



ARIZONA STATE SENATE
Fifty-First Legislature, First Regular Session

FACT SHEET FOR H.B. 2492

wastewater utility; acquisition; repeal

Purpose

Removes the authority of a city or town to acquire any or all of a wastewater utility owned or operated by a county.

Background

Wastewater is water that has been used in homes, industries and businesses that cannot be reused until treated. Treatment at a wastewater treatment facility consists of a series of filtrations and purifications in order to make the water safe for reuse (<http://ga.water.usgs.gov>).

Arizona Revised Statutes (A.R.S.) allows a county with a population between one million and two million persons to operate a sewage system, after obtaining approval in the form of a resolution from the governing bodies of the incorporated cities and towns that represent at least one-half of the population (A.R.S. § 11-264).

Current law requires voter approval at a general or special municipal election before a city or town can build, purchase, acquire or lease a public utility, such as a sewage system (A.R.S. 9-514). Statute further prescribes that a city or town authorized to operate a wastewater utility by the affirmative vote of a majority of the qualified electors may acquire any or all of a sewage system located within or serving the city or town and owned or operated by a county. The transfer of the titles to wastewater facilities and infrastructure must be made in writing to the clerk of the board of supervisors stating the date of transfer. The transfer must occur between 30 and 180 days after the written notice and the city or town must pay or assume all outstanding indebtedness associated with the sewage system infrastructure and treatment capacity of the system.

Laws 2012, Chapter 303, Section 12 required the Arizona Department of Environmental Quality (ADEQ) to immediately transfer all permits issued relating to the ownership and operation of a wastewater utility to the city or town that has acquired the wastewater utility. Additionally, the city or town receiving the permits must demonstrate and maintain the financial and technical capability to meet the permit requirements, and pay all reasonable and customary fees and costs associated with the transfers of the permits.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Repeals A.R.S. § 9-514.01 relating to the acquisition of a county wastewater utility.
2. Repeals Laws 2012, Chapter 303, Section 12 relating to the transfer of all permits issued by ADEQ to a city or town that has acquired a wastewater utility.
3. Makes technical and conforming changes.
4. Conditions the enactment of this legislation on a wastewater settlement reached between Pima County and the Town of Marana by July 1, 2014. Requires Pima County and the Town of Marana to promptly provide written notice of the settlement date, or of the failure to reach a settlement, to the Director of the Arizona Legislative Council.
5. Becomes effective on the general effective date or later, subject to the provisions of the conditional enactment.

House Action

GOV	2/12/13	DP	8-0-0-1
AW	2/06/13	W/D	
3 rd Read	2/1/13		57-2-1-0

Prepared by Senate Research

February 28, 2013

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