

Weekly Legislative Update

For the Week Ending July 2, 2021

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News/Notes

The Legislature Adjourned the 171st day of the 55th Legislature, 1st Regular Session.

- The Legislature has adjourned **Sine Die**
- The **final disposition of bills** are noted below.
- Here is a brief summary of budget legislation that impacts the Department or has a nexus to water related issues:
- **SB 1821** *criminal justice; budget reconciliation; 2021-2022.*
 - Allows the Supreme Court to appoint additional paralegals and law clerks for the **general adjudication of water rights**.
 - Requires the state to fully fund the superior court judge, master, clerk of the superior court, paralegal and law clerk positions relating to general adjudication of water rights.
 - Establishes the General Adjudication Personnel and Support Fund consisting of monies appropriated by the Legislature.
 - Requires General Adjudication Personnel and Support Fund monies to be used by:
 - the Supreme Court to provide additional full-time personnel for the general adjudication prescribed by this legislation and to provide case management and other support equipment, services and personnel; and
 - the Arizona Department of Water Resources (ADWR) for additional full-time personnel and other equipment and services related to the general adjudication.
 - Requires, for FY 2022 and FY 2023, the Supreme Court and ADWR to submit an expenditure plan to the Joint Legislative Budget Committee (JLBC) before any monies are spent from the fund.
 - Requires the JLBC Chairperson to determine whether the submitted plan requires review before the full JLBC.
- **SB 1822** *environment; budget reconciliation; 2021-2022.*
 - **Drought Mitigation Board** - as permanent law the Drought Mitigation revolving fund is established and can be used for:
 - Forbearance of water deliveries that would avoid cuts to the CR Water supplies.
 - Grants for the State Land Department
 - Low cost long term loans for the planning, designing, constructing or financing of water supply development projects to import water supplies from outside Arizona into this state (and administrative costs).
 - Creates a 7 member oversight board including the DWR director and 6 appointees from various counties (appointed by Governor, Speaker and Senate President)
 - As session law establishes the board and fund retroactively in order to deposit supplemental funding for FY 2021
 - As session law, continue to allow use of the **Water Banking fund** for the Commission's legal obligations.
 - **WIFA** - Allows WIFA funds to be used for "water supply studies"

- As session law, continues to allow the **Water Protection Fund** Commission to spend 336K of their administrative functions out of their unobligated balances in FY 2022.
 - An **amendment** adopted in the Senate removes the authorization for an entity receiving financial assistance from the **Drought Mitigation Revolving Fund** to additionally apply for grants, staff assistance or technical assistance from the fund for planning and designing a water supply development project.

- **SB 1823** *general appropriations act; 2021-2022.*
 - \$2.4m additional (ongoing) for water adjudication personnel and support (Courts)
 - Appropriates \$200k from the Arizona water banking fund to support the AZ Navigable stream adjudication commission
 - \$500k ongoing to the UA for helping small claimants (adjudications) Water Law Clinic
 - \$6m (FY22) WIFA Water Supply Fund deposit
 - \$5m (FY 22) WIFA Water Project Assistance Grants deposit
 - \$1m (FY 22) WIFA Small Water Systems Fund deposit
 - **ADWR Appropriations:**
 - Operating Lump Sum: \$13.294m (**\$2.79m for salary increase**)
 - Adjudication Support \$1.814m
 - Water Protection fund Deposit \$1.25m
 - Assured and Adequate Water Supply Admin \$2.074m
 - Rural Water Studies \$1.201m
 - Conservation and drought program. \$427k
 - Automated groundwater monitoring \$418k
 - Colorado river legal expenses \$500k
 - Augua Fria flood insurance study \$350k
 - TOTAL APPROPRIATION: \$21.331m
 - \$2.8m additional ongoing to ADWR baseline for salary adjustments
 - \$20m (FY22) for loan forgiveness (repayment) for the Pinal DCP Water infrastructure monies.
 - An amendment adopted in the Senate added the following clarifications related to the line item appropriation noted above:
 - Requires the Department of Water Resources (ADWR) use the monies in the Agua Fria Flood Insurance Study to complete a study of the hydrology and hydraulics of the Agua Fria River from New Waddell Dam to the confluence with the Gila River.
 - Allows ADWR to contract with an engineering firm that has not contracted with or otherwise associated with a county flood control district in an Arizona county with a population of more than 1,500,000 persons.
 - Requires ADWR to complete the report by March 31, 2023.

- **SB 1825** *budget; brb; higher education; 2021-2022*

- Allows a university under the Arizona Board of Regents (ABOR) jurisdiction to offer pro bono assistance to claimants in the **general stream adjudication** of water rights if the claimants are:
 - small landowners; and
 - not represented by counsel.
- Allows a participating university to represent a claimant in the adjudication until the claimant proceeds to an evidentiary hearing or to some other contested proceeding that is similar to a trial.
- Prohibits the university from representing the claimant at an evidentiary or similarly contested hearing if the claimant has not settled the claim.
- Requires the participating university to cooperate and coordinate with the faculty of a cooperative extension in Arizona with a program to support the economic vitality of rural communities and the use of natural resources in those communities.
- Requires a participating university, by November 15 of each year, to submit a report of assistance activities to the Governor, the President and the Speaker, and provide a copy to the Secretary of State.

Posted Committee Hearings

- None at this time

Bill Summaries

The following bills are being reviewed internally for impacts to the Department and the State's water resources. If the Department has taken a position on a bill it will be noted. (the following bills do not represent the extensive list of bills ADWR Legislative Affairs is tracking.)

House of Representatives

HB 2035: ~~appropriation; Arizona water protection fund~~ **NOW:** *parental rights; sex education instruction*

Summary: Numerous changes to statutes relating to sex education in public schools. School districts and charter schools are prohibited from providing sex education instruction before the 5th grade. Schools are required to obtain signed, written consent from a student's parent or guardian before providing sex education instruction to the student. At the same time as seeking consent, the school is required to inform the parent or guardian of the right to review the instructional materials and activities. School districts and charter schools are required to make the sex education curricula available for parents to review online and in person. Before a school district or charter school offers sex education instruction, the school district governing board or charter school governing body is required to review and approve the sex education course of study and ensure compliance with statute. Before approving any sex education course of study, the course must be available for review and public comment for at least 60 days and the school board must conduct at least two public hearings. Does not prohibit age and grade appropriate classroom instruction regarding child assault awareness and abuse prevention. By December 15, 2021, each school district and charter school that offers any sex education instruction is required to review its course of study and revise it to comply with this legislation.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 7/9 signed by governor. Chap. 415, Laws 2021 (original bill changed, provisions included in the budget)

ADWR Position: Neutral

HB 2040: ~~dam safety study committee surveys; land divisions; county regulation~~ (NOTE Title change)

Summary: Establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance. The Committee is required to submit a report of its findings to the Governor and the Legislature by December 31, 2021, and self-repeals July 1, 2022.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 6/29 FAILED Senate 13-17

ADWR Position: Neutral

HB 2041: groundwater replenishment reserves

Summary: Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 2/18 Signed by the Governor Chap. 21, Laws 2021.

ADWR Position: Neutral

HB 2056: water conservation notice; no forfeiture

Summary: Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 2/18 signed by the Governor Chap. 22, Laws 2021

ADWR Position: Neutral

HB 2078: groundwater; waterlogged area exemption; date

Summary: The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions.

First sponsor: Rep. Dunn (R - Dist 13)

Disposition: 2/5 signed by governor; Chap. 4, Laws 2021

ADWR Position: Support

HB 2249: state lands; leases; renewal applications

Summary: The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to consult, use the resources of their respective departments and cooperate to develop a plan to create additional water storage in Arizona that includes preliminary investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 2/24 signed by governor; Chap. 33, Laws 2021

ADWR Position: Neutral

HB 2336: assured water supply; subdivisions

Summary: For an application to modify or renew a designation of assured water supply in the Pinal Active Management Area, the Department of Water Resources is prohibited from reviewing the physical availability of groundwater that was determined to be physically available under the previous designation. The following are deemed physically available for purposes of an assured water supply designation: stored water that is to be recovered by the applicant within the "area of impact" (defined) on an annual basis or under long-term storage credits pledged to the designation, and physically available water that will be stored within the area of impact on an annual basis or as long-term storage credits in the future. For the purposes of statute governing an assignment of a certificate of assured water supply, and for a holder of a certificate of assured water supply for a platted subdivision, an increase in the total number of housing units does not constitute a material change in the subdivision plat, plan or map. Contains a legislative intent section.

First sponsor: Rep. Pratt (R - Dist 8)

Disposition: 2/3 substituted for SB 1274

ADWR Position: Neutral

HB 2388: water supply development fund; appropriation

Summary: The list of circumstances under which a water provider may qualify for monies in the Fund is expanded to include water providers located in a county with a population of less than 1.5 million persons (all except Maricopa County). For the purpose of water infrastructure finance programs, the definitions of "water provider" and "water supply development" are modified.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 4/20 signed by governor. Chap. 262, Laws 2021

HB 2441: water; substitute acreage

Summary: A person who owns acres of land that may be irrigated lawfully is authorized to permanently retire those acres from irrigation and substitute for those acres the same number of acres in the same contiguous farming unit if the owner demonstrates to the Department of Water Resources (DWR) that the legally irrigated acres were damaged by "floodwaters" after being irrigated and that it is not economically feasible to restore the flood damaged acres to irrigation use. A person who owns contiguous acres of land that may be irrigated lawfully is authorized to notify DWR to permanently retire a portion of those acres from irrigation and substitute for the retired acres the same number of acres within the same farm unit, if all of a list of specified conditions apply, including that a "limiting condition" associated with the acres to be retired from irrigation substantially

impedes the implementation of efficient irrigation practices on the legally irrigated acres. Does not affect the person's existing or vested rights to the use of water.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 3/23 signed by governor; Chap. 85, Laws 2021

ADWR Position: Neutral

HB 2576: water rights; general adjudications; funding

Summary: creates a fund coadministered by the Supreme Court and Department for the purposes of water rights adjudications. Appropriates money for that purpose.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 2/16 passed House Nat Res Dead (provisions included in budget)

ADWR Position: Neutral

HB 2577: appropriation; water supply study

Summary: appropriates \$5m to the Department for the study of water supplies to this State.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 3/9 Passed Sen Appropriations Dead (provisions included in budget)

ADWR Position: Neutral

HB 2691: ADEQ; water quality programs; WOTUS

Summary: The term “waters of the United States” or “WOTUS” replaces the term “navigable water” in various statutes in order to conform to changes in the federal Clean Water Act. The Arizona Department of Environmental Quality (ADEQ) is required to adopt rules for water quality standards for non-WOTUS protected surface waters by December 31, 2022, and requirements for the rules are specified. ADEQ is required to maintain and publish a protected surface waters list, and to adopt the list by rule no later than December 31, 2022. Waters that ADEQ must include and waters that ADEQ is prohibited from including on the protected surface waters list are specified. By December 31, 2022 and at least once every five years after, ADEQ is required to prepare a list of impaired non-WOTUS protected surface waters. Establishes special provisions for discharges to non-WOTUS protected surface waters. Requires ADEQ to adopt rules for best management practices for activities within non-WOTUS.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 5/5 Signed by Governor Chap. 325, Laws 2021.

HB 2778: stream adjudications; cooperative extension; appropriation

Summary: A university under the jurisdiction of the Arizona Board of Regents is authorized to offer pro bono assistance to claimants in the general stream adjudication of water rights who are not represented by counsel and whose adjusted gross income for any of the preceding three years is less than 500 percent of the federal poverty guidelines. Any university that offers such assistance is required to cooperate and coordinate with the faculty of a cooperative extension in Arizona that has a program to support the economic vitality of rural communities and the use of natural resources in those communities. By November 15 of each year, a university that offers such assistance is required to submit a written report of assistance activities to the Governor and the Legislature. Appropriates \$500,000 from the general fund in FY 2021-22 to the University of Arizona for distribution to the natural resource users law and policy center within the Arizona cooperative extension to assist claimants in the general stream adjudication of water rights.

First sponsor: Rep. Griffin (R - Dist 14)

Disposition: 3/16 Passed Senate Appropriations Dead (provisions included in budget)

ADWR Position: Neutral

HCM 2003: Colorado river; urging augmentation

Summary: The Legislature urges the U.S. Department of the Interior to immediately take all necessary measures to fulfill its obligations to provide for Colorado River water augmentation and conservation. The Secretary of State is directed to transmit copies of this memorial to the Secretary of the U.S. Department of the Interior, the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House and each member of Congress from Arizona.

First sponsor: Rep. Griffin(R - Dist 14)

Disposition: 4/1 passed Senate 16-12; ready for Secretary of State.

ADWR Position: Neutral

HCM 2004: floodwater harvesting; study; urging Congress

Summary: The Legislature urges the U.S. Congress to fund a technological and feasibility study of the development of a diversion dam and pipeline to harvest floodwater from the Mississippi River to replenish the Colorado River and prevent flood damage along the Mississippi river. If feasible, the Legislature urges the U.S. Congress to implement the diversion dam and pipeline as a partial solution to the water supply shortage in Lake Powell and Lake Mead and the flood damage that occurs along the Mississippi river. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, the Governors of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin, and each member of Congress from Arizona.

First sponsor: Rep. Dunn (R - Dist 13)

Disposition: 5/11 passed Senate 23-7; ready for secretary of state.

Senate

SB 1021: groundwater; waterlogged area exemption; date

Summary: The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions.

First sponsor: Sen. Kerr (R - Dist 13)

Disposition: 1/28 substituted for HB 2078

ADWR Position: Support

SB 1147: water banking; storage credits; subcontractors

Summary: The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.

First sponsor: Sen. Kerr (R - Dist 13)

Disposition: 4/14 signed by the governor. Chap. 227, Laws 2021.

SB 1274: assured water supply; subdivisions

Summary: In the Pinal Active Management Area, for an application to modify or renew a designation of assured water supply, or for a new application for a designation for the same service area to be served by a substitute provider acquiring the assets of the prior provider, if specified conditions apply to the volume of groundwater and stored water, the Department of Water Resources (DWR) is prohibited from reviewing the physical availability of groundwater that was determined to be physically available under the previous designation. Does not affect the DWR review of assured water supply criteria other than the physical availability of groundwater and stored water to be recovered outside the area of impact of storage. The following are deemed physically available for purposes of an assured water supply designation: stored water that is to be recovered by the applicant within the "area of impact" (defined) under long-term storage credits pledged to the designation, and stored water that is to be recovered by the applicant within the area of impact of storage either on an annual basis or as long-term storage credits to be earned in the future if the water to be stored meets the physical availability requirements for the water supply. Contains a legislative intent section.

First sponsor: Sen. Shope (R - Dist 8)

Disposition: 2/12 signed by Governor Chap. 17, Laws 2021.

ADWR Position: Neutral

SB 1366: remediated water; groundwater; use (Striker)

Summary: If groundwater is withdrawn within an active management area (AMA) and is not reinjected into the aquifer, the groundwater is required to be put to reasonable and beneficial use within the same AMA, either for the use of the municipality or private water company in whose service area the groundwater is withdrawn, or used according to a grandfathered right. A person who receives groundwater from a person withdrawing groundwater as part of a remedial action is not required to pay for the groundwater or the costs associated with the remedial action, unless otherwise responsible for the cost of remedial action, and the person must use the groundwater only according to specified sections of the Groundwater Code. Session law requiring the Department of Water Resources (DWR) to include in its management plans provisions to encourage the beneficial use of groundwater that is withdrawn under approved remedial action projects is made permanent. A declaration that the use of up to an aggregate of 65,000 acre-feet of groundwater withdrawn within all AMAs according to approved remedial action projects must be considered consistent with the management goal for the AMA, and providing for specified amounts in excess of that aggregate limit to be included in the consideration which session law applied to each calendar year until 2025, is moved to permanent law and applies to each calendar year until 2050. By January 1, 2025, the Director of DWR is required to amend assured water supply rules to carry out the purposes of this legislation. Before the amendment of these rules, the Director is required to treat any groundwater withdrawn pursuant to an approved remedial action project as consistent with the management goal as provided in this legislation.

First sponsor: Sen. Kerr (R - Dist 13)

Disposition: 4/20 signed by governor. Chap. 272, Laws 2021

SB 1368: water conservation notice; no forfeiture

Summary: Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file

a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only.

First sponsor: Sen. Kerr (R - Dist 13)

Disposition: 2/11 **substituted for HB 2056** passed 29-0

SB 1413: *state lands; leases; renewal applications*

Summary: The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to consult, use the resources of their respective departments and cooperate to develop a plan to create additional water storage in Arizona that includes preliminary investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024.

First sponsor: Sen. Kerr (R - Dist 13)

Disposition: 2/9 **substituted for HB 2249**

SB 1446: *groundwater replenishment reserves*

Summary: Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district.

First sponsor: Sen. Kerr (R - Dist 13)

Disposition: 2/11 **substituted for HB 2041**

Budget Bills

HB 2894: *Budget; BRB; environment; 2021-2022 (SB 1822)*

Summary: Makes policy changes pertaining to environmental regulation that affect the state budget. The maximum amount of monies in the State Land Department Due Diligence Fund before the funds revert to the general fund is increased to \$5 million, from \$500,000. The maximum amount of liabilities for wildland fire suppression or other unplanned all-risk emergency liabilities incurred by the State Forester is increased to \$5.5 million of general fund monies, from \$3 million. Subject to legislative appropriation, the State Forester is required to process and pay claims to a fire district with a population of less than 5,000 inhabitants for expenses incurred in responding to emergency medical services calls on federal lands. Establishes the Arizona State Parks Store Fund, to be used by the Arizona State Parks Board to operate and maintain gift shops. Establishes the Drought Mitigation Board to evaluate and approve funding requests for monies from the newly established Drought Mitigation Revolving Fund for purposes that substantially improve sustainable water supplies to meet Arizona's long-term water demand. Establishes procedures for financial assistance from the Fund. The Board and the Fund terminate on July 1, 2031. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to \$336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2021-22. Allows the Department of Environmental Quality (DEQ) to use up to \$6.53 million from the Underground Storage Tank Revolving Fund in FY2021-22 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona and other border areas of Arizona. DEQ is required to charge the same fees in FY2021-22 that were charged in FY2020-21 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows monies appropriated to the Arizona Navigable Stream Adjudication Commission from the Arizona Water Banking Fund to be used in FY2021-22 to pay legal fees. Notwithstanding statutory requirements, the general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2020-21 is capped at \$15 million.

First sponsor: Rep. Bowers (R - Dist 25)

Disposition: 5/26 Passed House Rules (substituted for SB 1822 on final read)

ADWR Position: Neutral

HB 2895: *budget; general appropriations act 2021-2022* ([SB 1823](#))

Summary: The "feed bill" for FY2021-22, containing appropriations for state agencies and programs. Provisions include: Requires the Auditor General to conduct a special audit of financial and related information of any private, nongovernmental grant monies used for Arizona's 2020 elections and Maricopa County's procurement of voting systems. The Auditor General is required to submit a report on the audit to the Governor and the Legislature by March 31, 2022, and information that must be included in the report is listed. Requires the Auditor General is compile information on how all Arizona school districts and charter schools spent or plan to spend stimulus monies specified in the federal acts related to the COVID-19 pandemic and ho the Arizona Department of Education spent or plans to spend its stimulus discretionary monies specified in the federal acts related to the COVID-19 pandemic in FY2019-20, FY2020-21, and FY2021-22. Appropriates \$4.615 billion in FY2021-22 for basic state aid to school districts for maintenance and operations funding. Continues deferment of \$900.7 million in basic state aid payments to schools until FY2022-23. Makes a supplemental appropriation of \$38.76 million from the general fund in FY2020-21 to the School Facilities Board for building renewal grants. Appropriates \$47.95 million from the general fund in FY2022-23 for a one time deposit in the New School Facilities Fund. The sum of \$74.7 million is reduced from appropriations made from the general fund in FY2021-22 to eliminate debt service payments following the retirement or defeasance of financing agreements entered into pursuant to the FY2015-16 budget, consisting of \$57.24 million from appropriations to the School Facilities Board New School Facilities Fund and \$17.46 million from appropriations to the Department of Corrections private prison per diem line item. Appropriates \$53.7 million from the general fund in FY2021-22 to DOA for debt service payments on the sale and leaseback of state buildings. Makes a supplemental appropriation of \$507.1 million from the general fund in FY2020-21 to the Department of Administration (DOA) to pay for the retirement or defeasance of financing agreements and state lottery revenue bonds. Makes a supplemental appropriation of \$17.04 million from the general fund in FY2020-21 to the Department of Administration (DOA) for distribution to counties with political subdivisions in Arizona that paid refunds ordered in the Transwestern Pipeline Co. v. Arizona Department of Revenue litigation. Makes supplemental appropriations to the Department of Child Safety and the Department of Economic Security (DES) in FY2020-21 for caseload adjustments. Makes a supplemental appropriation of \$62 million from the general fund in FY2020-21 to DES for deposit in the Unemployment Compensation Fund. Appropriates \$55 million from the general fund in FY2020-21 to the Department of Emergency and Military Affairs for deposit in the Border Security Fund. Makes a supplemental appropriation of \$300 million from the general fund in FY2020-21 to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Department of Public Safety PSPRS group to reduce the unfunded accrued liability. Appropriates the following amounts from the general fund in FY2021-22 to the Department of Administration (DOA) for distribution to counties for maintenance of essential county services: \$7.15 million for distribution to counties with a population of less than 900,000, \$500,000 for distribution to Graham County, and \$3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which DOA is required to allocate equally among all counties with a population of less than 300,000 persons. On or after April 1, 2022, the Department of Economic Security is authorized to use up to \$25 million from the Budget Stabilization Fund to provide funding for reimbursement grants. This appropriation must be fully reimbursed by September 1, 2022. Requires various reports and makes various fund transfers.

First sponsor: Rep. Cobb (R - Dist 5)

Disposition: 5/26 Passed House COW with amendment (substituted for SB 1823 on final read)

ADWR Position: Neutral

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