

Senate Engrossed

FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

CHAPTER 308
SENATE BILL 1526

AN ACT

AMENDING SECTIONS 42-5304 AND 49-360, ARIZONA REVISED STATUTES;
APPROPRIATING MONIES; RELATING TO ENVIRONMENT BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)



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

2 Section 1. Section 42-5304, Arizona Revised Statutes, is amended to
3 read:

4 42-5304. Disposition of revenues

5 The department shall separately account for monies paid under this
6 article and shall deposit, pursuant to sections 35-146 and 35-147, the
7 FIRST \$1,800,000 OF net revenues collected under this article IN THE SAFE
8 DRINKING WATER PROGRAM FUND ESTABLISHED BY SECTION 49-360 AND THE
9 REMAINING NET REVENUES in the water quality assurance revolving fund
10 established by section 49-282.

11 Sec. 2. Section 49-360, Arizona Revised Statutes, is amended to
12 read:

13 49-360. Monitoring assistance program for public water
14 systems; fees; monitoring assistance fund; safe
15 drinking water program fund; rules

16 A. The department shall establish a monitoring assistance program
17 to assist public water systems in complying with monitoring requirements
18 under the federal safe drinking water act (P.L. 93-523; 88 Stat. 1660;
19 P.L. 95-190; 91 Stat. 1393; P.L. 104-182; 110 Stat. 1613; 42 United States
20 Code sections 300f through 300j-26), as amended. The program shall
21 provide for the collection, transportation and analysis of baseline
22 samples from public water systems in a frequency sufficient to keep the
23 systems in compliance with the federal safe drinking water act
24 requirements. At a minimum, the program shall include monitoring for the
25 following categories of contaminants:

- 26 1. Volatile organic chemicals.
- 27 2. Synthetic organic chemicals.
- 28 3. Inorganic chemicals except for copper and lead.
- 29 4. Radiochemicals.

30 B. The department shall contract with one or more private parties
31 or statewide nonprofit organizations representing water systems to
32 implement the monitoring assistance program subject to available
33 funding. Contracts shall be awarded for up to three years, beginning
34 January 1, 1999. Entities with which the department contracts shall:

- 35 1. Provide updated monitoring schedules, developed in conjunction
36 with the department, to participating water systems.
- 37 2. Take samples for participating water systems, allow for
38 certified operators to take samples and train system personnel to take
39 samples.
- 40 3. Assist participating water systems when resampling is required
41 by the federal safe drinking water act.
- 42 4. Assist participating water systems to apply for and qualify for
43 available interim monitoring relief and waivers.

1 5. Provide any other on-site technical assistance necessary to help
2 the participating water systems comply with the monitoring requirements of
3 the federal safe drinking water act.

4 C. Any public water systems serving more than ten thousand persons
5 may elect to participate in the monitoring assistance program subject to
6 the payment of the fees pursuant to subsection F of this section.

7 D. The department shall ~~utilize~~ USE licensed environmental
8 laboratories as defined ~~by~~ IN section 36-495 or laboratories certified or
9 designated by the United States environmental protection agency to analyze
10 samples collected under the monitoring assistance program. The department
11 shall establish specific criteria for measuring contractor qualifications
12 and performance.

13 E. Each environmental laboratory that the department ~~utilizes~~ USES
14 pursuant to subsection D of this section shall deliver copies of the
15 analysis results to the water system owner, the monitoring assistance
16 program contractor and the department.

17 F. The director shall establish fees for the monitoring assistance
18 program to be collected from all public water systems serving up to ten
19 thousand persons. The participating water systems shall remit these fees
20 to the department for deposit in the monitoring assistance fund.

21 G. The monitoring assistance fund is established consisting of fees
22 collected from participating public water systems pursuant to subsection F
23 of this section. The director shall administer the fund. If the fund has
24 a surplus after execution of the previous year's contract, any surplus in
25 excess of two hundred thousand dollars in any year shall be used to reduce
26 the fee for the subsequent year in a manner consistent with the program
27 invoicing system. Monies in the fund shall be used to pay the monitoring
28 assistance program contractors, the environmental laboratories ~~utilized~~
29 USED for the purposes of this section and administrative costs incurred by
30 the department. Monies in the fund are exempt from lapsing pursuant to
31 section 35-190. Interest earned on monies in the fund shall be credited
32 to the fund. The allowable administrative costs of the department are
33 limited to no more than fifteen ~~per cent~~ PERCENT of monies deposited in
34 the fund annually or one hundred eighty-four thousand dollars, whichever
35 is less. As used in this subsection, administrative costs include only
36 those costs necessary to ~~perform~~ DO the following:

- 37 1. ~~To assure~~ ENSURE contractor performance and quality control.
- 38 2. ~~Administration of~~ ADMINISTER the contracts.
- 39 3. ~~Collection of~~ COLLECT fees as provided in subsection F of this
40 section.
- 41 4. ~~Providing~~ PROVIDE direct technical assistance related to the
42 implementation of the monitoring assistance program only to the extent the
43 department's assistance is required by this section.

SENATE

1 H. THE SAFE DRINKING WATER PROGRAM FUND IS ESTABLISHED CONSISTING
2 OF MONIES DEPOSITED IN THE FUND PURSUANT TO SECTION 42-5304. THE DIRECTOR
3 SHALL ADMINISTER THE FUND. SUBJECT TO LEGISLATIVE APPROPRIATION, MONIES
4 IN THE FUND SHALL BE USED TO PAY FOR THE COSTS OF PROGRAMS REQUIRED BY
5 THIS ARTICLE INCURRED BY THE DEPARTMENT. MONIES IN THE FUND ARE EXEMPT
6 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
7 APPROPRIATIONS. INTEREST EARNED ON MONIES IN THE FUND SHALL BE CREDITED
8 TO THE FUND.

9 ~~H.~~ I. The department shall adopt rules for the monitoring
10 assistance program.

11 ~~I.~~ J. Any site visit made pursuant to this section by a monitoring
12 assistance program contractor shall not be regarded as an inspection or
13 investigation. ~~No~~ Enforcement actions shall NOT be taken as a result of
14 these site visits, except that ~~nothing in this section affects~~ DOES NOT
15 AFFECT the authority of the department to enforce this article pursuant to
16 section 49-354.

17 Sec. 3. Arizona water protection fund; use

18 Notwithstanding section 45-2114, Arizona Revised Statutes, in fiscal
19 year 2017-2018, the Arizona water protection fund commission may grant to
20 the department of water resources up to \$336,000 of the unobligated
21 balance in the Arizona water protection fund established by section
22 45-2111, Arizona Revised Statutes, to pay for administrative costs of the
23 department in fiscal year 2017-2018.

24 Sec. 4. Off-highway vehicle recreation fund; use

25 Notwithstanding section 28-1176, Arizona Revised Statutes, the
26 Arizona state parks board may spend up to \$692,100 from the Arizona state
27 parks board portion of the off-highway vehicle recreation fund established
28 by section 28-1176, Arizona Revised Statutes, in fiscal year 2017-2018 for
29 parks board operating expenses.

30 Sec. 5. Underground storage tank revolving fund; transfer of
31 monies; use

32 Notwithstanding any other law, the provisions of section 49-1015,
33 subsection C, Arizona Revised Statutes, are suspended for fiscal year
34 2017-2018, and the department of environmental quality may transfer up to
35 \$6,531,000 from the underground storage tank revolving fund established by
36 section 49-1015, Arizona Revised Statutes, in fiscal year 2017-2018 for
37 administrative costs of the department.

38 Sec. 6. Arizona water banking fund; use

39 In addition to the purposes provided in section 45-2425, Arizona
40 Revised Statutes, monies appropriated to the Arizona navigable stream
41 adjudication commission from the Arizona water banking fund established by
42 section 45-2425, Arizona Revised Statutes, may be used in fiscal year
43 2017-2018 to pay legal fees.

1 Sec. 7. Appropriations; reduction; water quality assurance
2 revolving fund; intent

3 A. Notwithstanding section 49-282, Arizona Revised Statutes, the
4 appropriation from the state general fund to the water quality assurance
5 revolving fund established by section 49-282, Arizona Revised Statutes,
6 for fiscal year 2017-2018 may not exceed \$2,823,600.

7 B. Notwithstanding any other law, the following amounts from the
8 following sources are appropriated in fiscal year 2017-2018 to the water
9 quality assurance revolving fund established by section 49-282, Arizona
10 Revised Statutes:

11 1. \$4,000,000 from the emissions inspection fund established by
12 section 49-544, Arizona Revised Statutes.

13 2. \$2,000,000 from the air quality fund established by section
14 49-551, Arizona Revised Statutes.

15 3. \$3,713,300 from the permit administration fund established by
16 section 49-455, Arizona Revised Statutes.

17 4. \$1,000,000 from the recycling fund established by section
18 49-837, Arizona Revised Statutes.

19 C. It is the intent of the legislature that the amounts
20 appropriated in subsection B of this section be supplemented by \$1,500,000
21 of monies directly deposited in the water quality assurance revolving fund
22 established by section 49-282, Arizona Revised Statutes.

23 D. It is the intent of the legislature that the fund balances in
24 the emissions inspection fund established by section 49-544, Arizona
25 Revised Statutes, the air quality fund established by section 49-551,
26 Arizona Revised Statutes, the permit administration fund established by
27 section 49-455, Arizona Revised Statutes, and the recycling fund
28 established by section 49-837, Arizona Revised Statutes, be evaluated to
29 determine whether there are sufficient monies available to continue to use
30 these fund sources in fiscal year 2018-2019 for the purposes of the water
31 quality assurance revolving fund established by section 49-282, Arizona
32 Revised Statutes.

33 Sec. 8. Water quality fee fund; use

34 Notwithstanding section 49-210, Arizona Revised Statutes, the
35 director of environmental quality may use monies in the water quality fee
36 fund established by section 49-210, Arizona Revised Statutes, for water
37 quality monitoring as prescribed by section 49-225, Arizona Revised
38 Statutes.

39 Sec. 9. Department of environmental quality; vehicle
40 emissions testing fees; exemption from rulemaking

41 A. Notwithstanding any other law, the director of environmental
42 quality shall charge the same fees in fiscal year 2017-2018 that were
43 charged in fiscal year 2016-2017 for tests conducted in Area A, as defined
44 in section 49-541, Arizona Revised Statutes.

1 B. The department of environmental quality is exempt from the
2 rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes,
3 until July 1, 2018 for the purpose of establishing fees pursuant to this
4 section.

5 Sec. 10. Water resources fees; increase; intent; exemption
6 from rulemaking

7 A. Notwithstanding any other law, the director of water resources
8 may increase fees in fiscal year 2017-2018 for services in fiscal year
9 2017-2018.

10 B. Monies received from any fees collected pursuant to subsection A
11 of this section shall be deposited in the water resources fund established
12 by section 45-117, Arizona Revised Statutes.

13 C. It is the intent of the legislature that the monies generated by
14 the fees collected pursuant to subsection A of this section not exceed
15 \$100,200.

16 D. The department of water resources is exempt from the rulemaking
17 requirements of title 41, chapter 6, Arizona Revised Statutes, until
18 July 1, 2018 for the purpose of establishing fees pursuant to this
19 section.

APPROVED BY THE GOVERNOR MAY 12, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2017.



Passed the House May 5, 2017,

Passed the Senate May 4, 2017,

by the following vote: 35 Ayes,

by the following vote: 17 Ayes,

24 Nays, 1 Not Voting

13 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
8th day of May, 2017,

at 11:25 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 12th day of

May, 2017,

at 8:14 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 12 day of May, 2017,

at 3:14 o'clock P M.

[Signature]
Secretary of State

S.B. 1526