



ARIZONA HOUSE OF REPRESENTATIVES

HB2543: water bank; storage credits; exchanges

PRIME SPONSOR: Representative Bowers, LD 25

BILL STATUS: [Natural Resources, Energy and Water](#)

Overview

Allows the Arizona Water Banking Authority (AWBA) to exchange long-term storage credits (LTSCs) accrued in one Active Management Area (AMA) with LTSCs accrued in another AMA.

History

Statute requires the AWBA to distribute or extinguish LTSCs only within the AMA that the LTSCs were created in. The AWBA is permitted to distribute or extinguish LTSCs for the following purposes: 1) to meet the needs of the Central Arizona Water Conservation District's municipal and industrial subcontractors during a shortage or disruption of canal operations; 2) to implement water rights settlements with tribal communities; or 3) to meet various other water management objectives, as requested by the Director of the Arizona Department of Water Resources (ADWR) ([A.R.S. § 45-2457](#)). There is a \$250 fee for these exchanges.

Provisions

1. Allows the AWBA, by December 31, 2019, to enter into agreements to exchange LTSCs accrued or purchased in one AMA for LTSCs in another AMA if the Director of ADWR determines that the exchange:
 - a. is beneficial to water management in Arizona; and
 - b. will not substantially impair the AWBA's ability to meet its Indian firming obligation. (Sec. 1)
2. Allows the AWBA to distribute or extinguish these credits for the purposes currently authorized by statute for the benefit of any AMA. (Sec. 1)
3. Prohibits the terms of any agreement from extending beyond 2026. (Sec. 1)
4. Exempts these LTSC exchanges from the \$250 fee. (Sec. 1)
5. Contains an emergency clause. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input checked="" type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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