

COMMITTEE ON NATURAL RESOURCES, ENERGY AND WATER

SENATE AMENDMENTS TO H.B. 2022

(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 48-901, Arizona Revised Statutes, is amended to
3 read:

4 **48-901. Definitions**

5 In this article, unless the context otherwise requires:

6 1. "Assessment" or "assessment roll" means a special assessment made
7 under this article.

8 2. "Block" means a parcel of ground, regular or irregular, bounded
9 by streets or by streets and district boundary lines.

10 3. "Chairman of the board" means the person designated to preside
11 over meetings of the board of directors.

12 4. "Clerk" or "district clerk" means the clerk of the board of
13 supervisors, who shall be the clerk under this article and in whose office
14 shall be filed all papers directed or required to be filed with the clerk.

15 5. "Commercial farming" means the intensive cultivation of arable
16 land by the raising of agricultural or horticultural products as a
17 principal source of the owner's livelihood.

18 6. "Commercial stock raising" means the breeding, raising and care
19 of domestic animals as a principal source of the owner's livelihood.

20 7. "Contractor" includes personal representatives or assignee of the
21 contractor.

22 8. "Delinquency" means delinquency in the payment of an assessment.

23 9. "Engineer" or "district engineer" means a person designated or
24 employed by the board of directors of a district to perform any or all of
25 the engineering work authorized to be done by the district under this
26 article.

1 10. "Improvement bond" means a bond issued under this article.

2 11. "Lighting plants" includes electric light plants, electric power
3 plants, gas plants, distribution systems, poles, parts, pipes, conduits,
4 wires, tanks, reservoirs, generators for gas or electricity, transmission
5 lines, towers, lamps, transformers of every character, machinery,
6 apparatus, equipment and all appliances and structures necessary or
7 incidental to the construction, installation or operation of a complete
8 electric light, power and gas plant and distribution system placed on the
9 streets improved, though extended beyond.

10 12. "Lot" includes any portion, piece, parcel or subdivision of
11 land, but not property owned or controlled by any person as a railroad
12 right of way.

13 13. "Owner" means the person in whom legal title appears by recorded
14 deed, or the person in possession under claim or title, or the person
15 exercising acts of ownership for ~~himself~~ THE PERSON or as the personal
16 representative of the owner, including the boards of trustees of school
17 districts and the boards of education of high school districts owning
18 property within the proposed improvement district.

19 14. "Sewers" includes wastewater treatment facilities, tunnels,
20 excavations, ditches, drains, conduits, channels, outlets, outfalls,
21 cesspools, manholes, catch basins, flush tanks, septic tanks, connecting
22 sewers of every character, machinery, apparatus, equipment and all
23 appliances and structures necessary or incidental to the construction,
24 installation or operation of a complete sewer system for either sanitary or
25 drainage purposes.

26 15. "Street" includes avenues, alleys, highways, lanes, crossings,
27 intersections, courts, places and grounds opened or dedicated to public use
28 and public ways.

29 16. "Street superintendent" or "superintendent" means a county
30 employee designated by the board of supervisors to perform the duties of
31 street superintendent for all the districts organized under this article in
32 any county.

1 17. "Time of delinquency" means the time when assessments become
2 delinquent.

3 18. "Treasurer" or "district treasurer" means the treasurer of the
4 county in which a district is situated, who shall be the treasurer of the
5 district.

6 19. "Unincorporated area" means any portion of a county not within
7 the limits of an incorporated city or town, so situated that any of the
8 improvements provided for in this article might reasonably or properly be
9 made or constructed for the benefit of the inhabitants of the area under
10 existing special assessment statutes if the area were situated within an
11 incorporated city or town.

12 20. "Wastewater systems" means sewers and other wastewater treatment
13 facilities.

14 21. "Waterworks" means works for the storage or development of water
15 for domestic uses, including drinking water treatment facilities, wells,
16 pumping machinery, power plants, **STANDPIPES**, pipelines and all equipment
17 necessary for those purposes.

18 22. "Work" or "improvement" includes any of the improvements
19 mentioned and authorized to be made in this article, the construction,
20 reconstruction and repair of all or any portion of any such improvement,
21 and labor, services, expenses and material necessary or incidental thereto.

22 Sec. 2. Section 48-902, Arizona Revised Statutes, is amended to
23 read:

24 48-902. Authorization for improvement district; areas and
25 lands excluded

26 A. An improvement district may be established in any unincorporated
27 area, whether or not contiguous, by the board of supervisors of the county
28 in which the proposed district is located, for the purpose of constructing
29 and operating **WATERWORKS**, a wastewater treatment facility **OR A DOMESTIC**
30 **WATER DELIVERY SYSTEM FOR THE PURPOSE OF WATER HAULING** and making other
31 local improvements or acquisitions in the district or for the benefit of
32 the district that are **permitted ALLOWED** by this article, and may contract

1 for or in any other manner provide transportation services within the
2 district through special assessments in such districts, or the issuing of
3 bonds or making other contractual arrangements for improvements, and
4 levying taxes for the operation and maintenance of improvements and streets
5 within the district or for the benefit of the district.

6 B. With written consent of the state land commissioner, an
7 improvement district may include state lands or state trust lands within
8 its boundaries, but those lands shall not be included for purposes of
9 forming or objecting to the formation or expansion of a district.

10 C. Notwithstanding subsection A of this section, an improvement
11 district established for the purposes described in section 48-909,
12 subsection A, paragraph 1, 6, 7 or 10 may include areas in an incorporated
13 city or town with the consent of the city's or town's governing body.

14 D. At the time of the establishment of an improvement district, none
15 of the following shall be included in the improvement district:

16 1. Territory lying within an incorporated city or town except as
17 provided in subsection C of this section.

18 2. Lands owned or held by any common carrier for use in connection
19 with interstate or intrastate commerce.

20 3. Unpatented mining claims.

21 E. Unless the improvement district is formed for the purposes
22 described in section 48-909, subsection A, paragraph 7, at the time of
23 establishment of an improvement district, none of the following shall be
24 included in the improvement district if the owner objects to such inclusion
25 as provided in subsection F of this section:

26 1. Lands owned or held for mining or metallurgical purposes.
27 2. Any tract of land of twenty or more acres in area actually used
28 for commercial farming or commercial stock raising, or any subdivided lands
29 of which lots or blocks have not been offered generally for sale since the
30 lands were subdivided.

1 F. The owner of any property included in the classifications listed
2 in subsection E of this section may have the property excluded from the
3 proposed improvement district if the owner files a verified statement with
4 the board of supervisors prior to the adoption of the resolution ordering
5 the formation of the district, stating that the person executing the
6 statement is one of the owners of the respective lot or parcel, the
7 respective classification, that the lot or parcel is within such
8 classification on the date of the statement, the legal description of the
9 lot or parcel and that the signer requests that the lot or parcel be
10 excluded from the improvement district. Any property owner may contest the
11 statement at the hearing on formation of the improvement district. The
12 board of supervisors shall rule on all such objections.

13 G. A domestic water improvement district may be formed or expanded
14 in noncontiguous areas. If the proposed boundaries of a noncontiguous
15 district are located within six miles of an incorporated city or town, the
16 district shall obtain the consent of the governing body of the city or town
17 prior to the formation or expansion of the district.

18 Sec. 3. Section 48-909, Arizona Revised Statutes, is amended to
19 read:

48-909. Purposes for which public improvements may be undertaken; powers incidental to public improvements

22 A. When the public interest or convenience requires, the board of
23 directors of an improvement district may order:

24 1. The whole or any portion, either in length or width, of one or
25 more of the streets of the district graded or regraded, paved or repaved,
26 landscaped or otherwise maintained, improved or reimproved.

27 2. The acquisition, construction, reconstruction or repair of any
28 street, tunnel, subway, viaduct or conduit in, on, under or over which the
29 district may have an easement or right-of-way therefor.

30 3. The construction or reconstruction of sidewalks, crosswalks,
31 curbs, gutters, culverts, bridges, tunnels, siphons, manholes, steps,
32 parkings and parkways.

1 4. The placement, replacement or repair of pipes, hydrants and
2 appliances for fire protection.

3 5. The acquisition, construction, reconstruction, maintenance or
4 repair of wastewater treatment facilities, sewers, ditches, drains,
5 conduits, pipelines and channels for sanitary and drainage purposes, with
6 outlets, cesspools, manholes, catch basins, flush tanks, septic tanks,
7 connecting sewers, ditches, drains, conduits, channels and other
8 appurtenances in, under, over or through any street or any land of the
9 district or any right-of-way granted or obtained for such a purpose, either
10 within or without the district limits.

11 6. The acquisition, construction, reconstruction, maintenance or
12 repair of waterworks, including **WELLS, STANDPIPES AND** drinking water
13 treatment facilities, for the delivery of water for domestic purposes,
14 **INCLUDING DELIVERY BY WAY OF WATER HAULING,** and of wells, **DRY WELLS,**
15 ditches, canals, channels, conduits, pipelines, **RETENTION BASINS** and
16 siphons, together with the necessary or usual appurtenances for carrying,
17 ~~stormwater~~ **STORING OR RECHARGING STORMWATER** or water from irrigation
18 ditches, watercourses, streams or springs into, through or out of the
19 district in, under, over or through any street, or any land of the district
20 or any right-of-way granted or obtained for such a purpose, either within
21 or without the district limits. This section does not prohibit the board
22 of directors of an improvement district from purchasing an existing
23 domestic water delivery system within the district or outside the district
24 or constructing an initial or improving an existing domestic water delivery
25 system inside or outside the district.

26 7. The construction, reconstruction or repair of breakwater levees
27 or walls, riverbank protection or replacement of riverbanks and supporting
28 land. A district established for this purpose shall cooperate and
29 coordinate its plans and activities with the county flood control district
30 established in the county and any incorporated city or town in which the
31 district is established.

1 8. The acquisition, construction, reconstruction or repair of
2 lighting plants and poles, wire conduits, lamps, standards and other
3 appliances for the purpose of lighting and beautifying streets or other
4 public lands.

5 9. The construction, reconstruction or repair of any work incidental
6 to or connected with any improvement.

7 10. The acquisition, in the name of the district, by gift, purchase
8 or otherwise and the maintenance, repair, improvement or disposal of any
9 real or personal property necessary or convenient for district operation
10 for a community center, park or recreational area.

11 11. Pursuant to section 48-902, the board of directors of an
12 improvement district may contract for or in any other manner provide
13 transportation services within the district.

14 B. In addition to the powers specifically granted by or reasonably
15 inferred from this article, an improvement district through its board of
16 directors may:

17 1. Acquire by gift, purchase, condemnation or otherwise in the name
18 of the district and own, control, manage and dispose of any real or
19 personal property or interest in the property necessary or convenient for
20 the construction, operation and maintenance of any of the improvements
21 provided for by this article.

22 2. Join with any other improvement district, any city, town,
23 governmental agency or Indian tribe, or any agency or instrumentality of an
24 Indian tribe, or any person in the construction, operation or maintenance
25 of any of the improvements hereby authorized.

26 3. Join with any other improvement district or any city, town,
27 county or Indian tribe, or any agency or instrumentality of an Indian
28 tribe, in improving streets running on or along the boundary of the
29 district and levy assessments and issue bonds for the district's part of
30 the cost of those improvements.

1 4. Sell, lease or otherwise dispose of any property of the district
2 or interest in the property when the property is no longer required for the
3 purposes of the district or the use of which may be permitted without
4 interfering with the use thereof by the district.

5 5. Sell or otherwise dispose of any property or material acquired in
6 the construction or operation of any improvements as a by-product or
7 otherwise, and acquire rights-of-way for the disposal by condemnation or
8 otherwise.

9 6. Accept from this state or the federal government, or any agency,
10 department or instrumentality of either, grants for or in aid of the
11 construction of any of the improvements provided for by this chapter.

12 7. Notwithstanding any other law, sell improvement bonds to the
13 federal government, or any agency, department or instrumentality of the
14 federal government, for the construction of any of the improvements
15 provided by this chapter.

16 8. Enter into contracts with this state or the federal government,
17 or any agency, department or instrumentality of either or both, for the
18 construction or supervision of construction by ~~the~~ THIS state ~~of~~ Arizona or
19 the federal government, or any agency, department or instrumentality of
20 either or both, but reserving to the district the right to assess against
21 the property benefited by the improvement, and located within the district,
22 that portion of the cost of the improvement that does not qualify for aid
23 under a state or federal grant.

24 9. Operate, maintain and repair the streets within the district and
25 any improvements made pursuant to this chapter.

26 10. Do all things incidental to the exercise of the powers granted
27 by this article.

28 C. A county improvement district formed for the purpose of
29 purchasing an existing or constructing a new domestic water delivery system
30 within the district or outside the district shall have the same authority
31 and responsibility as an incorporated city or town pursuant to title 45 and
32 chapters 22 and 28 of this title.

D. An improvement district that proposes to provide domestic water service within the certificated area of a public service corporation serving domestic water shall provide just compensation to the public service corporation pursuant to section 9-516 for the facilities or certificated area taken. The right to compensation for a public service corporation from an improvement district shall not apply if no facilities of the public service corporation are actually acquired by the improvement district and either of the following conditions exist:

1. At the time the law providing for compensation became effective the certificated area for which compensation is sought is an area that was within the boundaries of an improvement district.

2. A certificate is issued to a public service corporation for any area that is within an improvement district at the time the certificate is issued.

E. If the county board of supervisors determines that the public interest or convenience so requires, an improvement district that is formed for the purposes of providing domestic water service pursuant to article 4 of this chapter may also provide domestic wastewater service.

Sec. 4. Willcox groundwater basin; domestic water improvement district; county board of supervisors; election

A. Within ninety days after the effective date of this section, the Cochise county board of supervisors shall consider whether to place on the ballot for the November 2024 general election for the residents of Cochise county that reside within the Willcox groundwater basin the question of whether to establish a domestic water improvement district that would operate under title 48, chapter 6, Arizona Revised Statutes.

B. The domestic water improvement district prescribed in subsection A of this section:

1. May be established only in the portion of the Willcox groundwater basin that is located within Cochise county.

1 2. May provide for the delivery of drinking water for domestic uses,
2 including by constructing waterworks as defined in section 48-901, Arizona
3 Revised Statutes, and may provide for delivery of drinking water by water
4 hauling to residents in the Willcox groundwater basin that are located
5 within the boundaries of the district.

6 3. May provide for the construction of active or passive stormwater
7 infrastructure in the basin for the purpose of increasing groundwater
8 recharge in the basin.

9 4. Would have the powers and duties as otherwise provided by law for
10 domestic water improvement districts.

11 C. The Cochise county board of supervisors shall establish the
12 proposed boundaries of the domestic water improvement district if the board
13 of supervisors determines that the question shall be placed on the November
14 2024 general election ballot, and shall make publicly available the
15 boundaries of the proposed domestic water improvement district before the
16 election.

17 D. All qualified electors who are registered to vote and reside
18 within the boundaries of the proposed domestic water improvement district
19 are eligible to vote on the question prescribed by this section. The
20 ballot shall state "Should the domestic water improvement district be
21 formed?" followed by the words "Yes" and "No". If a majority of those
22 qualified electors voting on the question votes to approve the formation of
23 the domestic water improvement district, the domestic water improvement
24 district is established. The county board of supervisors is deemed to be
25 the board of directors of the domestic water improvement district.

26 E. Notwithstanding any other statute, the formation election
27 prescribed by this section is sufficient to establish the domestic water
28 improvement district and a petition and related procedures to establish the
29 district is not required.

1 Sec. 5. Emergency

2 This act is an emergency measure that is necessary to preserve the
3 public peace, health or safety and is operative immediately as provided by
4 law."

5 Amend title to conform

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