

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2026
(Reference to printed bill)

1 Page 15, after line 44, insert:

2 "Sec. 3. Section 48-3701, Arizona Revised Statutes, is amended to
3 read:

4 48-3701. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Active management area" means an active management area
7 established under title 45, chapter 2, article 2.

8 2. "Board" means the board of directors of a multi-county water
9 conservation district.

10 3. "Contract replenishment obligation" means an amount of
11 groundwater that the district contracts to replenish in a year on behalf of
12 a municipal provider pursuant to a contract authorized under section
13 48-3772, subsection B, paragraph 9.

14 4. "Credits" means any groundwater in addition to the amount of
15 groundwater that may be used at a member land or delivered within a member
16 service area for use within the member service area pursuant to the
17 applicable assured water supply rules adopted by the department of water
18 resources.

19 5. "Declaration" means an instrument recorded against real property
20 and conforming to the requirements prescribed by section 48-3774,
21 subsection A, paragraph 5.

22 6. "District" means a multi-county water conservation district
23 organized under the authority of this chapter.

1 7. "Excess groundwater" means an amount of groundwater equal to that
2 amount of groundwater delivered to a member land in a calendar year or
3 delivered within a member service area by the municipal provider for that
4 member service area in a calendar year in excess of the amount of
5 groundwater that may be used at the member land in that calendar year or
6 that may be delivered by the municipal provider for use within the member
7 service area in that calendar year and consistent with the applicable
8 assured water supply rules adopted by the department of water resources for
9 the active management area where the member land or the member service area
10 is located.

11 8. "Excess groundwater increment" means the amount by which excess
12 groundwater reported for a member service area under section 48-3775,
13 subsection B in any year exceeds the maximum amount of excess groundwater
14 reported for that member service area in any prior year.

15 9. "Groundwater replenishment obligation" means, for each active
16 management area in which member lands or member service areas are or may be
17 located, the total of the cumulative parcel replenishment obligation of all
18 parcels of member land in that active management area for a particular
19 calendar year plus the cumulative service area replenishment obligation of
20 all member service areas in that active management area for a particular
21 calendar year.

22 10. "Member land" means any real property that meets the
23 requirements of section 48-3774.

24 11. "Member service area" means the service area of a municipal
25 provider that qualifies as a member service area under section 48-3780,
26 including any additions to or extensions of the service area.

27 12. "Multi-county water conservation district" means a district
28 composed of three or more counties that have joined together for the
29 creation of a district.

30 13. "Municipal provider" means a city, town or private water company
31 or an irrigation district that supplies water for non-irrigation use.

1 14. "Parcel of member land" means any portion of member land for
2 which the tax assessor for the county in which the member land is located
3 has issued a separate county parcel number.

4 15. "Parcel replenishment obligation" means, with respect to any
5 particular parcel of member land, an amount of groundwater that is equal to
6 the amount of groundwater delivered to the parcel of member land in a
7 calendar year multiplied by the percentage that the excess groundwater of
8 the applicable member land for that year bears to the total amount of
9 groundwater delivered to the applicable member land during that year.

10 16. "Population" means the population determined in the most recent
11 United States decennial census.

12 17. "Private water company" has the same meaning prescribed in
13 section 45-402.

14 18. "Projected replenishment obligation" means for each active
15 management area, the district's total projected annual groundwater
16 replenishment obligation for each of the one hundred years following
17 submission of the district plan of operation.

18 19. "Replenish" means to increase the amount of groundwater in an
19 aquifer through water storage pursuant to title 45, chapter 3.1 for the
20 purpose of meeting the obligations of article 4 of this chapter.

21 20. "Reserve target" means the volume calculated for each active
22 management area as prescribed by section 48-3772, subsection E.

23 21. "RESIDENTIAL LEASE COMMUNITY":

24 (a) MEANS SIX OR MORE DETACHED RESIDENTIAL DWELLING UNITS THAT ARE
25 ON ONE OR MORE LOTS, PARCELS OR FRACTIONAL INTERESTS, WITHOUT REGARD TO THE
26 ZONING CLASSIFICATION OF THE LOTS, PARCELS OR FRACTIONAL INTERESTS, AND
27 THAT ARE INTENDED TO BE OFFERED FOR THE PURPOSE OF LEASE, WHETHER IMMEDIATE
28 OR FUTURE, WITHOUT REGARD TO THE LEASE TERM, UNDER A COMMON PROMOTIONAL
29 PLAN AS DEFINED IN SECTION 32-2101.

30 (b) DOES NOT INCLUDE THE CONSTRUCTION, PROVISION OR LEASING OF
31 RESIDENTIAL STRUCTURES THAT ARE LOCATED ON AGRICULTURAL PROPERTY, THAT ARE
32 EXEMPT FROM TITLE 11, CHAPTER 6, ARTICLE 5 AS PRESCRIBED BY SECTION 11-865,

1 SUBSECTION A, PARAGRAPH 1 AND THAT ARE OFFERED FOR THE PURPOSE OF HOUSING
2 PERSONS WHO ARE AGRICULTURAL WORKERS.

3 ~~21.~~ 22. "Resolution" means a resolution adopted by the governing
4 body of a city or town, by the board of directors of a private water
5 company that is a corporation, by the general partners of a private water
6 company that is a partnership or by the individual owners of a private
7 water company that is individually owned.

8 ~~22.~~ 23. "Secretary" means the secretary of the interior of the
9 United States of America.

10 ~~23.~~ 24. "Service area" has the same meaning prescribed in section
11 45-402.

12 ~~24.~~ 25. "Service area replenishment obligation" means, with respect
13 to any particular member service area, the excess groundwater of that
14 member service area in a particular calendar year reduced by the
15 replenishment credits, if any, applied by the municipal provider with
16 respect to the member service area under section 48-3772, subsection H.

17 ~~25.~~ 26. "Water storage" has the same meaning prescribed in section
18 45-802.01."

19 Renumber to conform

20 Page 17, lines 3 and 4, strike "DETACHED RESIDENTIAL DWELLING" insert "HOUSING"

21 Page 25, after line 7, insert:

22 "Sec. 6. Section 48-3779, Arizona Revised Statutes, is amended to
23 read:

24 48-3779. Annual membership dues

25 A. On or before the third Monday of August of each year ~~beginning in~~
26 ~~2011~~, the district may charge annual membership dues on all parcels of
27 member lands, ON EACH DETACHED SINGLE-FAMILY RESIDENCE WITHIN A RESIDENTIAL
28 LEASE COMMUNITY and on all municipal providers having a member service
29 area.

30 B. The annual membership dues shall be established annually by the
31 district. The district shall use revenues from the annual membership dues,
32 together with revenues from other revenue sources that are legally

1 available to the district for those uses, solely to pay costs associated
2 with the acquisition, lease or exchange of water or water rights and
3 development of infrastructure necessary for the district to perform its
4 replenishment obligations, including the payment of debt service expenses,
5 and necessary reserves and coverage requirements, on bonds issued for
6 replenishment purposes.

7 C. For any year in which the district has, or expects to have, any
8 revenue bonds outstanding that were issued for replenishment purposes
9 pursuant to section 48-3772, subsection B, paragraph 13, the annual
10 membership dues shall be established in an amount determined by the
11 district to be sufficient to provide, with other revenues legally available
12 to the district for those purposes, and taking into account the
13 requirements of section 48-3772, subsection A, paragraph 8, for the payment
14 of all debt service expenses, including necessary reserves and coverage
15 requirements with respect to the bonds.

16 D. When the district has determined the amount of revenues to be
17 raised through the annual membership dues, the district shall allocate the
18 amount to be raised between member lands, **DETACHED SINGLE-FAMILY RESIDENCES**
19 **WITHIN RESIDENTIAL LEASE COMMUNITIES** and member service areas prorated on
20 the basis of the following two volumes:

21 1. Total current and projected annual replenishment obligation of
22 all member lands as identified in the most recent plan of operation
23 determined by the director of water resources to be consistent with
24 achieving the management goal for the active management areas pursuant to
25 section 45-576.03, subsection M, O or R.

26 2. Total planned annual service area replenishment obligations for
27 all member service areas. The planned annual service area replenishment
28 obligation for a member service area is the lesser of:

29 (a) The annual service area replenishment obligation, as determined
30 by the district, associated with the current and committed water demands
31 projected within the member service area as of December 31 of the year

1 following the year in which the district is required to submit its next
2 plan under section 45-576.02, subsection C.

3 (b) The maximum amount of excess groundwater that may be reported to
4 the district as delivered by the municipal provider within the member
5 service area in any year as established in an agreement executed between
6 the municipal provider and the district.

7 E. The total amount allocated to member lands in any year, as
8 calculated pursuant to subsection D of this section, shall be prorated
9 among the Phoenix, Pinal and Tucson active management areas based on the
10 current and projected annual replenishment obligation of all member lands
11 in that active management area as identified in the most recent plan of
12 operation determined by the director of water resources to be consistent
13 with achieving the management goal for the active management area pursuant
14 to section 45-576.03, subsection M, O or R. The prorated amount within
15 each active management area shall be further prorated among all parcels of
16 member land AND ALL DETACHED SINGLE-FAMILY RESIDENCES WITHIN RESIDENTIAL
17 LEASE COMMUNITIES located within that active management area based on a
18 uniform fee ~~per lot~~ levied against the total number of residential,
19 commercial and common area lots AND ALL DETACHED SINGLE-FAMILY RESIDENCES
20 WITHIN RESIDENTIAL LEASE COMMUNITIES included, or intended to be included,
21 in each parcel of member land. These dues are a lien on each parcel of
22 member land and shall be certified, collected and enforced with respect to
23 member land in the same manner as the annual assessment pursuant to section
24 48-3778. However, any parcel of member land that is included in the
25 service area of a municipal provider that has been designated as having an
26 assured water supply under section 45-576 is not subject to the annual
27 membership dues.

28 F. The total amount allocated to member service areas in any year,
29 as calculated pursuant to subsection D of this section, shall be prorated
30 among all member service areas based on a uniform fee per acre-foot levied
31 against the member service area's dues volume. The dues volume for a
32 member service area is the greater of:

1 1. The planned annual service area replenishment obligation as
2 established pursuant to subsection D, paragraph 2 of this section for the
3 member service area.

4 2. Five ~~percent~~ PERCENT of the service area's annual estimated
5 water demand to be satisfied with excess groundwater as identified in the
6 service area's most recent designation order issued by the director of
7 water resources. If the service area's most recent designation order
8 issued by the director of water resources does not identify the annual
9 estimated water demand to be satisfied with excess groundwater, the service
10 area's annual estimated water demand to be satisfied with excess
11 groundwater shall be calculated consistent with the rules adopted by the
12 director pursuant to section 45-576, subsection H.

13 G. Except in the first full year following the year in which the
14 director makes a determination that the district's most recent plan of
15 operation is consistent with achieving the management goals of the active
16 management areas pursuant to section 45-576.03, subsection M, for any year
17 in which the dues volume for a member service area, as determined pursuant
18 to subsection F of this section, exceeds the previous year's dues volume
19 for the member service area, a makeup charge shall be added to the annual
20 membership dues allocated under subsection F of this section to the member
21 service area. The makeup charge shall become part of the member service
22 area's annual membership dues for that year and is the sum of:

23 1. The difference between the current year's dues volume and the
24 previous year's dues volume, in acre-feet, multiplied by the sum of the
25 uniform fees per acre-foot established pursuant to subsection F of this
26 section for each year since the later of:

27 (a) The first full year following the year of the director's
28 determination that the district's most recent plan of operation is
29 consistent with achieving the management goals of the active management
30 areas pursuant to section 45-576.03, subsection M.

31 (b) The year in which the service area qualified as a member service
32 area pursuant to section 48-3780.

1 2. Interest on the amount established in paragraph 1 of this
2 subsection calculated at an interest rate determined by the district.

3 3. The amounts established in paragraphs 1 and 2 of this subsection
4 multiplied by ten ~~per cent~~ PERCENT.

5 H. The annual membership dues become an obligation of each municipal
6 provider that has a member service area and shall be stated, collected and
7 enforced with respect to the municipal provider in the same manner as the
8 annual replenishment tax pursuant to sections 48-3781 and 48-3782.

9 I. Annual membership dues collected by the district shall be
10 deposited in a special fund established by the state to be spent by the
11 district only for the purposes authorized by this article, including:

12 1. The payment of debt service expenses and funding reserves for
13 bonds issued for replenishment purposes.

14 2. The payment of the costs of acquiring, leasing or exchanging
15 water or water rights and development of infrastructure necessary for the
16 district to perform its replenishment obligations.

17 J. Amounts collected may be transferred to a bank or trust company
18 to be held in trust and spent with respect to bonds issued for
19 replenishment purposes."

20 Amend title to conform

And, as so amended, it do pass

GAIL GRIFFIN
CHAIRMAN

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