



CAWCD PROPERTY TAXES Questions & Answers

WHAT IS THE CAWCD TAX ON MY PROPERTY TAX BILL?

The CAWCD tax is for the Central Arizona Water Conservation District which is the entity that governs the Central Arizona Project.

WHAT IS CENTRAL ARIZONA PROJECT?

CAP is a 336-mile-long aqueduct that annually brings up to 1.5 million acre-feet of Colorado River water into CAP's three county service area which is Maricopa, Pinal and Pima counties. CAP water is used by cities, water utilities, agricultural districts and Native American communities throughout central and southern Arizona.

WHY IS THERE A TAX FOR CAWCD?

The CAWCD tax is levied to help pay the cost of construction and operations of Central Arizona Project. Property owners in Maricopa, Pinal and Pima counties are the only ones that pay a property tax to CAWCD.

I HAVE A WELL, WHY SHOULD I PAY PROPERTY TAXES TO CAWCD?

There are two reasons. First, without CAP water deliveries chances are many people would have to sink wells and depend on the same aquifer that supplies you. If that were to happen, your aquifer could go dry or you would have to sink your well deeper and deeper. Secondly, although you may not directly use CAP water, many cities depend upon it. That tax, like a school tax for those who have no children or whose children are grown and out of school, is simply the cost of living in society. It is similar to paying for roads and highways we may not travel but those roads are critical infrastructure for our state.

HOW MUCH IS THE CAWCD TAX?

CAWCD has two taxes, a general ad valorem tax that is up to 10-cents and a water storage tax that is up to 4-cents based on \$100 assessed value of Limited Property Value (LPV). The 4-cent tax rate is available to the Arizona Water Banking Authority to store water underground and purchase long-term storage credits, as well as for any CAP operations, maintenance or repayment costs.

HOW DOES CAP SUPPORT THE ECONOMY OF ARIZONA?

CAP supports the economy of the state by providing a reliable, renewable water supply, which keeps property values up for all homeowners. In a recent research study conducted by Arizona State University for CAP, the Colorado River water CAP delivers has supported Arizona's gross state product with \$2 trillion in economic benefits since water deliveries began. By delivering Colorado River water consistently, CAP has dramatically and positively changed the economic and environmental landscape of our state.

WHO DECIDES THE TAX RATE?

The tax rate is set each year by the CAP Board of Directors. The 15-member Board is popularly elected.

WHAT DOES THE TAX COST A HOMEOWNER?

The property owner with a \$200,000 LPV property pays \$2.00 a year for every one cent of tax for a total of \$28 per year (at 14-cents). CAP is collecting this amount to have sufficient operational funds to pay back the federal government for the costs of construction of the system and protect Arizona's future water supplies.

FOR MORE INFORMATION:

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CAGR D ASSESSMENTS **Questions & Answers**

I ALSO HAVE A CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT (CAGR D) ASSESSMENT ON MY PROPERTY TAX BILL. WHAT IS THIS?

Under current State of Arizona water management laws, your house could not have been built without enrollment in CAGR D. Residential subdivisions developed after February 1995 can no longer rely on mined groundwater as their water supply. The developer of your subdivision enrolled your home in the CAGR D so that CAGR D would replenish or replace the groundwater pumped from an aquifer to serve your home. CAGR D replaces the groundwater you use through a process called recharge or replenishment.

DO I HAVE TO PAY THE CAGR D TAX?

Yes. By State law, you must pay the cost of replacing the groundwater you use. This cost is included as a line item on your property tax bill and must be paid to the county along with your property tax payment. The county then transfers that money to CAGR D to be used to buy and recharge renewable water and related infrastructure to replenish the groundwater delivered to your home during the last year.

HOW DOES CAGR D DETERMINE WHAT I HAVE TO PAY?

You pay the cost of replacing the groundwater you used. Each year, water companies that serve subdivisions relying on CAGR D replenishment send a report of how much groundwater was used by each individual property. Based on those reports, CAGR D annually determines its total replenishment obligation for all of its members along with the cost to satisfy that obligation through the purchase and recharge of renewable water supplies. You then pay the cost to replenish the amount of groundwater used on your property.

WHY IS THE CAGR D ASSESSMENT ON MY HOME DIFFERENT FROM MY NEIGHBOR?

Your assessment is determined by the amount of groundwater delivered to your home by your water provider. Your assessment is different than your neighbor's because you used different amounts of groundwater during the previous year.

HOW CAN I REDUCE MY CAGR D ASSESSMENT?

Use less groundwater and you will pay less to CAGR D. The replenishment assessment is based on the amount of groundwater you use and what it costs CAGR D to replenish that groundwater.

HOW CAN I GET MY HOME OUT OF THE CAGR D?

Under current law, you cannot get your home out of the CAGR D. However, if your water provider were to switch from groundwater to a renewable surface water supply, your CAGR D replenishment assessment would be \$0. All landowners enrolled in CAGR D, pay an annual membership due regardless of whether or not the home was served groundwater in a given year.

WHERE CAN I GET MORE INFORMATION ABOUT CAGR D?

Visit www.CAGR D.com

