

House Engrossed Senate Bill

~~unclaimed property, department of revenue~~
(now: San Simon Valley; groundwater; election)

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SENATE BILL 1300

AN ACT

AMENDING SECTION 45-437, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-437.04; RELATING TO IRRIGATION NON-EXPANSION AREAS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 45-437, Arizona Revised Statutes, is amended to
3 read:

4 45-437. Irrigated acreage; water measuring device; annual
5 report of groundwater pumping; limitation on
6 groundwater use; penalty; transportation; exemption

7 A. In an initial irrigation non-expansion area established pursuant
8 to section 45-431, except as provided in subsection ~~F~~ F of this section
9 **AND SECTION 45-437.04**, only acres of land ~~which~~ THAT were legally
10 irrigated at any time between January 1, 1975 and January 1, 1980 may be
11 irrigated with groundwater, effluent, diffused water on the surface or
12 surface water, except as provided in sections 45-172, 45-437.01, 45-437.02
13 and 45-437.03, and except that this does not prohibit irrigation with
14 surface water used pursuant to decreed or appropriative rights established
15 before June 12, 1980. Land ~~which~~ THAT was not irrigated at any time from
16 January 1, 1975 through January 1, 1980 is deemed to have been in
17 irrigation if the director finds that substantial capital investment has
18 been made in the twelve months before June 12, 1980 for the improvement of
19 the land and on-site irrigation distribution facilities, including the
20 drilling of wells, for an irrigation use. This subsection does not allow
21 irrigation of land ~~which~~ THAT could not have been legally irrigated under
22 prior statutory law.

23 B. In a subsequent irrigation non-expansion area ~~established~~
24 ~~pursuant to section 45-432~~, except as provided in subsection ~~F~~ F of this
25 section, only acres of land ~~which~~ THAT were irrigated **WITH GROUNDWATER** at
26 any time during the five years preceding the date of the notice of the
27 initiation of designation procedures may be irrigated with
28 groundwater, effluent, diffused water on the surface or surface water,
29 ~~except as provided in sections 45-172, 45-437.01, 45-437.02 and 45-437.03,~~
30 ~~and except that this does not prohibit irrigation with surface water used~~
31 ~~pursuant to decreed or appropriative rights established before the date of~~
32 ~~the notice~~. Land ~~which~~ THAT was not irrigated at any time during this
33 **five year FIVE-YEAR** period is deemed to have been in irrigation if the
34 director finds that substantial capital investment has been made for the
35 subjugation of such land for an irrigation use including on-site
36 irrigation distribution facilities and a well or wells the drilling and
37 construction of which were substantially commenced before the date of the
38 notice of the initiation of designation procedures.

39 C. Except as provided in subsection ~~F~~ G of this section, in an
40 **INITIAL** irrigation non-expansion area:

41 1. Each person withdrawing groundwater from a non-exempt well for
42 an irrigation use and each person withdrawing more than ten acre-feet of
43 groundwater per year from a non-exempt well for a non-irrigation use shall
44 use a water measuring device approved by the director. Each person
45 withdrawing groundwater from a non-exempt well shall file a report on a
46 calendar year basis with the director on a form provided by the director
47 ~~no~~ NOT later than March 31 of the following year. In filing a report,

1 each person withdrawing ten or fewer acre-feet of groundwater per year
2 from a non-exempt well for a non-irrigation use shall estimate the
3 quantity of groundwater withdrawn.

4 2. Transportations of groundwater are subject to the provisions of
5 articles 8 and 8.1 of this chapter.

6 D. EXCEPT AS PROVIDED IN SUBSECTION H OF THIS SECTION, IN A
7 SUBSEQUENT IRRIGATION NON-EXPANSION AREA:

8 1. EACH PERSON WITHDRAWING GROUNDWATER FROM A NON-EXEMPT WELL FOR
9 AN IRRIGATION USE AND EACH PERSON WITHDRAWING MORE THAN TEN ACRE-FEET OF
10 GROUNDWATER PER YEAR FROM A NON-EXEMPT WELL FOR A NON-IRRIGATION USE SHALL
11 USE A WATER MEASURING DEVICE APPROVED BY THE DIRECTOR. EACH PERSON
12 WITHDRAWING GROUNDWATER FROM A NON-EXEMPT WELL SHALL FILE A REPORT ON A
13 CALENDAR YEAR BASIS WITH THE DIRECTOR ON A FORM PROVIDED BY THE DIRECTOR
14 NOT LATER THAN MARCH 31 OF THE FOLLOWING YEAR. IN FILING A REPORT, IF A
15 PERSON WITHDRAWS TEN OR FEWER ACRE-FEET OF GROUNDWATER PER YEAR FROM A
16 NON-EXEMPT WELL, THE PERSON MAY PROVIDE AN ESTIMATE OF THE PERSON'S
17 WITHDRAWALS.

18 2. A PERSON WITHDRAWING GROUNDWATER FROM A NON-EXEMPT WELL FOR AN
19 IRRIGATION USE MAY NOT WITHDRAW MORE THAN FIVE ACRE-FEET OF GROUNDWATER
20 PER ACRE OF LAND THAT THE PERSON IRRIGATES PER YEAR.

21 D. If a person, who is required under subsection C, paragraph 1
22 OR SUBSECTION D, PARAGRAPH 1 of this section to file an annual report for
23 calendar year 1986 or any subsequent calendar year, fails to file a report
24 for the calendar year in question on or before March 31 of the following
25 year, the director may assess and collect a penalty of ~~twenty-five dollars~~
26 \$25 for each month or portion of a month that the annual report is
27 delinquent. IN A SUBSEQUENT IRRIGATION NON-EXPANSION AREA, IF A PERSON
28 THAT WITHDRAWS GROUNDWATER FROM A NON-EXEMPT WELL FOR AN IRRIGATION USE
29 WITHDRAWS MORE THAN FIVE ACRE-FEET OF GROUNDWATER PER ACRE OF LAND THAT
30 THE PERSON IRRIGATED IN THE CALENDAR YEAR, THE DIRECTOR MAY ASSESS AND
31 COLLECT A PENALTY OF \$150. The total penalty assessed under this
32 subsection shall not exceed ~~one hundred fifty dollars~~ \$150. The director
33 shall deposit, pursuant to sections 35-146 and 35-147, all penalties
34 collected under this subsection in the state general fund.

35 E. In an irrigation non-expansion area, a correctional facility
36 under the jurisdiction of the state department of corrections may irrigate
37 with groundwater, effluent, diffused water on the surface or surface water
38 up to a total of ten acres of land that otherwise may not be irrigated
39 pursuant to subsection A or B of this section if the irrigation is for the
40 purpose of producing plants or parts of plants for consumption by inmates
41 at the correctional facility as part of a prisoner work program and if the
42 correctional facility notifies the director of water resources in writing
43 of the location of the acres of land to be irrigated ~~prior to~~ BEFORE their
44 irrigation. The actual number of acres of land that a correctional
45 facility may irrigate pursuant to this subsection shall be calculated by
46 subtracting the number of acres of land the correctional facility may
47 already irrigate under subsection A or B of this section from ten.

1 F. G. IN AN INITIAL IRRIGATION NON-EXPANSION AREA, a person ~~who~~
2 ~~withdraws~~ WITHDRAWING groundwater from a non-exempt well for an irrigation
3 use is exempt from subsection C, paragraph 1 of this section for those
4 withdrawals if both of the following apply:

5 1. Groundwater withdrawn from the well for an irrigation use is
6 used only on land that is owned by a person who has the right under
7 subsection A or B of this section to irrigate ten or fewer contiguous
8 acres of land at the place of the use.

9 2. Groundwater withdrawn from the well is not used on land that is
10 part of an integrated farming operation.

11 H. IN A SUBSEQUENT IRRIGATION NON-EXPANSION AREA, A PERSON
12 WITHDRAWING GROUNDWATER FROM A NON-EXEMPT WELL FOR AN IRRIGATION USE IS
13 EXEMPT FROM THE MEASURING AND REPORTING REQUIREMENTS PRESCRIBED IN
14 SUBSECTION D, PARAGRAPH 1 OF THIS SECTION FOR THOSE WITHDRAWALS IF ALL OF
15 THE FOLLOWING APPLY:

16 1. GROUNDWATER WITHDRAWN FROM THE WELL FOR AN IRRIGATION USE IS
17 USED ONLY ON LAND THAT IS OWNED BY A PERSON THAT HAS THE RIGHT UNDER
18 SUBSECTION A OR B OF THIS SECTION TO IRRIGATE TEN OR FEWER CONTIGUOUS
19 ACRES OF LAND AT THE PLACE OF THE USE.

20 2. GROUNDWATER WITHDRAWN FROM THE WELL IS NOT USED ON LAND THAT IS
21 PART OF AN INTEGRATED FARMING OPERATION.

22 3. THE PERSON WITHDRAWS TWO AND ONE-HALF OR FEWER ACRE-FEET OF
23 GROUNDWATER PER ACRE OF LAND THAT THE PERSON IRRIGATES IN THE CALENDAR
24 YEAR.

25 4. NOT LATER THAN MARCH 31, THE PERSON PROVIDES AN ESTIMATE OF THE
26 QUANTITY OF GROUNDWATER WITHDRAWN IN THE PREVIOUS CALENDAR YEAR AND FILES
27 A REPORT ON A FORM PROVIDED BY THE DIRECTOR.

28 Sec. 2. Title 45, chapter 2, article 3, Arizona Revised Statutes,
29 is amended by adding section 45-437.04, to read:

30 45-437.04. Substitution of acres: new wells and replacement
31 wells in new locations: net increase in
32 withdrawals disallowed

33 A. IN A SUBSEQUENT IRRIGATION NON-EXPANSION AREA, A PERSON THAT
34 OWNS ACRES OF LAND THAT MAY BE LEGALLY IRRIGATED PURSUANT TO SECTION
35 45-437 MAY:

36 1. PERMANENTLY RETIRE THOSE ACRES FROM IRRIGATION AND SUBSTITUTE
37 FOR THOSE ACRES THE SAME NUMBER OF ACRES IN THE SAME IRRIGATION
38 NON-EXPANSION AREA IF THE PERSON DEMONSTRATES TO THE DIRECTOR'S
39 SATISFACTION THAT THE SUBSTITUTION OF ACRES WILL NOT LEAD TO A NET
40 INCREASE IN GROUNDWATER WITHDRAWALS IN THE IRRIGATION NON-EXPANSION AREA.

41 2. CONSTRUCT A NEW NON-EXEMPT WELL FOR AN IRRIGATION USE OR A
42 REPLACEMENT NON-EXEMPT WELL IN A NEW LOCATION FOR AN IRRIGATION USE IN THE
43 SAME IRRIGATION NON-EXPANSION AREA IF BOTH OF THE FOLLOWING APPLY:

44 (a) THE LOCATION OF THE NEW NON-EXEMPT WELL OR THE REPLACEMENT
45 NON-EXEMPT WELL COMPLIES WITH THE RULES ADOPTED BY THE DIRECTOR PURSUANT
46 TO SECTION 45-598.

1 (b) THE CONSTRUCTION OF THE NEW NON-EXEMPT WELL OR REPLACEMENT
2 NON-EXEMPT WELL IN A NEW LOCATION WILL NOT LEAD TO A NET INCREASE IN
3 GROUNDWATER WITHDRAWALS IN THE IRRIGATION NON-EXPANSION AREA.

4 B. TO PREVENT UNREASONABLY INCREASING DAMAGE TO SURROUNDING LAND OR
5 OTHER WATER USERS FROM THE CONCENTRATION OF NON-EXEMPT WELLS IN SUBSEQUENT
6 IRRIGATION NON-EXPANSION AREAS, THE RULES THE DIRECTOR ADOPTS PURSUANT TO
7 SECTION 45-598 GOVERNING THE LOCATION OF NEW WELLS AND REPLACEMENT WELLS
8 IN NEW LOCATIONS IN ACTIVE MANAGEMENT AREAS SHALL APPLY TO NEW NON-EXEMPT
9 WELLS AND REPLACEMENT NON-EXEMPT WELLS IN NEW LOCATIONS IN SUBSEQUENT
10 IRRIGATION NON-EXPANSION AREAS IF THE NEW NON-EXEMPT WELL OR THE
11 REPLACEMENT NON-EXEMPT WELL IN A NEW LOCATION IS FOR AN IRRIGATION USE.

12 Sec. 3. San Simon Valley groundwater subbasin; Cochise
13 county; irrigation non-expansion area; county board
14 of supervisors; election

15 A. Before July 2, 2026, the Cochise county board of supervisors may
16 vote to place on the 2026 general election ballot for the residents of
17 Cochise county that reside in the San Simon Valley groundwater subbasin a
18 question of whether to designate the portion of the San Simon Valley
19 groundwater subbasin that is located in Cochise county as an irrigation
20 non-expansion area.

21 B. All qualified electors who reside within the portion of the
22 boundaries of the San Simon Valley groundwater subbasin that is located in
23 Cochise county are eligible to vote on the question prescribed by this
24 section. All election expenses incurred pursuant to this section are the
25 responsibility of the county. The director of the department of water
26 resources shall transmit to the county recorder any factual data
27 concerning the boundaries of the portion of the San Simon Valley
28 groundwater subbasin that is located in Cochise county that may aid the
29 county recorder in determining which registered voters of the county are
30 residents and, for the purposes of this section, are eligible voters of
31 the portion of the San Simon Valley groundwater subbasin that is located
32 in Cochise county. The transmitted data shall include a map of the
33 residences in the portion of the San Simon Valley groundwater subbasin
34 that is located in Cochise county.

1 C. Any registered voter of the county whose residency in the
2 portion of the San Simon Valley groundwater subbasin that is located in
3 Cochise county is in question shall be allowed to vote. The ballot shall
4 be placed in a separate envelope, the outside of which shall contain the
5 precinct name and number, the signature of the voter, the residence
6 address of the voter and the voter's registration number, if available.
7 The voter receipt card shall be attached to the envelope. The county
8 recorder shall verify the ballot for proper residency of the voter before
9 counting. The verification shall be made within five business days
10 following the election, and the voter receipt card shall be returned to
11 the voter. Verified ballots shall be counted using the procedure outlined
12 for counting early ballots. If residency in the portion of the San Simon
13 Valley groundwater subbasin that is located in Cochise county is not
14 verified, the ballot shall remain unopened and shall be destroyed.

15 D. The ballot shall state "Should the portion of the San Simon
16 Valley groundwater subbasin that is located in Cochise county be
17 designated as an irrigation non-expansion area?" followed by the words
18 "Yes" and "No".

19 E. Within thirty days after the general election results are
20 certified, if a majority of eligible voters voted in favor of the
21 designation of the San Simon irrigation non-expansion area, the director
22 shall make and file an order designating the portion of the San Simon
23 Valley groundwater subbasin that is located in Cochise county as an
24 irrigation non-expansion area and file a true map of the irrigation
25 non-expansion area in the Cochise county recorder's office.

26 F. If the Cochise county board of supervisors votes affirmatively
27 on the question prescribed in subsection A of this section, from and after
28 the date of the vote until the date on which the general election results
29 are certified, an irrigation user in the San Simon groundwater subbasin
30 that is located in Cochise county may only irrigate with groundwater from
31 a non-exempt well if both of the following conditions are met:

32 1. The acres of land that are irrigated were irrigated with
33 groundwater from a non-exempt well at any time during the five years
34 immediately preceding the date of the vote.

35 2. The person irrigates with five or fewer acre-feet of groundwater
36 per acre of land the person irrigates per year.

37 Sec. 4. San Simon Valley groundwater subbasin; Graham county;
38 irrigation non-expansion area; county board of
39 supervisors; election

40 A. Before July 2, 2026, the Graham county board of supervisors may
41 vote to place on the 2026 general election ballot for the residents of
42 Graham county that reside in the San Simon Valley groundwater subbasin a
43 question of whether to designate the portion of the San Simon Valley
44 groundwater subbasin that is located in Graham county as an irrigation
45 non-expansion area.

46 B. All qualified electors who reside within the portion of the
47 boundaries of the San Simon Valley groundwater subbasin that is located in

1 Graham county are eligible to vote on the question prescribed by this
2 section. All election expenses incurred pursuant to this section are the
3 responsibility of the county. The director of the department of water
4 resources shall transmit to the county recorder any factual data
5 concerning the boundaries of the portion of the San Simon Valley
6 groundwater subbasin that is located in Graham county that may aid the
7 county recorder in determining which registered voters of the county are
8 residents and, for the purposes of this section, are eligible voters of
9 the portion of the San Simon Valley groundwater subbasin that is located
10 in Graham county. The transmitted data shall include a map of the
11 residences in the portion of the San Simon Valley groundwater subbasin
12 that is located in Graham county.

13 C. Any registered voter of the county whose residency in the
14 portion of the San Simon Valley groundwater subbasin that is located in
15 Graham county is in question shall be allowed to vote. The ballot shall
16 be placed in a separate envelope, the outside of which shall contain the
17 precinct name and number, the signature of the voter, the residence
18 address of the voter and the voter's registration number, if available.
19 The voter receipt card shall be attached to the envelope. The county
20 recorder shall verify the ballot for proper residency of the voter before
21 counting. The verification shall be made within five business days
22 following the election, and the voter receipt card shall be returned to
23 the voter. Verified ballots shall be counted using the procedure outlined
24 for counting early ballots. If residency in the portion of the San Simon
25 Valley groundwater subbasin that is located in Graham county is not
26 verified, the ballot shall remain unopened and shall be destroyed.

27 D. The ballot shall state "Should the portion of the San Simon
28 Valley groundwater subbasin that is located in Graham county be designated
29 as an irrigation non-expansion area?" followed by the words "Yes" and
30 "No".

31 E. Within thirty days after the general election results are
32 certified, if a majority of eligible voters voted in favor of the
33 designation of the San Simon irrigation non-expansion area, the director
34 shall make and file an order designating the portion of the San Simon
35 Valley groundwater subbasin that is located in Graham county as an
36 irrigation non-expansion area and file a true map of the irrigation
37 non-expansion area in the Graham county recorder's office.

38 F. If the Graham county board of supervisors votes affirmatively on
39 the question prescribed in subsection A of this section, from and after
40 the date of the vote until the date on which the general election results
41 are certified, an irrigation user in the San Simon groundwater subbasin
42 that is located in Graham county may only irrigate with groundwater from a
43 non-exempt well if both of the following conditions are met:

44 1. The acres of land that are irrigated were irrigated with
45 groundwater from a non-exempt well at any time during the five years
46 immediately preceding the date of the vote.

1 2. The person irrigates with five or fewer acre-feet of groundwater
2 per acre of land the person irrigates per year.

3 (ENACTED WITHOUT THE EMERGENCY)

4 Sec. 5. Emergency

5 This act is an emergency measure that is necessary to preserve the
6 public peace, health or safety and is operative immediately as provided by
7 law.