

REFERENCE TITLE: state lands; leases; groundwater use.

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

## **HB 2358**

Introduced by  
Representatives Stahl Hamilton: Aguilar, Austin, Contreras P, De Los  
Santos, Gutierrez, Mathis, Peshlakai, Sandoval, Travers, Villegas;  
Senator Gabaldón

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; 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 THAT IS LOCATED OUTSIDE OF AN ACTIVE MANAGEMENT AREA OR  
9 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 THAT IS LOCATED OUTSIDE OF AN ACTIVE MANAGEMENT AREA  
12 OR AN IRRIGATION NON-EXPANSION AREA SHALL REPORT THE FOLLOWING INFORMATION  
13 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 THE QUANTITY OF GROUNDWATER WITHDRAWN FROM THE WELL DURING THE  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32 the fair market value of the groundwater withdrawn.