natural resource conservation districts; revisions

State of Arizona House of Representatives Fifty-sixth Legislature First Regular Session 2023

# **HOUSE BILL 2444**

#### AN ACT

AMENDING SECTION 37-1002, ARIZONA REVISED STATUTES; AMENDING TITLE 37, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 37-1003, 37-1004, 37-1005, 37-1006, 37-1007, 37-1008 AND 37-1009; AMENDING SECTIONS 37-1012, 37-1013, 37-1014, 37-1032, 37-1033, 37-1034, 37-1038, 37-1051, 37-1052 AND 37-1054, ARIZONA REVISED STATUTES; RELATING TO NATURAL RESOURCE CONSERVATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 37-1002, Arizona Revised Statutes, is amended to read:

#### 37-1002. <u>Definitions</u>

In this chapter, unless the context otherwise requires:

- 1. "Agency of the state" includes the government of  $\frac{1}{1}$  the THIS state and any subdivision, agency or instrumentality, corporate or otherwise, of the state government.
- 2. "Agricultural lands" means irrigated farm lands or dry farm lands devoted to the purpose of agriculture.
- 3. "COMMISSION" MEANS THE NATURAL RESOURCE CONSERVATION DISTRICT FUND COMMISSION.
- 3. 4. "Commissioner" or "state natural resource conservation commissioner" means the state land commissioner.
- 5. "COOPERATIVE AGREEMENT" MEANS AN AGREEMENT BETWEEN A NATURAL RESOURCE CONSERVATION DISTRICT AND A PROPERTY OWNER WITHIN THE DISTRICT BOUNDARIES.
  - 4. 6. "Department" means the state land department.
- 5. 7. "District" means a natural resource conservation district organized in accordance with the provisions of this chapter.
- 6. 8. "District cooperator" means any person who has entered into a cooperative agreement with a natural resource conservation district for the purpose of protecting, conserving and practicing wise use of the natural resources under his control.
- 7. 9. "Due notice" means notice published at least twice with an interval of at least six days between the two publication dates, in a newspaper of general circulation within the area affected, or if there is no newspaper of general circulation within the area affected, in a newspaper of general circulation in the county in which the area is located.
- 10. "FUND" MEANS THE NATURAL RESOURCE CONSERVATION DISTRICT FUND ESTABLISHED BY SECTION 37-1008.
- 8. 11. "Government" or "governmental" includes the government of the THIS state, the government of the United States, and any subdivision, agency or instrumentality, corporate or otherwise, of either of them.
- 9. 12. "Irrigation district" means an irrigation district, drainage district, water conservation district, agricultural improvement district, and, in addition thereto, includes any district, political subdivision, government agency, canal company, association, corporation or instrumentality of the THIS state, having territorial boundaries and created or organized for the purpose of furnishing irrigation water for lands in the THIS state.
- $\frac{10.}{10.}$  13. "Landowner" or "owner of land" means any person, firm or corporation, including the THIS state, holding title to any land lying within a district organized or proposed to be organized under the

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 provisions of this chapter, and includes a buyer on contract who THAT is the occupant of land. For the purposes of this chapter, a holder of a certificate of purchase or lease from the THIS state shall be considered the "landowner" or "owner of land".

- $\frac{11.}{14.}$  "Nominating petition" means a petition to nominate candidates for the office of supervisor.
- $\frac{12}{15}$ . "Petition" means a petition for the creation or for the dissolution of a district.
- $\frac{13.}{16.}$  "Qualified elector" means a person who is a district cooperator and a qualified elector of the state.
- $\frac{14.}{17.}$  "Range lands" means lands other than agricultural lands  $\frac{14.}{17.}$  THAT ARE devoted principally to the purpose of grazing livestock.
- 15. 18. "Supervisor" means a member of the governing body of a district, elected or appointed in accordance with the provisions of this chapter.
- 16. 19. "United States" or "agencies of the United States" includes the United States, the United States department of agriculture and any other agency or instrumentality, corporate or otherwise, of the United States.
- Sec. 2. Title 37, chapter 6, article 1, Arizona Revised Statutes, is amended by adding sections 37-1003, 37-1004, 37-1005, 37-1006, 37-1007, 37-1008 and 37-1009, to read:
  - 37-1003. <u>Natural resource conservation district fund</u> commission; membership; immunity
- A. THE NATURAL RESOURCE CONSERVATION DISTRICT FUND COMMISSION IS ESTABLISHED AND CONSISTS OF THE FOLLOWING MEMBERS:
- 1. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES CONSERVATION SERVICE AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.
- 2. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES CONSERVATION SERVICE AND WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.
- 3. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES CONSERVATION SERVICE AND WHO IS APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.
- 4. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED

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 PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES CONSERVATION SERVICE AND WHO IS APPOINTED BY THE MINORITY LEADER OF THE SENATE.

- 5. TWO MEMBERS WHO ARE RESIDENTS OF THIS STATE, WHO ARE EITHER AN ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES CONSERVATION SERVICE AND WHO ARE APPOINTED BY THE GOVERNOR.
- 6. ONE MEMBER WHO SERVES ON THE EXECUTIVE BOARD OF A STATEWIDE ASSOCIATION OF NATURAL RESOURCE CONSERVATION DISTRICTS AND WHO IS APPOINTED BY THE MEMBERS OF THE COMMISSION WHO ARE APPOINTED PURSUANT TO PARAGRAPHS 1 THROUGH 5 OF THIS SUBSECTION.
- 7. AS A NONVOTING EX OFFICIO MEMBER, THE STATE NATURAL RESOURCE CONSERVATION COMMISSIONER.
- 8. AS NONVOTING ADVISORY MEMBERS, ONE MEMBER OF THE HOUSE OF REPRESENTATIVES WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, ONE MEMBER OF THE SENATE WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE, ONE MEMBER OF HOUSE OF REPRESENTATIVES WHO IS APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND ONE MEMBER OF THE SENATE WHO IS APPOINTED BY THE MINORITY LEADER OF THE SENATE. THE NONVOTING ADVISORY MEMBERS MAY NOT BE CONSIDERED FOR PURPOSES OF ESTABLISHING A QUORUM.
- B. NO TWO APPOINTED MEMBERS OF THE COMMISSION MAY SERVE AS AN ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT FROM THE SAME GEOGRAPHIC NATURAL RESOURCE AREA AS DEFINED BY A STATEWIDE ORGANIZATION REPRESENTING NATURAL RESOURCE CONSERVATION DISTRICTS. NO FEWER THAN SIX APPOINTED MEMBERS SHALL BE FROM A CONSERVATION DISTRICT ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS CHAPTER.
- C. APPOINTED MEMBERS OF THE COMMISSION SHALL BE SELECTED FROM APPLICATIONS SUBMITTED TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE, MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND MINORITY LEADER OF THE SENATE. QUALIFIED INDIVIDUALS AND NATURAL RESOURCE CONSERVATION DISTRICT BOARDS ON BEHALF OF QUALIFIED INDIVIDUALS MAY SUBMIT APPLICATIONS. THE APPLICATION SHALL INCLUDE THE APPLICANT'S NAME AND QUALIFICATIONS AND THE NATURAL RESOURCE CONSERVATION DISTRICT FOR WHICH THE APPLICANT SERVES AS AN ELECTED OR APPOINTED SUPERVISOR.
- D. MEMBERS OF THE COMMISSION APPOINTED PURSUANT TO SUBSECTION A, PARAGRAPHS 1 THROUGH 6 OF THIS SECTION SHALL BE APPOINTED FOR TWO YEAR STAGGERED TERMS. A MEMBER MAY SERVE MORE THAN ONE TERM AND MAY CONTINUE TO SERVE BEYOND THE EXPIRATION OF THE TERM UNTIL A SUCCESSOR IS APPOINTED AND ASSUMES OFFICE.

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- E. ON REQUEST, MEMBERS WHO ARE NOT EX OFFICIO OR ADVISORY MEMBERS OF THE COMMISSION ARE ELIGIBLE FOR REIMBURSEMENT FOR EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.
- F. MEMBERS OF THE COMMISSION ARE IMMUNE FROM LIABILITY FOR ANY ACTION NECESSARY TO CARRY OUT THE PURPOSES OF THIS CHAPTER.
  - 37-1004. Powers and duties; annual report; limits
- A. THE AUTHORITY VESTED IN AND THE DUTIES IMPOSED ON THE COMMISSION SHALL BE EXERCISED BY A QUORUM OF MEMBERS THAT CONSISTS OF A MAJORITY OF MEMBERS THEN IN OFFICE, EXCEPT THAT A LESSER NUMBER MAY HOLD PUBLIC MEETINGS WITHOUT TAKING LEGAL ACTION.
  - B. THE COMMISSION SHALL:
  - 1. ADOPT RULES NECESSARY TO PERFORM ITS DUTIES.
  - 2. AWARD GRANT MONIES IN ACCORDANCE WITH SECTION 37-1007.
- 3. COORDINATE STAFFING NEEDS WITH THE STATE NATURAL RESOURCE CONSERVATION COMMISSIONER.
- 4. ADOPT AN OFFICIAL SEAL FOR AUTHENTICATING THE COMMISSION'S RECORDS. DECISIONS AND RESOLUTIONS.
- 5. KEEP THE MINUTES OF COMMISSION MEETINGS AND ALL RECORDS, REPORTS AND OTHER INFORMATION RELATING TO THE COMMISSION'S WORK AND PROGRAMS IN PERMANENT FORM, SYSTEMATICALLY INDEXED AND FILED.
- 6. DESIGNATE AN INDIVIDUAL TO EXECUTE ALL DOCUMENTS AND INSTRUMENTS ON BEHALF OF THE COMMISSION.
- 7. EACH YEAR ELECT A CHAIRPERSON AND A VICE CHAIRPERSON FOR THE COMMISSION.
- 8. MANIFEST AND RECORD COMMISSION ACTIONS BY MOTION, RESOLUTION, ORDER OR OTHER APPROPRIATE MEANS.
- 9. IN ADDITION TO THOSE MEETINGS REQUIRED BY LAW TO BE OPEN, HOLD OPEN PUBLIC MEETINGS AS THE COMMISSION CONSIDERS APPROPRIATE.
- 10. PREPARE AN ANNUAL REPORT OF THE COMMISSION'S ACTIVITIES PURSUANT TO SECTION 37-1009.
  - C. THE COMMISSION MAY:
  - 1. SUE AND BE SUED.
- 2. CONTRACT WITH ANY PERSON FOR THE EXPENDITURE OF MONIES, INCLUDING AWARDING GRANTS PURSUANT TO SECTION 37-1007.
- 3. MEET WITH STATE AUTHORITIES TO CONSIDER MATTERS OF MUTUAL INTEREST.
- 4. SECURE FROM ANY STATE AGENCY OR DEPARTMENT INFORMATION NECESSARY TO ENABLE THE COMMISSION TO CARRY OUT ITS PURPOSES.
- 5. ACCEPT, USE AND DISPOSE OF APPROPRIATIONS, GIFTS OR GRANTS OF MONEY OR OTHER PROPERTY OR DONATIONS OF SERVICES, FROM WHATEVER SOURCE, ONLY TO CARRY OUT THE PURPOSES OF THIS CHAPTER.
- 6. PERFORM ALL OTHER ACTS NECESSARY TO CARRY OUT THE PURPOSES OF THIS CHAPTER.
  - D. THIS CHAPTER DOES NOT AUTHORIZE THE COMMISSION TO PURCHASE REAL PROPERTY OR TO USE THIS STATE'S RIGHT OF EMINENT DOMAIN TO ACQUIRE WATER

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OR WATER RIGHTS OR LONG-TERM STORAGE CREDITS USING MONIES DERIVED FROM THE NATURAL RESOURCE CONSERVATION DISTRICT FUND ESTABLISHED BY SECTION 37-1008.

37-1005. Application guidelines

BEFORE GRANTS ARE AWARDED PURSUANT TO SECTION 37-1007 AND ON OR BEFORE JULY 1, 2024 AND EVERY THREE YEARS THEREAFTER, THE COMMISSION SHALL DEVELOP IN CONJUNCTION WITH THE COMMISSIONER GUIDELINES FOR GRANT APPLICANTS. THE GUIDELINES MUST INCLUDE THE FOLLOWING:

- 1. A DELINEATION OF GEOGRAPHIC AREAS IN THIS STATE WHERE PROTECTION AND RESTORATION WILL BE EMPHASIZED.
  - 2. ISSUES OF CONCERN.
  - 3. TYPES OF MEASURES NEEDED TO ADDRESS ISSUES OF CONCERN.
- 4. A REQUIREMENT THAT THE APPLICANT INCLUDE A DESCRIPTION OF THE RELATIONSHIP BETWEEN THE PROPOSED PROJECT AND EXISTING PLANS, REPORTS AND INFORMATION THAT ARE RELEVANT TO THE PROPOSED PROJECT.
  - 37-1006. Public involvement; fee
- A. THE COMMISSION IS SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 3.1 AND TITLE 39, CHAPTER 1.
  - B. THE COMMISSION SHALL GATHER INFORMATION FROM THE FOLLOWING:
  - 1. THE STATE NATURAL RESOURCE CONSERVATION COMMISSIONER.
- 2. THE FEDERAL AND STATE FISH, WILDLIFE, RECREATION AND NATURAL RESOURCE AGENCIES.
  - 3. COUNTY AND MUNICIPAL ENTITIES.
  - 4. THE PUBLIC.
- C. THE COMMISSION SHALL DEVELOP AND MAY AMEND THE GUIDELINES FOR GRANT APPLICANTS REQUIRED BY SECTION 37-1005 AFTER REVIEWING THE RECOMMENDATIONS SUBMITTED BY THE NATURAL RESOURCE CONSERVATION DISTRICTS PURSUANT TO SECTION 37-1054, SUBSECTIONS D AND E AND THE INFORMATION GATHERED DURING THE PUBLIC INVOLVEMENT PROCESS.
- D. THE COMMISSION SHALL DEVELOP PROCEDURES TO ENSURE ADEQUATE PUBLIC PARTICIPATION. AT A MINIMUM, PUBLIC PARTICIPATION PROCEDURES SHALL:
- 1. PRESCRIBE PUBLIC NOTICE REQUIREMENTS, INCLUDING THE CONTENT AND PUBLICATION OF THE NOTICE.
- 2. PROVIDE AN OPPORTUNITY FOR PUBLIC HEARINGS AND PROCEDURES THAT GOVERN THE PUBLIC HEARINGS, INCLUDING THAT PUBLIC HEARINGS BE HELD AT PLACES AND TIMES THAT AFFORD A REASONABLE OPPORTUNITY FOR THE PUBLIC TO PARTICIPATE.
  - 3. REQUIRE THE PUBLIC AVAILABILITY OF RELEVANT DOCUMENTS.
- 40 E. THE COMMISSION SHALL MAKE AVAILABLE FOR VIEWING COPIES OF THE 41 RECOMMENDATIONS AND SUPPORTING DOCUMENTS SUBMITTED PURSUANT TO THIS 42 SECTION AND MAY CHARGE A FEE PRESCRIBED BY THE COMMISSION FOR COPYING.

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40 41 37-1007. <u>Project grants: application: public involvement:</u> exemption

- A. THE COMMISSION SHALL:
- 1. AWARD GRANT MONIES FROM THE FUND PURSUANT TO THE APPLICATION GUIDELINES DEVELOPED PURSUANT TO SECTION 37-1005.
  - 2. ESTABLISH A PROCEDURE BY WHICH MONIES MAY BE GRANTED ANNUALLY.
- 3. APPROVE OR DENY AN APPLICATION AND DISBURSE GRANT MONIES NOT LATER THAN SIX MONTHS AFTER RECEIVING THE APPLICATION.
- 4. REQUIRE AS A CONDITION OF APPROVAL OF ANY APPLICATION ALL OF THE FOLLOWING:
  - (a) ALLOWING ACCESS FOR INSPECTION AND EVALUATION OF THE PROJECT.
- (b) CONTROLLING THE EXPENDITURE OF AND ACCOUNTING FOR ANY MONIES AWARDED BY THE COMMISSION.
- (c) REQUIRING THAT THE PERSONS RESPONSIBLE FOR THE PROJECT SUBMIT ALL PERTINENT INFORMATION AND RESEARCH GAINED FROM THE PROJECT TO THE COMMISSION.
- (d) REQUIRING THAT ANY PERSON RECEIVING A GRANT SPEND NOT MORE THAN FIVE PERCENT OF THE GRANT ON THE COST OF ADMINISTERING THE PROJECT.
- (e) COMMITTING TO WORK JOINTLY WITH THE AFFECTED CITIES, TOWNS, COUNTIES, NATURAL RESOURCE CONSERVATION DISTRICTS AND SPECIAL DISTRICTS THAT HAVE CONTACTED THE COMMISSION ON ALL ASPECTS OF THE PROJECT'S IMPLEMENTATION AND MONITORING, UNLESS THE JURISDICTION CHOOSES NOT TO PARTICIPATE.
- 5. PROVIDE FOR PUBLIC INVOLVEMENT ON GRANT APPLICATIONS SUBMITTED TO THE COMMISSION. PUBLIC INVOLVEMENT SHALL INCLUDE:
  - (a) PUBLICLY POSTING APPLICATION INFORMATION.
  - (b) NOTIFYING ANY PERSON WHO REQUESTS NOTICE OF APPLICATIONS.
- (c) A REASONABLE OPPORTUNITY FOR COMMENT ON AN APPLICATION FOR A PERIOD OF AT LEAST FORTY-FIVE DAYS.
- B. ANY NATURAL RESOURCE CONSERVATION DISTRICT WITH ELECTED OR APPOINTED SUPERVISORS MAY APPLY FOR A GRANT FROM THE FUND.
- C. THE STATE LAND DEPARTMENT MAY APPLY FOR A GRANT FROM THE FUND FOR ADDITIONAL MONIES NECESSARY TO ADMINISTER THIS CHAPTER.
- D. A FEDERAL AGENCY IS NOT ELIGIBLE TO RECEIVE GRANT MONIES FROM THE FUND.
- E. GRANTS MAY BE AWARDED ONLY TO FINANCE PROGRAMS AUTHORIZED UNDER SECTION 37-1054 THAT ARE LOCATED IN THIS STATE.
- F. GRANT APPLICATIONS SHALL BE SUBMITTED TO THE COMMISSION AND MAY INCLUDE EXPRESSIONS OF SUPPORT FROM AFFECTED CITIES, TOWNS, COUNTIES, NATURAL RESOURCE CONSERVATION DISTRICTS, SPECIAL DISTRICTS OR INDIAN TRIBES.
- 42 G. GRANTS MADE PURSUANT TO THIS ARTICLE ARE EXEMPT FROM TITLE 41, 43 CHAPTER 23.

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#### 37-1008. Natural resource conservation district fund

- A. THE NATURAL RESOURCE CONSERVATION DISTRICT FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE COMMISSION SHALL ADMINISTER THE FUND FOR THE PURPOSES PRESCRIBED IN THIS ARTICLE. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION.
  - B. THE COMMISSION SHALL:
  - 1. ESTABLISH PRIORITIES FOR THE FUND.
- 2. USE THE MONIES IN THE FUND TO PROVIDE GRANTS TO NATURAL RESOURCE CONSERVATION DISTRICTS TO CONDUCT PROGRAMS AUTHORIZED UNDER SECTION 37-1054.
- C. THE COMMISSION MAY ACCEPT AND SPEND PRIVATE GRANTS, GIFTS, CONTRIBUTIONS AND DEVISES TO ASSIST IN PROVIDING GRANTS UNDER SECTION 37-1007
- D. THE COMMISSION MAY AWARD UP TO FIVE PERCENT OF THE TOTAL MONIES DEPOSITED IN THE FUND DURING THE PREVIOUS CALENDAR YEAR AS A GRANT TO THE STATE LAND DEPARTMENT FOR ADDITIONAL MONIES TO ADMINISTER THIS CHAPTER.
- E. ON NOTICE FROM THE COMMISSION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.
- F. INTEREST EARNED ON MONIES IN THE FUND MAY BE SPENT BY THE STATE LAND DEPARTMENT TO ADMINISTER THIS CHAPTER. ANY INTEREST EARNED IN EXCESS OF ADMINISTRATIVE COSTS MAY BE AWARDED AS A GRANT PURSUANT TO SUBSECTION D OF THIS SECTION.

## 37-1009. Annual report

ON OR BEFORE JULY 1, 2024 AND EVERY YEAR THEREAFTER, THE COMMISSION SHALL SUBMIT A DETAILED REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE. THE REPORT SHALL DESCRIBE THE ACTIONS TAKEN BY THE COMMISSION AND THE GRANTS AWARDED FROM THE FUND DURING THE PREVIOUS FISCAL YEAR.

Sec. 3. Section 37-1012, Arizona Revised Statutes, is amended to read:

#### 37-1012. State natural resource conservation commissioner

- A. The state land commissioner shall be THE state natural resource conservation commissioner. He THE COMMISSIONER shall serve as such without additional compensation.
- B. The commissioner may appoint an administrative officer of the division of natural resource conservation, a secretary and such other assistants as may be required, assign their duties,—AND define their powers and determine the amount of bond required of any assistant entrusted with funds or property. The compensation of all such assistants shall be as determined pursuant to section 38-611.

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C. The commissioner shall:
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1. Adopt a seal<del>, which</del> THAT shall be judicially noticed. <del>, and shall</del>

- 2. Hold such public hearings. ,
- 3. Provide for the keeping of a record of all proceedings and annual records of district operations.  $\overline{\phantom{a}}$
- 4. Promulgate such orders, rules and regulations and perform such other acts as are necessary to carry out the provisions of this chapter.
  - 5. COORDINATE WITH THE COMMISSION ON STAFFING NEEDS.
- Sec. 4. Section 37-1013, Arizona Revised Statutes, is amended to read:

#### 37-1013. Powers and duties of commissioner

- A. The state natural resource conservation commissioner shall:
- 1. Offer appropriate assistance to the supervisors of districts in carrying out their powers and programs.
- 2. Keep the supervisors of each district informed of the activities and experiences of other districts,— AND OF RELEVANT INFORMATION FROM OTHER STATES and facilitate cooperation and interchange of advice, and experience AND PROGRAM OPPORTUNITIES between districts.
- 3. Coordinate the programs of the several districts insofar as possible by advice and consultation.
- 4. 3. Require the supervisors of each district to file with the commissioner annually any audits and the records of the operations of the district for the preceding year in the form and detail as the commissioner prescribes.
- 5. 4. Secure the cooperation and assistance of the United States, its agencies and agencies of this state, in the work of districts as local units of state government with special expertise concerning land, soil, water and natural resources management within the boundaries of the district, as the commissioner deems for the best interest of the THIS state.
- 6. Disseminate information throughout the state concerning the activities and program of districts.
- 7. 5. Provide staff support to the Arizona water protection fund commission established by title 45, chapter 12 and provide administrative assistance to natural resource conservation districts for compliance with the duties for districts pursuant to title 45, chapter 12.
- 6. PROVIDE ADMINISTRATIVE, TECHNICAL AND LEGAL SUPPORT TO THE COMMISSION TO THE EXTENT FUNDING IS AVAILABLE AS PRESCRIBED BY SECTION 37-1008 AND FROM LEGISLATIVE APPROPRIATIONS. THIS SUPPORT MAY INCLUDE THE HIRING OF A CONTRACT ADMINISTRATOR, OFFICE SUPPORT AND TECHNICAL SUPPORT STAFF, WHO SHALL BE EMPLOYEES OF THE STATE LAND DEPARTMENT.
- 7. ASSIST A DISTRICT WHEN IT IS COOPERATING OR COORDINATING WITH A FEDERAL AGENCY.
  - 8. ASSIST DISTRICTS IN DEVELOPING LONG-RANGE PLANS.

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B. The commissioner may remove a district supervisor from office if the commissioner determines, after reasonable notice and an impartial hearing, that the supervisor is guilty of misfeasance, malfeasance or nonfeasance in office. For the purposes of this subsection, "nonfeasance" includes the failure to attend three consecutive meetings of district supervisors without reasonable excuse.

Sec. 5. Section 37-1014, Arizona Revised Statutes, is amended to read:

### 37-1014. State financial assistance; application; criteria

- A. The commissioner shall include in the annual state land department budget request a sum of not more than forty thousand dollars \$40,000 for each district ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS CHAPTER and sixty thousand dollars \$60,000 for each DISTRICT THAT OPERATES AN education center for distribution by the commissioner to those natural resource conservation districts that have applied for, have met the criteria for and have been approved for receiving state financial assistance, as provided in this section.
- B. Any district or DISTRICT THAT OPERATES AN education center desiring to receive state financial assistance for the next ensuing fiscal year shall apply to the commissioner not later than June 20, on a form supplied by the division of natural resource conservation. Each application shall include:
  - 1. The number of acres of land lying within the district.
- 2. The extent of conservation programs or education center programs proposed to be undertaken during the fiscal year for which the financial assistance is being requested.
  - 3. Any audits that are requested by the commissioner.
- C. On receipt of the application, the commissioner shall determine whether or not such funds for the district or education center will be included in the budget request for the state land department and shall promptly notify the district of that determination.
- Sec. 6. Section 37-1032, Arizona Revised Statutes, is amended to read:

#### 37-1032. Hearing on petition; notice

- A. Within ninety days after a petition has been accepted by the commissioner, notice shall be given by publication in at least two issues, at intervals of not less than six days, of a newspaper of general circulation within the area affected, or if there is no such newspaper, a newspaper of general circulation within the county THE DISTRICT SHALL POST THE NOTICE ON THE DISTRICT'S PUBLIC WEBSITE, of a hearing upon ON:
- 1. The desirability and necessity, in the interest of preservation of property, health, safety and public welfare, of the creation of such district.
  - 2. The appropriate boundaries to be assigned to the district.
  - The propriety of the petition and other proceedings taken.

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- 4. All related questions.
- B. All owners of land within the limits of the territory described in the petition and of lands within any territory considered for addition to the described territory, and all other interested parties, may attend and be heard at such hearing.
- C. If it appears on the hearing that it is desirable to include within the proposed district territory outside the area described in the petition, the hearing shall be adjourned and notice of further hearing given, in the manner provided by this section, in the entire area considered for inclusion in the district.
- Sec. 7. Section 37-1033, Arizona Revised Statutes, is amended to read:

#### 37-1033. <u>Determination by commissioner</u>

- A. If, after final hearing upon ON a petition, the commissioner determines upon ON the facts presented and other relevant information that a district within the territory considered is in the public interest, he THE COMMISSIONER shall record such determination and define the boundaries of the district. In defining the boundaries, he THE COMMISSIONER shall consider:
  - 1. The topography of the area.
  - 2. The character of soils.
  - 3. The distribution of erosion.
  - 4. Prevailing land use practices.
- 5. The desirability and necessity of including within the boundaries of the district the particular lands under consideration and the benefits to be received by such inclusion.
- 6. The relation of the proposed area to existing watersheds and agricultural regions, and to other districts already organized or proposed for organization.
- 7. Such other physical, geographical and economic factors as are relevant.
- B. In defining the boundaries of the district, the commissioner shall not include therein IN THE BOUNDARIES any area, land or property of any person or persons who do not desire to have such area, land, or property included in such district. Notwithstanding any provision of this chapter to the contrary, lands held under certificate of purchase or lease from the state shall not be included in any district if the holder or holders of certificates of purchase or the leases therefor do not desire such lands included.
- C. If the commissioner determines that it is not in the public interest for a district to function in the territory considered,  $\frac{1}{1}$  THE COMMISSIONER shall record such determination and deny the petition.
- D. After expiration of eighteen months from AFTER the date of entry of a determination by the commissioner that operation of a proposed district is not administratively and economically feasible, and denial of

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a petition pursuant to that determination, petitions may again be filed and action taken in accordance with the provisions of this chapter.

Sec. 8. Section 37-1034, Arizona Revised Statutes, is amended to read:

#### 37-1034. Referendum; election of supervisors

- A. Within a reasonable time after the commissioner has recorded his THE COMMISSIONER'S determination that it is in the public interest that a district be organized, and has defined the boundaries thereof OF THE DISTRICT, he THE COMMISSIONER shall hold a referendum within the proposed district upon ON the question of the creation of the district, and an election to elect three supervisors. He THE COMMISSIONER shall adopt rules for the conduct of such referendum and election and prescribe a procedure for the determination of persons eligible to vote. The referendum and election of supervisors shall be conducted by separate ballots.
  - B. The ballot for the referendum shall:
- 2. Contain the propositions: "For the creation of a district" and "against the creation of a district", with a square after each proposition.
- 3. An instruction to mark an  $\boldsymbol{X}$  in the square after the proposition for which the voter wishes to vote.
- C. Only owners of land lying within the boundaries of the territory described shall be ARE eligible to vote on the referendum, but any such owner who is not a qualified elector of the district, or any owner who is a qualified elector but is unable because of illness or absence from the district to appear at the polls, may appoint in writing, on a form prescribed by the commissioner, a qualified elector of the district as his THE OWNER'S agent or proxy. The appointment of agent or proxy shall be presented to the board of election, and if it is found to be bona fide and in proper form, the holder thereof shall be allowed to vote in ON behalf of the owner executing the appointment on the question of creation of the district only. The appointment shall be filed with the ballots and other election returns.
- D. Candidates for supervisor shall file nomination petitions with the commissioner in the manner prescribed by the commissioner. Any qualified elector of the proposed district may sign the petitions of not more than three candidates. The names of candidates shall appear on the election ballot in alphabetical order by surnames, with a square opposite each name, and an instruction to mark an X in the squares opposite the names of not more than three candidates for whom the voter wishes to vote.

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E. No Informality in the conduct of any referendum or election held under the provisions of this chapter, or in any matter relating thereto, shall DOES NOT invalidate the result thereof OF THE REFERENDUM OR ELECTION if notice has been given substantially as prescribed in section 37-1032, and the referendum and election have been fairly conducted. All expenses of a referendum and election shall be paid by the commissioner.

Sec. 9. Section 37-1038, Arizona Revised Statutes, is amended to read:

#### 37-1038. <u>Dissolution of district</u>

- A. At any time after five years following the organization of a district, any twenty-five owners of land or not less than twenty per cent PERCENT of the owners of land lying within the boundaries of the district may file a petition with the commissioner praying REQUESTING that the operations of the district be terminated and its existence discontinued. The commissioner shall conduct such public meetings and hearings <del>upon</del> ON the petition as may be necessary to assist in the consideration thereof TERMINATING AND DISCONTINUING THE DISTRICT.
- B. Within sixty days after filing of the petition, the commissioner shall give notice of the holding of a referendum, and shall supervise the referendum and issue appropriate regulations governing the conduct thereof. The question shall be submitted by ballots upon ON which the propositions, "For terminating the existence of the (name of district)" and "against terminating the existence of the (name of district)," shall be printed, with a square after each proposition and an instruction to mark an X in the square following the proposition for which the voter desires to vote. Only owners of lands lying within the boundaries of the district shall be ARE eligible to vote on the referendum. No Informality in the conduct of the referendum or in any matter relating thereto shall THE REFERENDUM DOES NOT invalidate the referendum or the result thereof OF THE REFERENDUM, if due notice thereof OF THE REFERENDUM has been given substantially as provided in this chapter and the referendum has been fairly conducted.
- C. If sixty-five per cent PERCENT of the landowners voting thereon vote to terminate the existence of a district, the commissioner shall advise the supervisors to conclude the affairs of the district. The supervisors shall dispose of all property belonging to the district at public auction and shall transmit the proceeds of the sale to the state treasurer for deposit, pursuant to sections 35-146 and 35-147.
- D. AFTER DISPOSING OF THE PROPERTY AND TRANSMITTING THE PROCEEDS OF THE SALE PURSUANT TO SUBSECTION C OF THIS SECTION, the supervisors shall thereupon file a verified application with the secretary of state for discontinuance of the district, together with the certificate of the commissioner setting forth the determination of the commissioner that the continued operation of the district is not administratively feasible. The application shall recite STATE that the property of the district has been

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disposed of and the proceeds paid over as provided in this section, and shall include a full accounting of the properties and the proceeds of the sale. The secretary of state shall issue to the supervisors a certificate of dissolution, and shall record the certificate in his THE SECRETARY OF STATE'S office.

E. The commissioner  $\frac{\text{shall}}{\text{shall}}$  MAY not entertain a petition for the discontinuance of any district, nor conduct a referendum  $\frac{\text{thereon}}{\text{ond}}$  ON DISCONTINUANCE OF ANY DISTRICT, nor make any determination pursuant thereto, more than once in five years.

Sec. 10. Section 37-1051, Arizona Revised Statutes, is amended to read:

# 37-1051. <u>District supervisors; term of office; biennial election</u>

- A. The governing body of a district shall consist of five supervisors, three of whom are to be elected and two appointed by the commissioner FROM A LIST OF NOMINEES PROVIDED BY THE ELECTED SUPERVISORS. Except as to the first supervisors, whose election and terms are prescribed in section 37-1035, the term of each elected supervisor shall be six years, beginning on June 1 following his THE SUPERVISOR'S election. As prescribed in section 37-1036, the terms of the two supervisors appointed by the commissioner shall be until May 31 of the next even-numbered year, or until their successors are otherwise appointed.
- B. An election shall be held on the first Saturday in May of each even-numbered year, at which one supervisor of the district shall be elected. Any person desiring to be a candidate shall file with the commissioner a nomination petition in such form as the commissioner prescribes, at least ten days prior to BEFORE the election, containing the signatures of <del>not less than twenty-five</del> AT LEAST ONE-HALF OF ONE PERCENT OF THE QUALIFIED ELECTORS IN THE DISTRICT BUT NOT FEWER THAN FIVE qualified electors of the district. No A person shall be IS NOT eligible to be a candidate for supervisor unless <del>he</del> THE PERSON is a qualified elector of the district. The names of candidates shall appear on the ballot in alphabetical order by surnames, with a square after each name and an instruction to mark an X in the square after the name of the voter's choice. The governing body of a district may provide a mail ballot to a qualified district elector for which the district governing body has a first class mailing address. Qualified electors of a district who wish to vote by mail ballot shall file a first class mailing address with the district governing body at least thirty days prior to BEFORE the date of the election. Qualified district electors who receive ballots in proper form from the district governing body may cast their votes by mail. Mail ballots, to be counted, shall be received at the place designated, and within the time prescribed by the district supervisors and clearly specified in the notice of election. Only qualified electors of the district shall have the right to vote. The district governing body

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shall provide at least one polling place in the district for qualified voters who wish to vote in person. If two or more candidates receive the same number of votes, the successful candidate shall be determined by lot. IF ONLY ONE PERSON FILES OR NO PERSON FILES A NOMINATING PETITION FOR AN ELECTION TO FILL A POSITION ON THE DISTRICT BOARD FOR WHICH THE TERM OF OFFICE IS TO EXPIRE, THE BOARD MAY CANCEL THE ELECTION FOR THAT POSITION AND APPOINT THE PERSON WHO FILED THE NOMINATING PETITION TO FILL THE POSITION. IF NO PERSON FILES A NOMINATING PETITION FOR AN ELECTION TO FILL A DISTRICT OFFICE, THE BOARD MAY CANCEL THE ELECTION FOR THOSE OFFICES AND THOSE OFFICES ARE DEEMED VACANT AND SHALL BE FILLED AS OTHERWISE PROVIDED BY LAW. A PERSON WHO IS APPOINTED PURSUANT TO THIS PARAGRAPH IS FULLY VESTED WITH THE POWERS AND DUTIES OF THE OFFICE AS IF ELECTED TO THAT OFFICE.

Sec. 11. Section 37-1052, Arizona Revised Statutes, is amended to read:

#### 37-1052. Organization of supervisors; vacancies

- A. At the first meeting of the supervisors following an election, they shall organize by electing a chairman CHAIRPERSON and a vice chairman CHAIRPERSON and such other officers as are deemed necessary from among their number to serve for the ensuing two years.
- B. If a vacancy occurs in the office of an elected supervisor otherwise than by expiration of term, the commissioner may appoint a qualified elector FROM A LIST OF NOMINEES PROVIDED BY THE SUPERVISORS of the district to serve until June 1 of the next even-numbered year, when a successor shall be elected for the remainder of the term.
- C. District supervisors may employ a secretary and such other agents, employees and technical or professional experts as they may from time to time require, and may determine qualifications, compensation and duties applicable to any agent, employee or expert engaged.
- Sec. 12. Section 37-1054, Arizona Revised Statutes, is amended to read:

#### 37-1054. Powers of district

- A. This state recognizes the special expertise of the districts in the fields of land, soil, water and natural resources management within the boundaries of the district. A district is empowered to:
- 1. Conduct surveys, investigations and research relating to the character of the soil, soil erosion prevention within a farm or ranch, methods of cultivation, farm and range practices, seeding, eradicating noxious growths and invasive vegetation and any other measures that will aid farm and range operations, disseminate information AND EDUCATE LANDOWNERS pertaining thereto, and carry on research programs with or without the cooperation of this state or its agencies or the United States or its agencies.

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- 2. Create and administer a soil health program that promotes implementation of soil health practices, research projects, demonstration projects, educational projects or other activities appropriate to promote the continuing capacity for soil to function as a vital living biological system that sustains plants, animals and humans, increased soil organic matter, improved soil structure, water-holding and nutrient-holding capacity or nutrient cycling.
- 3. Conduct demonstration projects within the district on lands owned or controlled by the THIS state or any of its agencies with the consent and cooperation of the agency having jurisdiction of the land, and on any other lands within the district on obtaining the consent of the landowner or the necessary rights or interests in the land, in order to demonstrate by example the means, methods and measures by which water, soil and soil resources may be conserved and soil erosion and soil washing may be prevented and controlled.
- 4. Cooperate, COORDINATE and enter into agreements with a landowner, an operator or any agency or subdivision of the THIS state or federal government to carry on programs of watershed improvement, soil erosion prevention, methods of cultivation, cropping practices, land leveling and improvement on agricultural lands, and programs limited to methods of proper range use, reseeding and eradicating noxious growth and invasive vegetation on grazing lands, all within the limits of an individual farm or ranch and subject to the conditions the supervisors deem necessary.
- 5. Acquire, by purchase, exchange, lease or otherwise, any property, real or personal, or rights or interest in any property, maintain, administer and improve any properties acquired, receive income from any property or right or interest in property and expend it in carrying out the purposes of this chapter, and sell, lease or otherwise dispose of any property or interest in property in furtherance of the purposes of this chapter.
- 6. Make available, on the terms it prescribes to landowners within the district, agricultural and engineering machinery and equipment, fertilizer, seed and other material or equipment as will assist the landowners to carry on operations on their lands for the purposes and programs authorized by this chapter.
- 7. Develop, publish and bring to the attention of landowners within the district comprehensive plans for conserving soil and water resources within the district that specify in such detail as may be feasible the acts, procedures, performances and avoidances necessary or desirable to effect the plans.
- 8. Apply for, receive and spend monies from the Arizona water protection fund pursuant to title 45, chapter 12 to be used in individual districts or in cooperation with other districts, persons, cities, towns,

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 counties, special districts and Indian communities for projects consistent with title 45, chapter 12.

- 9. APPLY FOR, RECEIVE AND SPEND MONIES FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA PURSUANT TO TITLE 49, CHAPTER 8 TO BE USED IN INDIVIDUAL DISTRICTS OR IN COOPERATION WITH OTHER DISTRICTS, PERSONS, CITIES, TOWNS, COUNTIES AND SPECIAL DISTRICTS FOR PROJECTS CONSISTENT WITH TITLE 49. CHAPTER 8.
- 9.0 10. Employ agents, engineers, attorneys or other employees not readily available from existing state agencies.
- 10. 11. Sue and be sued in the name of the district, have a seal, which shall be judicially noticed, have perpetual succession unless terminated as provided in this chapter, make and execute contracts and other instruments necessary or convenient to exercise its powers and make, amend and repeal rules not inconsistent with this chapter to effect its purposes and powers.
- $rac{ extsf{11.}}{ extsf{12.}}$  12. APPLY FOR GRANTS AND accept donations, gifts and contributions in monies, services, materials or otherwise, and use or expend them in carrying on its operations.
- $\frac{12}{12}$ . Organize and establish an education center to increase the knowledge of natural resources in this state through the following methods:
- (a) Offering technical guidance and training to agricultural producers.
  - (b) Publishing scholarly materials.
- (c) Providing educational and training opportunities, both inside and outside of the district.
- (d) Conducting or sponsoring scientific studies that affect natural resources in this state.
- (e) Increasing public awareness of water conservation statewide, including water conservation methods and best management practices.
  - (f) Increasing public awareness of soil health practices statewide.
- B. A provision of law with respect to acquiring, operating or disposing of property by other public bodies is not applicable to a district organized under this chapter unless specifically stated therein IN THAT LAW.
- C. After the formation of any district under this chapter, all participation thereunder shall be voluntary, notwithstanding any provision of this chapter to the contrary.
- D. A district may send to the NATURAL RESOURCE CONSERVATION DISTRICT FUND COMMISSION ESTABLISHED BY SECTION 37-1003 AND THE Arizona water protection fund commission established by title 45, chapter 12 SECTION 45-2103 written recommendations for geographic areas to be emphasized, issues of concern and measures to implement title 45, chapter 12. A district that sends written recommendations to the commission shall request information from at least the following:

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- 1 . The director of the department of water resources and the state 2 land commissioner.
  - 2. The federal and state fish, wildlife, recreation and natural resource agencies.
    - 3. County and municipal entities.
    - 4. The public.
- 7 E. The district shall develop procedures to ensure adequate 8 participation in the public involvement process prescribed by subsection D 9 of this section.

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