



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

February 18, 2020

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bill from the Fifty-fourth Legislature, 2nd Regular Session, which I signed on February 18th, 2020:

S.B. 1145 temporary irrigation efficiency projects fund (Kerr)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed
FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
Senate
Fifty-fourth Legislature
Second Regular Session
2020

CHAPTER 2
SENATE BILL 1145

AN ACT

AMENDING SECTION 45-615.01, ARIZONA REVISED STATUTES; RELATING TO THE
GROUNDWATER CODE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 45-615.01, Arizona Revised Statutes, is amended
3 to read:

4 45-615.01. Temporary groundwater and irrigation efficiency
5 projects fund; purpose; report; definition

6 A. The temporary groundwater and irrigation efficiency projects
7 fund is established for the purpose of funding projects for the
8 construction and rehabilitation of wells and related infrastructure for
9 the withdrawal and efficient delivery of groundwater by qualified
10 irrigation districts in the Phoenix active management area, the Pinal
11 active management area and the Harquahala irrigation non-expansion area.
12 The fund consists of legislative appropriations, groundwater withdrawal
13 fees collected in the Pinal active management area pursuant to section
14 45-611, subsection C, paragraph 5, grants from federal agencies and monies
15 deposited in the fund by qualified irrigation districts in the Phoenix
16 active management area, the Pinal active management area and the
17 Harquahala irrigation non-expansion area. Groundwater withdrawal fees
18 deposited in the fund shall be accounted for separately from other monies
19 in the fund and shall be used only for constructing and rehabilitating
20 wells and related infrastructure in the Pinal active management area.
21 Monies in the fund are continuously appropriated for the purposes of this
22 section.

23 B. The director may accept and deposit into the fund monies,
24 grants, gifts, contributions and devises to assist in carrying out the
25 purposes of this section.

26 C. The director shall administer the fund. On notice from the
27 director, the state treasurer shall invest and divest monies in the fund
28 as provided by section 35-313, and monies earned from investment shall be
29 credited to the fund.

30 D. The director may grant monies from the fund to qualified
31 irrigation districts established pursuant to title 48, chapter 19 in the
32 Phoenix active management area, the Pinal active management area and the
33 Harquahala irrigation non-expansion area for the purposes described in
34 subsection A of this section. In granting monies from the fund, the
35 director may give preference to wells and related infrastructure that
36 would be used to recover stored water. Grants made to qualified
37 irrigation districts are exempt from title 41, chapter 24.

38 E. Before December 31 of each year, the director shall submit to
39 the speaker of the house of representatives and the president of the
40 senate a written report describing the activities of the department for
41 the preceding fiscal year related to expenditures from the fund. The
42 report shall include an accounting for expenditures from the fund and how
43 the monies were used to finance projects for the construction and
44 rehabilitation of wells and related infrastructure for the withdrawal and
45 efficient delivery of groundwater by qualified irrigation districts in the

1 Phoenix active management area, the Pinal active management area and the
2 Harquahala irrigation non-expansion area.

3 F. Except as provided in subsection G of this section, monies in
4 the fund are exempt from the provisions of ~~sections~~ SECTION 35-190
5 relating to lapsing of appropriations.

6 G. On June 30, 2027, any unencumbered monies in the fund shall be
7 proportionally distributed to the fund's contributors by December 31, 2027
8 according to the total amount of monies deposited in the fund by each
9 contributor. The proportion of the unencumbered monies attributable to
10 groundwater withdrawal fees levied under section 45-611, subsection C,
11 paragraph 5 shall be deposited in the Arizona water banking fund
12 established by section 45-2425 and shall be used only in the Pinal active
13 management area in the same manner as groundwater withdrawal fees
14 collected in the Pinal active management area pursuant to section 45-611,
15 subsection C, paragraph 3.

16 H. All monies deposited in the temporary groundwater and irrigation
17 efficiency projects fund shall be held in trust. The monies in the fund
18 may be used only for the purposes prescribed in this section and may not
19 be appropriated or transferred by the legislature to fund the general
20 operations of this state or to otherwise meet the obligations of the state
21 general fund. This subsection does not apply to any taxes or other levies
22 that are imposed pursuant to title 42 or 43.

23 I. For the purposes of this section, "qualified irrigation
24 district" means an irrigation district that meets all of the following
25 requirements:

26 1. The irrigation district received central Arizona project water
27 in any year after calendar year 2014 other than through a groundwater
28 savings facility permit issued under chapter 3.1 of this title.

29 2. There are at least nine thousand acres that may be lawfully
30 irrigated within the boundaries of the irrigation district. ~~and~~

31 3. FOR AN IRRIGATION DISTRICT LOCATED IN THE PHOENIX ACTIVE
32 MANAGEMENT AREA ONLY, the district did not deliver surface water other
33 than central Arizona project water in calendar year 2017.

34 ~~3.~~ 4. The irrigation district submitted an application to the
35 department for monies from the fund established by this section to
36 construct an irrigation efficiency project in the Phoenix active
37 management area, the Pinal active management area or the Harquahala
38 irrigation non-expansion area.

39 Sec. 2. Emergency

40 This act is an emergency measure that is necessary to preserve the
41 public peace, health or safety and is operative immediately as provided by
42 law.

APPROVED BY THE GOVERNOR FEBRUARY 18, 2020.

FILED IN THE OFFICE OF THE SECRETARY OF STATE FEBRUARY 18, 2020.

Passed the House February 11, 2020

by the following vote: 50 Ayes,
8 Nays, 1 Not Voting
with emergency

Boonick
Speaker of the House

Jim Drake
Chief Clerk of the House

Passed the Senate February 6, 2020

by the following vote: 28 Ayes,
1 Nays, 1 Not Voting
with Emergency

Karen Farn
President of the Senate

Susan Owens
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
12th day of February, 2020,

at 2:18 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 18th day of

February, 2020,

at 3:38 o'clock P M.

Doug Ducey
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 18th day of February, 2020,

at 4:40 o'clock P. M.

[Signature]
Secretary of State

S.B. 1145