

Senate Engrossed

waterlogged area; exemption area

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

SENATE BILL 1522

AN ACT

AMENDING SECTION 45-411.01, ARIZONA REVISED STATUTES; RELATING TO THE
GROUNDWATER CODE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 45-411.01, Arizona Revised Statutes, is amended
3 to read:

4 45-411.01. Exemptions from irrigation water duties,
5 conservation requirements for distribution of
6 groundwater and portions of groundwater
7 withdrawal fee for portions of Phoenix active
8 management area; fee; review; groundwater
9 withdraw; determination

10 A. Each person who is entitled to use groundwater pursuant to an
11 irrigation grandfathered right under article 5 of this chapter on
12 irrigation acres located within the area delineated for exemption under
13 subsection E of this section is exempt, beginning January 1, 1989 through
14 December 31, 2034, from any irrigation water duties or intermediate water
15 duties established or required to be established for those irrigation
16 acres in the management plans for the first, second, third, fourth and
17 fifth management periods for the Phoenix active management area adopted
18 pursuant to article 9 of this chapter.

19 B. The Arlington canal company, the Buckeye water conservation and
20 drainage district and the St. John's irrigation district, or their
21 successors, are exempt, beginning January 1, 1989 through December 31,
22 2034, from any applicable conservation requirements for the distribution
23 of groundwater established in the management plans for the first, second,
24 third, fourth and fifth management periods for the Phoenix active
25 management area adopted pursuant to article 9 of this chapter.

26 C. No groundwater withdrawal fee shall be levied or collected
27 pursuant to section 45-611 and no water quality assurance fee shall be
28 levied or collected pursuant to section 45-616 for:

29 1. Groundwater withdrawn during calendar years 1989 through 2034
30 for irrigation use on irrigation acres within the area exempted from
31 irrigation water duties and intermediate water duties under subsection A
32 of this section.

33 2. Groundwater withdrawn and used in the area delineated for
34 exemption under subsection E of this section during calendar years 1999
35 through 2034 for a non-irrigation use pursuant to section 45-519,
36 subsection B, if the user of the groundwater pays a fee of \$500 to the
37 director by March 31 of each year following a year in which the
38 groundwater was used. The director shall deposit, pursuant to sections
39 35-146 and 35-147, the monies collected under this paragraph in the water
40 quality assurance revolving fund established by section 49-282.

41 D. Except as provided in subsection G of this section, a water duty
42 exemption fee of \$.25 per irrigation acre per year shall be paid to the
43 department for each irrigation acre in the exempted area. The water duty
44 exemption fee shall be paid to the department not later than March 31 of
45 each year from 1990 through 2035 for the preceding year by each person who

1 owns irrigation acres within the exempted area as of December 31 of the
 2 year preceding the date the payment is due except that, if the Arlington
 3 canal company, the Buckeye water conservation and drainage district or the
 4 St. John's irrigation district, or a successor, delivers water to the
 5 irrigation acres during the year preceding the date payment is due, the
 6 fee shall be paid by the company or district delivering water to the
 7 irrigation acres. If a person who is required to pay a fee pursuant to
 8 this subsection fails to pay the fee for the calendar year in question on
 9 or before March 31 of the following year, the director may assess and
 10 collect a penalty of ten percent of the unpaid fee, without compounding,
 11 for each month or portion of a month that the fee is delinquent. The
 12 total penalty assessed under this subsection shall not exceed sixty
 13 percent of the unpaid fee. The director shall deposit, pursuant to
 14 sections 35-146 and 35-147, all monies collected by the department under
 15 this subsection in the water resources fund established by section 45-117.

16 E. The boundaries of the exempted area under this section are
 17 delineated on a map of the Phoenix active management area filed in the
 18 office of the secretary of state on May 12, 1988. A true copy of the map
 19 filed in the office of the secretary of state shall be on file in the
 20 department and shall be available for examination by the public during
 21 regular business hours.

22 F. The director shall review the hydrologic conditions within the
 23 area delineated on the map filed in the office of the secretary of state
 24 pursuant to subsection E of this section. The director shall consult with
 25 representatives of the Arlington canal company, the Buckeye water
 26 conservation and drainage district and the St. John's irrigation district,
 27 or their successors, and all cities and towns within the exempted area, on
 28 the scope of the review before beginning the review and on the status of
 29 the review periodically during the course of the review. The director
 30 shall submit a recommendation to the governor, the president of the senate
 31 and the speaker of the house of representatives not later than
 32 November 15, 2031 regarding extending the exemptions established in this
 33 section.

34 G. A person who owns an irrigation grandfathered right appurtenant
 35 to ten or fewer irrigation acres located in the exempt area is exempt from
 36 the payment of a water duty exemption fee for the acres prescribed by
 37 subsection D of this section unless the irrigation acres are part of an
 38 integrated farming operation. The exemption provided by this subsection
 39 does not apply to the Arlington canal company, the Buckeye water
 40 conservation and drainage district or the St. John's irrigation district,
 41 or any successor, in any year in which the company or district delivers
 42 water to the irrigation acres.

43 H. THE DIRECTOR SHALL DETERMINE THAT THE WITHDRAWAL OF UP TO TEN
 44 THOUSAND ACRE-FEET OF WATER WITHDRAWN FROM WELLS LOCATED WITHIN THE AREA
 45 DELINEATED PURSUANT TO SUBSECTION E OF THIS SECTION BY A MUNICIPAL

1 PROVIDER FOR THE PURPOSES OF DEMONSTRATING AN ASSURED WATER SUPPLY FOR
2 LANDS LOCATED WITHIN AN IRRIGATION AND WATER CONSERVATION DISTRICT
3 PURSUANT TO SECTION 45-576.10 IS:

4 1. CONSISTENT WITH THE MANAGEMENT GOAL OF THE PHOENIX ACTIVE
5 MANAGEMENT AREA AND IS NOT EXCESS WATER PURSUANT TO TITLE 48, CHAPTER 22,
6 ARTICLE 4 UNTIL DECEMBER 31, 2034 OR TO SUCH DATE AS DETERMINED BY THE
7 DIRECTOR PURSUANT TO SUBSECTION F OF THIS SECTION.

8 2. SUFFICIENT WATER THAT WILL CONTINUOUSLY BE AVAILABLE TO SATISFY
9 THE PORTION OF THE CITY'S OR TOWN'S PROPOSED WATER NEEDS FOR NOT LESS THAN
10 ONE HUNDRED YEARS AS PRESCRIBED IN SECTION 45-576.

11 Sec. 2. Retroactivity

12 This act applies retroactively to from and after December 31, 1988.