State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HB 2661

Introduced by
Representatives Cobb: Biasucci

AN ACT

AMENDING SECTION 5-572, ARIZONA REVISED STATUTES; AMENDING TITLE 45,
CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-119;
AMENDING TITLE 45, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE
13; RELATING TO WATERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 5-572, Arizona Revised Statutes, is amended to read:

5-572. Use of monies in state lottery fund; report

A. If there are any bonds or bond related obligations payable from the state lottery revenue bond debt service fund, the state lottery revenue bond debt service fund shall be secured by a first lien on the monies in the state lottery fund after the payment of operating costs of the lottery, as prescribed in section 5-555, subsection A, paragraph 1, until the state lottery bond debt service fund contains sufficient monies to meet all the requirements for the current period as required by the bond documents. Debt service for revenue bonds issued pursuant to this chapter shall be paid first from monies that would have otherwise been deposited pursuant to this section in the state general fund. After the requirements for the current period have been satisfied as required by the bond documents, the monies in the state lottery fund shall be expended for the expenses of the commission incurred in carrying out its powers and duties and in the operation of the lottery.

B. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsection A of this section, ten million dollars $10,000,000 shall be deposited in the Arizona game and fish commission heritage fund established by section 17-297.

C. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A and B of this section, five million dollars $5,000,000 shall be allocated to the department of child safety for the healthy families program established by section 8-481, four million dollars $4,000,000 shall be allocated to the Arizona board of regents for the Arizona area health education system established by section 15-1643, three million dollars $3,000,000 shall be allocated to the department of health services to fund the teenage pregnancy prevention programs established in Laws 1995, chapter 190, sections 2 and 3, two million dollars $2,000,000 shall be allocated to the department of health services for the health start program established by section 36-697, two million dollars $2,000,000 shall be deposited in the disease control research fund established by section 36-274 and one million dollars $1,000,000 shall be allocated to the department of health services for the federal women, infants and children food program. The allocations in this subsection shall be adjusted annually according to changes in the GDP price deflator as defined in section 41-563 and the allocations are exempt from the provisions of section 35-190 relating to lapsing of appropriations. If there are not sufficient monies available pursuant to this subsection, the allocation of monies for each program shall be reduced on a pro rata basis.
D. If the state lottery director determines that monies available to the state general fund may not equal eighty-four million one hundred fifty thousand dollars $84,150,000 in a fiscal year, the director shall not authorize deposits to the Arizona game and fish commission heritage fund OR THE DEPARTMENT OF WATER RESOURCES HERITAGE FUND pursuant to subsection B of this section until the deposits to the state general fund equal eighty-four million one hundred fifty thousand dollars $84,150,000 in a fiscal year.

E. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A through D of this section, one million dollars $1,000,000 or the remaining balance in the fund, whichever is less, is appropriated to the department of economic security for grants to nonprofit organizations, including faith based organizations, for homeless emergency and transitional shelters and related support services. The department of economic security shall submit a report on the amounts, recipients, purposes and results of each grant to the governor, the speaker of the house of representatives and the president of the senate on or before December 31 of each year for the prior fiscal year and shall provide a copy of this report to the secretary of state.

F. OF THE MONIES REMAINING IN THE STATE LOTTERY FUND EACH FISCAL YEAR AFTER APPROPRIATIONS AND DEPOSITS AUTHORIZED IN SUBSECTIONS A THROUGH F OF THIS SECTION, $50,000,000 SHALL BE DEPOSITED IN THE DEPARTMENT OF WATER RESOURCES HERITAGE FUND ESTABLISHED BY SECTION 45-119.

G. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A through E of this section, and after a total of at least ninety-nine million six hundred forty thousand dollars $99,640,000 has been deposited in the state general fund, three million five hundred thousand dollars $3,500,000 shall be deposited in the Arizona competes fund established by section 41-1545.01. The balance in the state lottery fund remaining after deposits into the Arizona competes fund shall be deposited in the university capital improvement lease-to-own and bond fund established by section 15-1682.03, up to a maximum of eighty percent of the total annual payments of lease-to-own and bond agreements entered into by the Arizona board of regents.

H. All monies remaining in the state lottery fund after the appropriations and deposits authorized in this section shall be deposited in the state general fund.

I. Except for monies expended for debt service of revenue bonds as provided in subsection A of this section, monies expended under subsection A of this section are subject to legislative appropriation.

J. The commission shall transfer monies prescribed in this section on a quarterly basis.
Sec. 2. Title 45, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 45-119, to read:

45-119. Department of water resources heritage fund

A. The Department of Water Resources Heritage Fund is established consisting of monies deposited from the State Lottery Fund pursuant to section 5-572 and interest and other income received from investing monies in the fund.

B. The Director shall administer the fund. Monies in the fund are continuously appropriated. Monies received pursuant to section 5-572 shall be deposited directly in the fund. On notice from the Director, the State Treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

C. The Department may spend monies in the fund only for the purposes of implementing and supporting at the state and county level rural management areas that are established pursuant to chapter 2, article 13 of this title and for funding voluntary, compensated land and water conservation plans to conserve and augment groundwater supplies pursuant to final rural management area plans and petitions that are submitted to and approved by the Director. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

D. The Department shall not exercise any power of eminent domain to acquire property using monies from the fund.

Sec. 3. Title 45, chapter 2, Arizona Revised Statutes, is amended by adding article 13, to read:

ARTICLE 13. RURAL MANAGEMENT AREAS

45-651. Designation of rural management area; conditions; hearing; rescission

A. A county board of supervisors that is in a county with lands that are outside of an active management area may designate by resolution one or more groundwater basins, subbasins or portions of those basins that are located outside of an active management area in the county as a rural management area. Before making a designation, the board of supervisors shall consider from any county, city or town within the proposed rural management area any voter-approved management goals in the relevant county comprehensive plan adopted pursuant to section 11-805, the relevant municipal general plan adopted pursuant to section 9-461.06 and any goals included in a comprehensive economic development strategy. The board of supervisors may designate a rural management area only if the board finds that one or more of the following conditions exist in the proposed rural management area:

1. The use of groundwater is approaching a rate of withdrawal equal to or exceeding the current recharge rate.
2. There are physical indications of overpumpng of water that are documented or reliably observed. Physical indications may include declining water levels in existing wells, decreasing water levels or flow in hydrologically connected surface water or land subsidence.

3. Additional action is needed to protect rights to appropriable water under State or Federal law and that water is hydrologically connected to groundwater.

4. Additional action and cooperation are needed to assist in meeting the water supply or land use planning needs for the communities within the proposed rural management area.

5. Available groundwater at the applicable regulatory depth below land surface in the area will likely last less than one hundred years, based on credible evidence regarding the current levels of pumping, projected levels of water use and known plans for use.

B. The County Board of Supervisors may adopt a resolution pursuant to Subsection A of this section after all of the following:

1. Providing notice of a date and time for two or more hearings on the proposed resolution to the public and to counties, cities, towns, industrial and agricultural water users and water-related special taxing districts in the proposed rural management area. The notice shall request public comment at the hearing on the proposed resolution and shall include at least the following:

   (a) The name of the proposed rural management area.

   (b) The boundaries of the proposed rural management area that shall be coterminous with the boundaries of a groundwater basin or subbasin that is partially or completely within the county and may include incorporated and unincorporated areas of the county. A rural management area may include areas in more than one county if the board of supervisors in each affected county adopts a resolution that supports the boundaries of the proposed rural management area within that county.

   (c) The reasons for the designation of the rural management area, including a preliminary finding that one or more of the conditions prescribed in Subsection A of this section exist within the boundaries of the proposed rural management area.

2. Publishing notice of each hearing for three weeks in a newspaper of general circulation in the proposed rural management area and posting the notice on the county's website.

3. Providing notice of the proposed resolution and the hearings to the Department of Water Resources, the Department of Environmental Quality, cities, towns and special districts and to any public or private water providers in the proposed rural management area.

4. Allowing at least forty-five days for public comment and comments from the department and cities, towns, industrial and agricultural users and water-related special taxing districts on the proposed resolution.
5. HOLDING AT LEAST TWO PUBLIC HEARINGS IN THE COMMUNITIES AFFECTED BY THE PROPOSED RESOLUTION, INCLUDING TRIBAL COMMUNITIES WHERE APPLICABLE.


D. AT ANY TIME AFTER DESIGNATION, A COUNTY BOARD OF SUPERVISORS BY MAJORITY VOTE AT A HEARING HELD FOR THIS PURPOSE MAY RESCIND THE DESIGNATION OF THE RURAL MANAGEMENT AREA AFTER A FINDING THAT THE CONDITIONS SPECIFIED IN THE RESOLUTION NO LONGER APPLY IN THE RURAL MANAGEMENT AREA.

E. NOTWITHSTANDING ANY PROVISION OF A RURAL MANAGEMENT AREA PLAN AND EXCEPT AS PROVIDED IN SECTION 45-437, SUBSECTION E, THE FOLLOWING APPLY:

1. IF ACRES OF LAND WERE IRRIGATED OR GROUNDWATER WAS PUMPED FOR INDUSTRIAL, COMMERCIAL, MUNICIPAL AND DOMESTIC USERS DURING THE FIVE YEARS PRECEDING THE DATE OF THE NOTICE OF HEARING ON THE POSSIBLE DESIGNATION OF THE RURAL MANAGEMENT AREA, THE IRRIGATION AND GROUNDWATER PUMPING MAY CONTINUE. THE ACRES MAY BE IRRIGATED WITH GROUNDWATER, EFFLUENT, DIFFUSED WATER ON THE SURFACE OR SURFACE WATER EXCEPT AS PROVIDED IN SECTIONS 45-172, 45-437.01, 45-437.02 AND 45-437.03.

2. LAND THAT WAS NOT IRRIGATED AT ANY TIME DURING THE FIVE-YEAR PERIOD BEFORE THE DATE OF THE NOTICE OF HEARING ON THE POSSIBLE DESIGNATION OF THE RURAL MANAGEMENT AREA IS DEEMED TO HAVE BEEN IN IRRIGATION IF THE DIRECTOR FINDS THAT SUBSTANTIAL CAPITAL INVESTMENT HAS BEEN MADE FOR THE SUBJUGATION OF THAT LAND FOR AN IRRIGATION USE, INCLUDING FOR ON-SITE IRRIGATION DISTRIBUTION FACILITIES AND ONE OR MORE WELLS IF THE DRILLING AND CONSTRUCTION OF THE WELLS WERE SUBSTANTIALLY COMMENCED BEFORE THE DATE OF THE NOTICE.

F. SUBSECTION E OF THIS SECTION DOES NOT PROHIBIT IRRIGATION WITH SURFACE WATER USED PURSUANT TO DECREED OR APPROPRIATIVE RIGHTS THAT ARE ESTABLISHED BEFORE THE DATE OF THE NOTICE OF HEARING ON THE POSSIBLE DESIGNATION OF THE RURAL MANAGEMENT AREA.

G. NOTWITHSTANDING SECTION 45-415, ANY BASIN OR SUBBASIN THAT IS SUBJECT TO A RURAL MANAGEMENT AREA DESIGNATION AND THAT HAS AN AREA PLAN THAT IS IN EFFECT IS NOT ELIGIBLE FOR INCLUSION IN A LOCALLY INITIATED
ACTIVE MANAGEMENT AREA. THIS PROHIBITION ON A LOCALLY INITIATED ACTIVE
MANAGEMENT AREA APPLIES FOR TEN YEARS AFTER THE DATE OF FINAL ADOPTION OF
THE RURAL MANAGEMENT AREA PLAN.

H. IT IS THE EXPRESS INTENT OF THE LEGISLATURE THAT THE DESIGNATION
OF A RURAL MANAGEMENT AREA NOT ALTER THE LEGAL CHARACTER OF ANY SURFACE
WATERS OR GROUNDWATER WITHIN THIS STATE, AFFECT THE VESTED WATER RIGHTS
ASSOCIATED WITH ANY SURFACE WATERS OR GROUNDWATER OR ESTABLISH ANY
PRECEDENT THAT COULD BE USED IN A COURT OF LAW TO DEFINE, LIMIT OR EXTEND
THE RIGHTS OF THIS STATE OR THE UNITED STATES OVER THE SURFACE WATERS AND
GROUNDWATER FOUND WITHIN THIS STATE. THIS SECTION DOES NOT AUTHORIZE A
COUNTY BOARD OF SUPERVISORS OR A RURAL MANAGEMENT AREA COUNCIL TO
ESTABLISH A MANAGEMENT PRACTICE THAT WOULD PREVENT A WATER USER FROM USING
A WELL TO DIVERT APPROPRIABLE SURFACE WATER TO WHICH THE WATER USER HAS
RIGHT UNDER STATE OR FEDERAL LAW.

45-652. Rural management area council; membership
A. A RURAL MANAGEMENT AREA THAT IS FORMED PURSUANT TO THIS CHAPTER
SHALL BE ADMINISTERED BY A COUNCIL CONSISTING OF MEMBERS WHO HAVE BEEN
RESIDENTS OF THE COUNTY IN WHICH THE RURAL MANAGEMENT AREA IS LOCATED FOR
AT LEAST FIVE YEARS, HAVE OWNED PROPERTY IN THE COUNTY FOR AT LEAST FIVE
YEARS, HAVE OWNED SURFACE WATER RIGHTS OR WATER WELLS IN THE COUNTY FOR AT
LEAST FIVE YEARS OR WHOSE EMPLOYERS HAVE OWNED PROPERTY, SURFACE WATER
RIGHTS OR WATER WELLS IN THE COUNTY FOR AT LEAST FIVE YEARS. THE BOARD OF
SUPERVISORS SHALL NOMINATE AND THE GOVERNOR SHALL APPOINT THE MEMBERS OF
THE COUNCIL TO REPRESENT THE GROUNDWATER USERS IN THE RURAL MANAGEMENT
AREA AND ON THE BASIS OF THEIR KNOWLEDGE OF, INTEREST IN AND EXPERIENCE
WITH PROBLEMS RELATING TO THE DEVELOPMENT, USE AND CONSERVATION OF WATER.
MEMBERS OF THE COUNCIL SHALL INCLUDE THE FOLLOWING:
1. IF THE BOUNDARIES OF A RURAL MANAGEMENT AREA ARE CONTAINED
WITHIN ONE COUNTY:
   (a) ONE COUNTY SUPERVISOR OR THE SUPERVISOR'S DESIGNEE FROM THE
       COUNTY THAT ESTABLISHED THE RURAL MANAGEMENT AREA.
   (b) ONE MAYOR OR COUNCIL MEMBER OR THE MAYOR'S OR COUNCIL MEMBER'S
       DESIGNEE FROM A CITY OR TOWN WITHIN OR WITHDRAWING GROUNDWATER FROM WITHIN
       THE BOUNDARIES OF THE RURAL MANAGEMENT AREA, AS APPLICABLE.
2. IF THE BOUNDARIES OF A RURAL MANAGEMENT AREA ARE CONTAINED
WITHIN TWO OR MORE COUNTIES, EACH ADDITIONAL COUNTY SHALL BE REPRESENTED
BY THE FOLLOWING AND THE RURAL MANAGEMENT AREA COUNCIL SHALL BE EXPANDED
TO INCLUDE THESE MEMBERS IN ADDITION TO THE MEMBERS OTHERWISE PRESCRIBED
BY THIS SECTION:
   (a) ONE COUNTY SUPERVISOR OR THE SUPERVISOR'S DESIGNEE FROM EACH OF
       THE COUNTIES WITHIN THE BOUNDARIES OF THE RURAL MANAGEMENT AREA.
   (b) ONE MAYOR, OR THE MAYOR'S DESIGNEE, OF A CITY OR TOWN WITHIN OR
       WITHDRAWING GROUNDWATER FROM WITHIN THE BOUNDARIES OF THE RURAL MANAGEMENT
       AREA FROM A COUNTY WITH ALL OR A PORTION OF ITS JURISDICTION WITHIN THE
       BOUNDARIES OF THE RURAL MANAGEMENT AREA, AS APPLICABLE.
3. One representative of agricultural interests within the rural management area, such as a representative of a natural resources conservation district, an irrigation district or an agricultural water users organization.

4. One person who is actively engaged in animal production as that person's main source of income in the county in which the rural management area is located.

5. One person who is actively engaged in plant production as that person's main source of income in the county in which the rural management area is located.

6. One person who represents mining water users in the rural management area or if the rural management area does not support any mining users, one person who resides within the boundaries of the rural management area and who owns or has filed a notice of intention to drill at least three wells within the rural management area.

7. One person who represents industrial users in the county in which the rural management area is located.

8. One person who represents the residential real estate or homebuilding industries in the county in which the rural management area is located.

9. One person who manages conservation lands for a private or public entity in an area outside of the active management areas in this state or one person who represents a water or electric utility that operates in the rural management area.

10. If the boundaries of the rural management area include any portion of a federal Indian reservation or if any federally recognized Indian tribe owns land or water resources within the rural management area, one representative of the governing body of that Indian tribe. If a representative is appointed pursuant to this paragraph, the rural management area council shall be expanded by this member in addition to the members otherwise prescribed by this section.

11. If there is an even number of council members after each of the council seats are filled, one at-large member who is appointed by the governor.

B. The term of office of each member is six years. The terms of three members shall expire on the third Monday of January in each even numbered year, except that each third even numbered year the term of one to three members shall expire.

C. Members of the council shall serve without compensation, except that each member shall be reimbursed for travel and subsistence while engaged in business of the council in the same manner as is provided by law for state officers.
45-653. Rural management area council; powers and duties;

_rural management area plan_

A. THE RURAL MANAGEMENT AREA COUNCIL SHALL:

1. IDENTIFY AND ANALYZE WATER MANAGEMENT PRACTICES AND OTHER POSSIBLE ACTIONS FOR USE IN MITIGATING THE WATER CONDITIONS IDENTIFIED IN THE RESOLUTION DESIGNATING THE RURAL MANAGEMENT AREA AND IN BRINGING THE AMOUNT OF WATER PUMPED INTO BALANCE WITH THE AMOUNT OF WATER RECHARGED IN THE RURAL MANAGEMENT AREA.

2. AFTER CONSULTATION WITH THE DEPARTMENT AND INTERESTED PARTIES AND AFTER HOLDING HEARINGS AS PRESCRIBED BY SECTION 45-656, ADOPT AND SEND TO THE DIRECTOR THE RURAL MANAGEMENT AREA PLAN FOR THE RURAL MANAGEMENT AREA.

B. THE RURAL MANAGEMENT AREA COUNCIL MAY:

1. REQUEST HYDROLOGIC MODELING AND OTHER TECHNICAL ASSISTANCE FROM THE DEPARTMENT, INCLUDING CREATION OR REFINEMENT OF A GROUNDWATER MODEL OR OTHER MODELING OF FUTURE WATER RESOURCE CONDITIONS AND OUTCOMES AND OF THE POTENTIAL EFFECTIVENESS OF DIFFERENT TOOLS FOR MEETING THE RURAL MANAGEMENT AREA GOALS.

2. REQUEST ASSISTANCE FROM THE DEPARTMENT IN CREATING AN AREA PLAN FOR THE RURAL MANAGEMENT AREA.

3. GATHER INFORMATION AND DATA.

4. COMMISSION OR CREATE REPORTS.

5. RECOMMEND BEST MANAGEMENT PRACTICES AND OTHER MEASURES FOR IMPLEMENTATION IN THE RURAL MANAGEMENT AREA TO ACHIEVE THE GOALS OF THE RURAL MANAGEMENT AREA.

6. COOPERATE WITH CITIES, TOWNS AND COUNTIES AND OTHER PUBLIC OR PRIVATE AGENCIES OR ORGANIZATIONS TO ENGAGE IN COORDINATED REGIONAL PLANNING RELATED TO WATER RESOURCES.

7. ESTABLISH A STEERING COMMITTEE, ADVISORY COMMITTEE OR OTHER SIMILAR ORGANIZATIONAL STRUCTURE TO SOLICIT AND RECEIVE PARTICIPATION, COMMENT AND ADVICE FROM RESIDENTS OF THE RURAL MANAGEMENT AREA AND OTHER INTERESTED PARTIES REGARDING THE DEVELOPMENT AND OPERATION OF THE RURAL MANAGEMENT AREA AND THE AREA PLAN.

8. RECOMMEND THAT ANY PERSON WHO FILES A NOTICE OF INTENTION TO DRILL A NONEXEMPT WELL INSIDE A DESIGNATED RURAL MANAGEMENT AREA BE REQUIRED BY THE APPROVED RURAL MANAGEMENT AREA PLAN TO RECORD A COPY OF THE NOTICE IN THE OFFICE OF THE COUNTY RECORDER IN WHICH THE WELL IS TO BE LOCATED AND, ON COMPLETION OF THE WELL, RECORD A COPY OF THE WELL COMPLETION REPORT PRESCRIBED BY SECTION 45-600. FOR THE PURPOSES OF THIS PARAGRAPH, "NONEXEMPT WELL" MEANS A WELL WITH A MAXIMUM PUMPING CAPACITY OF MORE THAN THIRTY-FIVE GALLONS PER MINUTE.

9. SEEK AND RECEIVE PUBLIC AND PRIVATE MONIES TO ASSIST WITH ITS PLANNING, MANAGEMENT AND PURPOSE, INCLUDING GRANTS TO PROVIDE TECHNICAL AND FINANCIAL ASSISTANCE TO GROUNDWATER USERS WITHIN THE RURAL MANAGEMENT AREA INCLUDING MUNICIPAL CORPORATIONS, SPECIAL DISTRICTS, OTHER POLITICAL
SUBDIVISIONS OR AUTHORITIES IN THIS STATE, INDIAN TRIBES AND PRIVATE
ENTITIES RELATING TO THE MANAGEMENT OF GROUNDWATER RESOURCES WITHIN THE
RURAL MANAGEMENT AREA OR FOR ANY OTHER PURPOSES TO CARRY OUT OR ACCOMPLISH
THE PURPOSES OF THIS CHAPTER.

45-654. Rural management area council; administrative duties

THE RURAL MANAGEMENT AREA COUNCIL SHALL:
1. KEEP THE MINUTES OF ITS MEETINGS AND ALL RECORDS, REPORTS AND
OTHER INFORMATION RELATIVE TO ITS WORK AND PROGRAMS IN PERMANENT FORM
INDEXED AND SYSTEMATICALLY FILED.
2. ELECT FROM ITS MEMBERS A CHAIRPERSON AND VICE CHAIRPERSON FOR
TERMS OF TWO YEARS EXPIRING ON THE THIRD MONDAY OF JANUARY OF EACH EVEN
NUMBERED YEAR.
3. DESIGNATE THE PERSON OR PERSONS WHO SHALL EXECUTE ALL DOCUMENTS
AND INSTRUMENTS ON BEHALF OF THE COUNCIL.
4. MANIFEST AND RECORD ITS ACTIONS BY MOTION, RESOLUTION OR OTHER
APPROPRIATE MEANS.
5. MAKE A COMPLETE RECORD OF ITS PROCEEDINGS THAT ARE OPEN TO
PUBLIC INSPECTION DURING REGULAR BUSINESS HOURS.

45-655. Rural management area plan; contents; notice

A. THE RURAL MANAGEMENT AREA COUNCIL SHALL ADOPT A RURAL MANAGEMENT
AREA PLAN FOR GROUNDWATER PROGRAMS AND POLICIES FOR THE RURAL MANAGEMENT
AREA. THE AREA PLAN SHALL INCLUDE:
1. ONE OR MORE GOALS FOR THE RURAL MANAGEMENT AREA.
2. A DESCRIPTION OF THE HYDROLOGIC, GEOLOGIC, ECOLOGICAL AND
DEMOGRAPHIC CONDITIONS IN THE RURAL MANAGEMENT AREA AND HOW THE GOALS
RELATE TO THOSE CONDITIONS AND TO THE CONDITIONS IDENTIFIED IN THE
RESOLUTION ESTABLISHING THE RURAL MANAGEMENT AREA.
3. PROPOSED ACTIONS CONSISTENT WITH ACHIEVING THE RURAL MANAGEMENT
AREA GOALS AND IDENTIFYING THE RELEVANT PUBLIC OR PRIVATE CORPORATION,
MUNICIPALITY, COUNTY OR STATE AGENCY, INDIAN TRIBE OR FEDERAL AGENCY WITH
AUTHORITY TO IMPLEMENT AND ENFORCE EACH PROPOSED ACTION.
4. METHODS TO MONITOR AND REPORT ON PROGRESS TOWARD THE RURAL
MANAGEMENT AREA'S GOALS.

B. THE GOALS SPECIFIED IN THE AREA PLAN MUST ADDRESS THE CONDITIONS
IDENTIFIED IN THE RESOLUTION ESTABLISHING THE RURAL MANAGEMENT AREA.
BEFORE ADOPTING AN AREA PLAN, THE COUNCIL SHALL CONSIDER THE VOTER
APPROVED MANAGEMENT GOALS IN THE RELEVANT MUNICIPAL GENERAL PLANS ADOPTED
PURSUANT TO SECTION 9-461.06, THE RELEVANT COUNTY COMPREHENSIVE PLANS
ADOPTED PURSUANT TO SECTION 11-805 AND ANY GOALS INCLUDED IN ANY
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY ADOPTED FOR A COUNTY, CITY OR
TOWN WITHIN THE RURAL MANAGEMENT AREA. THE MANAGEMENT GOALS MAY INCLUDE,
AS APPROPRIATE:
1. ACHIEVING SAFE YIELD.
2. PREVENTING LONG-TERM DECLINES IN GROUNDWATER LEVELS.
3. CONTROLLING AND PREVENTING SUBSIDENCE.
4. CONTROLLING AND PREVENTING WATER QUALITY DEGRADATION.

5. ADDRESSING OTHER ENVIRONMENTAL OR NATURAL RESOURCE ISSUES RELEVANT TO THE GROUNDWATER RESOURCES WITHIN THE RURAL MANAGEMENT AREA.

C. THE AREA PLAN MUST INCLUDE MONITORING OF RELEVANT HYDROLOGIC, BIOLOGIC AND ECOLOGICAL CONDITIONS TO TRACK PROGRESS TOWARDS THE AREA GOALS. THE RURAL MANAGEMENT AREA COUNCIL MAY COORDINATE WITH THE DIRECTOR OF WATER RESOURCES AND OTHER STATE AGENCIES, MUNICIPAL CORPORATIONS, SPECIAL DISTRICTS, PUBLIC AUTHORITIES, POLITICAL SUBDIVISIONS OF THIS STATE, PRIVATE ENTITIES, INDIAN TRIBES AND ANY AGENCIES OF THE UNITED STATES GOVERNMENT RELATED TO MONITORING OF RELEVANT RESOURCES.

D. THE RURAL MANAGEMENT AREA PLAN MAY INCLUDE:

1. ACTIONS THAT MAY BE RECOMMENDED BY THE RURAL MANAGEMENT AREA COUNCIL FOR IMPLEMENTATION BY RELEVANT CITIES AND TOWNS, COUNTY GOVERNMENTS OR OTHER PUBLIC AGENCIES WITHIN THE RURAL MANAGEMENT AREA, WHETHER INDIVIDUALLY OR THROUGH AN INTERGOVERNMENTAL AGREEMENT OR CONTRACT THAT MAY INCLUDE:
   (a) A RECOMMENDATION TO COUNTY AND MUNICIPAL GOVERNMENTS IN THE RURAL MANAGEMENT AREA TO INCENTIVIZE OR REQUIRE WATER CONSERVATION AND PROTECTION OF WATER RESOURCES CONSISTENT WITH ACHIEVING THE RURAL MANAGEMENT AREA GOALS THAT MAY INCLUDE:
      (i) ADDRESSING AREA GOALS IN RELEVANT COMPREHENSIVE PLANS ADOPTED PURSUANT TO SECTION 11-805 AND GENERAL PLANS ADOPTED PURSUANT TO SECTION 9-461.06.
      (ii) ADOPTING THE PROVISION AUTHORIZED BY SECTION 11-823, SUBSECTION A.
      (iii) ESTABLISHING SPECIAL ZONING DISTRICTS OR REGULATIONS AUTHORIZED BY SECTION 9-462.01.
      (iv) ADOPTING OVERLAY ZONING DISTRICTS AND REGULATIONS AUTHORIZED BY SECTION 11-811.
      (v) REGULATING SUBDIVISIONS AUTHORIZED BY SECTIONS 9-463.01 AND 11-821.
      (vi) ADOPTING BUILDING CODES AND OTHER RELATED CODES AUTHORIZED BY SECTION 11-861 OR REQUIRING THE ISSUANCE OF BUILDING PERMITS AUTHORIZED BY SECTION 9-467.
   (b) A RECOMMENDATION TO WATER UTILITIES WITHIN THE RURAL MANAGEMENT AREA TO ESTABLISH INCENTIVES AND RULES TO ENCOURAGE WATER CONSERVATION PURSUANT TO AND CONSISTENT WITH SECTIONS 9-511.01 AND 40-202 AND ARTICLE XV, SECTION 3, CONSTITUTION OF ARIZONA.
   (c) A PLAN FOR RECHARGE, STORAGE AND RECOVERY TO IMPROVE AQUIFER RECHARGE CONSISTENT WITH CHAPTER 3.1 OF THIS TITLE, WITH A RECOMMENDATION TO COUNTY AND MUNICIPAL GOVERNMENTS REGARDING CONSTRUCTION AND OPERATION OF RELEVANT INFRASTRUCTURE.

2. PROPOSED ACTIONS FOR IMPLEMENTATION BY THE DEPARTMENT ON PETITION BY THE RURAL MANAGEMENT AREA COUNCIL IN ITS AREA PLAN. THOSE ACTIONS MAY INCLUDE:
(a) Requiring water measuring devices for certain groundwater withdrawals from nonexempt wells within the rural management area pursuant to section 45-604.

(b) Requiring an annual report to be filed with the director by any persons withdrawing water from a nonexempt well pursuant to section 45-632.

(c) Petitioning the director for designation of a subsequent irrigation non-expansion area within all or a portion of the rural management area pursuant to section 45-433.

(d) Adopting rules governing the location of new wells and replacement wells in the rural management area to prevent unreasonably increasing damage to surrounding land or other water users or otherwise prevent achievement of the management goals of the rural management area from the concentration of wells pursuant to section 45-598.

(e) Voluntary or mandatory conservation programs that apply to certain persons withdrawing, distributing or receiving groundwater within the rural management area.

(f) A program to approve and fund voluntary, compensated land and water conservation plans to conserve and augment groundwater supplies within the rural management area.

(g) Groundwater withdrawal permit requirements for withdrawal of groundwater from new nonexempt wells for certain purposes pursuant to section 45-512.

E. Notwithstanding sections 45-432, 45-433 and 45-435, the director may designate an area that is not included within an active management area as a subsequent irrigation non-expansion area if the director determines that the designation of the subsequent irrigation non-expansion area is being considered in response to a petition by a rural management area council pursuant to section 45-433, subsection A and the designation of a subsequent irrigation non-expansion area is consistent with achieving the rural management area goals. An irrigation non-expansion area established pursuant to this subsection may include more than one groundwater subbasin and may be conterminous with the boundaries of the rural management area or a portion of the rural management area, as identified in the petition to the director pursuant to subsection D, paragraph 2, subdivision (c) of this section or section 45-656. The director shall hold a hearing and follow the procedures prescribed in sections 45-435 and 45-436.

F. In a subsequent irrigation non-expansion area established pursuant to subsection E of this section and except as provided in subsection D, paragraph 2, subdivision (e) of this section, only acres of land that were irrigated at any time during the five years preceding the date of the notice of hearing on the proposed designation, and any additional acres as approved by the director that are irrigated with no more groundwater annually than was used within the five years preceding...
THE DATE OF NOTICE OF HEARING ON THE PROPOSED DESIGNATION BY THAT
IRRIGATOR MAY BE IRRIGATED WITH GROUNDWATER, EFFLUENT, DIFFUSED WATER ON
THE SURFACE OR SURFACE WATER, EXCEPT AS PROVIDED IN SECTIONS 45-172,
45-437.01, 45-437.02 AND 45-437.03. THIS SUBSECTION DOES NOT PROHIBIT
IRRIGATION WITH SURFACE WATER USED PURSUANT TO DECEDED OR APPROPRIATIVE
RIGHTS ESTABLISHED BEFORE THE DATE OF THE NOTICE. LAND THAT WAS NOT
IRRIGATED AT ANY TIME DURING THIS FIVE YEAR PERIOD IS DEEMED TO HAVE BEEN
IN IRRIGATION IF THE DIRECTOR FINDS THAT SUBSTANTIAL CAPITAL INVESTMENT
HAS BEEN MADE FOR THE SUBJUGATION OF SUCH LAND FOR AN IRRIGATION USE
INCLUDING ON-SITE IRRIGATION DISTRIBUTION FACILITIES AND A WELL OR WELLS
THE DRILLING AND CONSTRUCTION OF WHICH WERE SUBSTANTIALLY COMMENCED BEFORE
THE DATE OF THE NOTICE OF HEARING ON THE PROPOSED DESIGNATION.

45-656. Adoption of rural management area plan; council
hearings; department hearings; notice

A. THE RURAL MANAGEMENT AREA COUNCIL SHALL HOLD AT LEAST TWO PUBLIC
HEARINGS TO RECEIVE PUBLIC COMMENT ON ANY PROPOSED RURAL MANAGEMENT AREA
PLAN OR REVISED AREA PLAN, AFTER PROVIDING NOTICE OF THE HEARINGS AS
PRESCRIBED IN SECTION 45-651 TO THE PERSONS AND ENTITIES PRESCRIBED BY
SECTION 45-651. THE RURAL MANAGEMENT AREA COUNCIL SHALL HEAR ALL PERSONS
WHO WISH TO APPEAR BEFORE THE COUNCIL REGARDING THE RURAL MANAGEMENT AREA
PLAN. ON COMPLETION OF THE HEARINGS AND AFTER MAKING ANY CHANGES TO THE
PROPOSED RURAL MANAGEMENT AREA PLAN OR REVISED RURAL MANAGEMENT AREA PLAN,
THE COUNCIL SHALL ADOPT THE RURAL MANAGEMENT AREA PLAN. THE COUNCIL SHALL
RECORD A CERTIFIED COPY OF THE PROCEEDINGS IN THE OFFICE OF THE COUNTY
RECORDER FOR ANY COUNTY WITH LAND WITHIN THE RURAL MANAGEMENT AREA AND
SHALL SUBMIT A COPY TO THE DIRECTOR.

B. ON ADOPTION OF THE PLAN, THE RURAL MANAGEMENT AREA COUNCIL SHALL
PETITION THE DEPARTMENT FOR APPROVAL BY THE DEPARTMENT OF ANY PROPOSED
ACTIONS IN THE PLAN THAT WOULD BE IMPLEMENTED BY THE DEPARTMENT. THE
RURAL MANAGEMENT AREA COUNCIL SHALL SUBMIT TO THE APPROPRIATE CITIES,
TOWNS AND COUNTIES AND OTHER PUBLIC AGENCIES ANY PROPOSED ACTIONS IN THE
AREA PLAN THAT WOULD BE IMPLEMENTED BY THOSE CITIES, TOWNS AND COUNTIES OR
OTHER PUBLIC AGENCIES IN THE RURAL MANAGEMENT AREA.

C. ON RECEIPT OF A PETITION BY A RURAL MANAGEMENT AREA COUNCIL
PURSUANT TO SUBSECTION B OF THIS SECTION AND BEFORE IMPLEMENTING ANY
RECOMMENDED ACTIONS CONTAINED IN THE AREA PLAN, THE DIRECTOR SHALL HOLD A
PUBLIC HEARING ON THE ACTIONS PROPOSED FOR IMPLEMENTATION BY THE
DEPARTMENT.

D. THE DIRECTOR SHALL GIVE NOTICE OF THE DEPARTMENT HEARING WITHIN
THIRTY DAYS AFTER THE RURAL MANAGEMENT AREA COUNCIL PETITIONS THE
DEPARTMENT. THE NOTICE SHALL INCLUDE A SUMMARY OF THE PETITION AND
PROPOSED ACTIVITIES FOR IMPLEMENTATION BY THE DEPARTMENT, THE AREA PLAN, A
MAP OR A DESCRIPTION OF THE BOUNDARIES OF THE RURAL MANAGEMENT AREA, AND
THE TIME AND PLACE OF THE HEARING. THE NOTICE SHALL BE PUBLISHED ONCE
EACH WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN EACH COUNTY IN WHICH THE RURAL MANAGEMENT AREA IS LOCATED.

E. THE HEARING SHALL BE HELD AT A LOCATION WITHIN THE RURAL MANAGEMENT AREA AS SOON AS PRACTICABLE BUT AT LEAST THIRTY DAYS AND NOT MORE THAN SIXTY DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE OF HEARING.

F. AT THE HEARING, THE RURAL MANAGEMENT AREA COUNCIL SHALL PRESENT DATA IN SUPPORT OF THE PETITION AND A SUMMARY OF THE PUBLIC COMMENTS RECEIVED. ANY PERSON MAY APPEAR AT THE HEARING EITHER IN PERSON OR BY REPRESENTATIVE AND SUBMIT ORAL OR DOCUMENTARY EVIDENCE FOR OR AGAINST THE PETITION FOR DEPARTMENT IMPLEMENTATION OF THE PROPOSED ACTIONS.

G. WITHIN THIRTY DAYS AFTER THE HEARING, THE DIRECTOR SHALL ISSUE A PRELIMINARY DECISION DETERMINING WHETHER THE PROPOSED ACTIONS INCLUDED WITHIN THE PETITION, SINGLY OR IN COMBINATION, ARE CONSISTENT WITH ACHIEVING THE RURAL MANAGEMENT AREA GOALS. WITHIN NINETY DAYS AFTER THE HEARING, THE DIRECTOR SHALL ISSUE A FINAL DECISION DETERMINING WHETHER THE PROPOSED ACTIONS INCLUDED WITHIN THE PETITION, SINGLY OR IN COMBINATION, ARE CONSISTENT WITH ACHIEVING THE RURAL MANAGEMENT AREA GOALS AND SUCH ORDERS AND DESIGNATIONS AS MAY BE REQUIRED TO IMPLEMENT THE ACTIONS APPROVED BY THE DECISION. THE DIRECTOR SHALL INCLUDE A SUMMARY OF FINDINGS WITH RESPECT TO MATTERS CONSIDERED DURING THE HEARING WITH THE DECISION AND A SUMMARY OF ALL PUBLIC COMMENTS RECEIVED IN WRITING AND PUBLIC COMMENTS MADE AT THE PUBLIC HEARING.


I. THE FINDINGS AND ORDER OF THE DIRECTOR ARE SUBJECT TO REHEARING OR REVIEW AND TO JUDICIAL REVIEW AS PROVIDED IN SECTION 45-114, SUBSECTION C.