

REFERENCE TITLE: subsequent AMA; previously nonirrigated land

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2202

Introduced by
Representative Griffin

AN ACT

AMENDING SECTIONS 45-452, 45-470, 45-472, 45-473 AND 45-512, ARIZONA
REVISED STATUTES; RELATING TO GROUNDWATER RIGHTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 45-452, Arizona Revised Statutes, is amended to
3 read:

4 45-452. No new irrigated acreage in active management areas;
5 central Arizona project water; exemption

6 A. In an initial active management area, except as provided in
7 subsections B, ~~H, I, and J~~ AND K of this section and sections 45-172,
8 45-465.01 and 45-465.02, only acres of land ~~which~~ THAT were legally
9 irrigated at any time from January 1, 1975 through January 1, 1980, ~~which~~
10 THAT are capable of being irrigated, ~~which~~ THAT have not been retired from
11 irrigation for a non-irrigation use pursuant to section 45-463 or 45-469
12 and for which the irrigation grandfathered right has not been conveyed for
13 a non-irrigation use. ~~—~~ may be irrigated with any groundwater, effluent,
14 diffused water on the surface or surface water, except that this does not
15 prohibit irrigation with surface water used pursuant to decreed or
16 appropriative rights established before June 12, 1980. In an initial
17 active management area, land ~~which~~ THAT was not irrigated at any time from
18 January 1, 1975 through January 1, 1980 is deemed to have been in
19 irrigation if the director finds that either of the following applies:

20 1. In areas of an initial active management area not designated as
21 critical groundwater areas under prior statutory law ~~prior to~~ BEFORE the
22 date of the designation of the active management area, land is deemed to
23 have been in irrigation if substantial capital investment has been made
24 for the subjugation of such land for an irrigation use including on-site
25 irrigation distribution facilities and a well or wells the drilling and
26 construction of which were substantially commenced ~~prior to~~ BEFORE the
27 date of the designation of the active management area.

28 2. In areas of an initial active management area ~~which~~ THAT were
29 designated as critical groundwater areas under prior statutory law, land
30 is deemed to have been in irrigation if substantial capital investment has
31 been made in the twelve months before June 12, 1980 for the improvement of
32 the land and on-site irrigation distribution facilities, including the
33 drilling of wells, for an irrigation use. This paragraph does not allow
34 irrigation of land ~~which~~ THAT could not have been legally irrigated under
35 prior statutory law.

36 B. In an initial active management area, a person who owns acres of
37 land ~~which~~ THAT may be irrigated pursuant to subsection A of this section
38 may apply to the director to permanently retire all or a portion of such
39 acres from irrigation and to irrigate conjunctively with central Arizona
40 project water the same number of substitute acres. The director may
41 approve the substitution of acres if the director determines that all of
42 the following exist:

43 1. The substitute acres were legally irrigated during the period of
44 September 30, 1958 to September 30, 1968, or such other period as the
45 United States secretary of the interior may designate.

1 2. The acres to be retired from irrigation and the substitute acres
2 are located outside of the exterior boundaries of the service area of a
3 city, town or private water company and such acres are located within the
4 same irrigation district and the same ~~sub-basin~~ SUBBASIN.

5 3. The substitution of acres is necessary to enable the irrigation
6 district within which the acres are located to more efficiently deliver
7 central Arizona project water.

8 4. Central Arizona project water available to the irrigation
9 district within which the acres are located will be adequate to supply the
10 substitute acres.

11 5. The substitution of acres will benefit the management of the
12 active management area in which the acres are located.

13 C. Any acres permanently retired from irrigation pursuant to
14 subsection B of this section relinquish their irrigation grandfathered
15 rights, and such rights are deemed to be appurtenant to the substitute
16 acres. Groundwater withdrawn or received for the irrigation of the
17 substitute acres pursuant to an irrigation grandfathered right shall be
18 reduced by the amount of central Arizona project water received for such
19 acres.

20 D. The service area of the irrigation district in which the acres
21 are located shall be modified to permanently delete the acres permanently
22 retired from irrigation and include the substitute acres.

23 E. If a person retires land from irrigation pursuant to subsection
24 B of this section, groundwater shall not be withdrawn from such retired
25 land for any purpose unless pursuant to a groundwater withdrawal permit or
26 unless withdrawn by a city, town or private water company within the
27 service area of such city, town or private water company.

28 F. The director may reverse the substitution of irrigated acres as
29 provided by subsections B through E of this section under the following
30 conditions and procedures:

31 1. Title to the retired acres and substitute acres has reverted
32 involuntarily, or voluntarily in lieu of foreclosure or forfeiture, to a
33 previous owner or owners of the retired and substitute acres.

34 2. The current owner of the retired acres must apply to the
35 director in writing stating:

36 (a) The history of the original substitution of acres under
37 subsections B through E of this section.

38 (b) The circumstances regarding the reversion of title to the
39 current owner or owners.

40 (c) Why reversal of the substitution of acres is necessary.

41 3. The director must find that reversing the substitution of acres:

42 (a) Will benefit the management of the active management area.

43 (b) Is necessary to prevent unreasonable hardship to the current
44 owner of the retired acres.

45 (c) Will not cause unreasonable hardship to the current owner of
46 the substitute acres, if owned separately from the retired acres.

1 4. If the director decides to reverse the substitution of acres:

2 (a) The originally retired irrigation acres regain their original
3 irrigation grandfathered rights, but groundwater withdrawn or received for
4 the irrigation of those acres pursuant to an irrigation grandfathered
5 right shall be reduced by any amount of central Arizona project water
6 received for such acres.

7 (b) The substitute acres relinquish all irrigation grandfathered
8 rights that were transferred to them under the original substitution of
9 acres.

10 (c) The service area of the irrigation district in which the acres
11 are located shall be modified to delete the substitute acres and include
12 the originally retired irrigation acres.

13 (d) Groundwater may not thereafter be withdrawn from the substitute
14 acres for any purpose unless pursuant to a groundwater withdrawal permit
15 or unless withdrawn by a city, town or private water company within its
16 service area.

17 G. In a subsequent active management area, except as provided in
18 subsections H, I, ~~and~~ J AND K of this section or section 45-172, only
19 acres of land ~~which~~ THAT were legally irrigated at any time during the
20 five years preceding the date of the notice of the initiation of
21 designation procedures or the call for the election, ~~which~~ THAT are
22 capable of being irrigated, ~~which~~ THAT have not been retired from
23 irrigation for a non-irrigation use pursuant to section 45-463 or 45-469
24 and for which the irrigation grandfathered right has not been conveyed for
25 a non-irrigation use, ~~may~~ may be irrigated with groundwater, effluent,
26 diffused water on the surface or surface water, except that this does not
27 prohibit irrigation with surface water used pursuant to decreed or
28 appropriative rights established before the date of the notice or the
29 call. In a subsequent active management area, land is deemed to have been
30 in irrigation if the director finds that either of the following applies:

31 1. In areas of a subsequent active management area ~~which~~ THAT were
32 not irrigation non-expansion areas, land is deemed to have been in
33 irrigation if substantial capital investment has been made for the
34 subjugation of such land for an irrigation use including on-site
35 irrigation distribution facilities and a well or wells the drilling and
36 construction of which were substantially commenced before the date of the
37 notice of the initiation of designation procedures or the call for the
38 election.

39 2. In areas of a subsequent active management area ~~which~~ THAT were
40 irrigation non-expansion areas, land is deemed to have been in irrigation
41 if the director finds that substantial capital investment has been made in
42 the twelve months before the date of the notice of the initiation of
43 designation procedures or the call for the election, for the improvement
44 of the land and on-site irrigation distribution facilities, including the
45 drilling of wells, for an irrigation use. This paragraph does not allow

1 irrigation of land ~~which~~ THAT could not have been legally irrigated under
2 section 45-437.

3 H. IN A SUBSEQUENT ACTIVE MANAGEMENT AREA, ON THE DIRECTOR'S
4 DETERMINATION OF IRRIGATION GRANDFATHERED RIGHTS, A PERSON MAY IRRIGATE
5 LAND THAT WAS NOT PREVIOUSLY SUBJECT TO IRRIGATION IF BOTH OF THE
6 FOLLOWING CONDITIONS APPLY:

7 1. THE LAND IS ADJACENT TO A FARM UNIT OR PARCEL THAT WAS
8 PREVIOUSLY SUBJECT TO IRRIGATION.

9 2. THE PERSON'S IRRIGATION OF THE LAND WOULD NOT CAUSE THE PERSON
10 TO EXCEED THE VOLUME OF GROUNDWATER AWARDED TO THE PERSON BY AN IRRIGATION
11 GRANDFATHERED RIGHT.

12 ~~H.~~ I. In an active management area, a state university engaged in
13 the teaching and study of and experimentation in the science of
14 agriculture may irrigate not more than three hundred twenty acres of land
15 for such purposes with not more than five acre-feet of groundwater per
16 acre per year. Water produced from any well pursuant to this subsection
17 shall not be leased, sold or transported off the irrigated land operated
18 by the state university. The right to withdraw and use groundwater
19 pursuant to this subsection does not require a withdrawal permit, is not a
20 grandfathered right, shall not give rise to a grandfathered right and may
21 not be conveyed to any other user.

22 ~~I.~~ J. In an active management area, a correctional facility under
23 the jurisdiction of the state department of corrections may irrigate with
24 groundwater, effluent, diffused water on the surface or surface water up
25 to a total of ten acres of land that otherwise may not be irrigated
26 pursuant to subsection A or G of this section if the irrigation is for the
27 purpose of producing plants or parts of plants for consumption by inmates
28 at the correctional facility as part of a prisoner work program and if the
29 correctional facility notifies the director of water resources in writing
30 of the location of the acres of land to be irrigated ~~prior to~~ BEFORE their
31 irrigation. The actual number of acres of land that a correctional
32 facility may irrigate pursuant to this subsection shall be calculated by
33 subtracting the number of acres of land the correctional facility may
34 already irrigate under subsection A or G of this section from ten. The
35 amount of water that a correctional facility may use during a year to
36 irrigate acres of land pursuant to this subsection shall not exceed an
37 amount calculated by multiplying the number of acres of land that are
38 actually irrigated by the correctional facility during the year pursuant
39 to this subsection, ~~;~~ by four and one-half acre-feet of water. The right
40 to withdraw and use groundwater pursuant to this subsection does not
41 require an irrigation grandfathered right, is not a grandfathered right,
42 shall not give rise to a grandfathered right, ~~;~~ and may not be conveyed to
43 any other user.

1 ~~⌞~~ K. During the second management period, acres of land in an
2 active management area ~~which~~ THAT have been retired from irrigation for a
3 non-irrigation use pursuant to section 45-463 or 45-469 or for which the
4 irrigation grandfathered right has been conveyed for a non-irrigation use
5 pursuant to section 45-472 may be irrigated with effluent, other than
6 effluent recovered pursuant to a recovery well permit issued under chapter
7 3.1 of this title or effluent given or received pursuant to a water
8 exchange under chapter 4 of this title, and shall retain its appurtenant
9 type 1 non-irrigation grandfathered right where the following conditions
10 are met:

11 1. The land to be irrigated lies within the boundaries of an
12 incorporated city or town.

13 2. The governing body or manager of the city or town has consented
14 in writing to the irrigation of the land with effluent.

15 3. The effluent proposed for irrigation of the land cannot be
16 reasonably beneficially used otherwise.

17 4. The owner of the land gives written notice to the director of
18 intention to irrigate the land with effluent and receives written approval
19 from the director before commencing irrigation. The notice shall set
20 forth the legal description of the land to be irrigated, the certificate
21 number of the type 1 non-irrigation grandfathered right appurtenant to the
22 land, the source of effluent and the reasons the effluent cannot be
23 reasonably beneficially used otherwise,~~—~~ and shall be accompanied by a
24 copy of the written consent of the city or town in which the land to be
25 irrigated is located.

26 ~~K~~ L. A person who may irrigate with effluent land to which a type
27 1 non-irrigation right is appurtenant under subsection ~~⌞~~ K of this
28 section may relinquish the right to irrigate all or a portion of the land
29 by giving the director written notice that the person relinquishes the
30 right. The notice shall include a legal description of the acres to be
31 relinquished. The relinquishment is effective ~~upon~~ ON receipt of the
32 notice by the director.

33 ~~L~~ M. If a person who may irrigate with effluent land to which a
34 type 1 non-irrigation grandfathered right is appurtenant under subsection
35 ~~⌞~~ K of this section conveys all or a portion of the land to a successor
36 owner, the successor owner shall not irrigate the land prior to providing
37 written notification to the director of the successor owner's intention to
38 irrigate the land and receiving approval from the director pursuant to
39 subsection ~~⌞~~ K of this section.

40 ~~M~~ N. Section 45-114, subsections A and B govern administrative
41 proceedings, rehearing or review and judicial review of final decisions of
42 the director under this section. If an administrative hearing is held, it
43 shall be conducted in the active management area in which the use is
44 located.

1 Sec. 2. Section 45-470, Arizona Revised Statutes, is amended to
2 read:

3 45-470. Use of type 1 non-irrigation grandfathered right by
4 original owner; definition

5 A. Except as provided in section 45-469, subsection I, or as
6 provided in subsection B of this section, the original owner of a type 1
7 non-irrigation grandfathered right pursuant to section 45-463 or 45-469
8 may:

9 1. Use groundwater withdrawn pursuant to the right for any
10 non-irrigation use:

11 (a) On the land to which the right is appurtenant.

12 (b) On any other land, subject to the provisions governing
13 transportation of groundwater in articles 8 and 8.1 of this chapter,
14 except that, if the land to which the right is appurtenant is included
15 within the exterior boundaries of the service area of a city, town or
16 private water company, use groundwater on other land only if the use on
17 other land was commenced ~~prior to~~ BEFORE the date of the designation of
18 the active management area or is pursuant to a development plan filed with
19 the director ~~prior to~~ BEFORE the inclusion of the land within the exterior
20 boundaries of the service area of the city, town or private water company.

21 2. Pursuant to section 45-473, convey retired irrigated land with
22 the appurtenant type 1 non-irrigation grandfathered right. Any land not
23 conveyed shall retain its appurtenant type 1 non-irrigation grandfathered
24 right.

25 B. The original owner of a type 1 non-irrigation grandfathered
26 right pursuant to section 45-463 or 45-469 shall not withdraw or use
27 groundwater pursuant to the portion of the type 1 non-irrigation
28 grandfathered right that is appurtenant to land which the original owner
29 may irrigate with effluent under section 45-452, subsection ~~J~~ K.

30 C. For the purposes of this section, "original owner" means:

31 1. The person who acquired and retired land from irrigation ~~prior~~
32 ~~to~~ BEFORE the date of the designation of the active management area
33 pursuant to section 45-463 and any person or entity that holds such land
34 under the same ownership as defined by section 45-461.

35 2. The person who retires legally irrigated land after the date of
36 the designation of the active management area pursuant to section 45-469
37 and any person or entity that holds such land under the same ownership as
38 defined by section 45-461.

39 Sec. 3. Section 45-472, Arizona Revised Statutes, is amended to
40 read:

41 45-472. Conveyance of irrigation grandfathered right; within
42 service area; outside service area; change to
43 non-irrigation grandfathered right; forfeiture of
44 right to convey to non-irrigation use; definition

45 A. The owner of an irrigation grandfathered right may convey the
46 right only with the land to which the right is appurtenant.

1 B. If the land to which an irrigation grandfathered right is
2 appurtenant is within the exterior boundaries of the service area of a
3 city, town or private water company:

4 1. The irrigation grandfathered right may be conveyed only for an
5 irrigation use, except for expanded animal industry use or as provided in
6 paragraphs 2 and 3 of this subsection. If an irrigation grandfathered
7 right is conveyed for an irrigation or expanded animal industry use, the
8 full amount of the right is conveyed. The amount of groundwater conveyed
9 pursuant to the right:

10 (a) For an irrigation use may be withdrawn from the land to which
11 the right is appurtenant or any other land and may be used only on the
12 land to which the right is appurtenant or on contiguous irrigation acres
13 under common ownership within the service area of the city, town or
14 private water company subject to the provisions of articles 8 and 8.1 of
15 this chapter relating to transportation of groundwater. For THE purposes
16 of this subdivision, irrigation acres that are separated by a road,
17 highway, easement or right-of-way from the land to which the irrigation
18 grandfathered right is appurtenant are deemed to be contiguous.

19 (b) For an expanded animal industry use may be withdrawn by the new
20 owner of the right only from the land to which the right is appurtenant
21 and used on that land or on any other land, subject to the provisions of
22 articles 8 and 8.1 of this chapter relating to transportation of
23 groundwater. If the groundwater was delivered by an irrigation district
24 to the previous owner of the right, the irrigation district may continue
25 to deliver groundwater to the new owner pursuant to the right. If any
26 portion of the amount of groundwater conveyed is withdrawn by the new
27 owner and used on other land, no additional groundwater may be withdrawn
28 for use on the land to which the right is appurtenant.

29 2. The irrigation grandfathered right may be conveyed to an
30 industry engaged in the generation of electrical energy for the purpose of
31 electrical energy generation, except that, if the facility for the
32 generation of electrical energy is not subject to title 40, chapter 2,
33 article 6.2, the conveyance is subject to the approval of:

34 (a) The appropriate city or town, if the irrigation grandfathered
35 right to be conveyed is appurtenant to land within the exterior boundaries
36 of the service area of a city or town.

37 (b) The director, if the irrigation grandfathered right to be
38 conveyed is appurtenant to land within the corporate limits of a city or
39 town and within the exterior boundaries of the service area of a private
40 water company.

41 3. If an irrigation grandfathered right is conveyed for a
42 non-irrigation use pursuant to paragraph 2 of this subsection, the amount
43 of the right that is conveyed is the lesser of:

44 (a) The current maximum amount of groundwater that may be used
45 pursuant to the right, as calculated pursuant to section 45-465,
46 subsection B.

1 (b) Three acre-feet per year multiplied by the number of water duty
2 acres in the farm in which the acre to which the right is appurtenant is
3 located divided by the number of irrigation acres in the farm.

4 4. The new owner of an irrigation grandfathered right conveyed
5 pursuant to paragraph 2 of this subsection may withdraw the amount of
6 groundwater conveyed pursuant to that right, as determined in paragraph 3
7 of this subsection, only from the land to which the right is appurtenant
8 and use the groundwater on that land, but may not use the groundwater on
9 other land, except that, if the groundwater was delivered by an irrigation
10 district to the previous owner of the right, the irrigation district may
11 continue to deliver groundwater to the new owner pursuant to the right for
12 use on the land to which the right is appurtenant.

13 5. All withdrawal or use of groundwater pursuant to this subsection
14 is subject to subsection H of this section.

15 C. If the land to which an irrigation grandfathered right is
16 appurtenant is included within the exterior boundaries of the service area
17 of a city, town or private water company subsequent to the date of the
18 designation of an active management area, the owner of the right ~~may~~, with
19 the approval of the director and consistent with the provisions of this
20 chapter, MAY convey the grandfathered right for a non-irrigation use,
21 other than an expanded animal industry use, on the land to which the right
22 is appurtenant, upon a showing that adequate water service is unavailable
23 at rates comparable to rates charged similar classes of water users within
24 such service area. The amount of the right conveyed is determined
25 pursuant to subsection B, paragraph 3 of this section. All withdrawal or
26 use of groundwater pursuant to this subsection is subject to subsection H
27 of this section.

28 D. If the land to which an irrigation grandfathered right is
29 appurtenant is outside of the exterior boundaries of the service area of a
30 city, town or private water company:

31 1. The irrigation grandfathered right may be conveyed for an
32 irrigation use or a non-irrigation use. If an irrigation grandfathered
33 right is conveyed for an irrigation or an expanded animal industry use,
34 the full amount of the right is conveyed. If an irrigation grandfathered
35 right is conveyed for a non-irrigation use, other than an expanded animal
36 industry use, the amount of the right that is conveyed is the lesser of:

37 (a) The current maximum amount of groundwater that may be used
38 pursuant to the right as calculated pursuant to section 45-465,
39 subsection B.

40 (b) Three acre-feet per year multiplied by the number of water duty
41 acres in the farm in which the acre to which the right is appurtenant is
42 located and divided by the number of irrigation acres in the farm.

43 2. The amount of groundwater conveyed pursuant to the right for a
44 non-irrigation use, as determined in paragraph 1 of this subsection, may
45 be withdrawn by the new owner of the right only from the land to which the
46 right is appurtenant and used on that land or on any other land, subject

1 to section 45-473.01 and to the provisions of articles 8 and 8.1 of this
2 chapter relating to transportation of groundwater, except that, if the
3 groundwater was delivered by an irrigation district to the previous owner
4 of the right, the irrigation district may continue to deliver groundwater
5 to the new owner pursuant to the right. If any portion of the amount of
6 groundwater conveyed is withdrawn by the new owner and used on other land,
7 no additional groundwater may be withdrawn for use on the land to which
8 the right is appurtenant, except that, if the new owner is an industry, it
9 may withdraw a portion of the amount of groundwater conveyed for use on
10 other land and withdraw the remainder of the amount of groundwater
11 conveyed for municipal and industrial use on the land to which the right
12 is appurtenant for purposes directly related to the industry's industrial
13 operation.

14 3. The amount of groundwater conveyed pursuant to the right for an
15 irrigation use, as determined in paragraph 1 of this subsection, may be
16 withdrawn from the land to which the right is appurtenant or from any
17 other land and may be used only on the land to which the right is
18 appurtenant or on contiguous irrigation acres under common ownership,
19 subject to the provisions of articles 8 and 8.1 of this chapter relating
20 to transportation of groundwater. For THE purposes of this paragraph,
21 irrigation acres that are separated by a road, highway, easement or
22 right-of-way from the land to which the irrigation grandfathered right is
23 appurtenant are deemed to be contiguous.

24 4. All withdrawal or use of groundwater pursuant to this subsection
25 is subject to subsection H of this section.

26 E. If an irrigation grandfathered right is conveyed for a
27 non-irrigation use, the new owner's right to withdraw or receive
28 groundwater is a non-irrigation grandfathered right associated with
29 retired irrigated land, or a type 1 non-irrigation grandfathered right.
30 All subsequent conveyances of that right are governed by section 45-473.

31 F. The amount of a type 1 non-irrigation grandfathered right shall
32 be determined at the time it is established and shall remain fixed at that
33 amount.

34 G. An irrigation grandfathered right may not be conveyed for a
35 non-irrigation use if one of the following applies:

36 1. The irrigation grandfathered right has not been retired in
37 anticipation of a future non-irrigation use and has not been exercised for
38 five consecutive years.

39 2. The land to which the irrigation grandfathered right is
40 appurtenant was previously designated by the director as protected
41 farmland pursuant to section 45-483, subsection A. This paragraph shall
42 not apply to land that was designated by the director as protected
43 farmland if the director revoked the designation pursuant to section
44 45-483, subsection C, paragraph 1 and the director determined at that time
45 that the conservation easement in the land was terminated because a
46 partial or full condemnation of the land made farming impracticable.

1 H. A person who owns a type 1 non-irrigation grandfathered right
2 under this section shall not withdraw or use groundwater pursuant to the
3 portion of the type 1 non-irrigation grandfathered right that is
4 appurtenant to land that the owner may irrigate with effluent pursuant to
5 section 45-452, subsection ~~J~~ K.

6 I. For the purposes of this section, "land to which the right is
7 appurtenant" means the acre or group of contiguous acres conveyed with an
8 irrigation grandfathered right.

9 Sec. 4. Section 45-473, Arizona Revised Statutes, is amended to
10 read:

11 45-473. Conveyance of type 1 non-irrigation grandfathered
12 right; use by new owner; appurtenancy; within
13 service area; outside service area; definition

14 A. The owner of a type 1 non-irrigation grandfathered right may
15 convey the right only for a non-irrigation use and only with the land to
16 which it is appurtenant. For THE purposes of this section, a type 1
17 non-irrigation grandfathered right means a non-irrigation grandfathered
18 right associated with retired irrigated land pursuant to section 45-463 or
19 45-469 or an irrigation grandfathered right ~~which~~ THAT was conveyed for a
20 non-irrigation use pursuant to section 45-472.

21 B. If a type 1 non-irrigation grandfathered right is conveyed, the
22 full amount of the right is conveyed.

23 C. If the land to which a type 1 non-irrigation grandfathered right
24 is appurtenant is within the exterior boundaries of the service area of a
25 city, town or private water company, the amount of groundwater conveyed
26 pursuant to the right may be withdrawn by the new owner of the right only
27 from the land to which the right is appurtenant subject to subsection F of
28 this section. The groundwater may be used on the land to which the right
29 is appurtenant, but may not be used on other land unless the use on other
30 land was commenced ~~prior to~~ BEFORE the date of the designation of the
31 active management area or was commenced by the original owner of the right
32 pursuant to a development plan filed with the director ~~prior to~~ BEFORE the
33 inclusion of the land within the exterior boundaries of the service area
34 of the city, town or private water company.

35 D. If the land to which the type 1 non-irrigation grandfathered
36 right is appurtenant is outside of the exterior boundaries of the service
37 area of a city, town or private water company, the amount of groundwater
38 conveyed pursuant to the right may be withdrawn by the new owner of the
39 right only from the land to which the right is appurtenant and used on
40 that land or on any other land, subject to section 45-473.01 and to the
41 provisions of articles 8 and 8.1 of this chapter relating to
42 transportation of groundwater, and to subsection F of this section. If
43 any portion of the amount of groundwater conveyed is withdrawn by the new
44 owner and used on other land, no additional groundwater may be withdrawn
45 for use on the land to which the right is appurtenant, except that, if the
46 new owner is an industry, it may withdraw a portion of the amount of

1 groundwater conveyed for use on other land and withdraw the remainder of
2 the amount of groundwater conveyed for municipal and industrial use on the
3 land to which the right is appurtenant for purposes directly related to
4 the industry's industrial operation.

5 E. If groundwater was delivered by an irrigation district to the
6 previous owner of a type 1 non-irrigation grandfathered right, the
7 irrigation district may continue to deliver groundwater pursuant to the
8 right to the new owner of the right.

9 F. The new owner of a type 1 non-irrigation grandfathered right
10 pursuant to section 45-463 or 45-469 shall not withdraw or use groundwater
11 pursuant to the portion of the type 1 non-irrigation grandfathered right
12 that is appurtenant to land ~~which~~ THAT the new owner may irrigate with
13 effluent under section 45-452, subsection ~~J~~ K.

14 G. For THE purposes of this section, "land to which the right is
15 appurtenant" means the acre or group of contiguous acres conveyed with a
16 type 1 non-irrigation grandfathered right.

17 Sec. 5. Section 45-512, Arizona Revised Statutes, is amended to
18 read:

19 45-512. Categories of groundwater withdrawal permits

20 Except as provided in section 45-452, subsection ~~H~~ I, section
21 45-513, subsection B and articles 5 and 6 of this chapter, a person may
22 not withdraw groundwater from a nonexempt well in an active management
23 area unless the person obtains a groundwater withdrawal permit from the
24 director pursuant to this article. The categories of groundwater
25 withdrawal permits are as follows:

- 26 1. Dewatering permits issued pursuant to section 45-513.
- 27 2. Mineral extraction and metallurgical processing permits issued
28 pursuant to section 45-514.
- 29 3. General industrial use permits issued pursuant to section
30 45-515.
- 31 4. Poor quality groundwater permits issued pursuant to section
32 45-516.
- 33 5. Temporary permits issued pursuant to sections 45-517 and 45-518.
- 34 6. Drainage water permits issued pursuant to section 45-519.
- 35 7. Hydrologic testing permits issued pursuant to section 45-519.01.

36 Sec. 6. Retroactivity

37 This act applies retroactively to from and after August 29, 2022.