



**ARIZONA STATE SENATE**  
*Fifty-First Legislature, First Regular Session*

**FINAL AMENDED**  
FACT SHEET FOR S.B. 1251

irrigation districts; audit requirements

Purpose

Establishes guidelines for audits and financial reviews of irrigation and water conservation districts.

Background

Current law states that all special taxing districts, including irrigation or water conservation districts, are required to submit an annual report to the board of supervisors of each county their district resides in (A.R.S. § 48-251). Each of the reports are to be audited in accordance with generally accepted government auditing standards, as well as the following requirements:

- a) each district with a budget of \$1,000,000 or more will be audited annually;
- b) each district with a budget between \$100,000 and \$1,000,000 will have a financial review performed annually;
- c) each district with a budget between \$50,000 and \$100,000 will have a financial review performed at least biennially;
- d) each district with a budget of \$50,000 or less will have a financial review performed at the request of the county board of supervisors or upon receipt of a request for a financial review signed by at least ten residents of that district; and
- e) no district will be required to perform a financial review more than once per fiscal year (A.R.S. § 48-253).

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

Provisions

1. Specifies that an annual audit of an irrigation or water conservation district is required for districts with budgets of at least \$5,000,000.
2. Specifies that an irrigation or water conservation district with a budget between \$1,000,000 and \$5,000,000 must receive a financial audit every five years, and a financial review each year a financial audit is not required.

3. Stipulates that an irrigation or water conservation district with a budget between \$100,000 and \$1,000,000 must receive a financial audit every 10 years and a financial review each year in which a financial audit is not required.
4. Makes conforming changes.
5. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

- Requires that a district with an annual budget of less than \$5,000,000 shall have an audit performed every five years and a financial review performed each year an audit is not performed.

Amendments Adopted by House of Representatives

1. Requires a district with a budget between \$100,000 and \$1,000,000 to receive a financial audit every 10 years and a financial review each year in which a financial audit is not required.
2. Stipulates that a district with a budget between \$1,000,000 and \$5,000,000 must receive a financial audit every five years, and a financial review each year a financial audit is not required.

Senate Action

NRRA	2/13/13	DP	6-0-1
3 <sup>rd</sup> Read	2/25/13		28-0-2
Final Read	4/11/13		27-0-3

House Action

WM	3/11/13	DPA	8-0-0-0
3 <sup>rd</sup> Read	3/25/13		58-0-2-0

Signed by the Governor 4/16/13  
Chapter 113

Prepared by Senate Research  
May 6, 2013  
LL/MM/ly