



# Weekly Legislative Update

For the week ending Friday, July 8, 2022

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## ■ News/Notes

*The 55<sup>th</sup> Legislature, 2<sup>nd</sup> Regular Session has adjourned Sine Die*

- The 55th Legislature 2nd Regular Session adjourned **Sine Die** on June 25 at approximately 12:26am after a 166 day session.
- The Governor [signed](#) the **FY 2023 budget** with one line-item veto. The enacted budget includes increases for water related infrastructure spending and other water related items.
- The Governor also signed **SB 1740 water infrastructure financing; supply; augmentation** which passed both chambers by a large bipartisan majority. More information about the bill is contained in the bill summary.
- This marks the **final** Weekly Legislative Update for this legislative session.

## ■ Posted Committee Hearings

None

## ■ 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. Bills that have not received an initial hearing and are **most likely dead have been removed** from the list below. (The following list of bills is not a comprehensive list of bills ADWR Legislative Affairs is tracking.)*

### House of Representatives

#### **HB 2037: expenditures; authority; water; wastewater**

**Summary:** County boards of supervisors are authorized to appropriate and spend public monies for and in connection with participating in water reuse and recycling programs or regional water recharge projects, and purchasing water rights to demonstrate an assured water supply. County flood control district boards of directors are authorized to cooperate and join with private water and wastewater utilities that engage in underground water storage and recovery projects.

**First sponsor:** Rep. Cook (R - Dist 8)

**Disposition:** 4/22 signed by governor. Chap. 164, Laws 2022.

#### **HB 2054: water quality appeals board; continuation**

**Summary:** The statutory life of the Water Quality Appeals Board is extended eight years to July 1, 2030.

Retroactive to July 1, 2022.

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

**Disposition:** 4/13 signed by governor. Chap. 121, Laws 2022.

**HB 2055: Harquahala non-expansion area; groundwater transportation**

**Summary:** A public service corporation that is regulated by the Corporation Commission, that holds a certificate of convenience and necessity for water service in an initial active management area, and that owns land eligible to be irrigated in the Harquahala irrigation non-expansion area, as well as this state and a political subdivision of this state, are eligible to transport groundwater away from the Harquahala irrigation non-expansion area for transportation to an initial active management area for its own use or use by the Arizona Water Banking Authority if a list of specified conditions are met.

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

**Disposition:** 3/22 passed Senate rules **Dead**

**ADWR Position:** Neutral

**HB 2057: water supply development fund; revisions**

**Summary:** Monies in the Water Supply Development Revolving Fund may be used for providing technical assistance to water providers for water supply development projects. Increases the maximum amount of a single Water Infrastructure Finance Authority grant to water providers for water supply development projects to \$250,000, from \$100,000.

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

**Disposition:** 3/25 signed by Governor Chap. 63, Laws 2022.

**HB 2095: posting of notices; municipal websites (~~strike-everything~~ title: groundwater)**

**Summary:** Allows specified entities to transport, to La Paz County, water from the Butler Valley Groundwater Basin (Butler Basin), McMullen Valley Groundwater Basin (McMullen Basin) and Harquahala Irrigation Non-expansion Area (Harquahala INA) and outlines transportation requirements.

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

**Disposition:** 3/22 passed Senate rules **Dead**

**ADWR Position:** Neutral

**HB 2129: ADEQ direct potable reuse; rules**

**Summary:** Establishes, by December 31, 2024, a Direct Potable Reuse of Treated Wastewater Program (Program) and appropriates \$1,500,000 from the state General Fund (state GF) in FYs 2023 and 2024 to operate the Program's permitting process.

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

**Disposition:** 5/3 retained on Senate COW calendar. **Dead** (included in the budget legislation)

**HB 2131: HOA's; artificial grass ban prohibited**

**Summary:** In any planned community that allows grass on a member's property, a homeowner's association (HOA) cannot prohibit installing or using artificial grass on any member's property. An HOA is allowed to adopt reasonable rules regarding the installation and appearance of artificial grass if those rules do not prevent installing or using the artificial grass. The court is required to award reasonable attorney fees and costs to any party that prevails in an action against the HOA for a violation of this legislation.

**First sponsor:** Rep. Kavanagh (R - Dist 23)

**Disposition:** 3/30 signed by Governor. Chap. 101, Laws 2022.

**HB 2231: universities; water rights adjudications**

**Summary:** A university under the jurisdiction of the Arizona Board of Regents is authorized to offer pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights who are not represented by counsel. 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.

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

**Disposition:** 4/18 signed by governor. Chap. 152, Laws 2022.

**ADWR Position:** Neutral

**HB 2389: rulemaking review; time frame (~~strike everything~~ title: river water transfers)**

**Summary:** Limits the transference or conveyance of a claim to use fourth priority Colorado River water to specified uses in Arizona counties adjacent to the western border of Arizona.

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

**Disposition:** 4/4 passed Senate rules **Dead**

**ADWR Position:** Neutral

**HB 2409: multi-county water districts; storage tax**

**Summary:** The maximum tax levy for water storage of \$0.04 per \$100 of assessed valuation in a multi-county water conservation district is extended through December 31, 2029, after which the maximum tax levy is reduced to \$0.03 per \$100 of assess valuation. The delayed repeal of statute authorizing the tax levy is extended five years to January 2, 2035.

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

**Disposition:** 4/18 signed by governor. Chap. 154, Laws 2022.

**HB 2411: coal combustion residuals; program**

**Summary:** Adds a new article to Title 49 (The Environment) allowing the Director of the Department of Environmental Quality to adopt rules to establish and operate a Coal Combustion Residuals (CCR) Program equivalent to or at least as protective as the federal CCR Program for the purpose of obtaining approval to operate the federal CCR Program. Federal CCR regulations may be adopted by reference. The rules are required to provide requirements for issuing, denying, suspending, or modifying individual CCR permits, and must include a list of specified provisions.

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

**Disposition:** 4/25 signed by governor. Chap. 178, Laws 2022.

**ADWR Position:** Support

**HB 2538: water protection fund; appropriation**

**Summary:** Appropriates \$1 million from the general fund in FY2022-23 to the Arizona Water Protection Fund.

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

**Disposition:** 3/15 Passed Senate Appropriations **Dead** (included in the state budget)

**ADWR Position:** Neutral

**HB 2539: nonnative species eradication; projects; appropriation**

**Summary:** Appropriates \$15,000,000 for nonnative vegetation invasive species eradication projects along a specified part of the Gila River

**First sponsor:** Rep. John (R - Dist 4)

**Disposition:** 3//30 from Senate appro do pass. **Dead** (some provisions included in the state budget)

**HB 2556: *water infrastructure finance; sunset repeal***

**Summary:** Repeals the statutory termination date of July 1, 2022 for the Water Infrastructure Finance Authority. Retroactive to July 1, 2022.

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

**Disposition:** 3/25 signed by Governor Chap. 68, Laws 2022

**HB 2619: *post vaccine injuries; COVID-19; posting (~~strike everything~~ title: rainwater harvesting prgm)***

**Summary:** Establishes the Rainwater Harvesting Grant Program (Program) and outlines Program requirements. Appropriates \$1,000,000 from the state General Fund (state GF) to the Arizona Department of Water Resources (ADWR) to administer the Program

**First sponsor:** Rep. Kaiser (R - Dist 15)

**Disposition:** 3/22 Passed Senate NREW w/ ~~strike everything~~ amendment **Dead** (some provisions included in the state budget)

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**Senate**

**SB 1067: *water infrastructure finance authority; cities***

**Summary:** Municipalities with a population of more than 150,000 persons and less than 300,000 persons are no longer required to get voter approval before entering into a financial assistance loan repayment agreement with the Water Infrastructure Finance Authority (WIFA). WIFA is prohibited from providing funds to a municipality to condemn or acquire through eminent domain any assets of a public service corporation regulated by the Corporation Commission. During FY2022-23 through FY2026-27, all counties and municipalities regardless of population, and a sanitary district with a population of fewer than 50,000 persons, are authorized to enter into a financial assistance loan repayment agreement with WIFA without voter approval. Emergency clause.

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

**Disposition:** 4/13 signed by governor. Chap. 133, Laws 2022.

**SB 1171: *treated processed water***

**Summary:** Allows a food or beverage manufacturer to accrue long-term storage credits for storing treated process water. Limits who can use this stored water and be assigned the resulting credits.

Outlines how the Arizona Department of Water Resources will account for treated process water when evaluating compliance with a management plan's conservation requirements.

**First sponsor:** Sen. Gowan (R - Dist 14)

**Disposition:** 6/23 failed the House 23-33 **Dead**

**SB 1197: *WIFA projects; irrigation districts***

**Summary:** Redefines service area for an irrigation district and allows these districts and water conservation districts to receive financial assistance from the Water Infrastructure Finance Authority (WIFA) to design, rehabilitate or improve water or wastewater infrastructure.

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

**Disposition:** 5/2 signed by governor. Chap. 213, Laws 2022

**SB 1564: on farm efficiency pilot program (striker)**

**Summary:** Establishes the On-farm Irrigation Efficiency Pilot Program (Program) and Fund (Fund) to provide grants and collect data for on-farm irrigation efficiency systems and projects. Appropriates \$30,000,000 from the state General Fund (GF) to the Fund in FY 2022.

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

**Disposition:** 5/2 from House rules okay. **Dead** (included in the state budget)

**SB 1740: water infrastructure financing; supply; augmentation**

**Summary:** Expands the powers and duties of the Water Infrastructure Finance Authority (WIFA) and transfers the authority, powers, duties, and responsibilities of the Arizona Finance Authority with respect to specified water programs to WIFA from the Arizona Finance Authority. Establishes an 18-member WIFA Board to evaluate and approve funding requests for monies from the Clean Water Revolving Fund, the Water Supply Development Revolving Fund, and the Long-Term Water Augmentation Fund. Establishes an 11-member Federal Water Programs Committee to review applications for assistance from the Clean Water Revolving Fund. Establishes limitations on WIFA, including prohibiting WIFA from purchasing "mainstream Colorado River water" (defined) rights. WIFA is authorized to procure services for the development, acquisition, construction, improvement, or equipping of water-related facilities using a variety of project delivery methods and forms of agreement, and to enter into public-private partnership agreements that are certified by the Attorney General. Makes numerous changes to eligibility requirements and processes for receiving financial assistance from the funds overseen by WIFA, including the Water Supply Development Revolving Fund. Establishes the Long-Term Water Augmentation Fund (LTWA Fund), specifies sources of LTWA Fund monies, and specifies the purposes for which the Fund may be used. Establishes evaluation criteria for projects from the LTWA Fund and establishes eligibility requirements for financial assistance from the LTWA Fund. WIFA is authorized to issue negotiable long-term water augmentation bonds, and the process for doing so is specified. Establishes the Water Conservation Grant Fund to facilitate voluntary water conservation programs or projects that meet specified requirements. The Water Infrastructure Finance Authority of Arizona (WIFA) terminates on July 1, 2027 if specified conditions are met. Session law provides for the initial terms of members of the WIFA Board. For FY2022-23, beginning the month following the effective date of this legislation, the State Treasurer is required to distribute \$334 million proportionally for each month remaining in the FY from the portion of revenues from transaction privilege taxes (TPT) and severance taxes that are not designated as the distribution base to the LTWA Fund. The Legislature intends that these distributions not impact the portion of TPT revenues that counties and municipalities receive as state shared revenue. Appropriates \$333 million from the general fund in each of FY2023-24 and FY2024-25 to the LTWA Fund. Appropriates \$3.5 million from the general fund in FY2022-23 to the Department of Water Resources for an annual water supply and demand assessment required by this legislation. Severability clause.

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

**Disposition:** 7/6 signed by governor. Chap. 366, Laws 2022

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