



Forty-ninth Legislature - Second Regular Session

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ARIZONA STATE SENATE

Forty-ninth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1359

department of water resources; fund

Purpose

An emergency measure that establishes the Water Resources Fund, and requires that all fees related to Arizona Department of Water Resources statutory functions be deposited into the newly-created fund. Makes statutory changes to the Dam Repair Fund.

Background

Established in 1980, the Arizona Department of Water Resources (ADWR) is responsible for managing Arizona's water resources to ensure long-term water supplies for the state. ADWR administers and enforces Arizona's groundwater and surface water law, and represents the state's water rights for the state and with the federal government. In order to carry out its role, ADWR administers several programs, including dam safety and flood damage protection, assured and adequate water supply administration, general stream adjudication support, rural water studies, conservation and drought programs, and automated groundwater monitoring, among others. ADWR is authorized to establish and collect fees—in statute and by rule—to carry out its statutory responsibilities.

ADWR is funded by appropriations from the state General Fund, as well as other appropriated, nonappropriated and federal funds. In FY 2010, ADWR was appropriated \$16,879,900 in General Fund monies.

The fiscal impact to the state General Fund is unknown. However, because ADWR is funded by state General Fund monies, any increases in current fees may result in a reduction of ADWR's reliance on the General Fund. According to ADWR, the provisions of this bill would result in approximate revenues of \$10 million to the department.

Provisions

Water Resources Fund

1. Establishes the Water Resources Fund (WRF) as a funding mechanism for ADWR to carry out its statutory functions. Requires all fees collected by the ADWR to be deposited into the WRF. This includes fees for administrative services and expenses as well as those fees currently set by rule relating to applications, certificates, licenses, permits for surface water, groundwater, water exchanges, wells grandfathered rights, adequate and assured water supply determination, and inspections for dam safety. The WRF also consists of appropriations by the Legislature; gifts, grants and donations from public or private sources; and interest.
2. Makes conforming statutory changes in multiple sections of law to redirect the monies received by ADWR for filing, application and other fees to the WRF. Additional related changes remove statutory fee amounts and repeal the Assured and Adequate Water Supply Administration Fund (A.R.S. § 45-580) and the Well Administration and Enforcement Fund (A.R.S. § 45-606). In addition, the bill creates subaccounts within the WRF for Active Management Areas (AMAs) in order to retain the current separation of monies derived from individual AMAs.
3. Specifies that the WRF is to be maintained in perpetuity, and that monies in the WRF are to be used exclusively by ADWR to carry out its statutory functions. Monies are continuously appropriated and nonlapsing.

Dam Repair Fund and Safety

4. Modifies the use of monies in the Dam Repair Fund to encompass all expenses related to dams and reservoirs. Currently, monies in the Dam Repair Fund are limited to remedial measures related to the maintenance and operation of dams.
5. Eliminates the application fee for the estimated cost of dams and alterations. Current law requires the Director to establish a reasonable filing fee based on the estimated cost of the dam, not to exceed two percent of the total estimated cost.
6. Removes the requirement for dam repair loans and grants to be approved by the Joint Legislative Budget Committee.

Miscellaneous

7. As session law, exempts the ADWR Director from the rulemaking requirements required by law for 12 months after the effective date of S.B. 1359 in order for ADWR to adopt or amend rules that establish or increase the department's fees. Specifies that any new or increased fee must comply with the guidelines of the state's water statutes.
8. Becomes effective on signature of the Governor, if the emergency clause is enacted.
9. Makes technical, clarifying and conforming changes.

Prepared by Senate Research

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