



Bill Number: S.B. 1740

Kerr Floor Amendment

Reference to: printed bill

Amendment drafted by: Leg Council

FLOOR AMENDMENT EXPLANATION

- 1. Appropriates \$333,000,000 from the state General Fund (state GF) in FY 2024 and FY 2025 to the Long-Term Water Augmentation Fund (LTWAF).**
- 2. Directs the State Treasurer, for FY 2023 and beginning the month following the general effective date, to distribute \$334,000,000 proportionately for each month remaining in the fiscal year from the state GF portion of transaction privilege tax (TPT) revenues to the LTWAF.**
- 3. Declares the Legislature's intent that distributions made to the LTWAF not impact the portion of TPT revenues that cities and counties in Arizona receive pursuant to statute.**
- 4. Sunsets the Water Infrastructure Finance Authority (WIFA) on July 1, 2027.**
- 5. Repeals the statutes governing the Water Infrastructure Finance Program on January 1, 2028, if WIFA has met specified debt and contractual obligations.**
- 6. Prescribes requirements for WIFA to notify entities in Arizona with Colorado River water entitlements of water supply development projects to import water, rather than requiring any entity with an entitlement with reduced deliveries to be provided an opportunity to participate in the project.**
- 7. Removes the requirement that entities eligible for Water Supply Development Revolving Fund (WSDRF) monies be located outside of the CAP service area and instead requires the entities to be located outside of an active management area located in Pima County, Pinal County or Maricopa County.**
- 8. Allows WSDRF monies to be used to secure WIFA water supply development bonds.**
- 9. Removes an entity that provides water to a water provider from eligible entities for WSDRF and LTWAF monies.**

Amendment explanation prepared by Rachel Caldwell

06/24/2022

10. Reinstates the permissive authority of WIFA to use WSDRF monies to:
 - a) purchase or refinance debt obligations of water providers at or below market rate if the debt obligation was issued for a water supply development purpose; and
 - b) provide financial assistance to water providers with bonding authority to purchase insurance for local bond obligations incurred for water supply development purposes.
11. Reinstates statutes allowing an eligible entity to apply for and receive staff assistance or technical assistance for water supply development projects from WIFA.
12. Prohibits WIFA, for WSDRF funds, from:
 - a) unilaterally amending a loan repayment agreement, loan or bond after its execution or implementing any policy that modifies terms and conditions or affects a previously executed loan repayment agreement, loan or bond; and
 - b) imposing a redemption premium or an interest payment beyond the date the principal is paid as a condition of refinancing or receiving repayment on a loan repayment agreement, loan or bond if the loan repayment agreement, loan or bond did not originally contain a redemption premium or interest payment beyond the date the principal is paid.
13. Allows LTWAF monies to:
 - a) provide credit enhancements in connection with debt obligations of eligible entities issued or incurred to finance or refinance water supply development projects in Arizona; and
 - b) fund not more than 10 full-time equivalent positions of WIFA.
14. Prescribes requirements and allowances for eligible entities that are political subdivisions of the state regarding loans, irrevocable pledges and defaulting.
15. Alters stipulations for the repayment of monies or financial assistance awarded from the LTWAF.
16. Modifies criteria for determining the order and priority of water supply development projects relating to the ability of an entity or WIFA to abide by statutory or financial obligations and allows WIFA to consider other criteria WIFA deems appropriate in making order and priority determinations.
17. Requires WIFA to consider criteria for the LTWAF, rather than the WSDRF, when considering water-related facility procurement proposals.
18. Removes the permissive authority of WIFA to secure any long-term water augmentation bonds by pledging or assigning to or in trust to be held by a trustee.

- 19. Requires, rather than allows, WIFA to submit any public-private partnership agreement entered into by WIFA to the Attorney General (AG).**
- 20. Specifies that WIFA succeeds to the authority, powers, duties and responsibilities of the Arizona Finance Authority (AFA) with respect to federal WIFA funds and WSDRF financial provisions on the first meeting of WIFA and that until the meeting, the AFA continues to govern WIFA.**
- 21. Allows, rather than requires, the AG to take actions necessary to enforce loan repayment agreements and achieve repayment of loans if requested by WIFA.**
- 22. Removes the proposal to grant WIFA the power to negotiate and enter into intergovernmental agreements with the United States and other nations.**
- 23. Requires a Water Supply and Demand Assessment to be prepared and issued for at least 6 of the 46 groundwater basins not included within initial active management areas, rather than for 4 of the 22 planning areas.**
- 24. Exempts, notwithstanding any other law and unless expressly waived by WIFA, WIFA from any statutory requirement to pay another party's attorney fees or costs in any administrative or judicial proceeding.**
- 25. Adds, to nonvoting members of the WIFA Board of Directors (WIFA Board) and the Chief Executive Officer (CEO) of the Arizona Commerce Authority (ACA) or a designee.**
- 26. Establishes the Joint Legislative Water Committee and prescribes membership requirements and duties.**
- 27. Prescribes a rotating system for WIFA Board member appointment, rather than the current system of appointment.**
- 28. Modifies WIFA Board membership.**
- 29. Allows the WIFA Board to officially meet without the chairperson.**
- 30. Requires appointed members of the WIFA Board to provide fingerprints to the Governor, rather than the appointing entity.**
- 31. Disqualifies a person from appointment to the WIFA Board if the person or the person's spouse does not meet conflict-of-interest requirements, rather than only not allowing the person to participate in a WIFA Board vote on the expenditure or award relevant to the conflict-of-interest.**
- 32. Specifies that the prohibition against lobbyists serving on the WIFA Board only applies to voting members of the WIFA Board.**

- 33. Prohibits a person from being a member or an employee of the WIFA Board if the person or the person's relative is an officer, employee or paid consultant for a water users' association or trade association.**
- 34. Specifies that statutes governing the Water Infrastructure Finance Program do not replace, supplant or diminish the powers and duties of the Director of the Arizona Department of Water Resources (ADWR), rather than the Director of the Arizona Department of Environmental Quality (ADEQ).**
- 35. Adds the Director of ADEQ, the Director of ADWR, the Executive Director of the Arizona Corporation Commission and the CEO of the ACA, or any of the directors' or CEO's designees, to Federal Water Programs Committee membership and specifies that all members of the Federal Water Programs Committee are voting members.**
- 36. Exempts, from Colorado River water transference limitations, purchases made with monies from the Clean Water Revolving Fund or the Drinking Water Revolving Fund.**
- 37. Adds, to prohibited agreements for WIFA to enter into regarding conveyance or delivery of water, those for a city or town water service area.**
- 38. Allows WIFA to sell or lease long-term storage credits in its own name, and not in amounts greater than necessary, to repay long-term water augmentation bonds to fund any project to acquire the related imported water or long-term storage credits.**
- 39. Specifies that approval of funding or other financial assistance requires the affirmative vote of at least six, rather than five, members and only applies to nonfederal funding sources.**
- 40. Removes the permissive authority for the Board and subcommittees to meet in executive session for potential project opportunities and instead allows advisory nonvoting members of the WIFA Board to attend executive sessions of the WIFA Board.**
- 41. Specifies that the permissive authority of WIFA to provide grants, staff assistance or technical assistance to eligible entities relates to the WSDRF, rather than all water supply development projects.**
- 42. Exempts all of WIFA, rather than only disbursements of monies by WIFA, from the Arizona Procurement Code.**
- 43. Requires WIFA to establish, in coordination with the Arizona Department of Administration, procurement procedures by rule for LTWAF administration.**

- 44. Specifies that requirements are for foreign private corporations, rather than foreign private entities.**
- 45. Requires the State Treasurer, on notice from WIFA, to invest and divest monies in the WSDRF and requires monies earned from investment to be credited to the WSDRF.**
- 46. Removes the allowance for WSDRF and LTWAF accounts to be held by a bank trustee selected by WIFA and subjects the monies to other statutory requirements.**
- 47. Removes the specification that the WSDRF is to be maintained in perpetuity.**
- 48. Modifies legislative findings and definitions.**
- 49. Makes conforming and technical changes.**

KERR FLOOR AMENDMENT
SENATE AMENDMENTS TO S.B. 1740
(Reference to printed bill)

1 Page 4, strike lines 32 and 33, insert:

2 "Section 41-3002.09, Arizona Revised Statutes, is repealed.

3 Sec. 3. Title 41, chapter 27, article 2, Arizona Revised Statutes,
4 is amended by adding section 41-3027.05, to read:

5 41-3027.05. Water infrastructure finance authority of Arizona:
6 termination July 1, 2027

7 A. THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA TERMINATES
8 ON JULY 1, 2027.

9 B. TITLE 49, CHAPTER 8, ARTICLES 1 AND 3 AND SECTIONS 49-1224,
10 49-1225, 49-1226, 49-1244, 49-1245, 49-1246, 49-1261, 49-1262, 49-1263,
11 49-1264, 49-1265, 49-1266, 49-1267, 49-1268, 49-1269, 49-1301, 49-1303,
12 49-1304, 49-1305, 49-1306, 49-1307, 49-1308, 49-1309, 49-1310, 49-1311,
13 49-1312 AND 49-1313 ARE REPEALED ON JANUARY 1, 2028, IF THE AUTHORITY
14 EITHER:

15 1. HAS NO OUTSTANDING CONTRACTUAL OBLIGATIONS WITH THE UNITED STATES
16 OR ANY UNITED STATES AGENCY AND HAS NO DEBTS, OBLIGATIONS OR GUARANTEES
17 THAT WERE ISSUED FOR THE PURPOSES OF TITLE 49, CHAPTER 8.

18 2. HAS OTHERWISE PROVIDED FOR PAYING OR RETIRING SUCH DEBTS OR
19 OBLIGATIONS.

20 C. IF ANY DEBT OR OBLIGATION LISTED IN SUBSECTION B OF THIS SECTION
21 EXISTS AND NO SATISFACTORY PROVISION HAS BEEN MADE TO PAY OR RETIRE THE
22 DEBT OR OBLIGATION, THE AUTHORITY AND STATUTES CONTINUE IN EXISTENCE UNTIL
23 THE DEBT OR OBLIGATION IS FULLY SATISFIED.

24 Sec. 4. Repeal

25 Section 41-3031.01, Arizona Revised Statutes, is repealed."

26 Renumber to conform

1 Page 9, line 35, strike "EVERY" insert "ON OR BEFORE DECEMBER 1 OF EACH"

2 Line 36, strike "FOUR"

3 Strike lines 37 and 38

4 Line 39, strike "SUSTAINABILITY" insert "SIX OF THE FORTY-SIX GROUNDWATER
5 BASINS ESTABLISHED PURSUANT TO SECTION 45-403"

6 Line 40, strike "IDENTIFIED PLANNING AREAS" insert "GROUNDWATER BASINS"

7 Page 10, strike lines 35 and 36, insert:

8 "2. "Board" means the WATER INFRASTRUCTURE FINANCE AUTHORITY board
9 ~~of directors of the Arizona finance authority~~ established by ~~title 41,~~
10 ~~chapter 53, article 2~~ SECTION 49-1206."

11 Page 11, line 40, strike "OR ANY OTHER UNIT OF GOVERNMENT"

12 Page 12, strike lines 13 through 17

13 Renumber to conform

14 Strike lines 23 through 42, insert:

15 ~~"13.~~ 20. "Water provider" means any of the following:

16 (a) A municipal water delivery system as defined in section 42-5301.

17 (b) A county water augmentation authority established under
18 title 45, chapter 11.

19 (c) A county water authority established under title 45, chapter 13.

20 (d) An Indian tribe.

21 (e) A community facilities district as established by title 48,
22 chapter 4.

23 (f) A public water system as prescribed in section 49-352.

24 (g) A county with a population of less than three hundred thousand
25 persons.

26 (h) A natural resource conservation district.

27 (i) For purposes of funding from the water supply development
28 revolving fund pursuant to article 3 of this chapter only, a county that
29 enters into an intergovernmental agreement or other formal written
30 agreement with a city, town or other water provider regarding a water
31 supply development project."

- 1 Page 13, line 5, strike "either" insert "ANY"
2 Line 10, strike "OR INFRASTRUCTURE"
3 Line 11, strike "OR"
4 Line 12, strike "INFRASTRUCTURE"; strike "any" insert "EITHER"
5 Line 19, strike "(vi)" insert "(c)"
6 Line 33, after the period insert "NOTWITHSTANDING ANY OTHER LAW AND UNLESS
7 EXPRESSLY WAIVED BY THE AUTHORITY, THE AUTHORITY IS NOT SUBJECT TO ANY
8 STATUTORY REQUIREMENT TO PAY ANOTHER PARTY'S ATTORNEY FEES OR COSTS IN ANY
9 ADMINISTRATIVE OR JUDICIAL PROCEEDING."
10 Page 15, lines 14 and 15, strike "OR OTHER ELIGIBLE ENTITIES"
11 Line 25, strike "to"
12 Strike lines 26 and 27, insert "~~water provider in connection with the planning~~
13 ~~or design of water supply development projects~~ IN ACCORDANCE WITH SECTION
14 49-1273. ~~A single grant shall not~~"
15 Line 43, strike "Disbursements of monies by"
16 Line 44, strike "pursuant to a financial assistance agreement are" insert "OF
17 ARIZONA IS"
18 Line 45, after the period insert "IN COORDINATION WITH THE DEPARTMENT OF
19 ADMINISTRATION, THE AUTHORITY SHALL ESTABLISH PROCUREMENT PROCEDURES BY
20 RULE TO ADMINISTER THE LONG-TERM WATER AUGMENTATION FUND."
21 Page 16, line 33, strike ", INCLUDING THE UNITED STATES AND OTHER NATIONS"
22 Page 17, line 13, strike "SECURITIZATION" insert "SECURITY INTEREST"
23 Line 44, strike "AS PRESCRIBED IN SECTION 49-107" insert "OF WATER RESOURCES
24 SET FORTH IN TITLE 45, INCLUDING SECTIONS 45-105 AND 45-107"
25 Page 18, line 30, after "THAT" insert "CONSERVES WATER,"
26 Page 19, line 3, strike "and" insert a comma; after "49-1214" insert "and
27 49-1215"
28 Line 5, after "office" insert "; definition"
29 Lines 12 and 14, strike "THREE" insert "FOUR"

1 Page 19, line 17, after "VOTE" insert "BUT WHO MAY ATTEND EXECUTIVE SESSIONS OF
2 THE BOARD"

3 Between lines 30 and 31, insert:

4 "(i) THE CHIEF EXECUTIVE OFFICER OF THE ARIZONA COMMERCE AUTHORITY
5 OR THE CHIEF EXECUTIVE OFFICER'S DESIGNEE."

6 Line 31, strike "SIX" insert "EIGHT"

7 Line 33, strike "TWO" insert "THREE"

8 Line 34, after "COUNTY" insert ", AND AT LEAST ONE APPOINTED MEMBER OF THE
9 BOARD SHALL BE A RESIDENT OF EACH COUNTY WITH A POPULATION OF FOUR HUNDRED
10 THOUSAND PERSONS OR MORE"

11 Lines 39 and 40, strike "ONE" insert "TWO"

12 Line 42, after "AND" insert "SHALL APPOINT"; after "NEEDS" insert "FROM THE
13 JOINT LIST OF AT LEAST FIVE QUALIFIED APPLICANTS SUBMITTED BY THE PRESIDENT
14 OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES."

15 Line 43, after "SENATE" insert "AND MINORITY LEADER OF THE SENATE"

16 Page 20, line 2 after the period insert "THE PRESIDENT OF THE SENATE AND MINORITY
17 LEADER OF THE SENATE SHALL ALTERNATE THE TERMS IN WHICH THESE MEMBERS ARE
18 APPOINTED."

19 Line 3, after "REPRESENTATIVES" insert "AND MINORITY LEADER OF THE HOUSE OF
20 REPRESENTATIVES"

21 Line 6, after the period insert "THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
22 AND MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL ALTERNATE THE
23 TERMS IN WHICH THESE MEMBERS ARE APPOINTED."

24 Between lines 11 and 12, insert:

25 "6. THE ORDER IN WHICH THE MEMBERS ARE APPOINTED PURSUANT TO
26 SUBSECTION B, PARAGRAPHS 1 AND 2 IS:

27 (a) FOR THE INITIAL TERM AND EVERY THIRD TERM THEREAFTER, THE
28 PRESIDENT OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL APPOINT

1 FIRST, THE GOVERNOR SHALL APPOINT SECOND AND THE SPEAKER OF THE HOUSE OF
2 REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES
3 SHALL APPOINT THIRD.

4 (b) FOR THE SECOND TERM AND EVERY THIRD TERM THEREAFTER, THE GOVERNOR
5 SHALL APPOINT FIRST, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
6 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT SECOND AND
7 THE PRESIDENT OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL
8 APPOINT THIRD.

9 (c) FOR THE THIRD TERM AND EVERY THIRD TERM THEREAFTER, THE SPEAKER
10 OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF
11 REPRESENTATIVES SHALL APPOINT FIRST, THE PRESIDENT OF THE SENATE THE
12 MINORITY LEADER OF THE SENATE SHALL APPOINT SECOND AND THE GOVERNOR SHALL
13 APPOINT THIRD."

14 Page 20, line 14, strike "APPOINTING ENTITY" insert "GOVERNOR"

15 Line 16, after the period insert "THE GOVERNOR SHALL SUBMIT THE FINGERPRINTS
16 TO THE DEPARTMENT OF PUBLIC SAFETY."

17 Line 26, strike "COMPENSATION" insert "REIMBURSEMENT"

18 Lines 28 and 29 strike ", WHICH MUST INCLUDE THE CHAIRPERSON,"

19 Line 32, after "ASSISTANCE" insert "FROM THE CLEAN WATER REVOLVING FUND
20 ESTABLISHED BY SECTION 49-1221, THE DRINKING WATER REVOLVING FUND
21 ESTABLISHED BY SECTION 49-1241, THE WATER SUPPLY DEVELOPMENT REVOLVING FUND
22 ESTABLISHED BY SECTION 49-1271 OR THE LONG-TERM WATER AUGMENTATION FUND"

23 Line 33, strike "FIVE" insert "SIX"

24 Line 37, after "BOARD" insert ", COMMITTEES"

25 Line 38, strike "AS FOLLOWS:"

26 Strike lines 39 through 45, insert "ADVISORY NONVOTING MEMBERS OF THE BOARD
27 MAY ATTEND EXECUTIVE SESSIONS OF THE BOARD."

28 Page 21, line 5, strike "UNIT OF GOVERNMENT" insert "POLITICAL SUBDIVISION OF
29 THIS STATE"

30 Strike lines 6 through 8, insert:

1 "1. A PERSON IS NOT ELIGIBLE FOR APPOINTMENT TO THE BOARD IF THE
2 PERSON OR THE PERSON'S SPOUSE MEETS ANY OF THE FOLLOWING CRITERIA:

3 Page 21, line 21, after the second "A" insert "VOTING"

4 Between lines 23 and 24, insert:

5 "3. A PERSON MAY NOT BE A MEMBER OF THE BOARD OR AN EMPLOYEE OF THE
6 AUTHORITY IF THE PERSON OR THE PERSON'S RELATIVE IS AN OFFICER, EMPLOYEE OR
7 PAID CONSULTANT FOR A WATER USERS' ASSOCIATION OR TRADE ASSOCIATION."

8 Line 24, strike "3." Insert "M."

9 Reletter to conform

10 Between lines 35 and 36, insert:

11 "Q. FOR THE PURPOSES OF THIS SECTION, "TRADE ASSOCIATION" MEANS ANY
12 COOPERATIVE, ASSOCIATION OR BUSINESS ORGANIZATION, WHETHER OR NOT
13 INCORPORATED UNDER FEDERAL OR STATE LAW, THAT IS DESIGNED TO ASSIST ITS
14 MEMBERS, INDUSTRY OR PROFESSION IN ADVOCATING FOR OR PROMOTING THEIR COMMON
15 INTEREST."

16 Line 39, after "FOLLOWING" insert "VOTING"

17 Page 22, between lines 12 and 13, insert:

18 "8. THE DIRECTOR OF ENVIRONMENTAL QUALITY OR THE DIRECTOR'S
19 DESIGNEE.

20 9. THE DIRECTOR OF WATER RESOURCES OR THE DIRECTOR'S DESIGNEE.

21 10. THE EXECUTIVE DIRECTOR OF THE CORPORATION COMMISSION OR THE
22 EXECUTIVE DIRECTOR'S DESIGNEE.

23 11. THE CHIEF EXECUTIVE OFFICER OF THE ARIZONA COMMERCE AUTHORITY OR
24 THE CHIEF EXECUTIVE OFFICER'S DESIGNEE."

25 Line 22, strike "FIVE" insert "SEVEN"; strike "THREE" insert "FOUR"

26 Line 23, strike "ONE"

27 Line 24, strike "MEMBER WHO IS FROM A COUNTY WITH A POPULATION" insert "TWO

28 MEMBERS WHO ARE FROM COUNTIES WITH POPULATIONS"

29 Line 25, strike "IS" insert "ARE"

30 Line 32, strike "FIVE" insert "SEVEN"; strike "THREE" insert "FOUR"

- 1 Page 22, line 34, strike "ONE MEMBER WHO IS FROM A COUNTY WITH A POPULATION"
2 insert "TWO MEMBERS WHO ARE FROM COUNTIES WITH POPULATIONS"
3 Line 35, strike "IS" insert "ARE"
- 4 Page 23, line 17, after "TRIBE" insert "OR TO PURCHASES MADE WITH MONIES FROM THE
5 CLEAN WATER REVOLVING FUND ESTABLISHED BY SECTION 49-1221 OR THE DRINKING
6 WATER REVOLVING FUND ESTABLISHED BY SECTION 49-1241"
7 Line 22, after "TOWN" insert ", A CITY OR TOWN WATER SERVICE AREA"
8 Line 36, after "CREDITS" insert "CREATED FROM IMPORTED WATER"
9 Line 38, after "E" insert "OR TO REPAY LONG-TERM WATER AUGMENTATION BONDS
10 ISSUED TO FUND ANY PROJECT TO ACQUIRE THE IMPORTED WATER OR LONG-TERM
11 STORAGE CREDITS"
- 12 Page 24, line 5, after "CONCESSION" insert "AGREEMENT"
13 Line 38, strike "49-1274" insert "49-1304"
- 14 Page 26, lines 40 and 41, strike "WATER DELIVERY"
- 15 Page 27, line 1, strike "ENTITY" insert "CORPORATION"
16 Line 7, strike "MAY" insert "SHALL"
17 Between lines 16 and 17, insert:
18 "49-1215. Joint legislative water committee; membership;
19 duties
20 A. THE JOINT LEGISLATIVE WATER COMMITTEE IS ESTABLISHED CONSISTING
21 OF THE FOLLOWING MEMBERS:
22 1. THE PRESIDENT OF THE SENATE OR THE PRESIDENT'S DESIGNEE.
23 2. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE SPEAKER'S
24 DESIGNEE.
25 3. THE MINORITY LEADER OF THE SENATE OR THE MINORITY LEADER'S
26 DESIGNEE.
27 4. THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES OR THE
28 MINORITY LEADER'S DESIGNEE.
29 5. THE CHAIRPERSON OF THE SENATE COMMITTEE WITH JURISDICTION OVER
30 WATER ISSUES.

1 6. THE CHAIRPERSON OF THE HOUSE OF REPRESENTATIVES COMMITTEE WITH
2 JURISDICTION OVER WATER ISSUES.

3 7. THE RANKING MINORITY PARTY MEMBER OF THE SENATE COMMITTEE WITH
4 JURISDICTION OVER WATER ISSUES.

5 8. THE RANKING MINORITY PARTY MEMBER OF THE HOUSE OF REPRESENTATIVES
6 COMMITTEE WITH JURISDICTION OVER WATER ISSUES.

7 9. THE CHAIRPERSON OF THE JOINT LEGISLATIVE BUDGET COMMITTEE.

8 B. THE JOINT LEGISLATIVE WATER COMMITTEE SHALL REVIEW AWARDS OF
9 \$50,000,000 OR MORE FROM THE LONG-TERM WATER AUGMENTATION FUND ESTABLISHED
10 BY SECTION 49-1302 AND THE BOARD SHALL PROVIDE THE JOINT LEGISLATIVE WATER
11 COMMITTEE WITH THE RELEVANT INFORMATION."

12 Page 27, strike lines 23 and 24, insert "BOUNDARIES OF AN ACTIVE MANAGEMENT AREA
13 LOCATED IN MARICOPA, PIMA OR PINAL COUNTY."

14 Line 28, after the second "OF" strike remainder of line

15 Strike lines 29 through 32, insert "AN ACTIVE MANAGEMENT AREA LOCATED IN
16 MARICOPA, PIMA OR PINAL COUNTY."

17 Page 28, lines 4 and 5, strike "to be maintained in perpetuity"

18 Line 31, after "MONIES" insert "SHALL BE"; after "DEPOSITED" insert ",
19 PURSUANT TO SECTIONS 35-146 AND 35-147,"; after "FUND" insert "AND"; after
20 the period insert "ON NOTICE FROM THE AUTHORITY, THE STATE TREASURER SHALL
21 INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED IN SECTION 35-313, AND
22 MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND."

23 Line 43, after the period strike remainder of line

24 Strike line 44

25 Page 29, between lines 2 and 3, insert:

26 "F. MONIES IN THE FUND MAY BE USED TO SECURE WATER SUPPLY
27 DEVELOPMENT BONDS OF THE AUTHORITY."

28 Strike lines 16 through 21, insert:

29 "3. Purchasing or refinancing debt obligations of water providers at
30 or below market rate if the debt obligation was issued for a water supply
31 development purpose.

1 4. Providing financial assistance to water providers with bonding
2 authority to purchase insurance for local bond obligations incurred by them
3 for water supply development purposes."

4 Renumber to conform

5 Page 30, line 30, strike ", staff"

6 Strike line 31

7 Line 32, strike "FUND FOR" insert ", staff assistance or technical assistance
8 for ~~the planning or design of~~"

9 Page 33, line 17, after the period insert "THE AUTHORITY MAY NOT UNILATERALLY
10 AMEND A LOAN REPAYMENT AGREEMENT, LOAN OR BOND AFTER ITS EXECUTION OR
11 IMPLEMENT ANY POLICY THAT MODIFIES TERMS AND CONDITIONS OR AFFECTS A
12 PREVIOUSLY EXECUTED LOAN REPAYMENT AGREEMENT, LOAN OR BOND. THE AUTHORITY
13 MAY NOT IMPOSE A REDEMPTION PREMIUM OR AN INTEREST PAYMENT BEYOND THE DATE
14 THE PRINCIPAL IS PAID AS A CONDITION OF REFINANCING OR RECEIVING PREPAYMENT
15 ON A LOAN REPAYMENT AGREEMENT, LOAN OR BOND IF THE LOAN REPAYMENT
16 AGREEMENT, LOAN OR BOND DID NOT ORIGINALLY CONTAIN A REDEMPTION PREMIUM OR
17 INTEREST PAYMENT BEYOND THE DATE THE PRINCIPAL IS PAID.

18 Page 35, strike lines 23 and 24

19 Line 30, after "DEVELOPMENT" insert "PROJECTS"

20 Line 36, after "THE" insert "ELIGIBLE"

21 Page 36, line 13, strike "SECTION"; insert "SECTIONS"; after "35-313" insert "AND
22 35-314.03

23 Line 15, after "MONIES" insert "SHALL BE"; after "DEPOSITED" insert
24 ", PURSUANT TO SECTIONS 35-146 AND 35-147,"; after "FUND" insert "AND"

25 Line 22, after "FUND" strike remainder of line

26 Line 23, strike "AUTHORITY"

1 Page 37, line 7, after "STATE" insert "OR PROVIDING CREDIT ENHANCEMENTS IN
2 CONNECTION WITH THESE DEBT OBLIGATIONS"

3 Between lines 8 and 9, insert:

4 "9. FUNDING NOT MORE THAN TEN FULL-TIME EQUIVALENT POSITIONS OF THE
5 AUTHORITY."

6 Strike lines 25 through 30, insert:

7 "E. THE AUTHORITY SHALL TAKE NECESSARY ACTIONS TO OBTAIN FULL
8 REPAYMENT FOR MONIES OR FINANCIAL ASSISTANCE PROVIDED FROM THE FUND BY THE
9 RECIPIENTS OF THE FUNDING OR FINANCIAL ASSISTANCE OR THE RECIPIENTS OF ANY
10 WATER SUPPLY DEVELOPMENT PROJECT MADE AVAILABLE FROM MONIES FROM THE FUND
11 THROUGH WATER SUBCONTRACTS, LOAN REPAYMENTS, RATES, FEES, CHARGES OR
12 OTHERWISE, AS APPROPRIATE. THIS SUBSECTION DOES NOT APPLY TO MONIES SPENT
13 BY THE AUTHORITY FOR INVESTIGATIONS AND STUDIES OR MONIES SPENT IN
14 CONNECTION WITH LOAN GUARANTEES OR CREDIT ENHANCEMENT.

15 Line 36, strike "IMPORTATION"; after "PROJECTS" insert "TO IMPORT WATER"

16 Page 38, line 14, strike "ON" insert "BY"

17 Line 26, after the period strike remainder of line

18 Strike line 27, insert "IN"

19 Line 29, after "IN" strike remainder of line

20 Line 30, strike "SECTION" insert "ANY APPLICABLE WATER SUPPLY AND DEMAND
21 ASSESSMENT THAT HAS BEEN ISSUED BY THE DIRECTOR OF WATER RESOURCES PURSUANT
22 TO SECTION 45-105, SUBSECTION B, PARAGRAPH 14"; strike "THESE"

23 Line 31, strike "CRITERIA" insert "THIS CRITERION"

24 Strike lines 34 through 36, insert "TO FULLY REPAY ALL FINANCIAL OBLIGATIONS
25 TO THE AUTHORITY.

26 17. FOR AGREEMENTS ENTERED INTO PURSUANT TO SECTION 49-1203.01,
27 SUBSECTION C, PARAGRAPH 5, THE IMPACT OF ANY SUCH AGREEMENT ON THE ABILITY
28 OF THE AUTHORITY TO COMPLY WITH THE REQUIREMENTS OF SECTION 49-1303,
29 SUBSECTION E.

30 18. OTHER CRITERIA THAT THE AUTHORITY DEEMS APPROPRIATE."

1 Page 38, line 38, strike "APPLICANT'S" insert "APPLICANTS"

2 Strike lines 42 through 44

3 Page 39, strike lines 1 and 2, insert:

4 "FOR ANY WATER SUPPLY DEVELOPMENT PROJECT TO IMPORT WATER THAT IS
5 PROPOSED TO BE FUNDED BY THE AUTHORITY, THE AUTHORITY SHALL PROVIDE WRITTEN
6 NOTICE OF THE PROPOSED PROJECT TO ALL ENTITIES IN THIS STATE WITH AN
7 ENTITLEMENT TO WATER FROM THE COLORADO RIVER, INCLUDING WATER DELIVERED
8 THROUGH THE CENTRAL ARIZONA PROJECT. AN ENTITY THAT RECEIVES A NOTICE
9 PRESCRIBED BY THIS SECTION SHALL SUBMIT TO THE AUTHORITY WITHIN THIRTY DAYS
10 AFTER THE DATE OF THE NOTICE A STATEMENT OF THE ENTITY'S INTEREST IN
11 PARTICIPATING IN THE PROJECT."

12 Page 40, line 37, strike "MAY" insert "SHALL"

13 Page 41, between lines 20 and 21, insert:

14 "P. A LOAN MADE TO AN ELIGIBLE ENTITY THAT IS A POLITICAL
15 SUBDIVISION OF THIS STATE MAY BE SECURED ADDITIONALLY BY AN IRREVOCABLE
16 PLEDGE OF ANY SHARED STATE REVENUES DUE TO THE ELIGIBLE ENTITY FOR THE
17 DURATION OF THE LOAN AS PRESCRIBED BY THE AUTHORITY. AS APPLICABLE TO
18 LOANS ADDITIONALLY SECURED WITH SHARED STATE REVENUES, THE AUTHORITY MAY
19 ENTER INTO AGREEMENTS TO SPECIFY THE ALLOCATION OF SHARED STATE REVENUES IN
20 RELATION TO INDIVIDUAL BORROWERS FROM SUCH AUTHORITIES. IF A PLEDGE OF
21 SHARED STATE REVENUES AS ADDITIONAL SECURITY FOR A LOAN IS REQUIRED AND THE
22 ELIGIBLE ENTITY FAILS TO MAKE ANY PAYMENT DUE TO THE AUTHORITY UNDER ITS
23 LOAN REPAYMENT AGREEMENT OR THE ELIGIBLE ENTITY'S BONDS, THE AUTHORITY
24 SHALL CERTIFY TO THE STATE TREASURER AND NOTIFY THE GOVERNING BODY OF THE
25 DEFAULTING ELIGIBLE ENTITY THAT THE ELIGIBLE ENTITY HAS FAILED TO MAKE THE
26 REQUIRED PAYMENT AND SHALL DIRECT A WITHHOLDING OF SHARED STATE REVENUES AS
27 PRESCRIBED IN SUBSECTION Q OF THIS SECTION. THE CERTIFICATE OF DEFAULT
28 SHALL BE IN THE FORM DETERMINED BY THE AUTHORITY, EXCEPT THAT THE
29 CERTIFICATE SHALL SPECIFY THE AMOUNT REQUIRED TO SATISFY THE UNPAID PAYMENT
30 OBLIGATION OF THE ELIGIBLE ENTITY.

1 Q. ON RECEIPT OF A CERTIFICATE OF DEFAULT FROM THE AUTHORITY, THE
2 STATE TREASURER, TO THE EXTENT NOT EXPRESSLY PROHIBITED BY LAW, SHALL
3 WITHHOLD ANY MONIES DUE TO THE DEFAULTING ELIGIBLE ENTITY FROM THE NEXT
4 SUCCEEDING DISTRIBUTION OF MONIES PURSUANT TO SECTION 42-5029. IN THE CASE
5 OF AN ELIGIBLE ENTITY THAT IS A CITY OR TOWN, THE STATE TREASURER SHALL
6 ALSO WITHHOLD FROM THE MONIES DUE TO THE DEFAULTING CITY OR TOWN FROM THE
7 NEXT SUCCEEDING DISTRIBUTION OF MONIES PURSUANT TO SECTION 43-206 THE
8 AMOUNT SPECIFIED IN THE CERTIFICATE OF DEFAULT AND SHALL IMMEDIATELY
9 DEPOSIT THE MONIES IN THE WATER SUPPLY DEVELOPMENT REVOLVING FUND
10 ESTABLISHED BY SECTION 49-1271. THE STATE TREASURER SHALL CONTINUE TO
11 WITHHOLD AND DEPOSIT MONIES UNTIL THE AUTHORITY CERTIFIES TO THE STATE
12 TREASURER THAT THE DEFAULT HAS BEEN CURED. THE STATE TREASURER MAY NOT
13 WITHHOLD ANY AMOUNT THAT IS NECESSARY TO MAKE ANY REQUIRED DEPOSITS THEN
14 DUE FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON BONDS OR INDEBTEDNESS OF
15 THE ELIGIBLE ENTITY IF SO CERTIFIED BY THE DEFAULTING ELIGIBLE ENTITY TO
16 THE STATE TREASURER AND THE AUTHORITY. THE DEFAULTING ELIGIBLE ENTITY MAY
17 NOT CERTIFY DEPOSITS AS NECESSARY FOR PAYMENT FOR BONDS OR INDEBTEDNESS
18 UNLESS THE BONDS WERE ISSUED OR THE INDEBTEDNESS INCURRED BEFORE THE DATE
19 OF THE LOAN REPAYMENT AGREEMENT AND THE BONDS OR INDEBTEDNESS WAS SECURED
20 BY A PLEDGE OF DISTRIBUTION MADE PURSUANT TO SECTIONS 42-5029 AND 43-206."

21 Page 42, line 11, strike "CHAPTER" insert "ARTICLE"

22 Line 18, strike "OR OTHER"

23 Page 43, line 22, strike "OR A TRUSTEE APPOINTED BY THE AUTHORITY"

24 Page 44, line 4, strike "OR A TRUSTEE"

25 Page 47, between lines 12 and 13, insert:

26 "B. For the initial term, the president of the senate and the
27 minority leader of the senate shall appoint first, the governor shall
28 appoint second and the speaker of the house of representatives and the
29 minority leader of the house of representatives shall appoint third."

30 Reletter to conform

1 Page 47, line 16, after the comma insert "on the first meeting of"

2 Line 21, after the period insert "Until the first meeting of the water
3 infrastructure finance authority board established by section 49-1206,
4 Arizona Revised Statutes, as added by this act, the water infrastructure
5 finance authority of Arizona shall continue to be governed by the Arizona
6 finance authority board with the recommendations of the current water
7 infrastructure finance authority advisory board as composed immediately
8 before the effective date of this act."

9 Page 48, strike lines 7 through 16, insert:

10 "Sec. 30. Water infrastructure finance authority of Arizona;
11 purpose

12 Pursuant to section 41-2955, subsection B, the legislature continues
13 the water infrastructure finance authority of Arizona to provide a source
14 of financial and other assistance for projects relating to water treatment
15 and water supply development that improve current and long-term water
16 supplies.

17 Sec. 31. Distribution of revenues; long-term water
18 augmentation fund; intent

19 A. For fiscal year 2022-2023, beginning the month following the
20 general effective date of this act, the state treasurer shall distribute
21 the sum of \$334,000,000 proportionately for each month remaining in the
22 fiscal year from the portion of the revenues derived from the tax levied by
23 title 42, chapter 5, articles 1 and 5, Arizona Revised Statutes, that is
24 not designated as the distribution base, to the long-term water
25 augmentation fund established by section 49-1302, Arizona Revised Statutes,
26 as added by this act, for the purposes prescribed by title 49, chapter 8,
27 article 4, Arizona Revised Statutes, as added by this act.

28 B. The legislature intends that the distributions made in subsection
29 A of this section not impact the portion of transaction privilege tax
30 revenues that cities and counties in this state receive pursuant to section
31 42-5029, subsection D, Arizona Revised Statutes."

1 Renumber to conform

2 Page 48, line 19, strike "\$_____ " insert "\$333,000,000"

3 Line 20, strike "2022-2023" insert "2023-2024"

4 Between lines 26 and 27, insert:

5 "Sec. 33. Appropriation; long-term water augmentation fund;

6 exemption

7 A. The sum of \$333,000,000 is appropriated from the state general
8 fund in fiscal year 2024-2025 to the long-term water augmentation fund
9 established by section 49-1302, Arizona Revised Statutes, as added by this
10 act, for the purposes prescribed by title 49, chapter 8, article 4, Arizona
11 Revised Statutes, as added by this act.

12 B. The appropriation made in subsection A of this section is exempt
13 from the provisions of section 35-190, Arizona Revised Statutes, relating
14 to lapsing of appropriations."

15 Renumber to conform

16 Strike lines 35 through 44

17 Renumber to conform

18 Amend title to conform

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