

House Engrossed

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)

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

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

4 37-1002. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Agency of the state" includes the government of ~~the~~ THIS state  
7 and any subdivision, agency or instrumentality, corporate or otherwise, of  
8 the state government.

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

11 3. "COMMISSION" MEANS THE NATURAL RESOURCE CONSERVATION DISTRICT  
12 FUND COMMISSION.

13 ~~3.~~ 4. "Commissioner" or "state natural resource conservation  
14 commissioner" means the state land commissioner.

15 5. "COOPERATIVE AGREEMENT" MEANS AN AGREEMENT BETWEEN A NATURAL  
16 RESOURCE CONSERVATION DISTRICT AND A PROPERTY OWNER WITHIN THE DISTRICT  
17 BOUNDARIES.

18 ~~4.~~ 6. "Department" means the state land department.

19 ~~5.~~ 7. "District" means a natural resource conservation district  
20 organized in accordance with the provisions of this chapter.

21 ~~6.~~ 8. "District cooperator" means any person who has entered into  
22 a cooperative agreement with a natural resource conservation district for  
23 the purpose of protecting, conserving and practicing wise use of the  
24 natural resources under his control.

25 ~~7.~~ 9. "Due notice" means notice published at least twice with an  
26 interval of at least six days between the two publication dates, in a  
27 newspaper of general circulation within the area affected, or if there is  
28 no newspaper of general circulation within the area affected, in a  
29 newspaper of general circulation in the county in which the area is  
30 located.

31 10. "FUND" MEANS THE NATURAL RESOURCE CONSERVATION DISTRICT FUND  
32 ESTABLISHED BY SECTION 37-1008.

33 ~~8.~~ 11. "Government" or "governmental" includes the government of  
34 ~~the~~ THIS state, the government of the United States, and any subdivision,  
35 agency or instrumentality, corporate or otherwise, of either of them.

36 ~~9.~~ 12. "Irrigation district" means an irrigation district,  
37 drainage district, water conservation district, agricultural improvement  
38 district, and, in addition thereto, includes any district, political  
39 subdivision, government agency, canal company, association, corporation or  
40 instrumentality of ~~the~~ THIS state, having territorial boundaries and  
41 created or organized for the purpose of furnishing irrigation water for  
42 lands in ~~the~~ THIS state.

43 ~~10.~~ 13. "Landowner" or "owner of land" means any person, firm or  
44 corporation, including ~~the~~ THIS state, holding title to any land lying  
45 within a district organized or proposed to be organized under the

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

5 ~~11.~~ 14. "Nominating petition" means a petition to nominate  
6 candidates for the office of supervisor.

7 ~~12.~~ 15. "Petition" means a petition for the creation or for the  
8 dissolution of a district.

9 ~~13.~~ 16. "Qualified elector" means a person who is a district  
10 cooperater and a qualified elector of the state.

11 ~~14.~~ 17. "Range lands" means lands other than agricultural lands ~~and~~  
12 THAT ARE devoted principally to the purpose of grazing livestock.

13 ~~15.~~ 18. "Supervisor" means a member of the governing body of a  
14 district, elected or appointed in accordance with the provisions of this  
15 chapter.

16 ~~16.~~ 19. "United States" or "agencies of the United States" includes  
17 the United States, the United States department of agriculture and any  
18 other agency or instrumentality, corporate or otherwise, of the United  
19 States.

20 Sec. 2. Title 37, chapter 6, article 1, Arizona Revised Statutes,  
21 is amended by adding sections 37-1003, 37-1004, 37-1005, 37-1006, 37-1007,  
22 37-1008 and 37-1009, to read:

23 37-1003. Natural resource conservation district fund  
24 commission; membership; immunity

25 A. THE NATURAL RESOURCE CONSERVATION DISTRICT FUND COMMISSION IS  
26 ESTABLISHED AND CONSISTS OF THE FOLLOWING MEMBERS:

27 1. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN  
28 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED  
29 PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS  
30 EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES  
31 CONSERVATION SERVICE AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF  
32 REPRESENTATIVES.

33 2. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN  
34 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED  
35 PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS  
36 EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES  
37 CONSERVATION SERVICE AND WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

38 3. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN  
39 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED  
40 PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS  
41 EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES  
42 CONSERVATION SERVICE AND WHO IS APPOINTED BY THE MINORITY LEADER OF THE  
43 HOUSE OF REPRESENTATIVES.

44 4. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN  
45 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED

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

5 5. TWO MEMBERS WHO ARE RESIDENTS OF THIS STATE, WHO ARE EITHER AN  
6 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED  
7 PURSUANT TO ARTICLE 3 OF THIS CHAPTER OR A CONSERVATION DISTRICT THAT HAS  
8 EXECUTED A MEMORANDUM OF UNDERSTANDING WITH THE NATURAL RESOURCES  
9 CONSERVATION SERVICE AND WHO ARE APPOINTED BY THE GOVERNOR.

10 6. ONE MEMBER WHO SERVES ON THE EXECUTIVE BOARD OF A STATEWIDE  
11 ASSOCIATION OF NATURAL RESOURCE CONSERVATION DISTRICTS AND WHO IS  
12 APPOINTED BY THE MEMBERS OF THE COMMISSION WHO ARE APPOINTED PURSUANT TO  
13 PARAGRAPHS 1 THROUGH 5 OF THIS SUBSECTION.

14 7. AS A NONVOTING EX OFFICIO MEMBER, THE STATE NATURAL RESOURCE  
15 CONSERVATION COMMISSIONER.

16 8. AS NONVOTING ADVISORY MEMBERS, ONE MEMBER OF THE HOUSE OF  
17 REPRESENTATIVES WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF  
18 REPRESENTATIVES, ONE MEMBER OF THE SENATE WHO IS APPOINTED BY THE  
19 PRESIDENT OF THE SENATE, ONE MEMBER OF HOUSE OF REPRESENTATIVES WHO IS  
20 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND ONE  
21 MEMBER OF THE SENATE WHO IS APPOINTED BY THE MINORITY LEADER OF THE  
22 SENATE. THE NONVOTING ADVISORY MEMBERS MAY NOT BE CONSIDERED FOR PURPOSES  
23 OF ESTABLISHING A QUORUM.

24 B. NO TWO APPOINTED MEMBERS OF THE COMMISSION MAY SERVE AS AN  
25 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT FROM THE SAME  
26 GEOGRAPHIC NATURAL RESOURCE AREA AS DEFINED BY A STATEWIDE ORGANIZATION  
27 REPRESENTING NATURAL RESOURCE CONSERVATION DISTRICTS. NO FEWER THAN SIX  
28 APPOINTED MEMBERS SHALL BE FROM A CONSERVATION DISTRICT ESTABLISHED  
29 PURSUANT TO ARTICLE 3 OF THIS CHAPTER.

30 C. APPOINTED MEMBERS OF THE COMMISSION SHALL BE SELECTED FROM  
31 APPLICATIONS SUBMITTED TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF  
32 REPRESENTATIVES, THE PRESIDENT OF THE SENATE, MINORITY LEADER OF THE HOUSE  
33 OF REPRESENTATIVES AND MINORITY LEADER OF THE SENATE. QUALIFIED  
34 INDIVIDUALS AND NATURAL RESOURCE CONSERVATION DISTRICT BOARDS ON BEHALF OF  
35 QUALIFIED INDIVIDUALS MAY SUBMIT APPLICATIONS. THE APPLICATION SHALL  
36 INCLUDE THE APPLICANT'S NAME AND QUALIFICATIONS AND THE NATURAL RESOURCE  
37 CONSERVATION DISTRICT FOR WHICH THE APPLICANT SERVES AS AN ELECTED OR  
38 APPOINTED SUPERVISOR.

39 D. MEMBERS OF THE COMMISSION APPOINTED PURSUANT TO SUBSECTION A,  
40 PARAGRAPHS 1 THROUGH 6 OF THIS SECTION SHALL BE APPOINTED FOR TWO YEAR  
41 STAGGERED TERMS. A MEMBER MAY SERVE MORE THAN ONE TERM AND MAY CONTINUE  
42 TO SERVE BEYOND THE EXPIRATION OF THE TERM UNTIL A SUCCESSOR IS APPOINTED  
43 AND ASSUMES OFFICE.

1 E. ON REQUEST, MEMBERS WHO ARE NOT EX OFFICIO OR ADVISORY MEMBERS  
2 OF THE COMMISSION ARE ELIGIBLE FOR REIMBURSEMENT FOR EXPENSES PURSUANT TO  
3 TITLE 38, CHAPTER 4, ARTICLE 2.

4 F. MEMBERS OF THE COMMISSION ARE IMMUNE FROM LIABILITY FOR ANY  
5 ACTION NECESSARY TO CARRY OUT THE PURPOSES OF THIS CHAPTER.

6 37-1004. Powers and duties; annual report; limits

7 A. THE AUTHORITY VESTED IN AND THE DUTIES IMPOSED ON THE COMMISSION  
8 SHALL BE EXERCISED BY A QUORUM OF MEMBERS THAT CONSISTS OF A MAJORITY OF  
9 MEMBERS THEN IN OFFICE, EXCEPT THAT A LESSER NUMBER MAY HOLD PUBLIC  
10 MEETINGS WITHOUT TAKING LEGAL ACTION.

11 B. THE COMMISSION SHALL:

12 1. ADOPT RULES NECESSARY TO PERFORM ITS DUTIES.

13 2. AWARD GRANT MONIES IN ACCORDANCE WITH SECTION 37-1007.

14 3. COORDINATE STAFFING NEEDS WITH THE STATE NATURAL RESOURCE  
15 CONSERVATION COMMISSIONER.

16 4. ADOPT AN OFFICIAL SEAL FOR AUTHENTICATING THE COMMISSION'S  
17 RECORDS, DECISIONS AND RESOLUTIONS.

18 5. KEEP THE MINUTES OF COMMISSION MEETINGS AND ALL RECORDS, REPORTS  
19 AND OTHER INFORMATION RELATING TO THE COMMISSION'S WORK AND PROGRAMS IN  
20 PERMANENT FORM, SYSTEMATICALLY INDEXED AND FILED.

21 6. DESIGNATE AN INDIVIDUAL TO EXECUTE ALL DOCUMENTS AND INSTRUMENTS  
22 ON BEHALF OF THE COMMISSION.

23 7. EACH YEAR ELECT A CHAIRPERSON AND A VICE CHAIRPERSON FOR THE  
24 COMMISSION.

25 8. MANIFEST AND RECORD COMMISSION ACTIONS BY MOTION, RESOLUTION,  
26 ORDER OR OTHER APPROPRIATE MEANS.

27 9. IN ADDITION TO THOSE MEETINGS REQUIRED BY LAW TO BE OPEN, HOLD  
28 OPEN PUBLIC MEETINGS AS THE COMMISSION CONSIDERS APPROPRIATE.

29 10. PREPARE AN ANNUAL REPORT OF THE COMMISSION'S ACTIVITIES  
30 PURSUANT TO SECTION 37-1009.

31 C. THE COMMISSION MAY:

32 1. SUE AND BE SUED.

33 2. CONTRACT WITH ANY PERSON FOR THE EXPENDITURE OF MONIES,  
34 INCLUDING AWARDING GRANTS PURSUANT TO SECTION 37-1007.

35 3. MEET WITH STATE AUTHORITIES TO CONSIDER MATTERS OF MUTUAL  
36 INTEREST.

37 4. SECURE FROM ANY STATE AGENCY OR DEPARTMENT INFORMATION NECESSARY  
38 TO ENABLE THE COMMISSION TO CARRY OUT ITS PURPOSES.

39 5. ACCEPT, USE AND DISPOSE OF APPROPRIATIONS, GIFTS OR GRANTS OF  
40 MONEY OR OTHER PROPERTY OR DONATIONS OF SERVICES, FROM WHATEVER SOURCE,  
41 ONLY TO CARRY OUT THE PURPOSES OF THIS CHAPTER.

42 6. PERFORM ALL OTHER ACTS NECESSARY TO CARRY OUT THE PURPOSES OF  
43 THIS CHAPTER.

44 D. THIS CHAPTER DOES NOT AUTHORIZE THE COMMISSION TO PURCHASE REAL  
45 PROPERTY OR TO USE THIS STATE'S RIGHT OF EMINENT DOMAIN TO ACQUIRE WATER

1 OR WATER RIGHTS OR LONG-TERM STORAGE CREDITS USING MONIES DERIVED FROM THE  
2 NATURAL RESOURCE CONSERVATION DISTRICT FUND ESTABLISHED BY SECTION  
3 37-1008.

4 37-1005. Application guidelines

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

9 1. A DELINEATION OF GEOGRAPHIC AREAS IN THIS STATE WHERE PROTECTION  
10 AND RESTORATION WILL BE EMPHASIZED.

11 2. ISSUES OF CONCERN.

12 3. TYPES OF MEASURES NEEDED TO ADDRESS ISSUES OF CONCERN.

13 4. A REQUIREMENT THAT THE APPLICANT INCLUDE A DESCRIPTION OF THE  
14 RELATIONSHIP BETWEEN THE PROPOSED PROJECT AND EXISTING PLANS, REPORTS AND  
15 INFORMATION THAT ARE RELEVANT TO THE PROPOSED PROJECT.

16 37-1006. Public involvement; fee

17 A. THE COMMISSION IS SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 3.1  
18 AND TITLE 39, CHAPTER 1.

19 B. THE COMMISSION SHALL GATHER INFORMATION FROM THE FOLLOWING:

20 1. THE STATE NATURAL RESOURCE CONSERVATION COMMISSIONER.

21 2. THE FEDERAL AND STATE FISH, WILDLIFE, RECREATION AND NATURAL  
22 RESOURCE AGENCIES.

23 3. COUNTY AND MUNICIPAL ENTITIES.

24 4. THE PUBLIC.

25 C. THE COMMISSION SHALL DEVELOP AND MAY AMEND THE GUIDELINES FOR  
26 GRANT APPLICANTS REQUIRED BY SECTION 37-1005 AFTER REVIEWING THE  
27 RECOMMENDATIONS SUBMITTED BY THE NATURAL RESOURCE CONSERVATION DISTRICTS  
28 PURSUANT TO SECTION 37-1054, SUBSECTIONS D AND E AND THE INFORMATION  
29 GATHERED DURING THE PUBLIC INVOLVEMENT PROCESS.

30 D. THE COMMISSION SHALL DEVELOP PROCEDURES TO ENSURE ADEQUATE  
31 PUBLIC PARTICIPATION. AT A MINIMUM, PUBLIC PARTICIPATION PROCEDURES  
32 SHALL:

33 1. PRESCRIBE PUBLIC NOTICE REQUIREMENTS, INCLUDING THE CONTENT AND  
34 PUBLICATION OF THE NOTICE.

35 2. PROVIDE AN OPPORTUNITY FOR PUBLIC HEARINGS AND PROCEDURES THAT  
36 GOVERN THE PUBLIC HEARINGS, INCLUDING THAT PUBLIC HEARINGS BE HELD AT  
37 PLACES AND TIMES THAT AFFORD A REASONABLE OPPORTUNITY FOR THE PUBLIC TO  
38 PARTICIPATE.

39 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.



1           37-1008. Natural resource conservation district fund

2           A. THE NATURAL RESOURCE CONSERVATION DISTRICT FUND IS ESTABLISHED  
3           CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE COMMISSION SHALL ADMINISTER  
4           THE FUND FOR THE PURPOSES PRESCRIBED IN THIS ARTICLE. MONIES IN THE FUND  
5           ARE SUBJECT TO LEGISLATIVE APPROPRIATION.

6           B. THE COMMISSION SHALL:

7           1. ESTABLISH PRIORITIES FOR THE FUND.

8           2. USE THE MONIES IN THE FUND TO PROVIDE GRANTS TO NATURAL RESOURCE  
9           CONSERVATION DISTRICTS TO CONDUCT PROGRAMS AUTHORIZED UNDER SECTION  
10          37-1054.

11          C. THE COMMISSION MAY ACCEPT AND SPEND PRIVATE GRANTS, GIFTS,  
12          CONTRIBUTIONS AND DEVICES TO ASSIST IN PROVIDING GRANTS UNDER SECTION  
13          37-1007.

14          D. THE COMMISSION MAY AWARD UP TO FIVE PERCENT OF THE TOTAL MONIES  
15          DEPOSITED IN THE FUND DURING THE PREVIOUS CALENDAR YEAR AS A GRANT TO THE  
16          STATE LAND DEPARTMENT FOR ADDITIONAL MONIES TO ADMINISTER THIS CHAPTER.

17          E. ON NOTICE FROM THE COMMISSION, THE STATE TREASURER SHALL INVEST  
18          AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES  
19          EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND  
20          ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF  
21          APPROPRIATIONS.

22          F. INTEREST EARNED ON MONIES IN THE FUND MAY BE SPENT BY THE STATE  
23          LAND DEPARTMENT TO ADMINISTER THIS CHAPTER. ANY INTEREST EARNED IN EXCESS  
24          OF ADMINISTRATIVE COSTS MAY BE AWARDED AS A GRANT PURSUANT TO SUBSECTION D  
25          OF THIS SECTION.

26          37-1009. Annual report

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

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

35          37-1012. State natural resource conservation commissioner

36          A. The state land commissioner shall be THE state natural resource  
37          conservation commissioner. ~~He~~ THE COMMISSIONER shall serve as such  
38          without additional compensation.

39          B. The commissioner may appoint an administrative officer of the  
40          division of natural resource conservation, a secretary and such other  
41          assistants as may be required, assign their duties, ~~AND~~ AND define their  
42          powers and determine the amount of bond required of any assistant  
43          entrusted with funds or property. The compensation of all such assistants  
44          shall be as determined pursuant to section 38-611.



- 1 C. The commissioner shall:
- 2 1. Adopt a seal, ~~which~~ THAT shall be judicially noticed. ~~, and~~  
3 ~~shall~~
- 4 2. Hold ~~such~~ public hearings. ~~,~~
- 5 3. Provide for the keeping of a record of all proceedings and  
6 annual records of district operations. ~~,~~
- 7 4. Promulgate ~~such~~ orders, rules and regulations and perform such  
8 other acts as are necessary to carry out the provisions of this chapter.
- 9 5. COORDINATE WITH THE COMMISSION ON STAFFING NEEDS.
- 10 Sec. 4. Section 37-1013, Arizona Revised Statutes, is amended to  
11 read:
- 12 37-1013. Powers and duties of commissioner
- 13 A. The state natural resource conservation commissioner shall:
- 14 1. Offer appropriate assistance to the supervisors of districts in  
15 carrying out their powers and programs.
- 16 2. Keep the supervisors of each district informed of the activities  
17 and experiences of other districts, ~~AND OF RELEVANT INFORMATION FROM~~  
18 ~~OTHER STATES~~ and facilitate cooperation and interchange of advice, ~~and~~  
19 experience ~~AND PROGRAM OPPORTUNITIES~~ between districts.
- 20 ~~3. Coordinate the programs of the several districts insofar as~~  
21 ~~possible by advice and consultation.~~
- 22 ~~4.~~ 3. Require the supervisors of each district to file with the  
23 commissioner annually any audits and the records of the operations of the  
24 district for the preceding year in the form and detail as the commissioner  
25 prescribes.
- 26 ~~5.~~ 4. Secure the cooperation and assistance of the United States,  
27 its agencies and agencies of this state, in the work of districts as local  
28 units of state government with special expertise concerning land, soil,  
29 water and natural resources management within the boundaries of the  
30 district, ~~as~~ as the commissioner deems for the best interest of ~~the~~ THIS  
31 state.
- 32 ~~6. Disseminate information throughout the state concerning the~~  
33 ~~activities and program of districts.~~
- 34 ~~7.~~ 5. Provide staff support to the Arizona water protection fund  
35 commission established by title 45, chapter 12 and provide administrative  
36 assistance to natural resource conservation districts for compliance with  
37 the duties for districts pursuant to title 45, chapter 12.
- 38 6. PROVIDE ADMINISTRATIVE, TECHNICAL AND LEGAL SUPPORT TO THE  
39 COMMISSION TO THE EXTENT FUNDING IS AVAILABLE AS PRESCRIBED BY SECTION  
40 37-1008 AND FROM LEGISLATIVE APPROPRIATIONS. THIS SUPPORT MAY INCLUDE THE  
41 HIRING OF A CONTRACT ADMINISTRATOR, OFFICE SUPPORT AND TECHNICAL SUPPORT  
42 STAFF, WHO SHALL BE EMPLOYEES OF THE STATE LAND DEPARTMENT.
- 43 7. ASSIST A DISTRICT WHEN IT IS COOPERATING OR COORDINATING WITH A  
44 FEDERAL AGENCY.
- 45 8. ASSIST DISTRICTS IN DEVELOPING LONG-RANGE PLANS.

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

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

9 37-1014. State financial assistance; application; criteria

10 A. The commissioner shall include in the annual state land  
11 department budget request a sum of not more than ~~forty thousand dollars~~  
12 \$40,000 for each district ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS  
13 CHAPTER and ~~sixty thousand dollars~~ \$60,000 for each DISTRICT THAT OPERATES  
14 AN education center for distribution by the commissioner to those natural  
15 resource conservation districts that have applied for, have met the  
16 criteria for and have been approved for receiving state financial  
17 assistance, as provided in this section.

18 B. Any district or DISTRICT THAT OPERATES AN education center  
19 desiring to receive state financial assistance for the next ensuing fiscal  
20 year shall apply to the commissioner not later than June 20, on a form  
21 supplied by the division of natural resource conservation. Each  
22 application shall include:

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

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

27 3. Any audits that are requested by the commissioner.

28 C. On receipt of the application, the commissioner shall determine  
29 whether or not such funds for the district or education center will be  
30 included in the budget request for the state land department and shall  
31 promptly notify the district of that determination.

32 Sec. 6. Section 37-1032, Arizona Revised Statutes, is amended to  
33 read:

34 37-1032. Hearing on petition; notice

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

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

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

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

1 4. All related questions.

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

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

11 Sec. 7. Section 37-1033, Arizona Revised Statutes, is amended to  
12 read:

13 37-1033. Determination by commissioner

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

- 20 1. The topography of the area.
- 21 2. The character of soils.
- 22 3. The distribution of erosion.
- 23 4. Prevailing land use practices.
- 24 5. The desirability and necessity of including within the  
25 boundaries of the district the particular lands under consideration and  
26 the benefits to be received by such inclusion.
- 27 6. The relation of the proposed area to existing watersheds and  
28 agricultural regions, ~~and~~ and to other districts already organized or  
29 proposed for organization.
- 30 7. Such other physical, geographical and economic factors as are  
31 relevant.

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

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

43 D. After expiration of eighteen months ~~from~~ AFTER the date of entry  
44 of a determination by the commissioner that operation of a proposed  
45 district is not administratively and economically feasible, and denial of

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

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

5 37-1034. Referendum; election of supervisors

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

16 B. The ballot for the referendum shall:

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

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~~ ~~ARE~~ eligible to vote on the referendum, but any such  
26 owner who is not a qualified elector of the district, or any owner who is  
27 a 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, a qualified elector of the district as ~~his~~  
30 ~~THE OWNER'S~~ agent or proxy. The appointment of agent or proxy shall be  
31 presented to the board of election, and if it is found to be bona fide and  
32 in proper form, the holder thereof shall be allowed to vote ~~in~~ ~~ON~~ behalf  
33 of the owner executing the appointment on the question of creation of the  
34 district only. The appointment shall be filed with the ballots and other  
35 election returns.

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

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

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

9 37-1038. Dissolution of district

10 A. At any time after five years following the organization of a  
11 district, any twenty-five owners of land or not less than twenty ~~per cent~~  
12 PERCENT of the owners of land lying within the boundaries of the district  
13 may file a petition with the commissioner ~~praying~~ REQUESTING that the  
14 operations of the district be terminated and its existence  
15 discontinued. The commissioner shall conduct ~~such~~ public meetings and  
16 hearings ~~upon~~ ON the petition as may be necessary to assist in the  
17 consideration ~~thereof~~ TERMINATING AND DISCONTINUING THE DISTRICT.

18 B. Within sixty days after filing of the petition, the commissioner  
19 shall give notice of the holding of a referendum, and shall supervise the  
20 referendum and issue appropriate regulations governing the conduct  
21 thereof. The question shall be submitted by ballots ~~upon~~ ON which the  
22 propositions, "For terminating the existence of the (name of district)"  
23 and "against terminating the existence of the (name of district)," shall  
24 be printed, with a square after each proposition and an instruction to  
25 mark an X in the square following the proposition for which the voter  
26 desires to vote. Only owners of lands lying within the boundaries of the  
27 district ~~shall be~~ ARE eligible to vote on the referendum. ~~No~~ Informality  
28 in the conduct of the referendum or in any matter relating ~~thereto shall~~  
29 THE REFERENDUM DOES NOT invalidate the referendum or the result ~~thereof~~ OF  
30 THE REFERENDUM, if due notice ~~thereof~~ OF THE REFERENDUM has been given  
31 substantially as provided in this chapter and the referendum has been  
32 fairly conducted.

33 C. If sixty-five ~~per cent~~ PERCENT of the landowners voting thereon  
34 vote to terminate the existence of a district, the commissioner shall  
35 advise the supervisors to conclude the affairs of the district. The  
36 supervisors shall dispose of all property belonging to the district at  
37 public auction and shall transmit the proceeds of the sale to the state  
38 treasurer for deposit, pursuant to sections 35-146 and 35-147.

39 D. ~~AFTER DISPOSING OF THE PROPERTY AND TRANSMITTING THE PROCEEDS OF~~  
40 ~~THE SALE PURSUANT TO SUBSECTION C OF THIS SECTION,~~ the supervisors shall  
41 ~~thereupon~~ file a verified application with the secretary of state for  
42 discontinuance of the district, together with the certificate of the  
43 commissioner setting forth the determination of the commissioner that the  
44 continued operation of the district is not administratively feasible. The  
45 application shall ~~recite~~ STATE that the property of the district has been

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

6 E. The commissioner ~~shall~~ MAY not entertain a petition for the  
7 discontinuance of any district, nor conduct a referendum ~~thereon~~ ON  
8 DISCONTINUANCE OF ANY DISTRICT, nor make any determination pursuant  
9 thereto, more than once in five years.

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

12 37-1051. District supervisors; term of office; biennial  
13 election

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

23 B. An election shall be held on the first Saturday in May of each  
24 even-numbered year, at which one supervisor of the district shall be  
25 elected. Any person desiring to be a candidate shall file with the  
26 commissioner a nomination petition in such form as the commissioner  
27 prescribes, at least ten days ~~prior to~~ BEFORE the election, containing the  
28 signatures of ~~not less than twenty-five~~ AT LEAST ONE-HALF OF ONE PERCENT  
29 OF THE QUALIFIED ELECTORS IN THE DISTRICT BUT NOT FEWER THAN FIVE  
30 qualified electors of the district. ~~No~~ A person ~~shall be~~ IS NOT eligible  
31 to be a candidate for supervisor unless ~~he~~ THE PERSON is a qualified  
32 elector of the district. The names of candidates shall appear on the  
33 ballot in alphabetical order by surnames, with a square after each name  
34 and an instruction to mark an X in the square after the name of the  
35 voter's choice. The governing body of a district may provide a mail  
36 ballot to a qualified district elector for which the district governing  
37 body has a first class mailing address. Qualified electors of a district  
38 who wish to vote by mail ballot shall file a first class mailing address  
39 with the district governing body at least thirty days ~~prior to~~ BEFORE the  
40 date of the election. Qualified district electors who receive ballots in  
41 proper form from the district governing body may cast their votes by  
42 mail. Mail ballots, to be counted, shall be received at the place  
43 designated, and within the time prescribed by the district supervisors and  
44 clearly specified in the notice of election. Only qualified electors of  
45 the district shall have the right to vote. The district governing body

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

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

16 37-1052. Organization of supervisors; vacancies

17 A. At the first meeting of the supervisors following an election,  
18 they shall organize by electing a ~~chairman~~ CHAIRPERSON and a vice ~~chairman~~  
19 CHAIRPERSON and ~~such~~ other officers as are deemed necessary from among  
20 their number to serve for the ensuing two years.

21 B. If a vacancy occurs in the office of an elected supervisor  
22 otherwise than by expiration of term, the commissioner may appoint a  
23 qualified elector FROM A LIST OF NOMINEES PROVIDED BY THE SUPERVISORS of  
24 the district to serve until June 1 of the next even-numbered year, when a  
25 successor shall be elected for the remainder of the term.

26 C. District supervisors may employ a secretary and ~~such~~ other  
27 agents, employees and technical or professional experts as they may from  
28 time to time require, and may determine qualifications, compensation and  
29 duties applicable to any agent, employee or expert engaged.

30 Sec. 12. Section 37-1054, Arizona Revised Statutes, is amended to  
31 read:

32 37-1054. Powers of district

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

36 1. Conduct surveys, investigations and research relating to the  
37 character of the soil, soil erosion prevention within a farm or ranch,  
38 methods of cultivation, farm and range practices, seeding, eradicating  
39 noxious growths and invasive vegetation and any other measures that will  
40 aid farm and range operations, disseminate information AND EDUCATE  
41 LANDOWNERS pertaining thereto, and carry on research programs with or  
42 without the cooperation of this state or its agencies or the United States  
43 or its agencies.

1           2. Create and administer a soil health program that promotes  
2 implementation of soil health practices, research projects, demonstration  
3 projects, educational projects or other activities appropriate to promote  
4 the continuing capacity for soil to function as a vital living biological  
5 system that sustains plants, animals and humans, increased soil organic  
6 matter, improved soil structure, water-holding and nutrient-holding  
7 capacity or nutrient cycling.

8           3. Conduct demonstration projects within the district on lands  
9 owned or controlled by ~~the~~ THIS state or any of its agencies with the  
10 consent and cooperation of the agency having jurisdiction of the land, and  
11 on any other lands within the district on obtaining the consent of the  
12 landowner or the necessary rights or interests in the land, in order to  
13 demonstrate by example the means, methods and measures by which water,  
14 soil and soil resources may be conserved and soil erosion and soil washing  
15 may be prevented and controlled.

16           4. Cooperate, COORDINATE and enter into agreements with a  
17 landowner, an operator or any agency or subdivision of ~~the~~ THIS state or  
18 federal government to carry on programs of watershed improvement, soil  
19 erosion prevention, methods of cultivation, cropping practices, land  
20 leveling and improvement on agricultural lands, and programs limited to  
21 methods of proper range use, reseeding and eradicating noxious growth and  
22 invasive vegetation on grazing lands, all within the limits of an  
23 individual farm or ranch and subject to the conditions the supervisors  
24 deem necessary.

25           5. Acquire, by purchase, exchange, lease or otherwise, any  
26 property, real or personal, or rights or interest in any property,  
27 maintain, administer and improve any properties acquired, receive income  
28 from any property or right or interest in property and expend it in  
29 carrying out the purposes of this chapter, and sell, lease or otherwise  
30 dispose of any property or interest in property in furtherance of the  
31 purposes of this chapter.

32           6. Make available, on the terms it prescribes to landowners within  
33 the district, agricultural and engineering machinery and equipment,  
34 fertilizer, seed and other material or equipment as will assist the  
35 landowners to carry on operations on their lands for the purposes and  
36 programs authorized by this chapter.

37           7. Develop, publish and bring to the attention of landowners within  
38 the district comprehensive plans for conserving soil and water resources  
39 within the district that specify in such detail as may be feasible the  
40 acts, procedures, performances and avoidances necessary or desirable to  
41 effect the plans.

42           8. Apply for, receive and spend monies from the Arizona water  
43 protection fund pursuant to title 45, chapter 12 to be used in individual  
44 districts or in cooperation with other districts, persons, cities, towns,



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

3 9. APPLY FOR, RECEIVE AND SPEND MONIES FROM THE WATER  
4 INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA PURSUANT TO TITLE 49, CHAPTER  
5 8 TO BE USED IN INDIVIDUAL DISTRICTS OR IN COOPERATION WITH OTHER  
6 DISTRICTS, PERSONS, CITIES, TOWNS, COUNTIES AND SPECIAL DISTRICTS FOR  
7 PROJECTS CONSISTENT WITH TITLE 49, CHAPTER 8.

8 ~~9.~~ 10. Employ agents, engineers, attorneys or other employees not  
9 readily available from existing state agencies.

10 ~~10.~~ 11. Sue and be sued in the name of the district, have a seal,  
11 which shall be judicially noticed, have perpetual succession unless  
12 terminated as provided in this chapter, make and execute contracts and  
13 other instruments necessary or convenient to exercise its powers and make,  
14 amend and repeal rules not inconsistent with this chapter to effect its  
15 purposes and powers.

16 ~~11.~~ 12. APPLY FOR GRANTS AND accept donations, gifts and  
17 contributions in monies, services, materials or otherwise, and use or  
18 expend them in carrying on its operations.

19 ~~12.~~ 13. Organize and establish an education center to increase the  
20 knowledge of natural resources in this state through the following  
21 methods:

22 (a) Offering technical guidance and training to agricultural  
23 producers.

24 (b) Publishing scholarly materials.

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

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

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

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

32 B. A provision of law with respect to acquiring, operating or  
33 disposing of property by other public bodies is not applicable to a  
34 district organized under this chapter unless specifically stated  
35 ~~therein~~ IN THAT LAW.

36 C. After the formation of any district under this chapter, all  
37 participation thereunder shall be voluntary, notwithstanding any provision  
38 of this chapter to the contrary.

39 D. A district may send to the NATURAL RESOURCE CONSERVATION  
40 DISTRICT FUND COMMISSION ESTABLISHED BY SECTION 37-1003 AND THE Arizona  
41 water protection fund commission established by ~~title 45, chapter 12~~  
42 SECTION 45-2103 written recommendations for geographic areas to be  
43 emphasized, issues of concern and measures to implement title 45,  
44 chapter 12. A district that sends written recommendations ~~to the~~  
45 ~~commission~~ shall request information from at least the following:

- 1           1. The director of the department of water resources and the state
- 2 land commissioner.
- 3           2. The federal and state fish, wildlife, recreation and natural
- 4 resource agencies.
- 5           3. County and municipal entities.
- 6           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.