

REFERENCE TITLE: McMullen Valley; eligible entities; groundwater

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2758

Introduced by
Representatives Griffin: Blackman

AN ACT

REPEALING SECTION 45-552, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 2, ARTICLE 8.1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 45-552; RELATING TO THE TRANSPORTATION OF GROUNDWATER.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Repeal

3 Section 45-552, Arizona Revised Statutes, is repealed.

4 Sec. 2. Title 45, chapter 2, article 8.1, Arizona Revised Statutes,
5 is amended by adding a new section 45-552, to read:

6 45-552. Transportation of groundwater withdrawn in McMullen
7 Valley basin to an active management area; annual
8 report; definition

9 A. AN ENTITY DESCRIBED IN SUBSECTION B OF THIS SECTION THAT OWNS
10 HISTORICALLY IRRIGATED ACRES IN THE MCMULLEN VALLEY GROUNDWATER BASIN MAY
11 WITHDRAW GROUNDWATER FROM THE LAND FOR TRANSPORTATION TO A LOCATION AND
12 FOR THE PURPOSES PRESCRIBED IN SUBSECTION D OF THIS SECTION:

13 1. IF THE GROUNDWATER IS WITHDRAWN:

14 (a) FROM A DEPTH TO ONE THOUSAND TWO HUNDRED FEET AT THE SITE OR
15 SITES OF THE PROPOSED WITHDRAWALS.

16 (b) AT A RATE THAT, WHEN ADDED TO THE EXISTING RATE OF WITHDRAWALS
17 IN THE AREA, DOES NOT CAUSE THE GROUNDWATER TABLE AT THE SITE OR SITES OF
18 THE WITHDRAWALS TO DECLINE MORE THAN AN AVERAGE OF TEN FEET PER YEAR
19 DURING THE ONE HUNDRED YEAR EVALUATION PERIOD.

20 2. IN AN AMOUNT EITHER:

21 (a) PER ACRE OF THE HISTORICALLY IRRIGATED ACRES, NOT TO EXCEED:

22 (i) SIX ACRE-FEET IN ANY YEAR.

23 (ii) THIRTY ACRE-FEET FOR ANY PERIOD OF TEN CONSECUTIVE YEARS
24 COMPUTED IN CONTINUING PROGRESSIVE SERIES BEGINNING IN THE YEAR
25 TRANSPORTATION OF GROUNDWATER FROM THE LAND BEGINS.

26 (b) ESTABLISHED BY THE DIRECTOR, BUT ONLY IF THE DIRECTOR
27 DETERMINES THAT WITHDRAWALS IN AN AMOUNT GREATER THAN THAT ALLOWED BY
28 SUBDIVISION (a) OF THIS PARAGRAPH WILL NOT UNREASONABLY INCREASE DAMAGE TO
29 RESIDENTS OF SURROUNDING LAND AND OTHER WATER USERS IN THE MCMULLEN VALLEY
30 GROUNDWATER BASIN, OR THAT ONE OR MORE OF THE ENTITIES WITHDRAWING THE
31 GROUNDWATER WILL MITIGATE THE DAMAGE TO THE RESIDENTS AND OTHER WATER
32 USERS.

33 3. BY A PUBLIC SERVICE CORPORATION, IF ALL COSTS ASSOCIATED WITH
34 WITHDRAWING, TRANSPORTING AND DELIVERING GROUNDWATER AWAY FROM THE
35 MCMULLEN VALLEY GROUNDWATER BASIN ARE COLLECTED FROM THE CUSTOMERS OF THE
36 PUBLIC SERVICE CORPORATION'S WATER DISTRICT WHERE THE TRANSPORTED
37 GROUNDWATER IS USED.

38 4. IF BEFORE THE WITHDRAWAL OF GROUNDWATER FROM THE MCMULLEN VALLEY
39 GROUNDWATER BASIN, THE ELIGIBLE ENTITY HAS DEMONSTRATED COMPLIANCE WITH
40 THE CRITERIA IN THIS SUBSECTION USING A HYDROLOGICAL STUDY. THE DIRECTOR
41 SHALL PRESCRIBE THE CONTENTS OF THE STUDY THAT IS SUBMITTED WITH THE
42 APPLICATION.

43 5. IF BEFORE THE WITHDRAWAL OF GROUNDWATER FROM THE MCMULLEN VALLEY
44 GROUNDWATER BASIN, THE ELIGIBLE ENTITY INSTALLS WATER MEASURING DEVICES,
45 OR OTHER SIMILARLY RELIABLE AND ACCESSIBLE METHODS AS APPROVED BY THE

1 DEPARTMENT, TO DETERMINE THE VOLUME OF GROUNDWATER THAT IS WITHDRAWN FROM
2 WELLS RELATED TO THE TRANSPORTATION ACTIVITY AND THAT IS TRANSPORTED OUT
3 OF THE MCMULLEN VALLEY GROUNDWATER BASIN BY PIPELINES, CANALS OR CONDUITS.

4 6. IF WITHIN THIRTY DAYS AFTER THE WITHDRAWAL OF GROUNDWATER FROM
5 THE MCMULLEN VALLEY GROUNDWATER BASIN FOR TRANSPORTATION, THE ELIGIBLE
6 ENTITY SUBMITS A MONTHLY REPORT TO THE DEPARTMENT CONTAINING ALL OF THE
7 FOLLOWING INFORMATION:

8 (a) THE VOLUME OF GROUNDWATER THE ENTITY WITHDREW FROM THE MCMULLEN
9 VALLEY GROUNDWATER BASIN IN THE PRECEDING MONTH.

10 (b) THE VOLUME OF GROUNDWATER THE ENTITY TRANSPORTED OUT OF THE
11 MCMULLEN VALLEY GROUNDWATER BASIN IN THE PRECEDING MONTH.

12 (c) THE END USE OR DESTINATION OF GROUNDWATER THE ENTITY
13 TRANSPORTED OUT OF THE MCMULLEN VALLEY GROUNDWATER BASIN IN THE PRECEDING
14 MONTH.

15 B. THE FOLLOWING ENTITIES ARE ELIGIBLE TO TRANSPORT GROUNDWATER
16 AWAY FROM THE MCMULLEN VALLEY GROUNDWATER BASIN PURSUANT TO SUBSECTION A
17 OF THIS SECTION:

18 1. THIS STATE.

19 2. A POLITICAL SUBDIVISION OF THIS STATE.

20 3. A PUBLIC SERVICE CORPORATION THAT IS REGULATED BY THE
21 CORPORATION COMMISSION AND THAT HOLDS A CERTIFICATE OF CONVENIENCE AND
22 NECESSITY FOR WATER SERVICE.

23 C. THE DIRECTOR SHALL ADOPT RULES TO IMPLEMENT THIS SECTION,
24 INCLUDING FOR THE REPORTING OF GROUNDWATER TRANSPORTED FROM THE MCMULLEN
25 VALLEY GROUNDWATER BASIN.

26 D. THE FOLLOWING LOCATIONS AND PURPOSES ARE ELIGIBLE TO RECEIVE
27 GROUNDWATER TRANSPORTED AWAY FROM THE MCMULLEN VALLEY GROUNDWATER BASIN
28 PURSUANT TO SUBSECTION A OF THIS SECTION:

29 1. AN INITIAL ACTIVE MANAGEMENT AREA FOR USE BY AN ELIGIBLE ENTITY
30 OR THE ARIZONA WATER BANKING AUTHORITY PURSUANT TO SECTION 45-2491.

31 2. LA PAZ COUNTY BY AN ELIGIBLE ENTITY IN A TOTAL CUMULATIVE VOLUME
32 NOT TO EXCEED TEN PERCENT OF THE TOTAL ANNUAL VOLUME OF GROUNDWATER THE
33 DEPARTMENT DETERMINES IS AVAILABLE FOR TRANSPORT OUT OF THE MCMULLEN
34 VALLEY GROUNDWATER BASIN. AN ELIGIBLE ENTITY IN LA PAZ COUNTY MAY DO
35 EITHER OF THE FOLLOWING:

36 (a) TRANSPORT GROUNDWATER FROM HISTORICALLY IRRIGATED ACRES IN THE
37 MCMULLEN VALLEY GROUNDWATER BASIN OWNED BY THE ELIGIBLE ENTITY TO A
38 LOCATION IN LA PAZ COUNTY FOR THE ELIGIBLE ENTITY'S OWN USE.

39 (b) SELL OR LEASE GROUNDWATER FROM HISTORICALLY IRRIGATED ACRES
40 OWNED BY THE ELIGIBLE ENTITY THAT ARE LOCATED IN LA PAZ COUNTY TO A
41 DESIGNATED PROVIDER IN THE PHOENIX, TUCSON OR PINAL ACTIVE MANAGEMENT AREA
42 FOR THE DESIGNATED PROVIDER'S OWN USE.

43 E. ANY LOCAL USE OF GROUNDWATER BY AN ELIGIBLE ENTITY THAT SELLS OR
44 LEASES GROUNDWATER PURSUANT TO SUBSECTION D, PARAGRAPH 2 OF THIS SECTION

1 SHALL COUNT TOWARD THE ELIGIBLE ENTITY'S MAXIMUM PER ACRE WITHDRAWAL LIMIT
2 PRESCRIBED IN SUBSECTION A, PARAGRAPH 2, SUBDIVISION (a) OF THIS SECTION.

3 F. ON OR BEFORE JULY 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT A
4 REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE
5 HOUSE OF REPRESENTATIVES, AND SHALL PROVIDE A COPY OF THIS REPORT TO THE
6 SECRETARY OF STATE, OF THE TOTAL AMOUNT OF GROUNDWATER ALL ELIGIBLE
7 ENTITIES WITHDREW FROM THE MCMULLEN VALLEY GROUNDWATER BASIN IN THE
8 PRECEDING YEAR.

9 G. THIS SECTION DOES NOT PROHIBIT A PERSON FROM STORING AND
10 RECOVERING WATER THAT IS NOT GROUNDWATER AND THAT IS STORED PURSUANT TO
11 CHAPTER 3.1 OF THIS TITLE. WATER THAT IS NOT GROUNDWATER AND THAT IS
12 STORED PURSUANT TO CHAPTER 3.1 OF THIS TITLE DOES NOT COUNT TOWARD THE
13 WITHDRAWAL LIMITS PRESCRIBED IN SUBSECTION A, PARAGRAPH 2 OF THIS SECTION.

14 H. FOR THE PURPOSES OF THIS SECTION, "HISTORICALLY IRRIGATED ACRES"
15 MEANS LAND OVERLAYING AN AQUIFER THAT WAS IRRIGATED WITH GROUNDWATER FROM
16 THAT AQUIFER BEFORE JANUARY 1, 1988.