

REFERENCE TITLE: WIFA; water augmentation fund

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

HB 2708

Introduced by

Representatives Villegas: Aguilar, Austin, Blattman, Contreras P, Crews,
De Los Santos, Gutierrez, Hernandez M, Mathis, Ortiz, Peshlakai, Quiñonez,
Sandoval, Schwiebert, Seaman, Stahl Hamilton, Sun, Terech, Travers;
Senators Gabaldón, Sundareshan

AN ACT

AMENDING SECTION 49-1303, ARIZONA REVISED STATUTES; RELATING TO THE
LONG-TERM WATER AUGMENTATION FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 49-1303, Arizona Revised Statutes, is amended to
3 read:

4 49-1303. Long-term water augmentation fund; purposes;
5 limitation

6 A. Monies and other assets in the long-term water augmentation fund
7 may be used for the following purposes:

8 1. Funding water supply development projects that import water from
9 outside the boundaries of this state. ~~At least seventy-five percent of~~
10 ~~the monies in the fiscal years 2022-2023, 2023-2024 and 2024-2025~~
11 ~~appropriations to the fund shall be reserved for one or more projects with~~
12 ~~this purpose, and those monies shall be accounted for separately.~~

13 2. Purchasing imported water or rights to imported water.

14 3. Acquiring or constructing water-related facilities in this state
15 to convey or deliver imported water within the state.

16 4. Conducting investigations, including performing environmental or
17 other reviews.

18 5. Contracting for water needs assessments.

19 6. Providing financial assistance to eligible entities for the
20 purposes of financing or refinancing water supply development projects
21 within this state, including projects for conservation through reducing
22 existing water use or more efficient uses of existing water supplies.

23 7. Guaranteeing debt obligations of eligible entities that are
24 issued or incurred to finance or refinance water supply development
25 projects within this state or providing credit enhancements in connection
26 with these debt obligations.

27 8. Paying the costs to administer the fund.

28 9. Funding not more than ten full-time equivalent positions of the
29 authority.

30 10. FUNDING WATER SUPPLY DEVELOPMENT PROJECTS THAT USE SOURCES OF
31 WATER FROM WITHIN THE BOUNDARIES OF THIS STATE.

32 B. In providing financial assistance from the fund, the authority
33 shall comply with section 49-1304.

34 C. Monies in the LONG-TERM WATER AUGMENTATION fund may not be used
35 to purchase conservation or other similar easements on real property.

36 D. If the monies pledged to secure long-term water augmentation
37 bonds issued pursuant to section 49-1309 become insufficient to pay the
38 principal and interest on the long-term water augmentation bonds
39 guaranteed by the LONG-TERM WATER AUGMENTATION fund, the authority shall
40 direct the state treasurer to liquidate securities in the LONG-TERM WATER
41 AUGMENTATION fund as may be necessary and shall apply those proceeds to
42 make current all payments then due on the long-term water augmentation
43 bonds. The state treasurer shall immediately notify the attorney general
44 and auditor general of the insufficiency. The auditor general shall audit
45 the circumstances surrounding the depletion of the LONG-TERM WATER

1 AUGMENTATION fund and report the findings to the attorney general. The
2 attorney general shall conduct an investigation and report those findings
3 to the governor and the legislature.

4 E. The authority shall take necessary actions to obtain full
5 repayment for monies or financial assistance provided from the LONG-TERM
6 WATER AUGMENTATION fund by the recipients of the funding or financial
7 assistance or the recipients of any water supply development project made
8 available from monies from the LONG-TERM WATER AUGMENTATION fund through
9 water subcontracts, loan repayments, rates, fees, charges or otherwise, as
10 appropriate. This subsection does not apply to monies spent by the
11 authority for investigations and studies or monies spent in connection
12 with loan guarantees or credit enhancement.