

natural resource conservation districts; board

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HOUSE BILL 2865

AN ACT

AMENDING SECTION 28-2413, ARIZONA REVISED STATUTES; REPEALING SECTIONS 37-1011 AND 37-1012, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3032.01; PROVIDING FOR TRANSFERRING AND RENUMBERING; AMENDING SECTIONS 41-6002, 41-6011, 41-6012 AND 41-6013, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; AMENDING TITLE 41, CHAPTER 58, ARTICLE 2, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED, BY ADDING SECTION 41-6014; AMENDING SECTIONS 41-6031, 41-6032, 41-6033, 41-6034, 41-6035, 41-6036, 41-6037, 41-6038, 41-6039, 41-6040, 41-6051, 41-6052, 41-6053, 41-6054 AND 41-6055, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; AMENDING SECTIONS 43-1084, 45-2103, 45-2106 AND 49-1335, ARIZONA REVISED STATUTES; RELATING TO NATURAL RESOURCE CONSERVATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-2413, Arizona Revised Statutes, is amended to
3 read:

4 28-2413. Environmental special plates

5 A. The department shall issue environmental special plates. The
6 environmental special plates shall have the same basic color and design as
7 the environmental license plates issued on or before December 31, 1992,
8 except that the department may make minor alterations of environmental
9 special plates to make the plates more reflective and readable during the
10 daylight and nighttime hours.

11 B. Of the ~~twenty-five dollar~~ \$25 fee required by section 28-2402
12 for original environmental special plates and for renewal of environmental
13 special plates, ~~eight dollars~~ \$8 is a special plate administration fee and
14 ~~seventeen dollars~~ \$17 is an environmental plate annual donation.

15 C. The department shall deposit, pursuant to sections 35-146 and
16 35-147, all special plate administration fees in the state highway fund
17 established by section 28-6991 and shall deposit the environmental plate
18 annual donations in the environmental special plate fund established by
19 section ~~37-1015~~ 41-6013 for disbursement by the state land department for
20 environmental education programs.

21 Sec. 2. Repeal

22 Sections 37-1011 and 37-1012, Arizona Revised Statutes, are
23 repealed.

24 Sec. 3. Title 41, chapter 27, article 2, Arizona Revised Statutes,
25 is amended by adding section 41-3032.01, to read:

26 41-3032.01. State natural resource conservation board;
27 termination July 1, 2032

28 A. THE STATE NATURAL RESOURCE CONSERVATION BOARD TERMINATES ON JULY
29 1, 2032.

30 B. TITLE 41, CHAPTER 58 AND THIS SECTION ARE REPEALED ON JANUARY 1,
31 2033.

32 Sec. 4. Transfer and renumber

33 Title 37, chapter 6, Arizona Revised Statutes, is transferred and
34 renumbered for placement in title 41, Arizona Revised Statutes, as a new
35 chapter 58. Title 37, chapter 6, articles 1, 2, 3 and 4, Arizona Revised
36 Statutes, are transferred and renumbered for placement in title 41,
37 chapter 58, Arizona Revised Statutes, added by this act, as new articles
38 1, 2, 3 and 4, respectively. The following sections are transferred and
39 renumbered for placement in title 41, chapter 58, article 1:

40	<u>Former Sections</u>	<u>New Sections</u>
41	37-1001	41-6001
42	37-1002	41-6002

1 The following sections are transferred and renumbered for placement
2 in title 41, chapter 58, article 2:

	<u>Former Sections</u>	<u>New Sections</u>
3		
4	37-1013	41-6011
5	37-1014	41-6012
6	37-1015	41-6013

7 The following sections are transferred and renumbered for placement
8 in title 41, chapter 58, article 3:

	<u>Former Sections</u>	<u>New Sections</u>
9		
10	37-1031	41-6031
11	37-1032	41-6032
12	37-1033	41-6033
13	37-1034	41-6034
14	37-1035	41-6035
15	37-1036	41-6036
16	37-1037	41-6037
17	37-1038	41-6038
18	37-1039	41-6039
19	37-1040	41-6040

20 The following sections are transferred and renumbered for placement
21 in title 41, chapter 58, article 4:

	<u>Former Sections</u>	<u>New Sections</u>
22		
23	37-1051	41-6051
24	37-1052	41-6052
25	37-1053	41-6053
26	37-1054	41-6054
27	37-1055	41-6055
28	37-1056	41-6056
29	37-1057	41-6057

30 Sec. 5. Section 41-6002, Arizona Revised Statutes, as transferred
31 and renumbered, is amended to read:

32 41-6002. Definitions

33 In this chapter, unless the context otherwise requires:

34 1. "Agency of ~~the~~ THIS state" includes the government of ~~the~~ THIS
35 state and any subdivision, agency or instrumentality, corporate or
36 otherwise, of ~~the state~~ THIS STATE'S government.

37 2. "Agricultural lands" means irrigated farm lands or dry farm
38 lands devoted to the purpose of agriculture.

39 ~~3. "Commissioner" or "state natural resource conservation~~
40 ~~commissioner" means the state land commissioner.~~

41 ~~4. "Department" means the state land department.~~

42 3. "BOARD" MEANS THE STATE NATURAL RESOURCE CONSERVATION BOARD.

43 4. "COOPERATIVE AGREEMENT" MEANS AN AGREEMENT BETWEEN A DISTRICT
44 AND AN OWNER, LESSEE, PERMITTEE OR MANAGER OF PROPERTY WITHIN THE

1 BOUNDARIES OF THE DISTRICT WITH RESPONSIBILITY FOR MANAGING THE LAND FOR
2 THE PURPOSES OF THIS CHAPTER.

3 5. "District" means a natural resource conservation district
4 organized in accordance with ~~the provisions of~~ this chapter.

5 6. "District cooperater" means any person who has entered into a
6 cooperative agreement with a natural resource conservation district for
7 the purpose of protecting, conserving and practicing wise use of the
8 natural resources under ~~his~~ THE DISTRICT COOPERATOR'S control.

9 7. "Due notice" means notice published at least twice with an
10 interval of at least six days between the two publication dates, in a
11 newspaper of general circulation within the area affected, or if there is
12 no newspaper of general circulation within the area affected, in a
13 newspaper of general circulation in the county in which the area is
14 located OR AT THE PHYSICAL LOCATION OF MEETING NOTICES AT LEAST SIX DAYS
15 BEFORE THE ACTION OR ON THE DISTRICT WEBSITE.

16 8. "FUND" MEANS THE NATURAL RESOURCE CONSERVATION DISTRICT FUND.

17 ~~8.~~ 9. "Government" or "governmental" includes the government of
18 ~~the~~ THIS state, the government of the United States, and any subdivision,
19 agency or instrumentality, corporate or otherwise, of either of them.

20 ~~9.~~ 10. "Irrigation district":

21 (a) Means an irrigation district, drainage district, water
22 conservation district, ~~AND~~ agricultural improvement district. ~~, and, in~~
23 ~~addition thereto,~~

24 (b) Includes any district, political subdivision, government
25 agency, canal company, association, corporation or instrumentality of ~~the~~
26 THIS state, having territorial boundaries and created or organized for the
27 purpose of furnishing irrigation water for lands in ~~the~~ THIS state.

28 ~~10.~~ 11. "Landowner" or "owner of land":

29 (a) Means any person, firm or corporation, including ~~the~~ THIS state,
30 ~~holding~~ THAT HOLDS title to any land lying within a district organized or
31 proposed to be organized under ~~the provisions of~~ this chapter. ~~, and~~

32 (b) Includes:

33 (i) A buyer on contract who is the occupant of land. ~~For the~~
34 ~~purposes of this chapter,~~

35 (ii) A holder of a certificate of purchase or lease from ~~the~~ THIS
36 state. ~~shall be considered the "landowner" or "owner of land".~~

37 ~~11.~~ 12. "Nominating petition" means a petition to nominate
38 candidates for the office of supervisor.

39 ~~12.~~ 13. "Petition" means a petition for the creation or for the
40 dissolution of a district.

41 ~~13.~~ 14. "Qualified elector" means a person who is a district
42 cooperater and a qualified elector of the state.

43 ~~14.~~ 15. "Range lands" means lands other than agricultural lands ~~and~~
44 THAT ARE devoted principally to the purpose of grazing livestock.

1 TO TERMS OF ONE, TWO AND THREE YEARS IN OFFICE. ALL SUBSEQUENT MEMBERS
2 SERVE THREE YEAR TERMS. THE CHAIRPERSON OF THE BOARD SHALL NOTIFY THE
3 GOVERNOR'S OFFICE OF THESE TERMS.

4 D. IF A MEMBER'S TERM AS A SUPERVISOR EXPIRES WHILE SERVING ON THE
5 BOARD, THAT MEMBER MAY NOT SERVE OUT THE MEMBER'S TERM AS A BOARD MEMBER.
6 A REPLACEMENT SHALL BE APPOINTED FROM THE SAME GEOGRAPHIC RESOURCE AREA TO
7 FULFILL THE REMAINDER OF THAT MEMBER'S TERM.

8 E. BOARD MEMBERS SHALL BE REIMBURSED FOR EXPENSES AS PRESCRIBED BY
9 TITLE 38, CHAPTER 4, ARTICLE 2 WHILE ATTENDING BOARD MEETINGS.

10 F. THE BOARD MAY APPOINT OR CONTRACT FOR AN ADMINISTRATIVE OFFICER,
11 A SECRETARY AND SUCH OTHER ASSISTANTS AS MAY BE REQUIRED, ASSIGN THEIR
12 DUTIES, DEFINE THEIR POWERS AND DETERMINE THE AMOUNT OF BOND REQUIRED OF
13 ANY ASSISTANT ENTRUSTED WITH MONIES OR PROPERTY. THE COMPENSATION OF ALL
14 SUCH ASSISTANTS SHALL BE DETERMINED PURSUANT TO SECTION 38-611.

15 G. THE BOARD SHALL ADOPT A SEAL, WHICH SHALL BE JUDICIALLY NOTICED,
16 AND SHALL HOLD PUBLIC HEARINGS, KEEP RECORDS OF ALL PROCEEDINGS AND ANNUAL
17 RECORDS OF DISTRICT OPERATIONS, ADOPT ORDERS AND RULES AND PERFORM OTHER
18 ACTS AS ARE NECESSARY TO CARRY OUT THIS CHAPTER.

19 ~~A.~~ H. The ~~state natural resource conservation commissioner~~ BOARD
20 shall:

21 1. Offer appropriate assistance to the supervisors of districts in
22 carrying out their powers and programs.

23 2. Keep the supervisors of each district informed of the activities
24 and experiences of other districts AND OF RELEVANT INFORMATION FROM OTHER
25 STATES, and facilitate cooperation and interchange of advice, ~~and~~
26 experience AND PROGRAM OPPORTUNITIES between districts.

27 3. Coordinate the programs of the several districts insofar as
28 possible by advice and consultation.

29 4. Require the supervisors of each district to file with the
30 ~~commissioner~~ BOARD annually any audits and the records of the operations
31 of the district for the preceding year in the form and detail as the
32 ~~commissioner~~ BOARD prescribes.

33 5. Secure the cooperation and assistance of the United States, its
34 agencies and agencies of this state, in the work of districts as local
35 units of state government with special expertise concerning land, soil,
36 water and natural resources management within the boundaries of the
37 district, as the ~~commissioner~~ BOARD deems for the best interest of the
38 state.

39 6. Disseminate information throughout the state concerning the
40 activities and program of districts.

41 ~~7. Provide staff support to the Arizona water protection fund~~
42 ~~commission established by title 45, chapter 12 and provide administrative~~
43 ~~assistance to natural resource conservation districts for compliance with~~
44 ~~the duties for districts pursuant to title 45, chapter 12.~~

1 7. MEET AT LEAST QUARTERLY TO RECEIVE UPDATES FROM THE BOARD'S
2 ADMINISTRATIVE OFFICER REGARDING ANY RELEVANT ISSUE OR MATTER NECESSARY TO
3 CARRY OUT THIS CHAPTER, PROVIDE GUIDANCE TO THE ADMINISTRATIVE OFFICER AND
4 VOTE ON ANY MATTERS REQUIRING A DECISION BY THE BOARD.

5 8. ASSIST A DISTRICT WHEN THE DISTRICT IS COOPERATING OR
6 COORDINATING WITH A FEDERAL AGENCY.

7 9. ASSIST DISTRICTS WITH DEVELOPING CONSERVATION ACTION OR
8 DISTRICT-WIDE PLANS.

9 10. ADOPT ADMINISTRATIVE RULES THAT THE BOARD DEEMS NECESSARY AND
10 PROPER TO CARRY OUT THIS CHAPTER.

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

17 J. THE BOARD, PURSUANT TO CHAPTER 4, ARTICLE 4 OF THIS TITLE, MAY
18 CONTRACT FOR OR EMPLOY PROFESSIONAL AND ADMINISTRATIVE
19 SERVICES. CONTRACTS FOR PROFESSIONAL SERVICES ARE EXEMPT FROM CHAPTER 23
20 OF THIS TITLE.

21 Sec. 8. Section 41-6012, Arizona Revised Statutes, as transferred
22 and renumbered, is amended to read:

23 41-6012. State financial assistance; application; criteria

24 A. The ~~commissioner~~ BOARD shall include in the BOARD'S annual ~~state~~
25 ~~land department~~ budget request a sum of not more than ~~forty thousand~~
26 ~~dollars~~ \$40,000 for each NATURAL RESOURCE CONSERVATION district and ~~sixty~~
27 ~~thousand dollars~~ SOIL AND WATER CONSERVATION DISTRICT AND \$60,000 for each
28 NATURAL RESOURCE CONSERVATION DISTRICT THAT OPERATES AN education center
29 for distribution by the ~~commissioner~~ BOARD to those natural resource
30 conservation districts that have applied for, have met the criteria for
31 and have been approved for receiving state financial assistance, as
32 provided in this section.

33 B. Any district or education center desiring to receive state
34 financial assistance for the next ensuing fiscal year shall apply to the
35 ~~commissioner~~ BOARD not later than June 20, on a form supplied by the
36 ~~division of natural resource conservation~~ BOARD. Each application shall
37 include:

38 1. The number of acres of land lying within the district.

39 2. The extent of conservation programs or education center programs
40 proposed to be undertaken during the fiscal year for which the financial
41 assistance is being requested.

42 3. Any audits that are requested by the ~~commissioner~~ BOARD.

43 C. On receipt of the application, the ~~commissioner~~ BOARD shall
44 determine whether ~~or not such funds~~ MONIES for the district or education

1 center will be included in the BOARD'S budget request ~~for the state land~~
2 ~~department~~ and shall promptly notify the district of that determination.

3 Sec. 9. Section 41-6013, Arizona Revised Statutes, as transferred
4 and renumbered, is amended to read:

5 41-6013. Environmental special plate fund; distribution

6 A. ~~At~~ THE environmental special plate fund is established and is
7 administered by the ~~commissioner~~ BOARD consisting of monies received
8 pursuant to section 28-2413.

9 B. Subject to legislative appropriation, the ~~department~~ BOARD shall
10 distribute ~~five thousand dollars~~ \$5,000 annually to each natural resource
11 conservation district with an established education center for the purpose
12 of developing and implementing an environmental education program that is
13 conducted in a balanced manner, that is based on current scientific
14 information and that includes a discussion of economic and social
15 implications.

16 C. The fund established in this section is exempt from the
17 provisions of section 35-190 relating to lapsing of appropriations. On
18 notice from the ~~commissioner~~ BOARD, the state treasurer shall invest and
19 divest monies in the fund as provided by section 35-313, and monies earned
20 from investment shall be credited to the fund.

21 D. The appropriated monies shall only be used for the designated
22 purposes specified in statute.

23 Sec. 10. Title 41, chapter 58, article 2, Arizona Revised Statutes,
24 as transferred and renumbered, is amended by adding section 41-6014, to
25 read:

26 41-6014. Natural resource conservation district fund;
27 exemption; annual report

28 A. THE NATURAL RESOURCE CONSERVATION DISTRICT FUND IS ESTABLISHED
29 CONSISTING OF LEGISLATIVE APPROPRIATIONS, GRANTS, FEDERAL MONIES AND OTHER
30 CONTRIBUTIONS. THE BOARD SHALL ADMINISTER THE FUND. MONIES IN THE FUND
31 ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION
32 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS.

33 B. ON NOTICE FROM THE BOARD, THE STATE TREASURER SHALL INVEST AND
34 DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED
35 FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

36 C. THE BOARD SHALL DO ALL OF THE FOLLOWING:

37 1. ESTABLISH CRITERIA FOR THE USE OF MONIES IN THE FUND.

38 2. ESTABLISH AND REVISE, AS NECESSARY, THE GRANT APPLICATION
39 PROCESS.

40 3. REVIEW AND EVALUATE ALL SUBMITTED GRANT APPLICATIONS.

41 4. AWARD GRANTS TO NATURAL RESOURCE CONSERVATION DISTRICTS AND SOIL
42 AND WATER CONSERVATION DISTRICTS TO CONDUCT PROJECTS THAT FURTHER THE
43 PURPOSE OF THE DISTRICT. GRANTS AWARDED PURSUANT TO THIS SECTION ARE
44 EXEMPT FROM CHAPTER 23 OF THIS TITLE.

45 D. MONIES IN THE FUND MAY NOT BE USED TO ACQUIRE PROPERTY.

1 E. UP TO TEN PERCENT OF THE MONIES IN THE FUND MAY BE USED BY THE
2 BOARD FOR THE ADMINISTRATION OF THE FUND.

3 F. ON OR BEFORE DECEMBER 31, 2025 AND EACH YEAR THEREAFTER, THE
4 BOARD SHALL SUBMIT A REPORT DESCRIBING THE GRANTS AWARDED FROM THE FUND
5 DURING THE PREVIOUS FISCAL YEAR TO THE GOVERNOR'S OFFICE OF STRATEGIC
6 PLANNING AND BUDGETING, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE
7 HOUSE OF REPRESENTATIVES, THE CHAIRPERSON OF THE SENATE NATURAL RESOURCES,
8 ENERGY AND WATER COMMITTEE, OR ITS SUCCESSOR COMMITTEE, AND THE
9 CHAIRPERSON OF THE HOUSE NATURAL RESOURCES, ENERGY AND WATER COMMITTEE, OR
10 ITS SUCCESSOR COMMITTEE, AND SHALL PROVIDE A COPY OF THIS REPORT TO THE
11 SECRETARY OF STATE.

12 Sec. 11. Section 41-6031, Arizona Revised Statutes, as transferred
13 and renumbered, is amended to read:

14 41-6031. Petition for creation of district

15 Twenty-five or more owners of land, but not less than twenty ~~per~~
16 ~~cent~~ PERCENT of the owners of land lying within the limits of a proposed
17 district, or if there are fewer than twenty-five owners of land in the
18 proposed district, not less than twenty-five ~~per cent~~ PERCENT of all such
19 owners, may petition the ~~commissioner~~ BOARD requesting that a district be
20 organized. The petition shall contain:

21 1. The proposed name of the district.

22 2. A declaration that there is need, in the interest of
23 preservation of property, health, safety and public welfare, for a
24 district in the territory described.

25 3. A description of the exterior boundaries of the territory
26 proposed to be organized.

27 4. A request that the ~~commissioner~~ BOARD:

28 (a) Determine that the district be created.

29 (b) Define the boundaries of the proposed district.

30 (c) Direct that a referendum be held within the territory so
31 defined on the question of the creation of a district.

32 Sec. 12. Section 41-6032, Arizona Revised Statutes, as transferred
33 and renumbered, is amended to read:

34 41-6032. Hearing on petition; notice

35 A. Within ninety days after a petition has been accepted by the
36 ~~commissioner~~ BOARD, notice OF A HEARING shall be given by publication in
37 at least two issues, at intervals of not less than six days, of a
38 newspaper of general circulation within the area affected. ~~, or~~ If there
39 is no such newspaper, THE PUBLICATION SHALL BE IN a newspaper of general
40 circulation within the county OR THE DISTRICT SHALL POST THE NOTICE ON THE
41 DISTRICT'S WEBSITE. ~~, of a hearing upon~~ THE HEARING SHALL INCLUDE:

42 1. The desirability and necessity, in the interest of preservation
43 of property, health, safety and public welfare, of the creation of such
44 district.

45 2. The appropriate boundaries to be assigned to the district.

1 3. The propriety of the petition and other proceedings taken.

2 4. All related questions.

3 B. All owners of land within the limits of the territory described
4 in the petition and of lands within any territory considered for addition
5 to the described territory, and all other interested parties, may attend
6 and be heard at such hearing.

7 C. If it appears on the hearing that it is desirable to include
8 within the proposed district territory outside the area described in the
9 petition, the hearing shall be adjourned and notice of further hearing
10 given, in the manner provided by this section, in the entire area
11 considered for inclusion in the district.

12 Sec. 13. Section 41-6033, Arizona Revised Statutes, as transferred
13 and renumbered, is amended to read:

14 41-6033. Determination by the board

15 A. If, after final hearing ~~upon~~ ON a petition, the ~~commissioner~~
16 BOARD determines ~~upon~~ ON the facts presented and other relevant
17 information that a district within the territory considered is in the
18 public interest, ~~the~~ THE BOARD shall record such determination and define
19 the boundaries of the district. In defining the boundaries, ~~the~~ THE BOARD
20 shall consider:

21 1. The topography of the area.

22 2. The character of soils.

23 3. The distribution of erosion.

24 4. Prevailing land use practices.

25 5. The desirability and necessity of including within the
26 boundaries of the district the particular lands under consideration and
27 the benefits to be received by such inclusion.

28 6. The relation of the proposed area to existing watersheds and
29 agricultural regions, and to other districts already organized or proposed
30 for organization.

31 7. Such other physical, geographical and economic factors as are
32 relevant.

33 B. In defining the boundaries of the district, the ~~commissioner~~
34 BOARD shall not include therein any area, land or property of any person
35 or persons who do not desire to have such area, land, ~~or~~ or property
36 included in such district. Notwithstanding any provision of this chapter
37 to the contrary, lands held under certificate of purchase or lease from
38 ~~the~~ THIS state shall not be included in any district if the holder or
39 holders of certificates of purchase or the leases therefor do not desire
40 such lands included.

41 C. If the ~~commissioner~~ BOARD determines that it is not in the
42 public interest for a district to function in the territory considered, ~~the~~
43 THE BOARD shall record such determination and deny the petition.

44 D. ~~After expiration of~~ Eighteen months ~~from~~ AFTER the date of entry
45 of a determination by the ~~commissioner~~ BOARD that operation of a proposed

1 district is not administratively and economically feasible, and denial of
2 a petition pursuant to that determination, petitions may again be filed
3 and action taken in accordance with ~~the provisions of~~ this chapter.

4 Sec. 14. Section 41-6034, Arizona Revised Statutes, as transferred
5 and renumbered, is amended to read:

6 41-6034. Referendum; election of supervisors

7 A. Within a reasonable time after the ~~commissioner~~ BOARD has
8 recorded ~~his~~ ITS determination that it is in the public interest that a
9 district be organized, and has defined the boundaries thereof, ~~he~~ THE
10 BOARD shall hold a referendum within the proposed district ~~upon~~ ON the
11 question of the creation of the district, and an election to elect three
12 supervisors. ~~He~~ THE BOARD shall adopt rules for the conduct of such
13 referendum and election and prescribe a procedure for the determination of
14 persons eligible to vote. The referendum and election of supervisors
15 shall be conducted by separate ballots.

16 B. The ballot for the referendum shall:

17 1. Describe the boundaries of the proposed district as determined
18 by the ~~commissioner~~ BOARD.

19 2. Contain the propositions: "For the creation of a district" and
20 "against the creation of a district", with a square after each
21 proposition.

22 3. An instruction to mark an X in the square after the proposition
23 for which the voter wishes to vote.

24 C. Only owners of land lying within the boundaries of the territory
25 described shall be eligible to vote on the referendum, but any such owner
26 who is not a qualified elector of the district, or any owner who is a
27 qualified elector but is unable because of illness or absence from the
28 district to appear at the polls, may appoint in writing, on a form
29 prescribed by the ~~commissioner~~ BOARD, a qualified elector of the district
30 as ~~his~~ THE OWNER'S agent or proxy. The appointment of agent or proxy
31 shall be presented to the board of election, and if it is found to be bona
32 fide and in proper form, the holder thereof shall be allowed to vote in
33 behalf of the owner executing the appointment on the question of creation
34 of the district only. The appointment shall be filed with the ballots and
35 other election returns.

36 D. Candidates for supervisor shall file nomination petitions with
37 the ~~commissioner~~ BOARD in the manner prescribed by the ~~commissioner~~
38 BOARD. Any qualified elector of the proposed district may sign the
39 petitions of not more than three candidates. The names of candidates
40 shall appear on the election ballot in alphabetical order by surnames,
41 with a square opposite each name, and an instruction to mark an X in the
42 squares opposite the names of not more than three candidates for whom the
43 voter wishes to vote.

44 E. No informality in the conduct of any referendum or election held
45 under ~~the provisions of~~ this chapter, or in any matter relating thereto,

1 shall invalidate the result thereof if notice has been given substantially
2 as prescribed in section ~~37-1032~~ 41-6032, and the referendum and election
3 have been fairly conducted. All expenses of a referendum and election
4 shall be paid by the ~~commissioner~~ BOARD.

5 Sec. 15. Section 41-6035, Arizona Revised Statutes, as transferred
6 and renumbered, is amended to read:

7 41-6035. Proclamation of result of referendum and election;
8 terms of supervisors

9 A. If not less than sixty-five ~~per cent~~ PERCENT of the landowners
10 voting at the referendum and the owners of not less than fifty ~~per cent~~
11 PERCENT of the land, other than publicly owned, lying within the proposed
12 district vote in favor of the creation thereof, the ~~commissioner~~ BOARD
13 shall declare the district organized. Otherwise ~~he~~ THE BOARD shall declare
14 the proposal defeated.

15 B. The three candidates receiving the highest number of votes at
16 the election for supervisors shall be declared elected. Their terms shall
17 begin ~~upon~~ ON the date of filing the oath of office with the secretary of
18 state. The term of the candidate receiving the largest number of votes
19 shall terminate on May 31 of the third even-numbered year, of the
20 candidate receiving the next largest number of votes on May 31 of the
21 second even-numbered year, and of the candidate receiving the next largest
22 number of votes on May 31 of the first even-numbered year following the
23 election.

24 Sec. 16. Section 41-6036, Arizona Revised Statutes, as transferred
25 and renumbered, is amended to read:

26 41-6036. Proceedings to organize district; certificate of
27 organization

28 A. A district shall be organized and shall be a body corporate ~~upon~~
29 ON taking the following steps:

30 1. The supervisors elected as provided in section ~~37-1035~~ 41-6035
31 shall present to the secretary of state an application, signed and
32 acknowledged by each supervisor, setting forth:

33 (a) That a petition for the creation of the district was approved
34 by the ~~commissioner~~ BOARD pursuant to ~~the provisions of~~ this chapter.

35 (b) The name and official residence of each supervisor, and a
36 certified copy of their notification of election.

37 (c) The name proposed for the district.

38 (d) The location of the proposed office of the supervisors of the
39 district.

40 2. The application shall be accompanied by a certificate of the
41 ~~commissioner which~~ BOARD THAT shall set forth:

42 (a) The boundaries of the district as determined by ~~him~~ THE BOARD.

43 (b) That a petition was filed, notice WAS issued and a hearing WAS
44 held as prescribed by law.

1 (c) That for a district to function in the proposed territory was
2 determined by the ~~commissioner~~ BOARD to be in the public interest.

3 (d) That notice was given and a referendum on the question of the
4 creation of the district and an election of supervisors were held.

5 (e) That the results of the referendum showed not less than
6 sixty-five ~~per cent~~ PERCENT of the votes cast, representing not less than
7 fifty ~~per cent~~ PERCENT of the owners of land, to be in favor of the
8 creation of the district.

9 (f) That the supervisors signing the application are the duly
10 elected supervisors of the district.

11 3. The secretary of state shall examine the application and
12 statement and, if ~~he~~ THE SECRETARY OF STATE finds that the name proposed
13 for the district is not identical ~~with~~ or so similar to that of any other
14 district as to lead to confusion, ~~he~~ THE SECRETARY OF STATE shall record
15 them. If the name proposed is identical ~~with~~ or so similar to another
16 district as to lead to confusion, ~~he~~ THE SECRETARY OF STATE shall certify
17 that fact to the ~~commissioner~~ BOARD, ~~who~~ WHICH shall submit another name.
18 ~~upon~~ ON receipt of a new name, free from defects, the secretary of state
19 shall record the application and statement.

20 B. The secretary of state shall issue to the supervisors a
21 certificate, under the seal of ~~the~~ THIS state, certifying the organization
22 of the district, and record the certificate with the application and
23 statement. The district shall include the territory as determined by the
24 ~~commissioner~~ BOARD, but it shall not include any area within the
25 boundaries of another district, ~~nor~~ AND shall ~~it~~ NOT include any area,
26 land or property of or lands held under certificate of purchase or lease
27 from the state by any person or persons, which area, land, property or
28 leaseholds lie within the geographical limits of such district but the
29 owners or holders of certificates of purchase or lessees of which do not
30 desire to come within the district.

31 C. In any action or proceeding involving the validity or
32 enforcement of, or relating to, any contract, proceeding or action of the
33 district, the district shall be deemed to have been established in
34 accordance with ~~the provisions of~~ this chapter ~~upon~~ ON proof of the
35 issuance of the certificate of organization by the secretary of state. A
36 copy of the certificate certified by the secretary of state shall be
37 admissible in evidence in any action or proceeding, and shall be proof of
38 the filing and contents thereof. In like manner, any district combined,
39 and consolidated with an adjacent district or districts, and reorganized
40 and renamed ~~prior to the date of this section~~ BEFORE JUNE 20, 1968 shall
41 be deemed to have been established ~~upon~~ ON proof of certifications and
42 official maps filed with the secretary of state by the ~~division of natural~~
43 ~~resource conservation of the state land department~~ BOARD.

44 D. The ~~commissioner~~ BOARD shall appoint two supervisors from a
45 panel of candidates compiled by the elected supervisors and presented by

1 the temporary chairman of the elected supervisors. Candidates for the
2 office of appointed supervisors shall be qualified electors of the
3 state. Appointed supervisors shall continue to serve until May 31 of the
4 next even-numbered year or until their successors are otherwise appointed.

5 Sec. 17. Section 41-6037, Arizona Revised Statutes, as transferred
6 and renumbered, is amended to read:

7 41-6037. Addition of territory

8 A. Territory adjacent to an organized district may be included
9 ~~therein upon~~ **IN THE DISTRICT ON** a petition signed by seventy-five ~~per cent~~
10 **PERCENT** of the owners of land, other than publicly owned land, within the
11 territory proposed for addition filed with the district supervisors,
12 requesting the inclusion of their lands in the district.

13 B. The supervisors shall hold a public hearing ~~upon~~ **ON** the
14 advisability and feasibility of including the additional territory, notice
15 of which shall be given by posting at least two weeks ~~prior to~~ **BEFORE** the
16 date of the hearing in the office of the supervisors and such other public
17 notice as the supervisors may deem proper. If, after such hearing, the
18 supervisors recommend and the ~~commissioner~~ **BOARD**, ~~upon~~ **ON** a review of the
19 findings of the supervisors, approves, the additional land shall become a
20 part of the district. The ~~commissioner~~ **BOARD** shall certify the action to
21 the secretary of state, and the certificate shall be filed with the
22 original certificate of organization of the district.

23 C. No area, land, property of or lands held by any person under
24 lease or certificate of purchase from the state shall be included in any
25 territory added to any district if the owner or owners of such area,
26 lands, property, certificate of purchase or leaseholds do not desire them
27 to be included in such district.

28 Sec. 18. Section 41-6038, Arizona Revised Statutes, as transferred
29 and renumbered, is amended to read:

30 41-6038. Dissolution of district

31 A. At any time after five years following the organization of a
32 district, any twenty-five owners of land or not less than twenty ~~per cent~~
33 **PERCENT** of the owners of land lying within the boundaries of the district
34 may file a petition with the ~~commissioner~~ **BOARD** praying that the
35 operations of the district be terminated and its existence discontinued.
36 The ~~commissioner~~ **BOARD** shall conduct such public meetings and hearings
37 ~~upon~~ **ON** the petition as may be necessary to assist in the consideration
38 thereof.

39 B. Within sixty days after filing of the petition, the ~~commissioner~~
40 **BOARD** shall give notice of the holding of a referendum, and shall
41 supervise the referendum and issue appropriate regulations governing the
42 conduct thereof. The question shall be submitted by ballots ~~upon~~ **ON** which
43 the propositions, "For terminating the existence of the (name of
44 district)" and "against terminating the existence of the (name of
45 district);" shall be printed, with a square after each proposition and an

1 instruction to mark an X in the square following the proposition for which
2 the voter desires to vote. Only owners of lands lying within the
3 boundaries of the district shall be eligible to vote on the referendum.
4 No informality in the conduct of the referendum or in any matter relating
5 thereto shall invalidate the referendum or the result thereof, if due
6 notice thereof has been given substantially as provided in this chapter
7 and the referendum has been fairly conducted.

8 C. If sixty-five ~~percent~~ PERCENT of the landowners voting thereon
9 vote to terminate the existence of a district, the ~~commissioner~~ BOARD
10 shall advise the supervisors to conclude the affairs of the district. The
11 supervisors shall dispose of all property belonging to the district at
12 public auction and shall transmit the proceeds of the sale to the state
13 treasurer for deposit, pursuant to sections 35-146 and 35-147.

14 D. AFTER DISPOSING OF THE PROPERTY AND TRANSMITTING THE PROCEEDS OF
15 THE SALE PURSUANT TO SUBSECTION C OF THIS SECTION, the supervisors shall
16 ~~thereupon~~ file a verified application with the secretary of state for
17 discontinuance of the district, together with the certificate of the
18 ~~commissioner~~ BOARD setting forth the determination of the ~~commissioner~~
19 BOARD that the continued operation of the district is not administratively
20 feasible. The application shall recite that the property of the district
21 has been disposed of and the proceeds paid over as provided in this
22 section, and shall include a full accounting of the properties and the
23 proceeds of the sale. The secretary of state shall issue to the
24 supervisors a certificate of dissolution, and shall record the certificate
25 in ~~his~~ THE SECRETARY OF STATE'S office.

26 E. The ~~commissioner~~ BOARD shall not entertain a petition for the
27 discontinuance of any district, nor conduct a referendum thereon, nor make
28 any determination pursuant thereto, more than once in five years.

29 Sec. 19. Section 41-6039, Arizona Revised Statutes, as transferred
30 and renumbered, is amended to read:

31 41-6039. Status following dissolution

32 ~~Upon~~ ON the issuance of a certificate of dissolution as provided in
33 section ~~37-1038~~ 41-6038, the ordinances and regulations theretofore in
34 force within the district shall be of no further effect. Any contract
35 theretofore entered into to which the district or supervisors are parties
36 shall remain in force for the period provided therein, and the
37 ~~commissioner~~ BOARD shall be substituted for the district or supervisors as
38 a party thereto. The ~~commissioner~~ BOARD shall be entitled to all benefits
39 and subject to all liabilities under any such contract and shall have the
40 same right and liability to perform, require performance, sue and be sued
41 thereon, and to modify or terminate the contract by mutual consent or
42 otherwise, as the supervisors of the district would have had. Dissolution
43 shall not affect the lien of any judgment entered under ~~the provisions of~~
44 this chapter, nor the pendency of any action instituted thereunder, and

1 the ~~commissioner~~ BOARD shall succeed to all the rights and obligations of
2 the district or supervisors as to such liens and actions.

3 Sec. 20. Section 41-6040, Arizona Revised Statutes, as transferred
4 and renumbered, is amended to read:

5 41-6040. Change in boundaries; combination or division of
6 districts; change in name of districts

7 A. Petitions for a change in the boundaries of existing districts,
8 or the combination of two or more existing districts may be filed with the
9 ~~commissioner~~ STATE NATURAL RESOURCE CONSERVATION BOARD by a majority of
10 supervisors of the board or boards of supervisors of the district or
11 districts to be affected. In the case of a proposed combination of two or
12 more existing districts, the petition shall state the proposed boundaries
13 of the new combined district, the proposed name, and shall propose a
14 method, which has been mutually agreed ~~upon~~ ON by all boards of
15 supervisors of affected districts, as to the future terms of office of
16 existing district supervisors, and how such terms will be determined. The
17 ~~commissioner~~ STATE NATURAL RESOURCE CONSERVATION BOARD may require such
18 hearings as ~~he~~ THE STATE NATURAL RESOURCE CONSERVATION BOARD deems
19 appropriate to enable ~~him~~ THE STATE NATURAL RESOURCE CONSERVATION BOARD to
20 make a determination as to the desirability of the proposed changes. If
21 the ~~commissioner~~ STATE NATURAL RESOURCE CONSERVATION BOARD makes a
22 determination in favor of the changes, ~~he~~ THE STATE NATURAL RESOURCE
23 CONSERVATION BOARD shall certify the fact of such change to the secretary
24 of state and shall notify the board of supervisors of the district, or
25 districts, setting out in such notice the new boundaries and the name of
26 the district and confirmation of terms of the supervisors. The secretary
27 of state shall make and issue a corrected certificate of organization ~~upon~~
28 ON receipt of such certification from the ~~commissioner~~ STATE NATURAL
29 RESOURCE CONSERVATION BOARD.

30 B. The board of supervisors of any one or more districts organized
31 under ~~the provisions of~~ this section may submit to the ~~commissioner~~ STATE
32 NATURAL RESOURCE CONSERVATION BOARD a petition signed by a majority of the
33 members of the board of supervisors of each district affected requesting a
34 division of a district, a combination of two or more districts, or a
35 transfer of land from one district to another. The ~~commissioner~~ STATE
36 NATURAL RESOURCE CONSERVATION BOARD shall make a determination as to the
37 practicability and feasibility of the proposed change, giving due regard
38 to the same considerations as provided in this section for changes in
39 district boundaries by other methods. If the ~~commissioner~~ STATE NATURAL
40 RESOURCE CONSERVATION BOARD determines that the proposed change of
41 district boundaries is not administratively practicable and feasible, ~~he~~
42 THE STATE NATURAL RESOURCE CONSERVATION BOARD shall record such
43 determination and deny the petition. If the ~~commissioner~~ STATE NATURAL
44 RESOURCE CONSERVATION BOARD determines that the proposed change is
45 administratively practicable and feasible, ~~he~~ THE STATE NATURAL RESOURCE

1 CONSERVATION BOARD shall record such determination and proceed with the
2 reorganization of the district or districts affected in the same manner as
3 provided in this section for changes in district boundaries by other
4 methods.

5 C. Petitions for a change in the name of a district may be
6 submitted to the ~~commissioner~~ STATE NATURAL RESOURCE CONSERVATION BOARD by
7 a majority of supervisors of the board of supervisors of a district. If
8 the ~~commissioner~~ STATE NATURAL RESOURCE CONSERVATION BOARD approves the
9 change of name, ~~he~~ THE STATE NATURAL RESOURCE CONSERVATION BOARD shall
10 certify the fact of such change of name to the secretary of state and
11 shall notify the board of supervisors of the district of such change,
12 setting out in such notice the new name of the district. The secretary of
13 state shall make and issue a corrected certificate of organization ~~upon~~ ON
14 receipt of such certification from the ~~commissioner~~ STATE NATURAL RESOURCE
15 CONSERVATION BOARD.

16 Sec. 21. Section 41-6051, Arizona Revised Statutes, as transferred
17 and renumbered, is amended to read:

18 41-6051. District supervisors; term of office; biennial
19 election

20 A. The governing body of a district shall consist of five
21 supervisors, three of whom are to be elected and two appointed by the
22 ~~commissioner~~ BOARD FROM A LIST OF NOMINEES SELECTED BY THE ELECTED
23 SUPERVISORS. Except as to the first supervisors, whose election and terms
24 are prescribed in section ~~37-1035~~ 41-6035, the term of each elected
25 supervisor shall be six years, beginning on June 1 following ~~his~~ THE
26 SUPERVISOR'S election. As prescribed in section ~~37-1036~~ 41-6036, the
27 terms of the two supervisors appointed by the ~~commissioner~~ BOARD shall be
28 until May 31 of the next even-numbered year, or until their successors are
29 otherwise appointed.

30 B. An election shall be held on the first Saturday in May of each
31 even-numbered year, at which one supervisor of the district shall be
32 elected. Any person desiring to be a candidate shall file with the
33 ~~commissioner~~ BOARD a nomination petition in such form as the ~~commissioner~~
34 BOARD prescribes, at least ten days ~~prior to~~ BEFORE the election,
35 containing the signatures of not less than ~~twenty-five~~ ONE-HALF OF ONE
36 PERCENT OF THE qualified electors of the district OR FIVE QUALIFIED
37 ELECTORS OF THE DISTRICT, WHICHEVER IS HIGHER. No person shall be
38 eligible to be a candidate for supervisor unless ~~he~~ THE PERSON is a
39 qualified elector of the district. The names of candidates shall appear
40 on the ballot in alphabetical order by surnames, with a square after each
41 name and an instruction to mark an X in the square after the name of the
42 voter's choice. The governing body of a district may provide a mail
43 ballot to a qualified district elector for which the district governing
44 body has a first class mailing address. Qualified electors of a district
45 who wish to vote by mail ballot shall file a first class mailing address

1 with the district governing body at least thirty days ~~prior to~~ BEFORE the
2 date of the election. Qualified district electors who receive ballots in
3 proper form from the district governing body may cast their votes by mail.
4 Mail ballots, to be counted, shall be received at the place designated,
5 and within the time prescribed by the district supervisors and clearly
6 specified in the notice of election. Only qualified electors of the
7 district shall have the right to vote. The district governing body shall
8 provide at least one polling place in the district for qualified voters
9 who wish to vote in person. If two or more candidates receive the same
10 number of votes, the successful candidate shall be determined by lot. IF
11 ONLY ONE PERSON FILES A NOMINATING PETITION FOR AN ELECTION TO FILL A
12 POSITION ON THE DISTRICT BOARD FOR WHICH THE TERM OF OFFICE IS TO EXPIRE,
13 THE BOARD MAY CANCEL THE ELECTION FOR THAT POSITION AND INSTEAD MAY
14 APPOINT THE PERSON WHO FILED THE NOMINATING PETITION TO FILL THE POSITION.
15 IF NO PERSON FILES A NOMINATING PETITION FOR AN ELECTION TO FILL A
16 DISTRICT OFFICE, THE BOARD MAY CANCEL THE ELECTION FOR THE OFFICES AND THE
17 OFFICE SHALL BE FILLED AS OTHERWISE PROVIDED BY LAW. A PERSON WHO IS
18 APPOINTED PURSUANT TO THIS SUBSECTION IS FULLY VESTED WITH THE POWERS AND
19 DUTIES OF THE OFFICE AS IF ELECTED TO THAT OFFICE.

20 Sec. 22. Section 41-6052, Arizona Revised Statutes, as transferred
21 and renumbered, is amended to read:

22 41-6052. Organization of supervisors; vacancies

23 A. At the first meeting of the supervisors following an election,
24 they shall organize by electing a chairman and a vice chairman and such
25 other officers as are deemed necessary from among their number to serve
26 for the ensuing two years.

27 B. If a vacancy occurs in the office of an elected supervisor
28 otherwise than by expiration of term, the ~~commissioner~~ BOARD may appoint a
29 qualified elector of the district to serve until June 1 of the next
30 even-numbered year, when a successor shall be elected for the remainder of
31 the term.

32 C. District supervisors may employ a secretary and such other
33 agents, employees and technical or professional experts as they may from
34 time to time require, and may determine qualifications, compensation and
35 duties applicable to any agent, employee or expert engaged.

36 Sec. 23. Section 41-6053, Arizona Revised Statutes, as transferred
37 and renumbered, is amended to read:

38 41-6053. Powers and duties of supervisors

39 A. The supervisors shall:

40 1. Provide for the keeping of a record of all POLICIES,
41 proceedings, resolutions, regulations and orders issued or adopted.

42 2. Furnish to the ~~commissioner~~ BOARD copies of such ordinances,
43 rules, regulations, orders, contracts, forms or other documents adopted or
44 employed, audits of the district or education center and such information
45 concerning their activities as the ~~commissioner~~ BOARD requests.

1 B. The supervisors may appoint additional advisory members to the
2 district governing body and delegate to the chairman or any member, or to
3 any agent or employee, such powers and duties as they deem proper.

4 C. District supervisors shall require and provide for the execution
5 of a corporate surety bond in suitable penal sum for, and to cover, any
6 person entrusted with the care or disposition of district ~~funds~~ **MONIES** or
7 property.

8 D. The compensation of the district supervisors shall be determined
9 by the supervisors meeting as the governing body of the district but shall
10 not exceed the compensation prescribed by section 38-611, plus actual and
11 necessary expenses of attending district meetings, and a per diem
12 subsistence allowance and actual and necessary expenses while engaged in
13 official business by order of the supervisors.

14 Sec. 24. Section 41-6054, Arizona Revised Statutes, as transferred
15 and renumbered, is amended to read:

16 **41-6054. Powers of district**

17 A. This state recognizes the special expertise of the districts in
18 the fields of land, soil, water and natural resources management within
19 the boundaries of the district. A district is empowered to:

20 1. Conduct surveys, investigations and research relating to the
21 character of the soil, soil erosion prevention within a farm or ranch,
22 methods of cultivation, farm and range practices, seeding, eradicating
23 noxious growths and invasive vegetation and any other measures that will
24 aid farm and range operations, disseminate information **AND EDUCATE**
25 **LANDOWNERS** pertaining thereto, and carry on research programs with or
26 without the cooperation of this state or its agencies or the United States
27 or its agencies.

28 2. Create and administer a soil health program that promotes
29 implementation of soil health practices, research projects, demonstration
30 projects, educational projects or other activities appropriate to promote
31 the continuing capacity for soil to function as a vital living biological
32 system that sustains plants, animals and humans, increased soil organic
33 matter, improved soil structure, water-holding and nutrient-holding
34 capacity or nutrient cycling.

35 3. Conduct demonstration projects within the district on lands
36 owned or controlled by the state or any of its agencies with the consent
37 and cooperation of the agency having jurisdiction of the land, and on any
38 other lands within the district on obtaining the consent of the landowner
39 or the necessary rights or interests in the land, in order to demonstrate
40 by example the means, methods and measures by which water, soil and soil
41 resources may be conserved and soil erosion and soil washing may be
42 prevented and controlled.

43 4. Cooperate, **COORDINATE** and enter into agreements with a
44 landowner, an operator or any agency or subdivision of the state or
45 federal government to carry on programs of watershed improvement, soil

1 erosion prevention, methods of cultivation, cropping practices, land
2 leveling and improvement on agricultural lands, and programs limited to
3 methods of proper range LAND use, reseeding and eradicating noxious growth
4 and invasive vegetation on grazing lands, all within the limits of an
5 individual farm or ranch and subject to the conditions the supervisors
6 deem necessary.

7 5. Acquire, by purchase, exchange, lease or otherwise, any
8 property, real or personal, or rights or interest in any property,
9 maintain, administer and improve any properties acquired, receive income
10 from any property or right or interest in property and expend it in
11 carrying out the purposes of this chapter, and sell, lease or otherwise
12 dispose of any property or interest in property in furtherance of the
13 purposes of this chapter.

14 6. Make available, on the terms it prescribes to landowners within
15 the district, agricultural and engineering machinery and equipment,
16 fertilizer, seed and other material or equipment as will assist the
17 landowners to carry on operations on their lands for the purposes and
18 programs authorized by this chapter.

19 7. Develop, publish and bring to the attention of landowners within
20 the district comprehensive plans for conserving soil and water resources
21 within the district that specify in such detail as may be feasible the
22 acts, procedures, performances and avoidances necessary or desirable to
23 effect the plans.

24 8. Apply for, receive and spend monies from the Arizona water
25 protection fund pursuant to title 45, chapter 12 to be used in individual
26 districts or in cooperation with other districts, persons, cities, towns,
27 counties, special districts and Indian communities for projects consistent
28 with title 45, chapter 12.

29 9. Employ agents, engineers, attorneys or other employees not
30 readily available from existing state agencies.

31 10. Sue and be sued in the name of the district, have a seal, which
32 shall be judicially noticed, have perpetual succession unless terminated
33 as provided in this chapter, make and execute contracts and other
34 instruments necessary or convenient to exercise its powers and make, amend
35 and repeal rules not inconsistent with this chapter to effect its purposes
36 and powers.

37 11. APPLY FOR GRANTS AND accept donations, gifts and contributions
38 in monies, services, materials or otherwise, and use or expend them in
39 carrying on its operations.

40 12. Organize and establish an education center to increase the
41 knowledge of natural resources in this state through the following
42 methods:

43 (a) Offering technical guidance and training to agricultural
44 producers.

45 (b) Publishing scholarly materials.

1 (c) Providing educational and training opportunities, both inside
2 and outside of the district.

3 (d) Conducting or sponsoring scientific studies that affect natural
4 resources in this state.

5 (e) Increasing public awareness of water conservation statewide,
6 including water conservation methods and best management practices.

7 (f) Increasing public awareness of soil health practices statewide.

8 13. APPLY FOR, RECEIVE AND SPEND MONIES FROM THE WATER
9 INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA PURSUANT TO TITLE 49, CHAPTER
10 8 TO BE USED IN INDIVIDUAL DISTRICTS OR IN COOPERATION WITH OTHER
11 DISTRICTS AND CITIES, TOWNS, COUNTIES, SPECIAL DISTRICTS, INDIAN
12 COMMUNITIES AND OTHER PERSONS FOR PROJECTS CONSISTENT WITH TITLE 49,
13 CHAPTER 8.

14 B. A provision of law with respect to acquiring, operating or
15 disposing of property by other public bodies is not applicable to a
16 district organized under this chapter unless specifically stated therein.

17 C. After the formation of any district under this chapter, all
18 participation thereunder shall be voluntary, notwithstanding any provision
19 of this chapter to the contrary.

20 D. A district may send to THE BOARD AND the Arizona water
21 protection fund commission established by title 45, chapter 12 written
22 recommendations for geographic areas to be emphasized, issues of concern
23 and measures to implement title 45, chapter 12. A district that sends
24 written recommendations to the commission shall request information from
25 at least the following:

26 1. The director of the department of water resources and the ~~state~~
27 ~~land commissioner~~ BOARD.

28 2. The federal and state fish, wildlife, recreation and natural
29 resource agencies.

30 3. County and municipal entities.

31 4. The public.

32 E. The district shall develop procedures to ensure adequate
33 participation in the public involvement process prescribed by subsection D
34 of this section.

35 Sec. 25. Section 41-6055, Arizona Revised Statutes, as transferred
36 and renumbered, is amended to read:

37 41-6055. Limitation of powers

38 A. ~~Nothing in~~ This chapter ~~shall~~ DOES NOT affect existing water
39 rights ~~or~~ AND DOES NOT in any manner contravene the provisions of ~~this~~
40 title 37.

41 B. No district or public body shall undertake or cooperate in the
42 planning, construction, improvement or maintenance of any structure, dike
43 or channel for the storage, spreading, diversion or conveyance of water
44 resulting in the consumptive use of water, on any watershed or drainage
45 area ~~which~~ THAT supplies or contributes water for the irrigation of lands

1 within any irrigation district or for the irrigation of other lands having
2 established rights in such water, without first submitting the plans
3 therefor to the governing body of such irrigation district or districts.
4 Such governing body shall within forty-five days after receipt of such
5 plans either approve or reject them. The approval may be given for
6 rangeland soil conservation practices by agreement on an annual or
7 continuing basis between the governing bodies of the affected irrigation
8 districts and the supervisors of such natural resource conservation
9 districts. If the governing body fails to approve or reject the plans
10 within forty-five days, it shall be deemed to have approved them. If the
11 governing body rejects the plans, the district or public body proposing
12 such plans may appeal to the ~~commissioner~~ BOARD. The appeal shall be
13 taken within forty-five days after such decision. The ~~commissioner~~ BOARD
14 shall review the decision, and may approve the plans only if after an
15 investigation and hearing ~~he~~ THE BOARD finds that the work proposed to be
16 done will not result in the consumptive use of water. An appeal from the
17 decision of the ~~commissioner~~ BOARD may be taken by either party pursuant
18 to ~~the provisions of section 37-215~~ TITLE 41, CHAPTER 6, ARTICLE 10. ~~The~~
19 ~~provisions of~~ This subsection ~~shall~~ DOES not preclude the use of any other
20 legal remedy otherwise available to any person or interested party.

21 C. The diversion, application or use of water by means of any
22 improvement constructed, maintained or operated under ~~the provisions of~~
23 this chapter ~~shall~~ IS not ~~be construed to be~~ an appropriation of or DOES
24 NOT vest any right to the use of public water.

25 Sec. 26. Section 43-1084, Arizona Revised Statutes, is amended to
26 read:

27 43-1084. Credit for agricultural water conservation system

28 A. A credit is allowed against the taxes imposed by this title for
29 expenses that the taxpayer incurred during the taxable year to purchase
30 and install an agricultural water conservation system in this state. The
31 amount of the credit is equal to seventy-five percent of the qualifying
32 expenses.

33 B. To qualify for the credit under this section:

34 1. The agricultural water conservation system must be primarily
35 designed to substantially conserve water on land that is used by the
36 taxpayer or the taxpayer's tenant to:

- 37 (a) Produce crops, fruits or other agricultural products.
38 (b) Raise, harvest or grow trees.
39 (c) Sustain livestock.

40 2. The expense must be consistent with a conservation plan that the
41 taxpayer has filed with the United States department of agriculture,
42 natural resources conservation service, or a natural resource conservation
43 district in this state established pursuant to title ~~37-~~ 41, chapter
44 ~~6-~~ 58.

1 C. Co-owners of the land on which the water conservation system is
2 installed, including partners in a partnership and shareholders of an S
3 corporation, as defined in section 1361 of the internal revenue code, may
4 each claim only the pro rata share of the credit allowed under this
5 section based on the ownership interest. The total of the credits allowed
6 all such owners may not exceed the amount that would have been allowed a
7 sole owner.

8 D. If the allowable tax credit exceeds the taxes otherwise due
9 under this title on the claimant's income, or if there are no taxes due
10 under this title, the taxpayer may carry the amount of the claim not used
11 to offset the taxes under this title forward for not more than five
12 taxable years' income tax liability.

13 E. The credit allowed by this section is in lieu of any deduction
14 for such expenses allowed by the internal revenue code and included under
15 section 43-1042 in computing taxable income.

16 Sec. 27. Section 45-2103, Arizona Revised Statutes, is amended to
17 read:

18 45-2103. Arizona water protection fund commission

19 A. The Arizona water protection fund commission is established and
20 consists of two ex officio members, two advisory members and nine
21 appointed members who are residents of this state, who have demonstrated
22 an interest in natural resources and who are appointed as follows:

23 1. One person who represents a multi-county water conservation
24 district established pursuant to title 48, chapter 22 and named by that
25 district's governing board.

26 2. One person who represents a state association of natural
27 resource conservation districts and who is appointed by the governor.

28 3. Four persons who represent natural resource conservation
29 districts established pursuant to title ~~37~~ 41, chapter ~~6~~ 58, and who
30 represent geographically diverse areas of this state, two of whom shall be
31 appointed by the president of the senate and two of whom are appointed by
32 the speaker of the house of representatives.

33 4. One member of the public who has at least a bachelor's degree in
34 hydrology, who represents a city that is served by the central Arizona
35 project and who is appointed by the governor.

36 5. One person who is knowledgeable in natural resource conservation
37 issues or in water resource issues related to riparian ecosystems, who
38 represents an agricultural improvement district established pursuant to
39 title 48, chapter 17 and who is appointed by the governor.

40 6. One person who represents an Indian tribe and who is appointed
41 by the chairman of the ~~intertribal~~ INTER TRIBAL council of Arizona.

42 7. As nonvoting ex officio members, the director of the department
43 of water resources and the state land commissioner.

1 8. As nonvoting advisory members, one member of the house of
2 representatives who is appointed by the speaker of the house of
3 representatives and one member of the senate who is appointed by the
4 president of the senate. Advisory members may not be considered for
5 purposes of establishing a quorum.

6 B. Members of the commission appointed pursuant to subsection A,
7 paragraphs 1 through 6 of this section shall be appointed for staggered
8 terms of three years. A member may serve more than one term and may
9 continue to serve beyond the expiration of the term until a successor is
10 appointed and assumes office.

11 C. On request, members who are not ex officio members of the
12 commission are eligible to receive compensation pursuant to section
13 38-611, not to exceed ~~three thousand dollars~~ \$3,000 in any calendar year,
14 and are eligible for reimbursement for expenses pursuant to title 38,
15 chapter 4, article 2.

16 D. Members of the commission are immune from liability for any
17 action necessary to carry out the purposes of this chapter.

18 Sec. 28. Section 45-2106, Arizona Revised Statutes, is amended to
19 read:

20 45-2106. Public involvement

21 A. The commission is subject to ~~the provisions of~~ title 38, chapter
22 3, article 3.1 and title 39, chapter 1.

23 B. The commission shall develop and may amend the guidelines for
24 applicants required by section 45-2105 after reviewing the recommendations
25 submitted by the natural resource conservation districts developed
26 pursuant to section ~~37-1054~~ 41-6054, subsections D and E and the
27 information gathered during the public involvement process.

28 C. The commission shall gather information from the following:

29 1. The director of the department of water resources, THE STATE
30 NATURAL RESOURCE CONSERVATION BOARD and the state land commissioner.

31 2. The federal and state fish, wildlife, recreation and natural
32 resource agencies.

33 3. County and municipal entities.

34 4. The public.

35 D. The commission shall develop procedures to assure adequate
36 public participation. At a minimum, public participation procedures shall
37 prescribe public notice requirements, including the content and
38 publication of the notice, provide an opportunity for public hearings and
39 specify the procedures governing the hearings and require the public
40 availability of relevant documents. Public hearings shall be held at
41 places and times ~~which~~ THAT afford a reasonable opportunity to persons to
42 participate.

43 E. The commission shall make available for viewing copies of the
44 recommendations and supporting documents submitted pursuant to this
45 section and may charge a reasonable fee for copying.

1 other business required to effectuate the transition of duties from the
2 state land commissioner to the state natural resource conservation board.

3 Sec. 31. Purpose

4 Pursuant to section 41-2955, subsection E, Arizona Revised Statutes,
5 the legislature establishes the state natural resource conservation board
6 to provide assistance to the supervisors of the natural resource
7 conservation districts.