

House Engrossed

residential lease community; Prescott AMA

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

HOUSE BILL 2487

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.4, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-469; AMENDING TITLE 11, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-324; AMENDING TITLE 45, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-581; RELATING TO BUILDING PERMITS.

(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; exception; definitions

6 A. THE LEGISLATIVE BODY OF A MUNICIPALITY MAY NOT APPROVE A
7 BUILDING PLAN FOR ONE OR MORE RESIDENTIAL DWELLING UNITS THAT ARE LOCATED
8 IN A RESIDENTIAL LEASE COMMUNITY OR MULTIFAMILY RESIDENTIAL PROPERTY
9 WITHIN THE MUNICIPALITY AND THE PRESCOTT ACTIVE MANAGEMENT AREA UNLESS ONE
10 OF THE FOLLOWING APPLIES:

11 1. THE APPLICANT HAS OBTAINED A WRITTEN COMMITMENT OF WATER SERVICE
12 FOR THE RELEVANT DWELLING UNITS FROM A CITY, TOWN OR PRIVATE WATER COMPANY
13 THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION
14 45-576 AND PROVIDED THAT COMMITMENT WITH THE PERSON'S APPLICATION FOR
15 APPROVAL OF THE RELEVANT BUILDING PLAN.

16 2. THE APPLICANT HAS ACQUIRED SUFFICIENT TYPE ONE OR TYPE TWO
17 NON-IRRIGATION GRANDFATHERED RIGHTS WITHIN THE PRESCOTT ACTIVE MANAGEMENT
18 AREA TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF THE RELEVANT
19 DWELLING UNITS AND THE APPLICANT HAS INCLUDED WITH THE PERSON'S
20 APPLICATION A COPY OF THE RELEVANT NOTICE OF CHANGE OF USE FOR THE
21 APPLICABLE NON-IRRIGATION GRANDFATHERED RIGHTS AND PROOF THAT ALL
22 WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO MEET THE ANNUAL WATER
23 DEMAND OF THE RELEVANT DWELLING UNITS WILL BE MADE FROM THE SAME LOCATION
24 AS THE ORIGINAL APPLICABLE NON-IRRIGATION GRANDFATHERED RIGHTS OR, IF FROM
25 ANOTHER LOCATION, THAT THE DIRECTOR OF THE DEPARTMENT OF WATER RESOURCES
26 HAS APPROVED A NEW GROUNDWATER WITHDRAWAL PERMIT AT THE NEW LOCATION AND
27 THAT THE NEW LOCATION COMPLIES WITH RULES ADOPTED PURSUANT TO SECTION
28 45-598, SUBSECTION A.

29 3. THE APPLICANT HAS RETIRED SUFFICIENT IRRIGATION GRANDFATHERED
30 RIGHTS WITHIN THE PRESCOTT ACTIVE MANAGEMENT AREA TO EQUAL THE ENTIRETY OF
31 THE ANNUAL WATER DEMAND OF THE RELEVANT DWELLING UNITS AND THE APPLICANT
32 HAS INCLUDED WITH THE PERSON'S APPLICATION A COPY OF THE RELEVANT NOTICE
33 OF RETIREMENT FOR THE APPLICABLE IRRIGATION GRANDFATHERED RIGHTS AND PROOF
34 THAT ALL WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO MEET THE ANNUAL
35 WATER DEMAND OF THE RELEVANT DWELLING UNITS WILL BE MADE FROM THE SAME
36 LOCATION AS THE APPLICABLE IRRIGATION GRANDFATHERED RIGHTS OR, IF FROM
37 ANOTHER LOCATION, THAT THE APPLICANT HAS RECEIVED APPROVAL FOR A NEW
38 GROUNDWATER WITHDRAWAL PERMIT AT THE NEW LOCATION AND THAT THE NEW
39 LOCATION COMPLIES WITH RULES ADOPTED PURSUANT TO SECTION 45-598,
40 SUBSECTION A.

41 4. THE APPLICANT HAS ACQUIRED SUFFICIENT ASSURED WATER SUPPLY
42 EXTINGUISHMENT CREDITS OR EFFLUENT STORAGE CREDITS WITHIN THE PRESCOTT
43 ACTIVE MANAGEMENT AREA, USING THE DEPARTMENT OF WATER RESOURCES'
44 ACCOUNTING PROCEDURES, TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF

1 THE RELEVANT DWELLING UNITS AND THE APPLICANT HAS INCLUDED BOTH OF THE
2 FOLLOWING IN THE PERSON'S APPLICATION:

3 (a) A COPY OF THE RELEVANT TRANSFER OF CREDITS TO THE DEPARTMENT OF
4 WATER RESOURCES.

5 (b) PROOF THAT ALL WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO
6 MEET THE ANNUAL WATER DEMAND OF THE RELEVANT DWELLING UNITS WILL BE MADE
7 FROM THE SAME LOCATION AS THE APPLICABLE EXTINGUISHMENT OR EFFLUENT
8 STORAGE CREDITS OR, IF FROM ANOTHER LOCATION, THAT THE DIRECTOR OF THE
9 DEPARTMENT OF WATER RESOURCES HAS APPROVED A NEW GROUNDWATER WITHDRAWAL
10 PERMIT AT THE NEW LOCATION AND THAT THE NEW LOCATION COMPLIES WITH RULES
11 ADOPTED PURSUANT TO SECTION 45-598, SUBSECTION A.

12 5. THE APPLICANT HAS ACQUIRED SUFFICIENT RENEWABLE OR IMPORTED
13 WATER SUPPLIES FROM WITHIN OR OUTSIDE OF THE PRESCOTT ACTIVE MANAGEMENT
14 AREA TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF THE RELEVANT
15 DWELLING UNITS AND THE APPLICANT HAS INCLUDED IN THE PERSON'S APPLICATION
16 BOTH OF THE FOLLOWING:

17 (a) A COPY OF THE DEPARTMENT'S APPROVAL OR CONFIRMATION OF THE
18 RELEVANT RENEWABLE OR IMPORTED WATER SUPPLIES.

19 (b) PROOF THAT ANY WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO
20 PROVIDE THE RELEVANT RENEWABLE OR IMPORTED WATER SUPPLIES WILL BE MADE
21 FROM A LOCATION THAT COMPLIES WITH RULES ADOPTED PURSUANT TO SECTION
22 45-598, SUBSECTION A.

23 B. THIS SECTION DOES NOT APPLY TO AN EXISTING RESIDENTIAL LEASE
24 COMMUNITY, MULTIFAMILY RESIDENTIAL PROPERTY, PLANNED RESIDENTIAL LEASE
25 COMMUNITY OR PLANNED MULTIFAMILY RESIDENTIAL PROPERTY THAT APPLIED FOR OR
26 THAT RECEIVED ZONING ENTITLEMENTS ON OR BEFORE THE EFFECTIVE DATE OF THIS
27 SECTION.

28 C. THE LEGISLATIVE BODY OF THE MUNICIPALITY SHALL NOTE ON THE FACE
29 OF ANY APPROVED BUILDING PLAN FOR A RESIDENTIAL LEASE COMMUNITY OR
30 MULTIFAMILY RESIDENTIAL PROPERTY THAT THE APPLICANT HAS COMPLIED WITH THIS
31 SECTION OR IS EXEMPT FROM THIS SECTION PURSUANT TO SUBSECTION C OF THIS
32 SECTION.

33 D. FOR THE PURPOSES OF THIS SECTION:

34 1. "MULTIFAMILY RESIDENTIAL PROPERTIES" HAS THE SAME MEANING
35 PRESCRIBED IN SECTION 49-746.

36 2. "RESIDENTIAL LEASE COMMUNITY":

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

43 (b) DOES NOT INCLUDE THE CONSTRUCTION, PROVISION OR LEASING OF
44 RESIDENTIAL STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE
45 EXEMPT FROM TITLE 11, CHAPTER 6, ARTICLE 5 AS PRESCRIBED BY SECTION

1 11-865, SUBSECTION A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF
2 HOUSING PERSONS WHO ARE AGRICULTURAL WORKERS.

3 Sec. 2. Title 11, chapter 2, article 9, Arizona Revised Statutes,
4 is amended by adding section 11-324, to read:

5 11-324. Residential lease communities; building permits;
6 water supply; exception; definitions

7 A. THE BOARD OF SUPERVISORS MAY NOT APPROVE A BUILDING PLAN FOR ONE
8 OR MORE RESIDENTIAL DWELLING UNITS THAT ARE LOCATED IN A RESIDENTIAL LEASE
9 COMMUNITY OR MULTIFAMILY RESIDENTIAL PROPERTY WITHIN AN UNINCORPORATED
10 AREA OF THE PRESCOTT ACTIVE MANAGEMENT AREA UNLESS ONE OF THE FOLLOWING
11 APPLIES:

12 1. THE APPLICANT HAS OBTAINED A WRITTEN COMMITMENT OF WATER SERVICE
13 FOR THE RELEVANT DWELLING UNITS FROM A CITY, TOWN OR PRIVATE WATER COMPANY
14 THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION
15 45-576 AND PROVIDED THAT COMMITMENT WITH THE PERSON'S APPLICATION FOR
16 APPROVAL OF THE RELEVANT BUILDING PLAN.

17 2. THE APPLICANT HAS ACQUIRED SUFFICIENT TYPE ONE OR TYPE TWO
18 NON-IRRIGATION GRANDFATHERED RIGHTS WITHIN THE PRESCOTT ACTIVE MANAGEMENT
19 AREA TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF THE RELEVANT
20 DWELLING UNITS AND THE APPLICANT HAS INCLUDED WITH THE PERSON'S
21 APPLICATION A COPY OF THE RELEVANT NOTICE OF CHANGE OF USE FOR THE
22 APPLICABLE NON-IRRIGATION GRANDFATHERED RIGHTS AND PROOF THAT ALL
23 WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO MEET THE ANNUAL WATER
24 DEMAND OF THE RELEVANT DWELLING UNITS WILL BE MADE FROM THE SAME LOCATION
25 AS THE ORIGINAL APPLICABLE NON-IRRIGATION GRANDFATHERED RIGHTS OR, IF FROM
26 ANOTHER LOCATION, THAT THE DIRECTOR OF THE DEPARTMENT OF WATER RESOURCES
27 HAS APPROVED A NEW GROUNDWATER WITHDRAWAL PERMIT AT THE NEW LOCATION AND
28 THAT THE NEW LOCATION COMPLIES WITH RULES ADOPTED PURSUANT TO SECTION
29 45-598, SUBSECTION A.

30 3. THE APPLICANT HAS RETIRED SUFFICIENT IRRIGATION GRANDFATHERED
31 RIGHTS WITHIN THE PRESCOTT ACTIVE MANAGEMENT AREA TO EQUAL THE ENTIRETY OF
32 THE ANNUAL WATER DEMAND OF THE RELEVANT DWELLING UNITS AND THE APPLICANT
33 HAS INCLUDED WITH THE PERSON'S APPLICATION A COPY OF THE RELEVANT NOTICE
34 OF RETIREMENT FOR THE APPLICABLE IRRIGATION GRANDFATHERED RIGHTS AND PROOF
35 THAT ALL WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO MEET THE ANNUAL
36 WATER DEMAND OF THE RELEVANT DWELLING UNITS WILL BE MADE FROM THE SAME
37 LOCATION AS THE APPLICABLE IRRIGATION GRANDFATHERED RIGHTS OR, IF FROM
38 ANOTHER LOCATION, THAT THE APPLICANT HAS RECEIVED APPROVAL FOR A NEW
39 GROUNDWATER WITHDRAWAL PERMIT AT THE NEW LOCATION AND THAT THE NEW
40 LOCATION COMPLIES WITH RULES ADOPTED PURSUANT TO SECTION 45-598,
41 SUBSECTION A.

42 4. THE APPLICANT HAS ACQUIRED SUFFICIENT ASSURED WATER SUPPLY
43 EXTINGUISHMENT CREDITS OR EFFLUENT STORAGE CREDITS WITHIN THE PRESCOTT
44 ACTIVE MANAGEMENT AREA, USING THE DEPARTMENT OF WATER RESOURCES'
45 ACCOUNTING PROCEDURES, TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF

1 THE RELEVANT DWELLING UNITS AND THE APPLICANT HAS INCLUDED BOTH OF THE
2 FOLLOWING IN THE PERSON'S APPLICATION:

3 (a) A COPY OF THE RELEVANT TRANSFER OF CREDITS TO THE DEPARTMENT OF
4 WATER RESOURCES.

5 (b) PROOF THAT ALL WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO
6 MEET THE ANNUAL WATER DEMAND OF THE RELEVANT DWELLING UNITS WILL BE MADE
7 FROM THE SAME LOCATION AS THE APPLICABLE EXTINGUISHMENT OR EFFLUENT
8 STORAGE CREDITS OR, IF FROM ANOTHER LOCATION, THAT THE DIRECTOR OF THE
9 DEPARTMENT OF WATER RESOURCES HAS APPROVED A NEW GROUNDWATER WITHDRAWAL
10 PERMIT AT THE NEW LOCATION AND THAT THE NEW LOCATION COMPLIES WITH RULES
11 ADOPTED PURSUANT TO SECTION 45-598, SUBSECTION A.

12 5. THE APPLICANT HAS ACQUIRED SUFFICIENT RENEWABLE OR IMPORTED
13 WATER SUPPLIES FROM WITHIN OR OUTSIDE OF THE PRESCOTT ACTIVE MANAGEMENT
14 AREA TO MEET THE ENTIRETY OF THE ANNUAL WATER DEMAND OF THE RELEVANT
15 DWELLING UNITS AND THE APPLICANT HAS INCLUDED IN THE PERSON'S APPLICATION
16 BOTH OF THE FOLLOWING:

17 (a) A COPY OF THE DEPARTMENT'S APPROVAL OR CONFIRMATION OF THE
18 RELEVANT RENEWABLE OR IMPORTED WATER SUPPLIES.

19 (b) PROOF THAT ANY WITHDRAWALS OF GROUNDWATER THAT WILL BE USED TO
20 PROVIDE THE RELEVANT RENEWABLE OR IMPORTED WATER SUPPLIES WILL BE MADE
21 FROM A LOCATION THAT COMPLIES WITH RULES ADOPTED PURSUANT TO SECTION
22 45-598, SUBSECTION A.

23 B. THIS SECTION DOES NOT APPLY TO AN EXISTING RESIDENTIAL LEASE
24 COMMUNITY, MULTIFAMILY RESIDENTIAL PROPERTY, PLANNED RESIDENTIAL LEASE
25 COMMUNITY OR PLANNED MULTIFAMILY RESIDENTIAL PROPERTY THAT APPLIED FOR OR
26 THAT RECEIVED ZONING ENTITLEMENTS ON OR BEFORE THE EFFECTIVE DATE OF THIS
27 SECTION.

28 C. THE BOARD OF SUPERVISORS SHALL NOTE ON THE FACE OF ANY APPROVED
29 BUILDING PLAN FOR A RESIDENTIAL LEASE COMMUNITY OR MULTIFAMILY RESIDENTIAL
30 PROPERTY THAT THE APPLICANT HAS COMPLIED WITH THIS SECTION OR IS EXEMPT
31 FROM THIS SECTION PURSUANT TO SUBSECTION B OF THIS SECTION.

32 D. FOR THE PURPOSES OF THIS SECTION:

33 1. "MULTIFAMILY RESIDENTIAL PROPERTIES" HAS THE SAME MEANING
34 PRESCRIBED IN SECTION 49-746.

35 2. "RESIDENTIAL LEASE COMMUNITY":

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

42 (b) DOES NOT INCLUDE THE CONSTRUCTION, PROVISION OR LEASING OF
43 RESIDENTIAL STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE
44 EXEMPT FROM CHAPTER 6, ARTICLE 5 OF THIS TITLE AS PRESCRIBED BY SECTION

1 11-865, SUBSECTION A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF
2 HOUSING PERSONS WHO ARE AGRICULTURAL WORKERS.

3 Sec. 3. Title 45, chapter 2, article 9, Arizona Revised Statutes,
4 is amended by adding section 45-581, to read:

5 45-581. Prescott AMA; commercial building permits;
6 application process; definitions

7 A. THE DIRECTOR SHALL SEPARATELY ACCOUNT FOR THE TRANSFER OF TYPE
8 TWO IRRIGATION GRANDFATHERED RIGHTS IN THE PRESCOTT ACTIVE MANAGEMENT AREA
9 THAT A DEVELOPER WISHES TO USE TO SECURE A BUILDING PLAN PURSUANT TO
10 SECTION 9-469 OR 11-324. THE DEPARTMENT SHALL PROVIDE A SEPARATE
11 APPLICATION PROCESS CONSISTENT WITH SECTIONS 9-469 AND 11-324 AND RULES
12 ADOPTED PURSUANT TO SECTION 45-598, SUBSECTION A FOR A GROUNDWATER USER
13 THAT WISHES TO SECURE A BUILDING PLAN FOR A RESIDENTIAL LEASE COMMUNITY OR
14 FOR MULTIFAMILY RESIDENTIAL PROPERTIES IN THE PRESCOTT ACTIVE MANAGEMENT
15 AREA.

16 B. FOR THE PURPOSES OF THIS SECTION:

17 1. "MULTIFAMILY RESIDENTIAL PROPERTIES" HAS THE SAME MEANING
18 PRESCRIBED IN SECTION 45-746.

19 2. "RESIDENTIAL LEASE COMMUNITY" HAS THE SAME MEANING PRESCRIBED IN
20 SECTIONS 9-469 AND 11-324.

21 Sec. 4. Legislative finding

22 The legislature finds that residential lease communities as defined
23 by this act are multifamily properties similar to apartments and other
24 multifamily properties.

25 (ENACTED WITHOUT THE EMERGENCY)

26 Sec. 5. Emergency

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