

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2691
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.

[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 48-3779, Arizona Revised Statutes, is amended to
3 read:

4 48-3779. Annual membership dues

5 A. On or before the third Monday of August of each year ~~beginning~~
6 ~~in 2011~~, the district may charge annual membership dues on all parcels of
7 member lands and on all municipal providers having a member service area.

8 B. The annual membership dues shall be established annually by the
9 district. The district shall use revenues from the annual membership
10 dues, together with revenues from other revenue sources that are legally
11 available to the district for those uses, solely to pay costs associated
12 with the acquisition, lease or exchange of water or water rights and
13 development of infrastructure necessary for the district to perform its
14 replenishment obligations, including the payment of debt service expenses,
15 and necessary reserves and coverage requirements, on bonds issued for
16 replenishment purposes.

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

26 D. When the district has determined the amount of revenues to be
27 raised through the annual membership dues, the district shall allocate the

1 amount to be raised between member lands and member service areas prorated
2 on the basis of the following two volumes:

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

8 1. FOR MEMBER LANDS, THE PROJECTED GROUNDWATER USE PER LOT
9 MULTIPLIED BY THE TOTAL NUMBER OF RESIDENTIAL, COMMERCIAL AND COMMON AREA
10 LOTS THAT ARE INCLUDED, OR INTENDED TO BE INCLUDED, IN EACH PARCEL OF
11 MEMBER LAND.

12 2. Total planned annual service area replenishment obligations for
13 all member service areas. The planned annual service area replenishment
14 obligation for a member service area is the lesser of:

15 (a) The annual service area replenishment obligation, as determined
16 by the district, associated with the current and committed water demands
17 projected within the member service area as of December 31 of the year
18 following the year in which the district is required to submit its next
19 plan under section 45-576.02, subsection C.

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

24 E. The total amount allocated to member lands in any year, as
25 calculated pursuant to subsection D of this section, ~~shall be prorated~~
26 ~~among the Phoenix, Pinal and Tucson active management areas based on the~~
27 ~~current and projected annual replenishment obligation of all member lands~~
28 ~~in that active management area as identified in the most recent plan of~~
29 ~~operation determined by the director of water resources to be consistent~~
30 ~~with achieving the management goal for the active management area pursuant~~
31 ~~to section 45-576.03, subsection M, O or R. The prorated amount within~~
32 ~~each active management area shall be further~~ prorated among all parcels of
33 member land ~~located within that active management area~~ based on a uniform
34 fee per lot levied against the total number of residential, commercial and
35 common area lots included, or intended to be included, in each parcel of
36 member land AS DETERMINED IN SUBSECTION D OF THIS SECTION. These dues are
37 a lien on each parcel of member land and shall be certified, collected and
38 enforced with respect to member land in the same manner as the annual
39 assessment pursuant to section 48-3778. ~~However,~~ EXCEPT THAT any parcel
40 of member land that is included in the service area of a municipal
41 provider that has been designated as having an assured water supply under
42 section 45-576 is not subject to the annual membership dues.

43 F. The total amount allocated to member service areas in any year,
44 as calculated pursuant to subsection D of this section, shall be prorated
45 among all member service areas based on a uniform fee per acre-foot levied
46 against the member service area's dues volume. The dues volume for a
47 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 ~~per cent~~ 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
10 service 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
32 service area pursuant to section 48-3780.

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

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

37 H. The annual membership dues become an obligation of each
38 municipal provider that has a member service area and shall be stated,
39 collected and enforced with respect to the municipal provider in the same
40 manner as the annual replenishment tax pursuant to sections 48-3781 and
41 48-3782.

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

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

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

4 J. Amounts collected may be transferred to a bank or trust company
5 to be held in trust and spent with respect to bonds issued for
6 replenishment purposes.

7 <<Sec. 2. Applicability: billing year 2026-2027

8 [Notwithstanding section 48-3779, Arizona Revised Statutes, as
9 amended by this act, a multi-county water conservation district may not
10 charge annual membership dues authorized under section 48-3779, Arizona
11 Revised Statutes, as amended by this act, on any parcel of member land for
12 the billing year 2026-2027 at a rate per lot of more than the rate charged
13 per lot for parcels of member land in the same active management area
14 during the 2025-2026 billing year.]>>

15 Enroll and engross to conform

16 Amend title to conform

And, as so amended, it do pass

GAIL GRIFFIN
CHAIRMAN

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