

REFERENCE TITLE: state lands; leases; groundwater use.

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1381

Introduced by
Senators Sundareshan: Alston, Bravo, Diaz, Epstein, Fernandez, Gabaldón,
Gonzales, Hatathlie, Kuby, Miranda, Ortiz, Sears

AN ACT

AMENDING TITLE 37, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY
ADDING SECTION 37-292; RELATING TO STATE LANDS LEASES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 37, chapter 2, article 4, Arizona Revised
3 Statutes, is amended by adding section 37-292, to read:

4 37-292. Groundwater withdrawal fee; agricultural land; annual
5 report; fee deposits; definitions

6 A. THE DEPARTMENT SHALL ESTABLISH BY RULE AND COLLECT AN ANNUAL
7 GROUNDWATER WITHDRAWAL FEE FROM EACH LESSEE OF STATE LAND THAT IS
8 AGRICULTURAL LAND AND THAT IS LOCATED OUTSIDE OF AN ACTIVE MANAGEMENT AREA
9 OR AN IRRIGATION NON-EXPANSION AREA FOR THE IRRIGATION USE OF GROUNDWATER.

10 B. ON OR BEFORE MARCH 31 OF EACH YEAR, A LESSEE OF STATE LAND THAT
11 IS AGRICULTURAL LAND AND THAT IS LOCATED OUTSIDE OF AN ACTIVE MANAGEMENT
12 AREA OR AN IRRIGATION NON-EXPANSION AREA SHALL REPORT THE FOLLOWING
13 INFORMATION TO THE DEPARTMENT:

14 1. THE LOCATION OF THE WELL.

15 2. THE QUANTITY OF GROUNDWATER WITHDRAWN FROM THE WELL DURING THE
16 PREVIOUS CALENDAR YEAR.

17 3. THE SPECIFIC USES TO WHICH THE GROUNDWATER WAS APPLIED DURING
18 THE PREVIOUS CALENDAR YEAR.

19 C. FEES COLLECTED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN
20 THE FUND OF THE APPROPRIATE BENEFICIARY.

21 D. FOR THE PURPOSES OF THIS SECTION:

22 1. "ACTIVE MANAGEMENT AREA" HAS THE SAME MEANING PRESCRIBED IN
23 SECTION 45-402.

24 2. "IRRIGATION NON-EXPANSION AREA" HAS THE SAME MEANING PRESCRIBED
25 IN SECTION 45-402.

26 3. "IRRIGATION USE" HAS THE SAME MEANING PRESCRIBED IN SECTION
27 45-402, PARAGRAPH 23, SUBDIVISION (a).

28 Sec. 2. Legislative intent

29 The legislature intends that it is in the best interest of the state
30 land trust for the annual groundwater withdrawal fee adopted pursuant to
31 section 37-292, Arizona Revised Statutes, as added by this act, to reflect
32 the fair market value of the groundwater withdrawn.