## Legal Title
1986 Water Conservation and Water Quality Bond Fund

## Legal Citation/Authority
Chapter 6, Statutes of 1986
Water Code sections 13450-13469

## Fund Classification

<table>
<thead>
<tr>
<th>GAAP Basis</th>
<th>Legal Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental/Special Revenue Funds</td>
<td>Nongovernmental/Bond Funds</td>
</tr>
</tbody>
</table>

## Purpose
Chapter 6, Statutes of 1986, created the 1986 Water Conservation and Water Quality Bond Fund as well as two sub-funds within this fund. The Agricultural Drainage Water Account (0744001) and the Water Conservation and Groundwater Recharge Account (0744002) are to be used by the State Water Resources Control Board and the Department of Water Resources, respectively, for the purpose of providing loans to local agencies to aid in the acquisition and construction of voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities and to aid in the construction of drainage water management units.

## Administering Agency/Organization Code
State Water Resources Control Board/Org 3940 and the Department of Water Resources/Org 3860

## Major Revenue Source
Proceeds from the sale of up to $150,000,000 in general obligation bonds.

An appropriation from the General Fund in the amount necessary annually to pay the principal of, and the interest on, the bonds issued and sold.

## Disposition of Fund (upon abolishment)
Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.

## Appropriation Authority
Section 13460 of the Government Code provides that moneys deposited in the fund from repayments from assistance financed by proceeds of the bonds shall be available for transfer to the General Fund as a reimbursement for payment of bond principal and interest. The Legislature must annually appropriate funds from the 1986 Water Conservation and Water Quality Bond Fund to the State Water Resources Control Board through the Budget Act.

## State Appropriations Limit
**Always Excluded** – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Bond Fund.

## Comments/Historical Information