



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

VETOED
AMENDED

FACT SHEET FOR H.B. 2063

exempt wells; certificate; groundwater use

Purpose

Grants an exempt well that is registered with the Arizona Department of Water Resources (ADWR) a right to withdraw up to 35 gallons per minute.

Background

Exempt and non-exempt wells are the two primary types of wells drilled in Arizona. Exempt wells are typically used for domestic purposes, are equipped to pump up to 35 gallons per minute and serve water uses related to the supply, service and activities of households and private residences. Non-exempt wells have a pump capacity greater than 35 gallons per minute and require grandfathered rights, service area rights and withdrawal permits to withdraw water in active management areas (AMAs) ([ADWR](#); [A.R.S. § 45-402](#)).

Wells constructed in an AMA may not have withdrawals of groundwater for non-irrigation uses other than domestic purposes and stock watering exceed 10 acre-feet per year, and exempt wells in a subsequent AMA that is designed for a portion of a groundwater basin in the regional aquifer systems of Northern Arizona may be used only for domestic and stock watering. In an AMA, only one exempt well may be drilled or used to serve the same non-irrigation use at the same location, unless the Director of ADWR determines that all of the following apply: 1) the exempt well's location is not capable of consistently producing more than 3 gallons per minute of groundwater when equipped with a pump with a maximum capacity of 35 gallons per minute; 2) the second exempt well is located on the same parcel of land as the first exempt well, the parcel of land is at least one acre in size, all groundwater withdrawn from both exempt wells is used on that parcel of land and there are no other exempt wells on that parcel of land; 3) combined withdrawals from both wells do not exceed 5 acre-feet per year; 4) the county health authority or any other local health authority that controls the installation of septic tanks or sewer systems in the county has approved the location of the well in writing after physically inspecting the well site; and 5) use of two wells for the same non-irrigation use at the same time is not contrary to health and welfare of the public. If two or more exempt wells in an AMA that were drilled before June 12, 1980, are used to serve the same non-irrigation use at the same location, the aggregate quantity of groundwater withdrawn may not exceed 56 acre-feet per year ([A.R.S. § 45-454](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Grants an exempt well that is registered with ADWR a right to withdraw up to 35 gallons per minute.

2. Requires the Director of ADWR to issue, to each groundwater user that registers the groundwater user's exempt well with ADWR, a certificate of water rights which allows the groundwater user to pump up to 35 gallons per minute.
3. Prohibits the outlined groundwater user from appropriating subflow or surface water out of priority.
4. Specifies that the withdrawn water is not exempt from a general stream adjudication.
5. Specifies that the issuance of a certificate of water rights does not preempt or affect:
 - a) decreed or appropriative rights;
 - b) surface water;
 - c) water that is subject to appropriation; and
 - d) a general adjudication of water rights.
6. Makes technical and conforming changes.
7. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Specifies that the issuance of a certificate of water rights does not preempt or affect:
 - a) decreed or appropriative rights;
 - b) surface water;
 - c) water that is subject to appropriation; and
 - d) a general adjudication of water rights.

Governor's Veto Message

The Governor indicates in her [veto message](#) that H.B. 2063 serves no water management purpose and would divert meaningful functions of a critical agency to unnecessary paperwork.

House Action

| | | | |
|----------------------|---------|----|-------------|
| NREW | 1/8/24 | DP | 6-4-0-0 |
| 3 rd Read | 2/28/24 | | 31-28-0-0-1 |
| Final Read | 4/24/24 | | 31-29-0 |

Senate Action

| | | | |
|----------------------|---------|-----|---------|
| NREW | 3/14/24 | DPA | 3-2-2 |
| 3 rd Read | 4/10/24 | | 16-11-3 |

Vetoed by the Governor 4/30/24

Prepared by Senate Research
April 30, 2024
RA/SDR/slp