



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1221

basin management areas; appropriation

Purpose

Establishes a process for the designation of a basin management area (BMA) and an active BMA in any location not included in an active management area (AMA), to be initiated by petition to the Director of the Arizona Department of Water Resources (ADWR). Outlines the goals of an active BMA, active BMA council (council) makeup, rights to water, reporting requirements, and requirements for the continuation or termination of an active BMA. Appropriates \$40,000,000 from allocated state monies from the American Rescue Plan Act of 2021 in FY 2025 to ADWR and requires ADWR to use the \$5,000,000 appropriated in FY 2024 from the state GF to ADWR for Statewide Water Resources Planning to fund water conservation measures in an established BMA.

Background

Designation of an AMA

The Director of ADWR may designate an area which is not included within an initial AMA as a subsequent AMA if: 1) active management practices are necessary to preserve the existing supply of groundwater for future needs; 2) land subsidence or fissuring is endangering property or potential groundwater storage capacity; or 3) use of groundwater is resulting in actual or threatened water quality degradation ([A.R.S. § 45-412](#)).

A groundwater basin that is not included within an initial AMA may be locally designated as an AMA on petition by 10 percent of the registered voters residing within the boundaries of the proposed AMA. On application for a petition number with the clerk of the board of supervisors or county election officer, the Director of ADWR must transmit a map of the groundwater basin to the county recorder of each county ([A.R.S. § 45-415](#)).

Designation of an Irrigation Non-Expansion Area (INA)

The Director of ADWR may designate an area which is not included within an AMA as a subsequent INA if: 1) there is insufficient groundwater to provide a reasonably safe supply for irrigation of the cultivated lands in the area at the current rates of withdrawal; and 2) the establishment of an AMA is not necessary ([A.R.S. § 45-432](#)).

A subsequent INA may be locally initiated by petition to the Director of ADWR if it is signed by: 1) at least 25 irrigation users of groundwater, or 25 percent of the irrigation users within the boundaries of the groundwater basin or sub-basin specified in the petition; or 2) 10 percent of the registered voters residing within the boundaries of the groundwater basin or sub-basin specified in the petition ([A.R.S. § 45-433](#)).

S.B. 1221 appropriates \$40,000,000 from the monies allocated to Arizona from the American Rescue Plan Act of 2021 in FY 2025 to ADWR. Additionally, S.B. 1221 requires ADWR to use the \$5,000,000 appropriated in FY 2024 from the state GF to ADWR for Statewide Water Resources Planning to fund water conservation measures in an established BMA.

Provisions

Basin Management Area

1. Allows the designation of a BMA in any location that is not included in an AMA and subject to the jurisdiction of Arizona to be initiated by petition to the Director of ADWR signed by at least 15 percent of the registered voters residing within the boundaries of the groundwater basin or subbasin specified in the petition as of the most recent report compiled by the county recorder and who receive their drinking water from the groundwater basin or subbasin.
2. Allows a BMA to include more than one groundwater subbasin.
3. Prohibits a BMA from being smaller than a groundwater subbasin or from including only a portion of a groundwater subbasin.
4. Requires the number of registered voters required to sign the petition, if a groundwater basin or subbasin is located in two or more counties, to be at least 15 percent of the registered voters residing within the boundaries of the groundwater basin or subbasin, as of the most recent report compiled by the county recorder, and who receive their drinking water from the groundwater basin or subbasin.
5. Requires the form of the petition to be substantially similar to an initiative petition.
6. Requires the applicant for the petition to comply with the outlined petition rules.
7. Requires the duties regarding the petition required of the Secretary of State to be performed by the county recorder of the county in which the registered voters in the groundwater basin or subbasin reside.
8. Prohibits a petition from being accepted more than 180 days after the date of submission of the application for petition.
9. Requires the Director of ADWR, on request of a county recorder for the purposes of BMA designation, to transmit to the county recorder any factual data concerning the boundaries of the groundwater basin or subbasin that may aid the county recorder in determining which registered voters of the county are residents and, for the purposes of the BMA, eligible voters of the groundwater basin or subbasin.
10. Requires the transmitted data to include a map of the residences that receive drinking water from the groundwater basin or subbasin.
11. Requires the ballot, if the residency or origin of a resident's drinking water is not verified, to remain unopened and be destroyed.

12. Requires the Director of ADWR, after receiving an application for petition signed by eligible voters, to determine whether the groundwater basin or subbasin subject to the petition meets the following requirements:
 - a) land subsidence within the groundwater basin or subbasin due to groundwater withdrawal is endangering property or potential groundwater storage capacity; and
 - b) there has been accelerated decline in water levels within the groundwater basin or subbasin over the preceding five years, as measured by at least 10 index wells, with each index well showing an accelerated decline of 5 feet or more annually.
13. Requires the Director of ADWR to measure each index well's static water level at the same time each year.
14. Requires the Director of ADWR to select index wells from across the groundwater basin or subbasin to collect a basin-wide representative sample.
15. Requires the Director of ADWR, if the Director determines that the groundwater basin or subbasin subject to the petition meets the outlined requirements, to conduct a cost benefit analysis of increased water management to determine if the probable benefits the local economy resulting from the proposed water management outweigh the costs.
16. Allows the Director of ADWR to hire an outside contractor to conduct the cost benefit analysis.
17. Requires the Director of ADWR, if the Director determines that the probable benefits outweigh the probable costs, to transmit:
 - a) the petition to the county board of supervisors (county BOS) in each county in which the groundwater basin or subbasin subject to the petition is located; and
 - b) a map of the groundwater basin or subbasin to the county recorder of each such county.
18. Requires the map to be on a scale adequate to show with substantial accuracy where the boundaries of the groundwater basin or subbasin cross the boundaries of county voting precincts.
19. Requires a county BOS, on receipt of a petition that has been signed by a sufficient number of eligible petitioners as determined by the applicable county recorders and that has been approved by the Director of ADWR, to hold a public meeting to approve or deny the petition.
20. Requires an affirmative vote of all members of each county BOS to approve the petition.
21. Requires ADWR, on approval of the petition by each county BOS, to hold at least three meetings.
22. Allows the Director of ADWR to refer either of the following to the applicable county BOS for designation as a BMA:
 - a) an INA that is located outside of a basin or subbasin in which groundwater may be transported to an AMA; and
 - b) a basin in which ADWR has reported observed mean declines in groundwater levels greater than 50 feet during the period from 2000 through 2020.

23. States the prescribed INA or the referred basin, if the Director of ADWR refers an INA or basin to a county BOS, are not subject to the outlined petition requirements but are subject to the outlined meeting and vote procedures.

Meetings and Boundaries

24. Requires the Director of ADWR, if a petition receives approval or the Director of ADWR declares all basins or subbasins in an INA as a BMA, to hold a series of public meetings as prescribed.
25. Requires the Director of ADWR to give reasonable notice of each meeting, including publishing the notice once each week for two consecutive weeks in a newspaper of general circulation in each county in which the proposed BMA is located.
26. Requires the Director of ADWR and the counties in which the proposed BMA is located to post the notice on their websites.
27. Requires the notice to contain the time and place of the meeting, the legal description and a map clearly identifying and describing all lands to be included in the proposed BMA and any other information the Director of ADWR deems necessary.
28. Requires the first and second meetings to be held at a location in the county in which the major portion of the proposed BMA is located within 60 days after the first publication of the notice of the meeting.
29. Requires the Director of ADWR, at the first and second meeting, to present any data on groundwater levels for the proposed BMA from ADWR and describe the effects of the proposed formation of the BMA, including the following:
 - a) the results of the cost benefit analysis conducted, as outlined;
 - b) the cost of applications that users may submit to ADWR; and
 - c) the effects of water conservation.
30. Requires the third meeting to be a meeting of a Joint Legislative Committee consisting of all members of the House of Representatives Natural Resources, Energy and Water Committee and the Senate Natural Resources, Energy and Water Committee, or their successor committees, with the Committee Chairpersons, or the Chairpersons' designees, serving as Co-Chairpersons.
31. Requires the Director of ADWR, at the third meeting, to present any data on groundwater levels for the proposed BMA and describe the effects of the proposed formation of the BMA.
32. Allows any person to appear at the first, second and third meetings, either in person or by representative, and to submit oral or documentary information regarding the proposed action or any secondary modeling challenging the modeling completed by ADWR.
33. Requires the Director of ADWR, within 15 days after the Joint Legislative meeting, to make a determination as to whether the procedures outlined have been complied with.
34. Allows a party to seek judicial review of the Director of ADWR's determination.

35. Requires the Director to declare a BMA established and file a true map of the BMA in the office of the county recorder of the county or counties in which the BMA is located if:
 - a) the Director of ADWR determines that all requirements have been complied with;
 - b) no challenge has been filed or a final decision has been made in favor of ADWR; and
 - c) all conditions have been met.

Certificate of Groundwater Rights

36. Requires the Director of ADWR, within 15 months after a BMA is established, to grant to each water user who applies for a certificate of groundwater rights a certificate that entitles the user to use the annual allocated amount of water as prescribed.
37. Requires the Director of ADWR, for municipal, industrial or residential users, on application to grant the user a certificate of groundwater rights that is consistent with the maximum amount of groundwater withdrawn and used by the user in acre feet in any one year in the five preceding years before formation of the BMA.
38. Requires the Director of ADWR to grant agricultural users a certificate of groundwater rights that is consistent with the higher of either the average or median use of the agricultural groundwater user in acre feet over the preceding 10 years before formation of the BMA.
39. Requires the Director of ADWR, for agricultural users that have withdrawn and used groundwater within 10 years of the date of formation of a BMA, to grant the user a certificate of groundwater rights that is consistent with the higher of either the average or the median groundwater use of the agricultural groundwater user in acre feet over the preceding years that groundwater was used in the 10 years before the date of formation of the BMA.
40. Requires ADWR to increase the amount of water entitled to a user via a certificate of groundwater rights if the user has made substantial capital investment in the 12 months before the petition is circulated for a BMA designation.
41. Defines *substantial capital investment* as the:
 - a) applications for rezoning or other permits;
 - b) acquisition of leased rights of ways; and
 - a) improvement of land, infrastructure or on-site irrigation distribution facilities, including the drilling of wells.
42. Requires the landowner, for planned residential or mixed-use developments that have been approved by the applicable zoning authority, to be granted a certificate of groundwater rights equal to the projected water demand of the development at build out.
43. Prohibits new groundwater pumping in the BMA, beginning after a BMA petition is approved, except that a user with a certificate of groundwater rights may retire or diminish the groundwater user's withdrawal from an existing well and withdraw an equal amount of groundwater from a replacement well or existing well for the same use consistent with the groundwater user's certificated groundwater right on the same property or may do any of the following as long as there remains a net benefit of at least 10 percent to the aquifer:
 - a) withdraw intentionally recharged water; or
 - b) transfer a certificate of groundwater rights and the associated groundwater as prescribed.

44. Allows a user that sells any portion of the user's land to transfer all or any portion of the unused allocation with the land.
45. Prohibits ADWR from requiring a groundwater user to meter any wells located in a BMA or to report the user's groundwater use beyond the requirements.
46. Requires a groundwater user to annually report to ADWR an estimate of groundwater use based on pumping capacity and the power usage of the user's groundwater pumping or other similarly reliable and accessible methods.
47. Allows a groundwater user to voluntarily acquire and report metering data.
48. Requires an application for a certificate of groundwater to include:
 - a) the applicant's name and mailing address;
 - b) the name of the BMA subject to the application from which the applicant has withdrawn groundwater;
 - c) a sworn statement that all information contained in the application is true, complete and correct according to the best belief and knowledge of the applicant;
 - d) if the application is for municipal or industrial groundwater use:
 - i. the maximum amount of groundwater the applicant withdrew and used in any one year during the five years preceding the date of formation of the BMA;
 - ii. the applicant's use or type of use of groundwater withdrawn by the applicant;
 - iii. the location of each well from which the applicant withdraws groundwater or has withdrawn groundwater;
 - e) if the application is for agricultural groundwater use:
 - i. a legal description and a map of all land owned by the applicant for which the applicant claims the right to withdraw and use groundwater; and
 - ii. the amount of water the applicant has used for agricultural purposes on the land each year during the 10 years preceding the date of formation of the BMA.
49. States that any data or estimate a person submits regarding a person's groundwater use is not a public record.
50. Prohibits any data or estimate a person submits from being disclosed unless the groundwater user consents to disclosure.
51. Requires ADWR, if a groundwater user voluntarily submits evidence of water conservation, to issue the water user a receipt of water conservation acknowledging the amount of water conserved.
52. Requires ADWR, if a council is formed, to provide the council with a copy of all past and future receipts granted in the groundwater basin or subbasin.

Flexibility Account

53. Allows a person who is entitled to use groundwater pursuant to a certificate of groundwater right to:
 - a) use groundwater in excess of the amount allowed by the right in an amount determined; or
 - b) use less than the amount allowed by the right in one accounting period and use the remaining amount allowed by the right in a succeeding accounting period or periods.

54. Requires the Director of ADWR to establish rules for the maintenance of a flexibility account for each certificate of groundwater right in a BMA.
55. Requires the Director of ADWR, if a person who is entitled to use groundwater pursuant to a certificate of groundwater right uses solely groundwater during any accounting period, to:
 - a) register a debit to the account if the amount of groundwater used during the accounting period is greater than the amount of the annual allocation of water granted pursuant to a certificate of groundwater right or the amount of water that the person is entitled to use under an active BMA Plan (Plan); or
 - b) register a credit to the account if the amount of groundwater used during the accounting period is less than the amount of the annual allocation of water granted pursuant to a certificate of groundwater right or the amount of water that the person is entitled to use under a Plan.
56. Requires the amount of groundwater used up to the amount of the excess, less any effluent use, if a person who is entitled to use groundwater pursuant to a certificate of groundwater right, uses a combination of surface water, effluent or groundwater or any combination thereof and uses of water by the person from all sources, except for surface water, other than Colorado River water, released for beneficial use from storage, diversion or distribution facilities to avoid spilling that would otherwise occur due to uncontrolled surface water inflows that exceed facility capacity, in the accounting period exceed the amount of the annual allocation of water granted pursuant to the certificate of groundwater right or the amount of water that the person is entitled to use under a Plan, to be registered as a debit to the account.
57. Requires the amount of water not used that would have been groundwater, if a person who is entitled to use groundwater pursuant to a certificate of groundwater right uses a combination of surface water, effluent or groundwater or any combination thereof and uses of water by the person from all sources, except for surface water, other than Colorado River water, released for beneficial use from storage, diversion or distribution facilities to avoid spilling that would otherwise occur due to uncontrolled surface water inflows that exceed facility capacity, in the accounting period exceed the amount of the annual allocation of water granted pursuant to the certificate of groundwater right or the amount of water that the person is entitled to use under a Plan, to be registered as a credit to the account.
58. Requires the maximum excess amount of groundwater that a person may use to be equal to 50 percent of the annual allocation of water granted pursuant to a certificate of groundwater right.
59. States that an owner of a certificate of groundwater right and the person using groundwater pursuant to the right are deemed to violate the flexibility account rules if the flexibility account for the right is in arrears at any time in excess of this amount.
60. Allows groundwater equal to the credit balance in the flexibility account to be used at any time.

61. Requires each acre-foot conveyed, if a certificate of groundwater right is conveyed in whole or in part, to carry with it a proportional share of any debits or credits in the flexibility account for the right.
62. Allows each person who owns a certificate of groundwater right and whose right has registered a credit balance to its flexibility account to convey or sell all or a portion of the credit balance to any person, including the conveyor or seller of the credit balance, who owns another certificate of groundwater right in the same groundwater basin or subbasin.
63. Requires a person who sells or conveys all or a portion of a credit balance, and the person to whom the credit balance is sold or conveyed, to notify the Director of ADWR of the sale or conveyance within 30 days after the sale or conveyance on a form prescribed and furnished by the Director of ADWR.
64. States that a sale or conveyance of all or part of a credit balance is effective only if the Director of ADWR receives the notice required within 30 days after the sale or conveyance.
65. Requires the Director of ADWR, after receiving the notice, to register a deduction of the credit amount conveyed or sold from the conveyor's or seller's flexibility account balance and the corresponding addition to the conveyer's or purchaser's flexibility account balance.
66. States that the deduction and addition to the flexibility account balances are effective as of the date of the sale or conveyance.
67. Allows each person who owns a certificate of groundwater right and whose right has registered a credit balance to its flexibility account to extinguish all or a portion of the credit balance.
68. Requires the person who extinguishes all or a portion of a credit balance to notify the Director of ADWR of the extinguishment on a form prescribed and furnished by the Director of ADWR.
69. States that the extinguishment of all or part of a credit balance is effective as of the date the Director of ADWR receives the notice.
70. Requires the Director of ADWR, after receiving the notice, to register a deduction of the credit amount extinguished from the flexibility account balance of the person who extinguished the credit balance.

Use, Conversion, Conveyance and Retirement of a Certificate of Groundwater Rights

71. Allows the owner of a municipal and industrial certificate of groundwater rights to:
 - a) use groundwater withdrawn pursuant to the certificate of groundwater rights for any nonagricultural use at any location in the BMA subject to the provisions governing transportation of groundwater;
 - b) withdraw groundwater pursuant to the certificate of groundwater rights only from those wells outlined on the user's certificate of groundwater rights;

- c) request the Director of ADWR to issue a revised certificate of groundwater rights to reflect new or additional points of withdrawal or new or additional types of nonagricultural use; or
 - d) lease all or part of the municipal and industrial groundwater right.
72. Allows the lessee, if a groundwater right is leased, to use groundwater withdrawn pursuant to the groundwater right.
73. Allows the owner of an agricultural certificate of groundwater rights to:
- a) use groundwater withdrawn pursuant to the certificate of groundwater rights for any agricultural use on any land described in the certificate of groundwater rights; and
 - b) request the Director of ADWR to issue a revised certificate of groundwater rights for any agricultural use on any land described in the certificate of groundwater rights.
74. States the right to use groundwater pursuant to the agricultural groundwater right is appurtenant to the acres of land described in the agricultural certificate of groundwater rights.
75. Specifies an agricultural groundwater right is owned by the owner of the land to which the groundwater right is appurtenant and may be leased for agricultural use with the land to which it is appurtenant.
76. Allows the owner or lessee of an agricultural certificate of groundwater rights to withdraw or receive groundwater from any location in the BMA subject to the provisions governing transportation of groundwater.
77. Allows the owner of an agricultural certificate of groundwater rights to convert all or part of the groundwater right to a municipal and industrial use.
78. Allows a municipal or industrial groundwater user to withdraw and use a converted agricultural groundwater right annually for municipal and industrial use:
- a) if the municipal and industrial use is on land described in the agricultural certificate of groundwater rights, 90 percent of the amount of the agricultural groundwater right allocation; or
 - b) if the municipal and industrial use is on land other than land described in the agricultural certificate of groundwater rights, 80 percent of the amount of the agricultural groundwater right allocation.
79. Requires a person who proposes to convert an agricultural groundwater right to a municipal and industrial use to notify the Director of ADWR, on a form prescribed and furnished by the Director of ADWR, of the conversion and the location of each well from which groundwater will be withdrawn for a municipal and industrial use and the types of use for which groundwater will be withdrawn.
80. Requires the Director of ADWR, after receiving notice of a conversion of an agricultural groundwater right to a municipal and industrial use, to issue to the owner a revised agricultural certificate of groundwater rights for the remaining agricultural use, if any, and a new municipal and industrial certificate of groundwater rights for the converted municipal and industrial use.

81. Allows the owner of a municipal and industrial certificate of groundwater rights to sell or convey all or part of the groundwater right for any nonagricultural use in the same groundwater basin or subbasin.
82. Requires, within 30 days after a conveyance of a groundwater right, the conveyor of all or part of a municipal and industrial right and the conveyee of the municipal and industrial right to notify the Director of ADWR of the conveyance on a form prescribed and furnish by the Director of ADWR.
83. Requires a notice provided by the conveyor and the conveyee to include:
 - a) the amount in acre-feet retained by the conveyor, if any;
 - b) the amount in acre-feet transferred to the conveyee;
 - c) the types of use for which groundwater will be withdrawn by the conveyor, if any;
 - d) the types of use for which groundwater will be withdrawn by the conveyee;
 - e) the location of each well from which groundwater will be withdrawn by the conveyor, if any;
 - f) the location of each well from which groundwater will be withdrawn by the conveyee; and
 - g) other information as the Director of ADWR may reasonably require.
84. Requires the Director of ADWR, after receiving notice of a conveyance of a municipal and industrial groundwater right, to issue to the conveyor a revised municipal and industrial certificate of groundwater rights for the portion of the groundwater right retained by the conveyor, if any, and issue to the conveyee a new municipal and industrial certificate of groundwater rights for the portion of the groundwater right conveyed.
85. Requires, if the owner of an agricultural certificate of groundwater rights conveys land described in the groundwater user's certificate, each acre conveyed to carry with it a proportional share of the annual allocation of groundwater granted pursuant to a certificate.
86. Requires the conveyor and the conveyee, within 30 days after the conveyance of land described in an agricultural certificate of groundwater rights, to each notify the Director of ADWR of the conveyance on a form prescribed and furnished by the Director of ADWR.
87. Requires a notice provided by the conveyor and the conveyee to include:
 - a) a legal description and a map of the land retained by the seller, if any;
 - b) a legal description and a map of the land conveyed to the conveyee; and
 - c) other information as the Director of ADWR may reasonably require.
88. Requires the Director of ADWR, after receiving notice of a sale or conveyance of an agricultural certificate of groundwater right, to issue to the conveyor a revised certificate for the portion of the groundwater right retained by the conveyor, if any, and issue to the conveyee a new agricultural certificate of groundwater rights for the portion of the groundwater right conveyed.
89. Allows the owner of an agricultural certificate of groundwater rights to sell or convey all or part of the right for agricultural use on other land in the same groundwater basin or subbasin.

90. Requires the conveyer of an agricultural certificate of groundwater rights and the conveyee, within 30 days after a conveyance, to notify the Director of ADWR of the conveyance on a form prescribed and furnish by the Director of ADWR.
91. Requires the notice provided by the conveyer and the conveyee to include:
 - a) the amount in acre-feet retained by the conveyer, if any;
 - b) the amount in acre-feet transferred to the conveyee;
 - c) a legal description and a map of the land on which the conveyer desires to use groundwater for an agricultural purpose and the portion of the agricultural groundwater right retained;
 - d) a legal description and a map of the land on which the conveyee desires to use groundwater for agricultural use pursuant to the agricultural groundwater right conveyed; and
 - e) other information as the Director of ADWR may reasonably require.
92. Requires the Director of ADWR, after receiving notice of a sale or conveyance of an agricultural certificate of groundwater rights for use on other agricultural land, to issue to the conveyer a revised certificate of groundwater rights for the portion of the right retained by the conveyer, if any, and issue to the conveyee a new agricultural certificate of groundwater rights for the portion of the right conveyed.
93. Allows the owner of a certificate of groundwater rights to retire all or part of the groundwater rights.
94. Requires a person who proposes to retire all or part of a certificate of groundwater rights to notify the Director of ADWR of the retirement on a form prescribed and furnish by the Director of ADWR.
95. Requires the notice provided by the person proposing to retire all or part of a certificate of groundwater rights to include:
 - a) the amount in acre-feet of the groundwater right to be retired;
 - b) if the groundwater right to be retired is a municipal and industrial groundwater right:
 - i. the type or types of use for which groundwater will be withdrawn under the portion of the groundwater right not retired, if any;
 - ii. the location of each well from which groundwater will be withdrawn under the portion for the groundwater right not retired if any;
 - iii. other information as the Director of ADWR may reasonably require;
 - c) if the groundwater right to be retired is an agricultural groundwater right:
 - i. a legal description and a map of the land on which the person proposing to retire the groundwater right desires to use for agricultural use the portion of the groundwater right not retired, if any; and
 - ii. other information as the Director of ADWR may require.
96. Requires the Director of ADWR, after receiving notice of retirement of all or part of a certificate of groundwater rights, to issue to the person who retires the groundwater right a revised certificate of groundwater rights for the portion of the groundwater right not retired, if any.

Designation of an Active BMA

97. Allows the designation of an active BMA in any location that is designated a BMA to be initiated by a unanimous vote of each county BOS with geographic boundaries within the groundwater basin or subbasin.
98. Requires the county BOS, if all supervisors vote to designate an active BMA, to call for an election on the question of designating an active BMA with boundaries that are coterminous with the boundaries of the groundwater basin or subbasin designated as a BMA and for the election of three active council members.
99. Requires the respective counties, if the proposed active BMA is located in more than one county, to cooperate to administer the election.
100. Requires the election to be conducted as prescribed, except that the election must include only registered voters who reside inside the boundaries of the proposed active BMA and who receive their drinking water from the groundwater basin or subbasin as eligible voters.

Council Ballot Language

101. Prescribes the ballot question to approve an active basin management area.
102. Requires a candidate for a council to file nomination petitions with the Director of ADWR in the prescribed manner.
103. Allows any qualified elector of the proposed active BMA to sign the petitions of up to three candidates.
104. Requires the names of candidates to appear on the election ballot in alphabetical order by surnames, with a square opposite each name, and an instruction to mark an X in the squares opposite the names of up to three candidates for whom the voter wishes to vote.
105. Requires the Director of ADWR, if a majority of the eligible voters voting on the question approves the formation of the active BMA, to hold three public meetings, make the necessary determination and allow for challenges, except the Director of ADWR must describe the effects of the proposed formation of an active BMA and make a determination consistent with the prescribed procedures.
106. Requires the Director of ADWR to file a true copy of the map of the active BMA in the office of the county recorder of the county or counties in which the active BMA is located.
107. Requires the three candidates who receive the highest number of votes at the election for the council members to be declared elected.
108. Requires the council members' terms to begin on the date of filing the oath of office with the Secretary of State and the candidates to serve four-year terms.

Active BMA Council

109. Requires a council to be established in each active BMA consisting of the following five members who reside within the boundaries of the active BMA and who receive their drinking water from the groundwater basin or subbasin:
 - a) three members who are residents of Arizona and are elected; and
 - b) two members who are appointed by the irrigation districts whose boundaries overlap with the active BMA.
110. Requires the irrigation district whose boundaries are closest to those of the active BMA to appoint a council member.
111. Requires the appointing authority, if a council member is vacated, to immediately appoint a new member.
112. Requires the voters, if an elected council member is removed, to elect a replacement at the next regularly scheduled election.
113. Requires a replacement member's term to end at the same time as the replaced member's term.
114. Requires council members to serve four-year terms.
115. States that council members are not eligible to receive compensation but are eligible for reimbursement of expenses.
116. Requires each council to:
 - a) select a chairperson from the council's membership;
 - b) meet as often as the chairperson deems necessary;
 - c) hold at least two public meetings in the basin or subbasin and allow public comment before adopting a Plan;
 - d) submit a proposed Plan to the chairpersons of the House of Representatives and Senate Natural Resources, Energy and Water Committees, or their successor committees, before adopting a Plan;
 - e) on request of the chairperson of the House of Representatives or Senate Natural Resources, Energy and Water Committees, or their successor committee, attend a Joint Legislative Hearing to evaluate a proposed Plan;
 - f) apply for and distribute grants for water conservation, water augmentation or water system upgrades within the active BMA;
 - g) submit a Plan that is approved by all members of the council to the Director of ADWR; and
 - h) provide education to water users and the public on efficient water management and conservation.
117. Requires monies awarded to be distributed equitably across all sectors.
118. Requires the Plan to:
 - a) be consistent with the management goals of an active BMA; and
 - b) require any annual reduction in water use to be equal in percentage for all users with a certificated groundwater right.

119. Prohibits the Plan from:
- a) requiring more than a two percent annual reduction in a water user's original allotment granted pursuant to a certificated groundwater right;
 - b) prohibiting a groundwater user from withdrawing intentionally created groundwater recharge, including effluent with a 10 percent net benefit to the aquifer;
 - c) requiring a water user to reduce annual water use by an amount greater than 10 percent of the annual allocation of water that the user is entitled to pursuant to a certificate of groundwater right issued at any time during any subsequent term of the AMA; and
 - d) requiring any water user to achieve total water use reductions in increments greater than 2 percent per year.
120. Allows a council to have only those powers given to it by statute and exercise the powers of the council, including the submission and adoption of a Plan, only on a unanimous vote of the council.
121. Prohibits the Director of ADWR from taking any action in an active BMA not recommended by the council, unless authorized by law.

Active BMA Goals

122. Allows the goals of an active BMA and a council to be any of the following as determined by the council:
- a) to protect the economy while considering the need to preserve groundwater for future non-irrigation uses;
 - b) to gather and obtain a better understanding of the groundwater basin or subbasin and aquifer health by installing index wells and promoting water users in the groundwater basin to voluntarily provide groundwater data to the council;
 - c) to preserve existing groundwater uses in the groundwater basin or subbasin while allowing the development of other uses and preserving future water supplies for other uses;
 - d) to reduce the rate of aquifer depletion, from the current depletion rate at the time an active BMA is established to a set rate by a set year as determined by the council;
 - e) to address the annual average depth-to-static level across the groundwater basin or subbasin from dropping below a set level and, if the average depth-to-static level drops below the set level, to bring the average depth-to-static level back to the set level within two years after the continuation or termination of the council;
 - f) to maintain groundwater programs in the groundwater basin or subbasin that provide reasonable access to a supply of water to meet reasonable commercial and basic domestic needs;
 - g) to increase the total amount of natural, incidental or artificial recharge in the groundwater basin or subbasin each year, from a set level in acre-feet per year to a higher set level in acre-feet per year, by a set year as determined by the council; and
 - h) to increase the total amount of water reuse in the groundwater basin or subbasin each year, from a set level in acre-feet per year to a higher set level in acre-feet per year, by a set year as determined by the council.

Right to Water

123. Prohibits the designation of an active BMA from infringing on a water user's certificated water rights, except that a council may require up to a two percent annual reduction in water use as part of a Plan.
124. Allows a water user in an active BMA to transfer the user's water rights or use groundwater.
125. Requires ADWR:
 - a) in conjunction with a council, to annually review the status of groundwater in the active BMA;
 - b) to estimate the amount of any change in groundwater levels in the area; and
 - c) to submit an annual report, by February 1 of each year, of ADWR's findings to the council.
126. Prohibits ADWR from requiring a groundwater user to:
 - a) meter any wells located in an active BMA; and
 - b) report the user's groundwater use beyond the prescribed requirements.
127. Prohibits a council from requiring a groundwater user to:
 - a) meter any wells located in an active BMA; and
 - b) report the user's groundwater use beyond the prescribed requirements.

Annual Report

128. Requires a groundwater user to annually report to the council an estimate of groundwater use based on pumping capacity and the power usage of the user's groundwater pumping or other similarly reliable and accessible methods.
129. Allows a groundwater user to voluntarily acquire and report metering data.
130. States that any data or estimate a person submits regarding a person's groundwater use is not a public record and may not be disclosed unless the groundwater user consents to disclosure.

Continuation or Termination of an Active BMA

131. States that an active BMA and council terminates 10 years after the date on which the active BMA was established, unless continued.
132. Requires the active BMA, if the Director of ADWR determines either that the active BMA no longer meets the prescribed conditions or, pursuant to a cost benefit analysis, that the cost outweighs the projected benefits, to immediately terminate.
133. Allows a party to seek judicial review of the Director of ADWR's determinations.
134. Requires the Director of ADWR, 24 months before the expected termination of an active BMA, to:
 - a) determine if the active BMA continues to meet the prescribed conditions;
 - b) determine if the probable benefits to the local economy resulting from the proposed water management authorized outweigh the costs; and
 - c) present the determinations to a council.

135. Allows the Director of ADWR to hire an outside contractor to conduct the cost benefit analysis.
136. Allows the registered voters of the active BMA, 12 months before the termination of the active BMA, to vote to continue the active BMA and council if the groundwater basin or subbasin continues to meet the prescribed conditions and the cost benefit analysis conducted indicates that the benefits of management outweigh the risks.
137. Allows a council to order the county recorders where the active BMA is located to hold an election asking if the active BMA should be continued and calling for the election of the elected members of a council.
138. Requires an election to continue an active BMA to be conducted as prescribed, except that the election must include only registered voters who reside inside the boundaries of the proposed active BMA and who receive their drinking water from the basin or subbasin as eligible voters.
139. Requires candidates for a council to comply with outlined rules.
140. Reverts the active BMA back to a BMA if an active BMA is not continued and any Plan adopted by the terminated council is unenforceable.
141. Requires a water user to have the same certificated groundwater right guaranteed to the water user before the formation of the active BMA.

Appropriation

142. Requires ADWR to use monies appropriated in the Statewide Water Resources Planning line item pursuant to Laws 2023, Chapter 133, Section 97 only to fund water conservation measures in a BMA.
143. Appropriates \$40,000,000 from the monies allocated to Arizona from the American Rescue Plan Act of 2021 in FY 2025 to ADWR to fund water conservation measures in a BMA.
144. Allows a water user in a BMA to apply for a grant of up to 50 percent of the costs of the water user's water conservation measure.
145. Requires ADWR to award allocated monies equitably to all classes of water users in a BMA.
146. Exempts the appropriation and the amount appropriated from the Statewide Water Resources Planning line item in FY 2024 from lapsing.

Miscellaneous

147. States that the regulation regarding BMAs and active BMAs does not preempt the transportation of groundwater or withdrawals of groundwater for transportation to AMAs.
148. Prohibits the Director of ADWR or the voters of a BMA or an active BMA from designating a BMA or an active BMA as an AMA or an INA.

149. Defines *land subsidence* as the settling or lowering of the surface of land that results from the withdrawal of groundwater, not including the settling of the alluvium of a river channel.

150. Adds a council to the definition of an *eligible entity*.

151. Becomes effective on the general effective date.

Amendments Adopted by the Committee

1. Adds the ability for the Director of ADWR to refer the prescribed INA or basin to the applicable county BOS for designation as a BMA without the outlined petition requirements.
2. Makes technical and conforming changes.

Amendments Adopted by Committee of the Whole

1. Requires the Director of ADWR to measure each index well that is used to collect a basin-wide representative sample at the same time each year.
2. Requires each index well measured to show an accelerated decline of 5 feet or more annually, rather than 10 feet.
3. Requires the Director of ADWR, for agricultural users that have withdrawn and used groundwater for fewer than 10 years before the date of formation of a BMA to grant the user a certificate of groundwater rights that is consistent with the higher of either the average or the median groundwater use over the preceding years that groundwater was used in the 10 years before the date of formation of the BMA.
4. Requires the cost benefit analysis of the increased water management to determine if the probable benefits to the local economy resulting from the proposed water management, rather than to the businesses directly affected by the proposed water management, outweigh the costs.
5. Modifies the allowable actions by a user with a certificate of groundwater rights when there remains a net benefit of 10 percent or more to the aquifer.
6. Outlines the information to be included in an application for a certificate of groundwater rights.
7. Outlines the allowable actions by the owner of a municipal, industrial or agricultural certificate of groundwater rights including using, transferring, conveying and retiring water rights.
8. Outlines the process for the use, transfer, conveyance and retirement of water rights.
9. Requires the elected members of a council to be residents of Arizona.
10. Makes technical and conforming changes.

FACT SHEET – Amended

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Senate Action

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Prepared by Senate Research

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RA/slp