



Arizona State Legislature
Joint Legislative Ad Hoc Study Committee on Water Security

RESOLUTION

FINDING THAT THE TWENTY-FIVE PERCENT GROUNDWATER OFFSET REQUIRED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES' ALTERNATIVE PATH TO DESIGNATION OF ASSURED WATER SUPPLY RULES IS ILLEGAL, INCONSISTENT WITH LEGISLATIVE INTENT, AND BEYOND THE DEPARTMENT'S STATUTORY AUTHORITY.

WHEREAS, on November 25, 2024, the Arizona Department of Water Resources adopted final rules for the establishment of an "Alternative Path to Designation of Assured Water Supply," which requires an applicant to satisfy a twenty-five percent groundwater offset in addition to the one-hundred-year assured water supply requirement; and

WHEREAS Arizona Revised Statutes § 45-576 does not authorize the Department to require an applicant for an Assured Water Supply to meet or demonstrate more water than is necessary for the applicant to satisfy the water needs of the applicant's proposed use for one hundred years; and

WHEREAS the twenty-five percent groundwater offset requires applicants for a new Designation of Assured Water Supply to procure more water than needed to satisfy the water needs of the applicant's proposed use for one hundred years; and

WHEREAS, according to Elliott D. Pollack & Company, the twenty-five percent groundwater offset will increase the cost of new housing by between \$5,136 and \$31,630 per housing unit and result in a loss of eight percent in total housing units; and

WHEREAS administrative agencies must be able to point to clear legislative authorization when claiming the power to make decisions of "vast economic and political significance," *West Virginia v. Environmental Protection Agency*, 597 U.S. 697 (2022); **NOW, THEREFORE**

BE IT RESOLVED that the Joint Legislative Ad Hoc Study Committee on Water Security Finds:

1. The question of whether a groundwater offset should be required or adopted is a question of vast economic and political significance that has sweeping and negative impacts on the homebuilding industry, the price of water, and the cost of living throughout the state.
2. Legislation authorizing the twenty-five percent groundwater offset has not been adopted.
3. The twenty-five percent groundwater offset is illegal, inconsistent with legislative intent, and beyond the Department's statutory authority.

ADOPTED this 18th day of December 2024.

Rep. Gail Griffin

Sen. Sine Kerr

Rep. Tim Dunn

Sen. David Gowan