

**Draft Rule Language for Permanent Municipality Fee beginning in FY 2013
(to be adopted through a formal rulemaking proceeding)**

R12-15-101. Definitions

In addition to the definitions in A.R.S. §§ 45-101, 45-271, 45-402, 45-511, 45-561, 45-802.01, 45-1001, 45-1201 and R12-15-701, the following definitions apply to this Article:

1. No change
2. “Fiscal year” means the year beginning July 1 and ending June 30.
- 2 3. No change
4. “Municipality” means an incorporated city or town.
5. "Population" means the population according to the most recent United States decennial census.
- 3 6. No change
- 4 7. No change
- 5 8. No change
- 6 9. No change
10. “Water resources fund” means the water resources fund established by A.R.S. § 45-117.

R12-15-107. Municipality Fee

A. Each municipality in this state shall pay a fee to the Department each fiscal year in the amount calculated by the Director pursuant to subsection (B) of this Section. The fee shall be paid by the date specified in subsection (E) of this Section.

B. The Director shall calculate a municipality’s fee for a fiscal year as follows:

1. Determine the ratio, expressed as a percentage, that the municipality's population bears to the total population of all municipalities in the state by dividing the municipality's population by the total population of all municipalities in the state.
 2. Subtract the amount of unobligated monies in the water resources fund at the beginning of the fiscal year from \$7,000,000.
 3. Multiply the percentage calculated in subsection (B)(1) by the result in subsection (B)(2).
- C.** By August 1 of each fiscal year, the Director shall notify a municipality in writing of the municipality's fee for that fiscal year as calculated pursuant to subsection (B) of this Section, including the manner in which the fee was calculated. The notice shall be given to the municipality's city or town manager or city or town attorney.
- D.** A municipality may seek review of the calculation of its fee by filing a written request for review with the Director within 15 calendar days after receiving written notice of the fee. Review shall be limited to whether the Director's calculation of the fee contains a mathematical error. The Director shall make a final decision on a request for review and mail a final written decision to the municipality requesting the review within 15 calendar days after the date the Director receives the written request.
- E.** A municipality shall pay its fee for a fiscal year by October 15 of that fiscal year.