPLY TO THAT PORTION OF THE PROPOSED SUBDIVISION THAT IS LOCATED IN  
35 THE SUBSEQUENT ACTIVE MANAGEMENT AREA. IN ANY COUNTY THAT HAS ADOPTED AN  
36 ADEQUATE WATER SUPPLY ORDINANCE PURSUANT TO SUBSECTION A OF THIS SECTION  
37 THAT BECOMES AN ACTIVE MANAGEMENT AREA, ANY ORDINANCE THAT REFERENCES AN  
38 ADEQUATE WATER SUPPLY SHALL BE TREATED AS AN ASSURED WATER SUPPLY AS  
39 DEFINED IN SECTION 45-576 AND ANY SUBDIVISION THAT THE DIRECTOR HAS  
40 DETERMINED TO HAVE AN ADEQUATE WATER SUPPLY SHALL BE DEEMED TO HAVE AN  
41 ASSURED WATER SUPPLY.

42 D. If the subdivision is composed of subdivided lands as defined in  
43 section 32-2101 outside of an active management area and the board has not  
44 adopted a provision pursuant to subsection A of this section:

1           1. If the director of water resources has determined that there is  
2 an adequate water supply for the subdivision pursuant to section 45-108 or  
3 if the subdivider has obtained a written commitment of water service for  
4 the subdivision from a city, town or private water company designated as  
5 having an adequate water supply by the director of water resources  
6 pursuant to section 45-108, the board shall note this on the face of the  
7 plat if the plat is approved.

8           2. If the director of water resources has determined that there is  
9 an inadequate water supply for the subdivision pursuant to section 45-108,  
10 the board shall note this on the face of the plat if the plat is approved.