

REFERENCE TITLE: marijuana cultivation; water usage

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

HB 2941

Introduced by
Representative Hernandez C

AN ACT

AMENDING TITLE 45, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES, BY
ADDING SECTION 45-581; AMENDING SECTION 49-1331, ARIZONA REVISED STATUTES;
RELATING TO MARIJUANA CULTIVATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Subject to the requirements of article IV, part 1,
3 section 1, Constitution of Arizona, title 45, chapter 2, article 9,
4 Arizona Revised Statutes, is amended by adding section 45-581, to read:

5 45-581. Marijuana cultivation; water usage; canopy limit;
6 fees; rules; definitions

7 A. ALL LICENSEES SHALL FILE A WATER CONSERVATION PLAN WITH THE
8 DIRECTOR. THE PLAN SHALL INCLUDE ALL OF THE FOLLOWING:

9 1. A DESCRIPTION OF CULTIVATION METHODS AIMED AT REDUCING WATER
10 CONSUMPTION.

11 2. PROPOSED WATERING TECHNIQUES AND ANY WATER REUSE SYSTEMS.

12 3. THE TOTAL AMOUNT OF SQUARE FEET IN A CULTIVATION CANOPY.

13 4. DATA ON ANNUAL WATER USAGE, CATEGORIZED BY MONTH.

14 B. A LICENSEE MAY NOT MAINTAIN A CULTIVATION CANOPY THAT EXCEEDS
15 THIRTY THOUSAND SQUARE FEET. A LICENSEE MAY COLOCATE THE LICENSEE'S
16 CULTIVATION EFFORTS AT THE EXACT LOCATION AS ANOTHER LICENSEE. IF
17 LICENSEES COLOCATE, THE LICENSEES SHALL ASSIGN A PORTION OF THE COLLECTIVE
18 CULTIVATION CANOPY TO EACH LICENSEE. A LICENSEE THAT PARTICIPATES IN A
19 COLLECTIVE CULTIVATION CANOPY MAY NOT EXCEED THIRTY THOUSAND SQUARE FEET
20 OF THE ASSIGNED COLLECTIVE CULTIVATION CANOPY.

21 C. ANY LICENSEE, INCLUDING A COLOCATED LICENSEE, THAT EXCEEDS THE
22 THIRTY THOUSAND SQUARE FOOT LIMITATION PRESCRIBED IN SUBSECTION B OF THIS
23 SECTION IS SUBJECT TO AN ADDITIONAL WATER CULTIVATION FEE PRESCRIBED BY
24 THE DIRECTOR. THE DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND
25 35-147, ALL FEES COLLECTED PURSUANT TO THIS SUBSECTION IN THE WATER
26 CONSERVATION GRANT FUND ESTABLISHED BY SECTION 49-1331.

27 D. THE DIRECTOR SHALL ADOPT RULES TO IMPLEMENT THIS SECTION,
28 INCLUDING RULES TO ASSIGN AND TRACK PORTIONS OF ASSIGNED COLLECTIVE
29 CULTIVATION CANOPIES.

30 E. FOR THE PURPOSES OF THIS SECTION:

31 1. "CULTIVATION CANOPY" MEANS THE TOTAL AREA OF ANY BUILDING, ROOM,
32 GREENHOUSE, FIELD OR OTHER CONTIGUOUS AREA THAT IS DEDICATED TO THE
33 CULTIVATION OF MARIJUANA.

34 2. "LICENSEE" MEANS ANY PERSON THAT HOLDS A NONPROFIT MEDICAL
35 MARIJUANA DISPENSARY REGISTRATION CERTIFICATE PURSUANT TO TITLE 36,
36 CHAPTER 28.1 OR A MARIJUANA ESTABLISHMENT LICENSE PURSUANT TO TITLE 36,
37 CHAPTER 28.2 AND THAT IS AUTHORIZED TO CULTIVATE MARIJUANA.

38 Sec. 2. Subject to the requirements of article IV, part 1,
39 section 1, Constitution of Arizona, section 49-1331, Arizona Revised
40 Statutes, is amended to read:

41 49-1331. Water conservation grant fund; exemption;
42 administration; report

43 A. The water conservation grant fund is established to be
44 maintained in perpetuity consisting of all the following:

45 1. Legislative appropriations.

1 2. Monies received for water conservation purposes from the United
2 States government.

3 3. Interest and other income received from investing monies in the
4 fund.

5 4. Gifts, grants and donations received for water conservation
6 purposes from any public or private source.

7 5. **MONIES COLLECTED PURSUANT TO SECTION 45-581.**

8 ~~5.~~ 6. Any other monies received by the authority in connection
9 with the purpose of the fund.

10 B. Monies in the fund are continuously appropriated and ARE exempt
11 from the provisions of section 35-190 relating to lapsing of
12 appropriations. On notice from the authority, the state treasurer shall
13 invest and divest monies in the fund as provided by section 35-313, and
14 monies earned from investment shall be credited to the fund.

15 C. All monies deposited in the fund shall be held in trust. The
16 monies in the fund may not be appropriated or transferred by the
17 legislature to fund the general operations of this state or to otherwise
18 meet the obligations of the state general fund unless approved by a
19 three-fourths vote of the members of each house of the legislature. This
20 subsection does not apply to any taxes or other levies that are imposed
21 pursuant to title 42 or 43.

22 D. The authority shall administer the fund and establish as many
23 other accounts and subaccounts as required to administer the fund.

24 E. Monies and other assets in the fund shall be used solely for the
25 purposes authorized by this article.

26 F. The annual report required by section 49-1204 shall include:

27 1. The expenditures made from the fund in the previous fiscal year.

28 2. Whether programs or projects funded by the fund in the previous
29 fiscal year did in fact:

30 (a) Result in long-term, sustainable reductions in water use.

31 (b) Improve water use efficiency.

32 (c) Improve water reliability.

33 3. The environmental impacts of programs or projects funded by the
34 fund in the previous fiscal year.

35 Sec. 3. Short title

36 This act may be cited as the "Water Conservation For Nonclassified
37 Crops Act".

38 Sec. 4. Requirements for enactment; three-fourths vote

39 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
40 sections 45-581, Arizona Revised Statutes, as added by this act, and
41 section 49-1331, Arizona Revised Statutes, as amended by this act, are
42 effective only on the affirmative vote of at least three-fourths of the
43 members of each house of the legislature.