

6. Sludge composting.
7. Using as playground equipment.
8. Incinerating or using as a fuel or pyrolysis if permitted by laws, regulations or ordinances relating to burning or fuel.
9. Hauling to out-of-state collection or processing sites.
10. Tire monofills if tires are chopped or shredded.
11. Use as a building material for building construction in accordance with applicable city, town and county building codes.

E. For purposes of subsection D, paragraph 10 of this section, "tire monofill" means a solid waste disposal facility or a part of a facility used for the exclusive purpose of the disposal of waste tires which are chopped, shredded or cut up for the purpose of disposal.

F. The director of the department of environmental quality, by rule, may authorize other methods of disposal of waste tires. If the director of the department of environmental quality authorizes disposal of waste tires as daily cover material for a landfill, the director shall specify the size of the parts into which the material must be cut.

G. Each county shall provide at least one designated waste tire collection site in the county to receive waste tires from a seller of motor vehicle tires or the seller's designee complying with section 44-1302. Additional waste tire collection sites or disposal arrangements shall be established by the county as necessary for the disposal of waste tires as provided in subsection B of this section. All collection sites established under this subsection shall comply with applicable zoning and ordinance regulations. The county or private enterprise receiving waste tire fund monies from a county— shall not impose a tire tipping fee and shall not refuse to accept waste tires from a seller of motor vehicle tires or the seller's designee complying with section 44-1302, unless provided for in section 44-1302, subsection H.

Approved by the Governor April 18, 1994.

Filed in the Office of the Secretary of State April 19, 1994.

## STATE LANDS—GRAZING LEASES

### CHAPTER 171

S.B. 1436

#### AN ACT AMENDING SECTIONS 37-101 AND 37-285, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION; RELATING TO STATE LANDS.

*Be it enacted by the Legislature of the State of Arizona:*

Section 1. Section 37-101, Arizona Revised Statutes, is amended to read:

#### § 37-101. Definitions

In this title, unless the context otherwise requires:

1. "Agricultural lands" means lands which are used or can be used principally for raising crops, fruits, grains and similar ranch products.
2. "Amortized value" means the value for improvements established pursuant to section 37-281.02, subsection G.

Additions are indicated by underline; deletions by ~~strikeout~~

~~3. "Animal unit" means one weaned beef animal over six months of age, or one horse, or five goats, or five sheep, or the equivalent.~~

~~4. "Animal unit month" means one animal unit grazing for one month.~~

~~5. "Average annual carrying capacity" means the average number of animal units which can be supported by a section of grazing land with due consideration for sustained production of the forage consistent with conservative range management.~~

~~6. "Average market price of cattle" means the average price by the hundredweight received, during the calendar year under consideration, by producers of cattle, exclusive of calves, in the states of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming, as determined by the United States department of agriculture statistical reporting service or its successor.~~

~~7.3. "Commercial lands" means lands which can be used principally for business, institutional, religious, charitable, governmental or recreational purposes, or any general purpose other than agricultural, grazing, mining, oil, homesite or rights-of-way.~~

~~8.4. "Commissioner" means the state land commissioner.~~

~~9.5. "Community identity package" means a design theme including such elements as architecture, landscape, lighting, street furniture, walls and signage.~~

~~10.6. "Department" means the state land department.~~

~~11.7. "Grazing lands" means lands which can be used only for the ranging of animals.~~

~~12.8. "Holding lease" means a commercial lease issued solely to grant a limited use leasehold interest in state land in anticipation of future development.~~

~~13.9. "Homesite lands" means lands which are suitable for residential purposes.~~

~~14.10. "Improvements" means anything permanent in character which is the result of labor or capital expended by the lessee or his predecessors in interest on state land in its reclamation or development, and the appropriation of water thereon, and which has enhanced the value of the land.~~

~~15.11. "Infrastructure" means facilities or amenities, such as streets, utilities, landscaping and open space, which are constructed or located on state lands and which are intended to benefit more than the land on which they are immediately located by enhancing the development potential and value of the state lands impacted by the facility or amenities.~~

~~16.12. "Leapfrog development" means the development of lands in a manner requiring the extension of public facilities and services from their existing terminal point through intervening undeveloped areas that are scheduled for development at a later time, according to the plans of the local governing body having jurisdiction for the area and which is responsible for the provision of these facilities and services.~~

~~17.13. "Leased school or university land" means school or university land for which a lease has been issued by the state, or the territory of Arizona, under which the lessee retains rights.~~

~~18.14. "Master developer" means a person who assumes, as a condition of a land disposition, the responsibilities prescribed by the department for infrastructure or community identity package amenities, or both, and for implementing the development plan containing a master plan area.~~

~~19.15. "Participation contract" means a contract arising out of a lease or sale, or both, together with other rights and obligations in trust lands obtained by a master developer whereby the department receives a share of the master developer's revenues generated by subsequent sales, lease assignments or subleases.~~

~~20.16.~~ "Section of land" means an area of land consisting of six hundred forty acres.

~~21.17.~~ "State lands" means any land owned or held in trust, or otherwise, by the state, including leased school or university land.

~~22.18.~~ "Urban lands" means any state lands which are adjoining existing commercially or homesite developed lands and which are either:

- (a) Within the corporate boundaries of a city or town.
- (b) Adjacent to the corporate boundaries of a city or town.

(c) Lands for which the designation as urban lands is requested pursuant to section 37-331.01.

~~23.19.~~ "Urban sprawl" means the development of lands in a manner requiring the extension of public facilities and services on the periphery of an existing urbanized area where such extension is not provided for in the existing plans of the local governing body having the responsibility for the provision of these facilities and services to the lands in question.

Sec. 2. Section 37-285, Arizona Revised Statutes, is amended to read:

§ 37-285. **Rental rates for grazing and other lands; grazing land valuation commission; reclassification and reappraisal; definitions**

A. An agricultural, ~~grazing,~~ commercial or homesite lease shall provide for an annual rental of not less than the appraised rental value of the land ~~or forage for grazing,~~ and never less than five cents per acre per annum. The rental provided in such leases is subject to adjustment each year.

B. A grazing lease shall provide for an annual rental of the grazing land as computed under this ~~subsection~~ section. All grazing land shall be classified and appraised on the basis of its ~~forage and~~ annual carrying capacity, measured in animal unit months. The annual rental rate for grazing land shall be the amount determined by multiplying the ~~carrying capacity of~~ number of animal unit months to be grazed on the lands by the ~~annual true value rental rate per animal unit month as established by the commissioner.~~ The rental rate per animal unit month in effect on March 15, 1994 shall remain in effect through March 15, 1996. Beginning from and after March 14, 1996, the rental rate per animal unit month shall be the rental rate determined by the commissioner based on the recommendations of the grazing land valuation commission under subsection E of this section, is determined by adding the beef price index and the forage value index, subtracting the prices paid index, dividing by one hundred and multiplying by a base fee of ninety-five cents.

C. Before September 1, 1994, and at such other times as the commissioner may propose, but not more frequently than every five years, the governor shall appoint a grazing land valuation commission consisting of five members appointed by the governor pursuant to section 38-211. The commission shall serve for a period of one year from the date the members assume office during which period the commission shall complete the appraisal. The commission shall consist of the following members, each of whom shall have experience in analyzing and valuing the use of forage on grazing land:

1. One member who is a professional appraiser, certified in this state.
2. One member who is a professor who serves on the faculty of the college of agriculture at the university of Arizona.
3. One member who is a retired employee of a financial institution that is actively engaged in agricultural lending.
4. One member who primarily derives his income from livestock grazing and who does not hold a state lease.

5. One member who is a conservationist, representing a natural resource conservation district in this state.

D. Each member of the grazing land evaluation commission shall receive compensation at the rate of one hundred dollars for each meeting. Each member of the commission shall receive reimbursement for expenses pursuant to title 38, chapter 4, article 2.

E. The grazing land valuation commission may employ a person who is experienced in analyzing and valuing the use of forage on grazing land and who, together with the members of the commission, shall gather the information that is necessary to prepare an appraisal to determine the true value of the use of forage on state grazing land, and shall prepare this appraisal using both the market and income approaches. The appraisal report shall recommend a grazing fee that will equal the true value as recommended by the commission. The information and work products gathered in preparing the appraisal shall be available to the public. In determining the rental rate using the market approach the commission shall determine the typical lease of two years or more of private grazing land located in this state during normal years. The commission shall compare all factors that make up the bundle of rights and obligations in the typical private lease with the factors that make up the bundle of rights and obligations in the typical state lease. The commission shall document all adjustments, calculations and assumptions made in reaching a conclusion of true rental value for the state land grazing fee and shall determine economic benefit, burden or value attributable to each of these factors. These factors shall include the following:

1. All services, equipment and water rights provided by the lessor or lessee.
2. All improvements typically constructed and maintained to facilitate or enhance the use of the land for livestock grazing, wildlife, hunting or recreation.
3. All management and protection services that are typically provided.
4. The tenure, right to renew, assignability, right to reimbursement for improvements, responsibility for property taxes, the right of others to share in the use of the land and the ability to control access by others.
5. The size, location, accessibility, condition and carrying capacity of the land being leased and all related costs.

F. The commissioner's decision under this section may be appealed by any affected lessee to the board of appeals pursuant to section 37-215 and the decision of the board of appeals may be appealed to the superior court pursuant to title 12, chapter 7, article 6.

G.G. The commissioner may make a reclassification or reappraisal, or both, at any time. If a reclassification or reappraisal, or both, is made pursuant to a request of a lessee, before expiration of his lease, he shall pay the reclassification fee prescribed by section 37-108 plus the actual expenses incurred in making a reappraisal.

D.H. The department may authorize non-use for part or all of the grazing use upon request of the lessee within at least sixty days prior to the beginning of the billing date. The rental fee shall be based on the animal unit months used, but the total rental fee for partial or full non-use shall not be less than five cents per acre per annum.

E.I. In this section:

1. "Animal unit" means one weaned beef animal over six months of age, or one horse, or five goats, or five sheep, or the equivalent.

2. "Animal unit month" means one animal unit grazing for one month.

1.—"Base fee" means the fee derived from the one-dollar-twenty-three-cent fair market value base fee established by the 1966 western livestock grazing survey for

~~federal lands adopted by Congress (P.L. 95-514 Oct. 25, 1978) less twenty-eight cents for range improvement investment and taxes paid on improvements by grazing lessees on state land.~~

~~2. "Beef price index" means an index of the weighted average annual price for beef cattle, excluding calves, for the eleven western states as compared with a specific base period equal to one hundred, as compiled by the United States department of agriculture statistical reporting service.~~

~~3. "Eleven western states" means Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.~~

~~4. "Forage value index" means the index computed annually by the United States department of agriculture economic research service of the relative change in the previous year's average monthly rate per head for pasturing cattle on privately owned land in the eleven western states, using the base period of 1964 through 1968 as equal to one hundred with each animal-unit-month equal to three dollars sixty-five cents.~~

~~5. "Prices paid index" means an index of prices paid by farmers for commodities and services, interest, taxes and farm wages, as compiled by the United States department of agriculture statistical reporting service, compared to a specific base period equal to one hundred.~~

### Sec. 3. Appropriation

The sum of \$100,000 is appropriated from the state general fund to the state land department for fiscal year 1994-1995 to pay the expenses of the valuation commission under section 37-285, Arizona Revised Statutes, as amended by this act, as determined by the state land department.

Approved by the Governor April 18, 1994.

Filed in the Office of the Secretary of State April 19, 1994.

## COUNTY IMPROVEMENT DISTRICTS— ELECTRICITY PURCHASES

### CHAPTER 172

#### S.B. 1452

### AN ACT AMENDING SECTION 48-960, ARIZONA REVISED STATUTES; RELATING TO COUNTY IMPROVEMENT DISTRICTS.

*Be it enacted by the Legislature of the State of Arizona:*

Section 1. Section 48-960, Arizona Revised Statutes, is amended to read:

#### § 48-960. Improvement districts for purchasing electricity for lighting public streets and parks

A. In addition to the purposes for which an improvement district may be formed under the provisions of section 48-909, an improvement district may be formed for the sole purpose of purchasing electricity for the lighting of the public streets and parks of the improvement district.

B. Subject to the limitations contained in this section, the powers and duties of the board of directors of such district and those of the board of supervisors shall be as provided in this article for other types of improvement districts.

Additions are indicated by underline; deletions by ~~strikeout~~