

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

COMMITTEE ON AGRICULTURE, WATER AND LANDS

Report of Regular Meeting
Thursday, February 12, 2015
House Hearing Room 3 -- 9:00 a.m.

Convened 9:11 a.m.
Recessed
Reconvened
Adjourned 10:16 a.m.

Members Present

Mrs. Benally
Mrs. Cobb
Ms. Fann
Mrs. Gabaldón
Mr. Montenegro
Ms. Otondo
Mr. Shope
Mr. Mitchell, Vice-Chairman
Mrs. Barton, Chairman

Members Absent

Request to Speak

Report – Attachment 1, 2, 3

Presentations

Name

None

Organization

Attachments (Handouts)

Committee Action

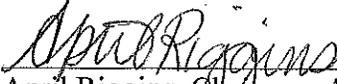
Bill

Action

Vote

**Attachments (Summaries,
Amendments, Roll Call)**

HB2361	HELD		
HB2393	DP	9-0-0-0	4, 5
HB2580	DP	9-0-0-0	6, 7
HB2162	DPA S/E	9-0-0-0	8, 9, 10, 11
HB2429	DPA	8-1-0-0	12, 13, 14
HB2660	DP	9-0-0-0	15, 16
HB2661	DP	9-0-0-0	17, 18, 19


April Riggins, Chairman Assistant
February 16, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

Information Registered on the Request to Speak System

House Agriculture, Water and Lands (2/12/2015)

HB2393, water settlement act; replenishment formula

Support:

Jason Baran, SR. Govt Relations Rep, SALT RIVER PROJECT (SRP); Kelly Norton, AZ MINING ASSN; Jim Hartdegen, MARICOPA-STANFIELD IRRIGATION/DRAINAGE DIST; Bridget Manock, Central Arizona Project; Helen Heiden, Arizona Chamber Of Commerce And Industry; Richard A. Bark, Director, Government Relations & Environmental Counsel, FREEPOR-T-MCMORAN COPPER & GOLD INC; Doug Dunham, Arizona Department Of Water Resources

HB2580, county supervisors; jurisdiction; specialized expertise

Testified in support:

Robert Corbell, representing self

HB2361, assured water supply; alternative certificate

Support:

Tom Farley, GREENSTONE RESOURCE GROUP; Ryan Harper, WALTON INTERNATIONAL GROUP (USA); Mark Lewis, representing self

HB2429, livestock; poultry; animal cruelty; violation

Testified in support:

Ana Kennedy, Government Relations Manager, Arizona Farm Bureau; Patrick Bray , Arizona Cattlemen's Association

Testified as opposed:

Cathy LaSusa, representing self; kathleen mayer, Pima County Attorney's Office; Christopher West, representing self; donna mulvey, representing self; Miryam Gutier-Elm, Maricopa County Sheriffs Office

Support:

Jeff Sandquist, UNITED DAIRYMEN OF AZ; Joe Sigg, Director of Government Relations, Arizona Farm Bureau; Nick Simonetta, Arizona Fairs Association; Chris Udall Agri-Business Council of Arizona, Agribusiness & Water Council Of Arizona; Robert Shuler, representing self

Oppose:

Martha German, HUMANE VOTERS OF ARIZONA (HVA); amanda schlichting, HUMANE SOCIETY OF THE UNITED STATES; Karen Michael, ANIMAL DEFENSE LEAGUE OF ARIZONA; Kari Nienstedt, Arizona State Director,

representing self; Robert McCormick, representing self; Deborah Wilson, representing self; joanne mizell, representing self; Lisa Sanzone, representing self; Valerie DeLuccia, representing self; Brian Tassinari, Humane Legislative Coalition Of Arizona; Michelle Lukasiwicz, representing self; Tom Krepitch, representing self

All Comments:

Cathy LaSusa, Self: I would like to say a few words in opposition to this bill.; Robert McCormick, Self: The current ARS protection of livestock should not be reduced by separating them from other animals and moving them to another section of the ARS where their protections can be reduced and enforcement would be weaker.; Deborah Wilson, Self: I am opposed to this bill. Our country is leaning towards kindness even though we eat animals. Farm animals may be raised for food, but they need to be protected from cruelty.; joanne mizell, Self: The current anti-cruelty laws provide appropriate provisions for the differences between domestic and farm animals. The only reason to separate farm animals is to water down current anti cruelty protections for farm animals. This is not acceptable.; Brian Tassinari, Humane Legislative Coalition Of Arizona: HLCA comprised of: -Animal Defense League of AZ -Arizona Humane Society -Human Society of Southern AZ -Humane Voters of Arizona; Miryam Gutier-Elm, Maricopa County Sheriffs Office: We worked with the sponsor and several stakeholders to strengthen definitions and penalties in title 13. We are supportive of all revisions to title 13 however are still opposed to the 2nd offense misdemeanor charge for animal cruelty in title 3

HB2162, fire suppression; federal reimbursement.

Testified in support:

John Flynn, Arizona Fire District Association

All Comments:

John Flynn, Arizona Fire District Association: In support of s/e - fire district study committee

HB2661, multi-county water districts; storage tax

Testified in support:

Don Isaacson, CENTRAL ARIZONA WATER CONSERVATION DISTRICT

Support:

Jim Hartdegen, MARICOPA-STANFIELD IRRIGATION/DRAINAGE DIST; Mary Ann Miller, TEMPE CHAMBER OF COMMERCE; Robert Medler, TUCSON METROPOLITAN CHAMBER OF COMMERCE; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Stuart Goodman, Southern Arizona Water Users Association; Ken Strobeck, LEAGUE OF ARIZONA CITIES & TOWNS; Bridget Manock, Central Arizona Project; Amber Wakeman, City Of El Mirage; Lana Mook, representing self; Jessica Blazina, City Of Avondale; Scott Butler, MESA, CITY OF; Rob Bohr, GOODYEAR, CITY OF; Robert Lynch, IRRIGATION AND ELECTRICAL DIST ASSN; Patrice Kraus, City Of Chandler; Marge Zylla, TEMPE, CITY OF; Helen Heiden, Arizona Chamber Of Commerce And Industry; Norris Nordvold, representing self; Nick Simonetta, CENTRAL AZ IRRIGATION & DRAINAGE DIST; Theresa Ulmer, AZ MUNICIPAL WATER USERS ASSN; Rachel Aja, City Of Peoria; Chris Udall Agri-Business Council of Arizona, Agribusiness & Water Council Of Arizona; Gayle Burns, representing self; Cheyenne Walsh, CENTRAL ARIZONA WATER CONSERVATION DISTRICT

Oppose:

Mark Lewis, representing self

All Comments:

Robert Medler, TUCSON METROPOLITAN CHAMBER OF COMMERCE: Thank you for your support. This legislation is a priority bill for the Tucson Metro Chamber. We strongly believe the continuation of this funding source is an integral part of Central Arizona Project's ability to provide reliable water to Arizona.; Mark Lewis, Self: I am opposed to this bill because they spent 289 million and never prepared an audit of the funds spent. Don't give them another 300 million in new spending until they account for the 289 spent. Mark; Norris Nordvold, Self: Representing Inter Tribal Council of Arizona which consists of 21 Arizona Indian Tribes, ITCA voted to support this bill in order to have the funds to purchase adequate water for future use for all entities using CAP water. Support full 4 cent tax; Chris Udall Agri-Business Council of Arizona, Agribusiness & Water Council Of Arizona: We're in favor of the bill and encourage your support. Thank you. Chris Udall; Gayle Burns, Self: The Central Arizona Project Board of Directors voted in October 2014 by a vote of 13-2 to pursue the extension of the 4-cent tax. The CAP Board of Directors is in support of HB 2661.

HB2660, domestic water improvement districts; directors**Support:**

Don Ascoli, representing self

All Comments:

Don Ascoli, Self: I am a proponent of this bill and would like to speak in support of its passage.

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD



HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on AWL Bill Number HB 2580
 Date 2/12/15 Support Oppose Neutral
 Name Doyel Stenberg Need to Speak? Yes No
 Representing Apache County Are you a registered lobbyist? _____
 Complete Address P.O. Box 900 Goshute AZ 88525
 E-mail Address doyel@vrc110.us Phone Number _____
 Comments: yes on HB 2580

FIVE-MINUTE SPEAKING LIMIT

Attachment 2

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD



HOUSE OF REPRESENTATIVES

Please PRINT Clearly

If necessary.

Committee on Ag, Water & Land Bill Number HB 2661
 Date 2/12/15 Support Oppose Neutral
 Name Maggie Gallogly-Fennemore Craig Need to Speak? Yes No
 Representing Robson Communities, Sunbelt Holdings, Douglas Ranch, El Dorado Holdings
 Complete Address Fennemore Craig 2394 Camelback Rd Suite 600 Phoenix AZ 85021
 E-mail Address mgallogly@fclaw.com Phone Number 602-916-5468
 Comments: _____

FIVE-MINUTE SPEAKING LIMIT

Attachment 3



HOUSE OF REPRESENTATIVES

HB 2393

water settlement act; replenishment formula

Sponsors: Representatives Pratt, Barton, Cardenas, et al.

X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

OVERVIEW

HB 2393 modifies the formulas used to determine the amount of water required to be replenished when groundwater is used in a designated area located in the southside protection zone.

HISTORY

Congress enacted the Arizona Water Settlements Act in 2004, which resolved three related issues: the Central Arizona Project (CAP) repayment settlement; the CAP water settlement and individual water rights for Arizona tribes. Two settlement agreements were included in the legislation: the Gila River Indian Community and the San Xavier Reservation Water Settlement (P.L. 108-451).

The Arizona Water Banking Authority (AWBA) was established by Laws 1996 to increase utilization of the state's Colorado River entitlement and develop long term storage credits for the state. AWBA banks unused Colorado River water to be used in times of shortage to "firm" Arizona municipal and industrial water supplies, fulfill the water management objectives of the state and for implementation of the settlement of water rights claims by Indian communities within Arizona.

Laws 2005, Chapter 143 established the Gila River Indian Community Water Settlement Program (Program). The Program establishes certain obligations regarding water use, including formulas that are to be used to determine how much water needs to be replenished by the state within various designated protection zones based on amounts of groundwater withdrawn on an annual basis.

PROVISIONS

1. Modifies the formulas used to determine the annual replenishment obligation for the southside protection zone.
2. Makes conforming changes.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. HB 2393

DATE February 12, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón		✓			
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		9	0	0	0

APPROVED:

Brenda Barton
BRENDA BARTON, Chairman
DARIN MITCHELL, Vice-Chairman

April Riggins
COMMITTEE SECRETARY

ATTACHMENT 5



HOUSE OF REPRESENTATIVES

HB 2580

county supervisors; jurisdiction; specialized expertise
Sponsors: Representatives Campbell, Barton, Borrelli, et al.

X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

OVERVIEW

HB 2580 allows a county board of supervisors to serve as a cooperating or coordinating agency for the purposes of natural resources management planning and any other processes under federal law.

HISTORY

A county board of supervisors is authorized to supervise the official conduct of all county officers and officers of all districts and other subdivisions of the county charged with assessing, collecting, safekeeping, managing or disbursing public revenues. A county board of supervisors is also allowed to lay out, maintain, control and manage public roads within the county and levy such tax for that purpose as authorized by law. A county board of supervisors is responsible for filling by appointment all vacancies that occur in county or precinct offices (A.R.S. § 11-251) and has the power to sue and can be sued, purchase and hold lands within its limits, make contracts and purchases, make orders for the disposition or use of its property and determine budgets pursuant to statute (A.R.S. § 11-201).

PROVISIONS

1. Allows a board of supervisors to serve as a cooperating or coordinating agency regarding natural resources management planning and other processes under federal law.
2. Specifies that the state of Arizona recognizes that boards of supervisors have:
 - a. Authority to engage in natural resources management planning for lands within the county; and
 - b. Special expertise regarding land use plans and their impact on county land and all subject matters that the board of supervisors has the authority to regulate.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. HB 2580

DATE February 12, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón		✓			
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		9	0	0	0

April Riggins
COMMITTEE SECRETARY

APPROVED:
Brenda Barton
BRENDA BARTON, Chairman
DARIN MITCHELL, Vice-Chairman

ATTACHMENT 7



HOUSE OF REPRESENTATIVES

HB 2162

~~fire suppression; federal reimbursement~~
NOW: rural fire district; study committee.

Sponsors: Representatives Coleman: Ackerley, Brophy McGee, et al.

-
- X Committee on Agriculture, Water and Lands
 Committee on Appropriations
 Caucus and COW
 House Engrossed
-

OVERVIEW

HB 2162 authorizes the use of Budget Stabilization Fund (BSF) monies in amounts sufficient to pay claims for reimbursement of fire suppression services; requires the state forester to pay fire suppression claims if the federal government does not pay within 30 days; and requires the holder of a federal claim that received money from the state to reimburse the state within 30 days after receiving payment from the federal government.

Summary of the Proposed Strike-Everything Amendment to HB 2162

The proposed strike-everything amendment to HB 2162 establishes the Joint Legislative Study Committee on Rural Area Fire District Funding and Taxation (Committee).

HISTORY

Counties are not statutorily authorized to provide fire or emergency medical services; therefore they must seek fire protection and medical services from other sources. Some form districts and other counties or county islands contract with a private provider through community associations. Districts are political subdivisions of the state that are responsible for providing fire services within a specified area and are funded by self-taxation of the residents and businesses under the jurisdiction of the district.

PROVISIONS

1. Establishes the Committee consisting of:
 - A. Members appointed by the President of the Senate:
 - a) Three members of the Senate, not more than two from the same political party;
 - b) A person who is elected to a fire district board in a county with population of 500,000 people or more;
 - c) A representative of a city or town whose fire emergency medical services are provided by a fire district; and
 - d) A representative of an association of fire districts that represents elected fire district board members.
 - B. Members appointed by the Speaker of the House of Representatives:
 - a) Three members of the House of Representatives, not more than two from the same political party;
 - b) A person who is elected to a fire district board in a county with population of less than 500,000 people; and

HB 2162

- c) A representative of an association of counties that represents county boards of supervisors.
- 2. Requires the members of the Committee to select a chairperson.
- 3. Directs the Committee to consider the level of fire safety services provided to rural areas by fire districts and departments and review taxation levels in various counties.
- 4. Instructs the Committee to submit a report of their findings and any recommendations prior to December 16, 2015 to the Legislature, and the Governor and provide a copy to the Secretary of the State.
- 5. Repeals the Committee on January 1, 2016.

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2162
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Joint legislative study committee on rural area
3 fire district funding and taxation; membership;
4 duties; report; delayed repeal

5 A. The joint legislative study committee on rural area fire district
6 funding and taxation is established consisting of the following members:

7 1. Three members of the senate who are appointed by the president of
8 the senate, not more than two of whom are members of the same political
9 party.

10 2. Three members of the house of representatives who are appointed by
11 the speaker of the house of representatives, not more than two of whom are
12 members of the same political party.

13 3. A person who is elected to a fire district board within a county
14 with a population of five hundred thousand persons or more and who is
15 appointed by the president of the senate.

16 4. A person who is elected to a fire district board within a county
17 with a population of less than five hundred thousand persons and who is
18 appointed by the speaker of the house of representatives.

19 5. A representative of a city or town whose fire and emergency medical
20 services are provided by a fire district and who is appointed by the
21 president of the senate.

22 6. A representative of an association of counties in this state that
23 represents the county boards of supervisors and who is appointed by the
24 speaker of the house of representatives.

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Not Offered _____	Analysts Initials _____

1 7. A representative of an association of fire districts in this state
2 that represents elected fire district board members and who is appointed by
3 the president of the senate.

4 B. The members of the study committee shall select a chairperson of
5 the study committee from among its membership.

6 C. The study committee shall consider the level of fire safety
7 services provided to rural areas by fire districts and fire departments and
8 shall review taxation levels in various counties, both countywide and in the
9 unincorporated areas of those counties.

10 D. The study committee shall submit a report of the study committee's
11 findings and any recommendations on or before December 15, 2015 to the
12 president of the senate, the speaker of the house of representatives and the
13 governor and provide a copy of this report to the secretary of state.

14 E. This section is repealed from and after December 31, 2015."

15 Amend title to conform

BRENDA BARTON

2162BB
02/10/2015
08:42 AM
C: myr

~~HB 2108~~: fire district assistance tax; override (Rep. Stevens)

<i>Figure #1 - Statewide Aggregate</i>						
Arizona Fire Districts						
	Statewide FD Property Value		Statewide Avg. FD Tax Rate		Statewide FD Tax Levy	
2008	\$13,071,796,602		\$2.0260		\$267,426,504	
2013	7,148,583,977	-55%	2.6107	29%	193,334,910	-38%
5 Year Change	(\$5,923,212,625)				(\$74,091,594)	
<i>(Data source: Property Tax Oversight Commission - Az DOR)</i>						
* In 2008 there were 6 fire districts statewide at the 3.25 tax rate cap						
* In 2014 there are <u>41</u> fire districts statewide at the 3.25 tax rate cap						
<i>Figure #2 - Representative Example</i>						
Sun City Fire District						
	Local FD Property Value		FD Tax Rate		Local FD Tax Levy	
2008	\$507,939,524		2.1681		\$11,005,691	
2014	274,402,897	-46%	3.2500		8,918,094	-19%
5 Year Change	(\$233,536,627)				(\$2,087,597)	
<i>(Data source: Property Tax Oversight Commission - Az DOR)</i>						
<i>Figure #3 - Representative Example</i>						
Lake Mohave Ranchos Fire District						
	Local FD Property Value		FD Tax Rate		Local FD Tax Levy	
2008	\$37,575,052		2.8500		\$1,070,891	
2014	19,300,102	-55%	3.2500		627,253	-41%
5 Year Change	(\$18,274,950)				(\$443,638)	
<i>(Data source: Property Tax Oversight Commission - Az DOR)</i>						

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. HB 2162

DATE February 12, 2015 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón		✓			
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		9	0	0	0

APPROVED:

Brenda Barton
BRENDA BARTON, Chairman
DARIN MITCHELL, Vice-Chairman

April Higgins
COMMITTEE SECRETARY

ATTACHMENT 11



HOUSE OF REPRESENTATIVES

HB 2429

livestock; poultry; animal cruelty; violation

Sponsor: Representative Barton

X Committee on Agriculture, Water and Lands

W/D Committee on Judiciary

Caucus and COW

House Engrossed

OVERVIEW

HB 2429 establishes laws that define acts of cruelty to livestock and poultry, amends existing animal cruelty laws to include animal hoarding as an act of cruelty, increases penalties for repeat offenders and expands definitions.

HISTORY

Arizona Revised Statutes (A.R.S.) § 13-2910 defines acts of animal cruelty and establishes penalties for violators. Current statute states that if a person intentionally, knowingly or recklessly subjects an animal to cruel neglect, fails to provide medical attention, inflicts unnecessary physical injury, subjects an animal to cruel mistreatment, or abandons or leaves an animal unattended and confined in a motor vehicle with a likely result of physical injury to or death of the animal, among other violations, is subject to a Class 1 misdemeanor. Additionally, current statute states any person who intentionally subjects an animal to cruel neglect or abandonment that results in serious injury to the animal, cruel mistreatment, intentionally or knowingly killing or harming a working animal or service animal without legal privilege or consent or allowing a dog under the person's control to kill or physically harm a service animal is subject to a Class 6 felony.

PROVISIONS

Cruelty to Livestock and Poultry

1. Prohibits a person from intentionally, knowingly or recklessly causing injury or undue suffering, including depriving of necessary sustenance or cruelly beating, injuring or mutilating livestock or poultry.
 - a. Establishes a Class 1 misdemeanor for a first violation and classifies a second or subsequent violation as a Class 6 felony.
2. Prohibits a person from intentionally torturing and tormenting livestock or poultry.
 - a. Establishes a Class 6 felony for a violation.
3. Defines *torture* or *torment* as every act where the infliction of pain or suffering is caused, permitted or allowed to continue when there is a reasonable remedy or relief.
4. Requires the director of the Department of Agriculture (Director) to be notified of any investigation of an alleged violation of this Act and provides the Director the option of participating in the investigation.

5. Prohibits a county or a municipality from adopting an animal cruelty ordinance that is more prohibitive or restrictive than this Act.
6. Stipulates that this Act does not apply to normal, good husbandry practices that are used in the production of food or the lawful extermination of an insect or animal that is destructive to food, crops or livestock.
7. Specifies that this Act does not prohibit the humane slaughter or euthanization of livestock or poultry.
8. Stipulates that a person who owns or holds livestock or poultry that is not part of an agricultural operation regulated by the Department of Agriculture may be prosecuted pursuant to animal cruelty laws in A.R.S Title 13.
9. Excludes livestock and poultry from the A.R.S. Title 13 animal cruelty laws.

Animal Cruelty

10. Adds the following to the acts classified as animal cruelty:
 - a. Permitting another person to recklessly subject an animal under the person's custody or control to cruel mistreatment;
 - b. Intentionally or knowingly permitting another person to subject an animal under the person's control to cruel mistreatment; and
 - c. Intentionally, knowingly or recklessly hoarding animals.
11. Defines *hoards animals* as possessing animals in conditions that may cause harm to the health or safety of the animals.
12. Stipulates that this Act does not prohibit or restrict lawful activities involving the possession, training, transport, exhibition or use of an animal in lawful pursuits of licensed, permitted or regulated hunting, ranching, farming, rodeos, livestock shows, fairs, livestock auctions and security services.
13. Allows the court to require a person to undergo a psychological evaluation and attend counseling at the person's own expense.
14. Stipulates that a person who violates animal cruelty statutes is guilty of a Class 1 misdemeanor for the first offense and guilty of a Class 6 felony for a second or subsequent offense, for certain violations.
15. Expands the definition of *cruel neglect* to include abandoning an animal, failing to provide food that is appropriate for the species and fit for consumption, failing to provide water that is suitable for drinking or shelter that is appropriate for the animal or weather conditions.
16. Expands the definition of *working animal* to include horses, dogs and other guardian animals used in an agriculture operation or animal husbandry practices.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2429

(Reference to printed bill)

- 1 Page 4, lines 4 and 5, strike "FAIL TO PROVIDE AN ANIMAL WITH NECESSARY FOOD"
- 2 insert "fail to provide an animal with necessary food"
- 3 Line 6, strike "WATER" insert "water"; strike "OR SHELTER" insert "or shelter"
- 4 Amend title to conform

BRENDA BARTON

2429-p1-barton
2/10/15
4:13 PM
H:ajs

2429bb
01/23/2015
4:12 PM
C: sp

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Failed _____	Withdrawn _____
Not Offered _____	Analysts Initials _____

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. HB 2429

DATE February 12, 2015 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón			✓		
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		8	1	0	0

APPROVED:

Brenda Barton
BRENDA BARTON, Chairman
DARIN MITCHELL, Vice-Chairman

April Riggs
COMMITTEE SECRETARY

ATTACHMENT 14



HOUSE OF REPRESENTATIVES

HB 2660

domestic water improvement districts; directors
Sponsors: Representatives Barton, Thorpe, Shope

X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

OVERVIEW

HB 2660 allows a three member domestic water improvement district (DWID) to convert to a five member DWID, under certain conditions.

HISTORY

Counties in Arizona have statutory authority to establish taxing districts as a means of funding public improvement projects. A DWID is a political subdivision that is formed by property owners who petition the county board of supervisors (BOS) for the purpose of constructing, improving or purchasing a water delivery system in order to provide domestic water service to landowners in the district. DWIDs are governed by an elected board of directors (Board) which sets fees for the cost of operation, maintenance and replacement of the water delivery system (Arizona Revised Statutes § 48-1012)

PROVISIONS

1. Requires a BOS to call an election to decide whether to convert a three member Board to a five member Board when a petition containing the signatures of 25% of qualified electors residing within the DWID boundaries is presented to the Board.
2. Prohibits a BOS from calling an election to expand the number of Board members more than once every two years.
3. Authorizes the election to be held on any consolidated election date.
4. Requires the DWID to reimburse the county for election related expenses.
5. Specifies that a BOS must give notice of the election by posting the order of election in three public places within the DWID boundaries at least 20 days prior to the election.
6. Stipulates that the election notice must be published in a newspaper once a week, for three weeks prior to the election if a newspaper is published with a general circulation in the DWID boundaries.
7. Specifies how the question will be presented on the ballot to the voters and requires the ballot to include an option for selecting two additional Board members.
8. Requires a BOS to meet and canvas the election results within 20 days following the election and specifies that if the majority of voters approve the conversion to a five member Board, the Board must declare the conversion to a five member Board and announce the names of the two additional Board members.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. HB 2660

DATE February 12, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón		✓			
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		9	0	0	0

APPROVED:

Brenda Barton
BRENDA BARTON, Chairman
DARIN MITCHELL, Vice-Chairman

April Riggins
COMMITTEE SECRETARY

ATTACHMENT 16



HOUSE OF REPRESENTATIVES

HB 2661

multi-county water districts; storage tax

Sponsors: Representatives Barton, Bowers, Cardenas, et al.

X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

OVERVIEW

HB 2661 extends the Central Arizona Water Conservation District (CAWCD) ad valorem property tax until January 1, 2030, maintains the current cap of \$.04 per \$100 assessed value until December 31, 2024 and reduces the cap to \$.03 per \$100 assessed value beginning January 1, 2025.

HISTORY

Laws 1990, Chapter 385, Section 6 authorized CAWCD to assess an ad valorem property tax capped at \$.04 per \$100 assessed value for the funding of planning and construction of state demonstration projects for underground water storage and recovery sites. Laws 1994, Chapter 278, Section 12 expanded the purpose of the tax to cover operations, maintenance and replacement of the Central Arizona Project (CAP) infrastructure and to repay the federal government for the cost of building the CAP.

The tax is assessed on properties within the three county Central Arizona Project (CAP) service area in Maricopa, Pinal and Pima Counties. Arizona Revised Statutes § 48-3715.03 requires the CAWCD Board (Board) to determine if all or part of the \$.04 tax collected will be used for the repayment of the construction costs of the CAP, to be used for the operations, maintenance and replacement of the CAP infrastructure or to be deposited in Arizona Water Banking Fund for the purpose of funding underground water storage.

Currently, the tax is scheduled to expire on January 1, 2017.

The Arizona Water Banking Authority (AWBA) was established in 1996 to increase utilization of the state's Colorado River entitlement and develop long term storage credits for the state. AWBA banks unused Colorado River water to be used in times of shortage to "firm" Arizona municipal and industrial water supplies, fulfill the water management objectives of the state and for implementation of the settlement of water rights claims by Indian communities within Arizona.

PROVISIONS

1. Extends the CAWCD ad valorem property tax until January 1, 2030.
2. Maintains the current cap on the tax at \$.04 per \$100 of assessed value through December 31, 2024.
3. Reduces the cap to \$.03 per \$100 of assessed value beginning January 1, 2025.
4. Makes technical and conforming changes.

Fifty-second Legislature
First Regular Session

Analyst Initials *B*
February 11, 2015

H.B. 2661: CAWCD's 4-Cent Property Tax Extension of Levy Authority

Authorized by the Arizona State Legislature in the 1990s, the 4-Cent Tax is an ad valorem property tax levied by the three-county special taxing district, Central Arizona Water Conservation District (CAWCD). The CAWCD is governed by a 15-member elected Board of Directors that manages and operates the 336-mile Central Arizona Project (CAP) canal. CAP is Arizona's single, largest water supplier, providing more than 1.5 million acre-feet (nearly 500 billion gallons) of Colorado River water to Maricopa, Pima and Pinal counties each year.

Four-Cent Tax Authority (A.R.S. § 48-3715.03)

"[The CAWCD] ...shall annually determine by resolution whether all or any part of the tax levied... be applied to the repayment of the construction costs of the central Arizona project... or to the annual operation, maintenance and replacement costs of the central Arizona project. Any taxes ...that are not deposited into the district [CAWCD] fund...shall be deposited...in the Arizona water banking fund..."

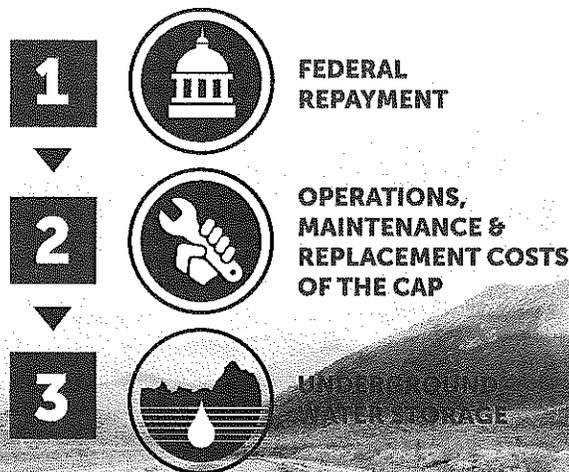
Quick Facts on the 4-Cent Tax

- Cannot exceed 4 cents per \$100 of a property's total value and must be levied at a single rate across the three-county CAP service area.
- Equates to \$8 per year for a homeowner with a \$200,000 house.
- Generates approximately \$18-19 million per year.
- Represents approximately 6-7% of CAWCD's overall annual revenues.
- Expires on January 2, 2017. The CAWCD Board has voted to seek legislation to extend the 4-Cent taxing authority. H.B. 2661 is the legislation this year to extend the tax authority.

Arizona law specifies a tiered system for the use of 4-Cent Tax revenues. Primarily, the tax may be used by the CAWCD to repay the federal government for its share of construction costs of the canal, and those payments average \$55 million annually. CAWCD may also use the proceeds for CAP purposes with regard to Operation, Maintenance, and Replacement (OM&R) expenses of the canal. Finally, the funds can be used to store water underground in conjunction with the Arizona Water Banking Authority (AWBA) and as authorized by the CAWCD by annual resolution.

HOW THE 4¢ TAX IS USED

Arizona law specifies a **1-2-3 tiered system** for expenditures.



\$152M
HAS STORED
2 MILLION
ACRE-FEET OF WATER
FOR DROUGHT PROTECTION

Each year, the 15-member CAWCD Board must first determine whether there is a need to levy the tax, and for what purpose. If the tax is to be levied, the Board establishes the allocation and distribution of funds through an open process, public meeting. A Board resolution adopted in this manner specifies how the 4-Cent Tax will be used.

Continued Relevance and Need

The tax has provided CAWCD with a source of revenue to address the unanticipated costs of operating the CAP canal and created nearly 2 million acre-feet of stored water for times of shortage. These purposes are still relevant today and will be even more important in the future. In addition, the current statutory authority of the 4-Cent Tax provides the CAWCD the flexibility it needs to address future challenges.

The CAWCD faces several challenges to ensure future reliability of the canal and the Colorado River system. Some of these include:

- Colorado River drought and anticipated shortage of water supply;
- Aging infrastructure of the canal system, which is now more than 30 years old; and
- Renegotiation of key contracts and ongoing regulatory actions affecting the CAP's primary power supply, the Navajo Generating Station.

If the 4-Cent Tax expires, the only place CAWCD can absorb significant and unexpected new costs is in water rates and capital charges to its municipal, agricultural, and Tribal customers. In addition, all proactive water storage efforts funded by this tax for future Arizona needs will end.

The 4-Cent Tax today, as in 1990, benefits Arizona, and it provides the CAWCD the financial flexibility to address current and future costs, thereby helping to ensure vital and reliable water supplies today and into the future. Please support H.B. 2661.

For more information, please contact Bridget Schwartz-Manock, CAP's Legislative Affairs Manager, at 623-869-2150 or bschwartzmanock@cap-az.com.

Timeline of the Four-Cent Tax Authority

1990 – To address the State's underutilization of its 2.8 million acre-foot allocation of Colorado River, the Arizona Legislature authorizes CAWCD to collect a property tax in Maricopa and Pima counties to fund the construction of water recharge facilities for five years (Laws 1990, Chapter 385). Water storage is a way to bring otherwise unused CAP water into central Arizona for future use. The CAWCD successfully constructed six water recharge facilities.

1994 – The Legislature modifies the purpose of the tax for OM&R expenses of the CAP and for federal repayment, expands the taxing authority to include Pinal County, and extends the tax until 2001. The CAWCD Board is required to annually determine whether the tax will be levied and how proceeds are utilized (Laws 1994, Chapter 278).

1996 – The Legislature creates the Arizona Water Banking Authority (AWBA), authorizes AWBA's use of 4-Cent Tax proceeds pursuant to CAWCD resolution, and extends the tax until January 1, 2017 (Laws 1996, Chapter 308). More than \$150 million of tax proceeds have been shared with the AWBA to store water underground for municipal and industrial purposes in times of shortage.



"Bathtub rings" in Lake Mead demonstrate the drastic impact drought and Colorado River structural deficit have had on the reservoir's water elevation.

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. HB 2661

DATE February 12, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón		✓			
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
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APPROVED:

Brenda Barton
BRENDA BARTON, Chairman
DARIN MITCHELL, Vice-Chairman

Darin Mitchell
COMMITTEE SECRETARY

ATTACHMENT 19