

REFERENCE TITLE: natural resource conservation districts; revisions

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

HB 2444

Introduced by
Representative Griffin

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 AND WHO IS APPOINTED BY THE SPEAKER
30 OF THE HOUSE OF REPRESENTATIVES.

31 2. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN
32 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED
33 PURSUANT TO ARTICLE 3 OF THIS CHAPTER AND WHO IS APPOINTED BY THE
34 PRESIDENT OF THE SENATE.

35 3. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN
36 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED
37 PURSUANT TO ARTICLE 3 OF THIS CHAPTER AND WHO IS APPOINTED BY THE MINORITY
38 LEADER OF THE HOUSE OF REPRESENTATIVES.

39 4. ONE MEMBER WHO IS A RESIDENT OF THIS STATE, WHO IS EITHER AN
40 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED
41 PURSUANT TO ARTICLE 3 OF THIS CHAPTER AND WHO IS APPOINTED BY THE MINORITY
42 LEADER OF THE SENATE.

43 5. TWO MEMBERS WHO ARE RESIDENTS OF THIS STATE, WHO ARE EITHER AN
44 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT ESTABLISHED

1 PURSUANT TO ARTICLE 3 OF THIS CHAPTER AND WHO ARE APPOINTED BY THE
2 GOVERNOR.

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

7 7. AS A NONVOTING EX OFFICIO MEMBER, THE STATE NATURAL RESOURCE
8 CONSERVATION DIRECTOR.

9 8. AS NONVOTING ADVISORY MEMBERS, ONE MEMBER OF THE HOUSE OF
10 REPRESENTATIVES WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
11 REPRESENTATIVES, ONE MEMBER OF THE SENATE WHO IS APPOINTED BY THE
12 PRESIDENT OF THE SENATE, ONE MEMBER OF HOUSE OF REPRESENTATIVES WHO IS
13 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND ONE
14 MEMBER OF THE SENATE WHO IS APPOINTED BY THE MINORITY LEADER OF THE
15 SENATE. THE NONVOTING ADVISORY MEMBERS MAY NOT BE CONSIDERED FOR PURPOSES
16 OF ESTABLISHING A QUORUM.

17 B. NO TWO APPOINTED MEMBERS OF THE COMMISSION MAY SERVE AS AN
18 ELECTED OR APPOINTED SUPERVISOR FOR A CONSERVATION DISTRICT FROM THE SAME
19 GEOGRAPHIC NATURAL RESOURCE AREA AS DEFINED BY A STATEWIDE ORGANIZATION
20 REPRESENTING NATURAL RESOURCE CONSERVATION DISTRICTS.

21 C. APPOINTED MEMBERS OF THE COMMISSION SHALL BE SELECTED FROM
22 APPLICATIONS SUBMITTED TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF
23 REPRESENTATIVES AND THE PRESIDENT OF THE SENATE. QUALIFIED INDIVIDUALS
24 AND NATURAL RESOURCE CONSERVATION DISTRICT BOARDS ON BEHALF OF QUALIFIED
25 INDIVIDUALS MAY SUBMIT APPLICATIONS. THE APPLICATION SHALL INCLUDE THE
26 APPLICANT'S NAME AND QUALIFICATIONS AND THE NATURAL RESOURCE CONSERVATION
27 DISTRICT FOR WHICH THE APPLICANT SERVES AS AN ELECTED OR APPOINTED
28 SUPERVISOR.

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

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

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

39 37-1004. Powers and duties; annual report; limits

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

44 B. THE COMMISSION SHALL:

- 45 1. ADOPT RULES NECESSARY TO PERFORM ITS DUTIES.

- 1 2. AWARD GRANT MONIES IN ACCORDANCE WITH SECTION 37-1007.
- 2 3. COORDINATE STAFFING NEEDS WITH THE STATE NATURAL RESOURCE
- 3 CONSERVATION COMMISSIONER.
- 4 4. APPOINT AN ADMINISTRATIVE OFFICER OF THE DIVISION OF NATURAL
- 5 RESOURCE CONSERVATION, A SECRETARY AND OTHER ASSISTANTS AS MAY BE
- 6 REQUIRED, ASSIGN THEIR DUTIES, DEFINE THEIR POWERS AND DETERMINE THE
- 7 AMOUNT OF BOND REQUIRED OF ANY ASSISTANT ENTRUSTED WITH MONIES OR
- 8 PROPERTY. THE COMPENSATION OF ALL SUCH ASSISTANTS SHALL BE AS DETERMINED
- 9 PURSUANT TO SECTION 38-611.
- 10 5. ADOPT AN OFFICIAL SEAL FOR AUTHENTICATING THE COMMISSION'S
- 11 RECORDS, DECISIONS AND RESOLUTIONS.
- 12 6. KEEP THE MINUTES OF COMMISSION MEETINGS AND ALL RECORDS, REPORTS
- 13 AND OTHER INFORMATION RELATING TO THE COMMISSION'S WORK AND PROGRAMS IN
- 14 PERMANENT FORM, SYSTEMATICALLY INDEXED AND FILED.
- 15 7. DESIGNATE AN INDIVIDUAL TO EXECUTE ALL DOCUMENTS AND INSTRUMENTS
- 16 ON BEHALF OF THE COMMISSION.
- 17 8. EACH YEAR ELECT A CHAIRPERSON AND A VICE CHAIRPERSON FOR THE
- 18 COMMISSION.
- 19 9. MANIFEST AND RECORD COMMISSION ACTIONS BY MOTION, RESOLUTION,
- 20 ORDER OR OTHER APPROPRIATE MEANS.
- 21 10. IN ADDITION TO THOSE MEETINGS REQUIRED BY LAW TO BE OPEN, HOLD
- 22 OPEN PUBLIC MEETINGS AS THE COMMISSION CONSIDERS APPROPRIATE.
- 23 11. PREPARE AN ANNUAL REPORT OF THE COMMISSION'S ACTIVITIES
- 24 PURSUANT TO SECTION 37-1009.
- 25 C. THE COMMISSION MAY:
- 26 1. SUE AND BE SUED.
- 27 2. CONTRACT WITH ANY PERSON FOR THE EXPENDITURE OF MONIES,
- 28 INCLUDING AWARDED GRANTS PURSUANT TO SECTION 37-1007.
- 29 3. MEET WITH STATE AUTHORITIES TO CONSIDER MATTERS OF MUTUAL
- 30 INTEREST.
- 31 4. SECURE FROM ANY STATE AGENCY OR DEPARTMENT INFORMATION NECESSARY
- 32 TO ENABLE THE COMMISSION TO CARRY OUT ITS PURPOSES.
- 33 5. ACCEPT, USE AND DISPOSE OF APPROPRIATIONS, GIFTS OR GRANTS OF
- 34 MONEY OR OTHER PROPERTY OR DONATIONS OF SERVICES, FROM WHATEVER SOURCE,
- 35 ONLY TO CARRY OUT THE PURPOSES OF THIS CHAPTER.
- 36 6. PERFORM ALL OTHER ACTS NECESSARY TO CARRY OUT THE PURPOSES OF
- 37 THIS CHAPTER.
- 38 D. THIS CHAPTER DOES NOT AUTHORIZE THE COMMISSION TO PURCHASE REAL
- 39 PROPERTY OR TO USE THIS STATE'S RIGHT OF EMINENT DOMAIN TO ACQUIRE WATER
- 40 OR WATER RIGHTS OR LONG-TERM STORAGE CREDITS USING MONIES DERIVED FROM THE
- 41 NATURAL RESOURCE CONSERVATION DISTRICT FUND ESTABLISHED BY SECTION
- 42 37-1008.
- 43 37-1005. Application guidelines
- 44 BEFORE GRANTS ARE AWARDED PURSUANT TO SECTION 37-1007 AND ON OR
- 45 BEFORE JULY 1, 2024 AND EVERY THREE YEARS THEREAFTER, THE COMMISSION SHALL

1 DEVELOP IN CONJUNCTION WITH THE COMMISSIONER GUIDELINES FOR GRANT
2 APPLICANTS. THE GUIDELINES MUST INCLUDE THE FOLLOWING:

- 3 1. A DELINEATION OF GEOGRAPHIC AREAS IN THIS STATE WHERE PROTECTION
4 AND RESTORATION WILL BE EMPHASIZED.
- 5 2. ISSUES OF CONCERN.
- 6 3. TYPES OF MEASURES NEEDED TO ADDRESS ISSUES OF CONCERN.
- 7 4. A REQUIREMENT THAT THE APPLICANT INCLUDE A DESCRIPTION OF THE
8 RELATIONSHIP BETWEEN THE PROPOSED PROJECT AND EXISTING PLANS, REPORTS AND
9 INFORMATION THAT ARE RELEVANT TO THE PROPOSED PROJECT.

10 37-1006. Public involvement; fee

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

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

- 14 1. THE STATE NATURAL RESOURCE CONSERVATION COMMISSIONER.
- 15 2. THE FEDERAL AND STATE FISH, WILDLIFE, RECREATION AND NATURAL
16 RESOURCE AGENCIES.
- 17 3. COUNTY AND MUNICIPAL ENTITIES.
- 18 4. THE PUBLIC.

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

24 D. THE COMMISSION SHALL DEVELOP PROCEDURES TO ENSURE ADEQUATE
25 PUBLIC PARTICIPATION. AT A MINIMUM, PUBLIC PARTICIPATION PROCEDURES
26 SHALL:

- 27 1. PRESCRIBE PUBLIC NOTICE REQUIREMENTS, INCLUDING THE CONTENT AND
28 PUBLICATION OF THE NOTICE.
- 29 2. PROVIDE AN OPPORTUNITY FOR PUBLIC HEARINGS AND PROCEDURES THAT
30 GOVERN THE PUBLIC HEARINGS, INCLUDING THAT PUBLIC HEARINGS BE HELD AT
31 PLACES AND TIMES THAT AFFORD A REASONABLE OPPORTUNITY FOR THE PUBLIC TO
32 PARTICIPATE.
- 33 3. REQUIRE THE PUBLIC AVAILABILITY OF RELEVANT DOCUMENTS.

34 E. THE COMMISSION SHALL MAKE AVAILABLE FOR VIEWING COPIES OF THE
35 RECOMMENDATIONS AND SUPPORTING DOCUMENTS SUBMITTED PURSUANT TO THIS
36 SECTION AND MAY CHARGE A FEE PRESCRIBED BY THE COMMISSION FOR COPYING.

37 37-1007. Project grants; application; public involvement;
38 exemption

39 A. THE COMMISSION SHALL:

- 40 1. AWARD GRANT MONIES FROM THE FUND PURSUANT TO THE APPLICATION
41 GUIDELINES DEVELOPED PURSUANT TO SECTION 37-1005.
- 42 2. ESTABLISH A PROCEDURE BY WHICH MONIES MAY BE GRANTED ANNUALLY.
- 43 3. APPROVE OR DENY AN APPLICATION AND DISBURSE GRANT MONIES NOT
44 LATER THAN SIX MONTHS AFTER RECEIVING THE APPLICATION.

1 4. REQUIRE AS A CONDITION OF APPROVAL OF ANY APPLICATION ALL OF THE
2 FOLLOWING:
3 (a) ALLOWING ACCESS FOR INSPECTION AND EVALUATION OF THE PROJECT.
4 (b) CONTROLLING THE EXPENDITURE OF AND ACCOUNTING FOR ANY MONIES
5 AWARDED BY THE COMMISSION.
6 (c) REQUIRING THAT THE PERSONS RESPONSIBLE FOR THE PROJECT SUBMIT
7 ALL PERTINENT INFORMATION AND RESEARCH GAINED FROM THE PROJECT TO THE
8 COMMISSION.
9 (d) REQUIRING THAT ANY PERSON RECEIVING A GRANT SPEND NOT MORE THAN
10 FIVE PERCENT OF THE GRANT ON THE COST OF ADMINISTERING THE PROJECT.
11 (e) COMMITTING TO WORK JOINTLY WITH THE AFFECTED CITIES, TOWNS,
12 COUNTIES, NATURAL RESOURCE CONSERVATION DISTRICTS AND SPECIAL DISTRICTS
13 THAT HAVE CONTACTED THE COMMISSION ON ALL ASPECTS OF THE PROJECT'S
14 IMPLEMENTATION AND MONITORING, UNLESS THE JURISDICTION CHOOSES NOT TO
15 PARTICIPATE.
16 5. PROVIDE FOR PUBLIC INVOLVEMENT ON GRANT APPLICATIONS SUBMITTED
17 TO THE COMMISSION. PUBLIC INVOLVEMENT SHALL INCLUDE:
18 (a) PUBLICLY POSTING APPLICATION INFORMATION.
19 (b) NOTIFYING ANY PERSON WHO REQUESTS NOTICE OF APPLICATIONS.
20 (c) A REASONABLE OPPORTUNITY FOR COMMENT ON AN APPLICATION FOR A
21 PERIOD OF AT LEAST FORTY-FIVE DAYS.
22 B. ANY NATURAL RESOURCE CONSERVATION DISTRICT WITH ELECTED OR
23 APPOINTED SUPERVISORS MAY APPLY FOR A GRANT FROM THE FUND.
24 C. THE STATE LAND DEPARTMENT MAY APPLY FOR A GRANT FROM THE FUND
25 FOR ADDITIONAL MONIES NECESSARY TO ADMINISTER THIS CHAPTER.
26 D. A FEDERAL AGENCY IS NOT ELIGIBLE TO RECEIVE GRANT MONIES FROM
27 THE FUND.
28 E. GRANTS MAY BE AWARDED ONLY TO FINANCE PROGRAMS AUTHORIZED UNDER
29 SECTION 37-1054 THAT ARE LOCATED IN THIS STATE.
30 F. GRANT APPLICATIONS SHALL BE SUBMITTED TO THE COMMISSION AND MAY
31 INCLUDE EXPRESSIONS OF SUPPORT FROM AFFECTED CITIES, TOWNS, COUNTIES,
32 NATURAL RESOURCE CONSERVATION DISTRICTS, SPECIAL DISTRICTS OR INDIAN
33 TRIBES.
34 G. GRANTS MADE PURSUANT TO THIS ARTICLE ARE EXEMPT FROM TITLE 41,
35 CHAPTER 23.
36 37-1008. Natural resource conservation district fund
37 A. THE NATURAL RESOURCE CONSERVATION DISTRICT FUND IS ESTABLISHED
38 CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE COMMISSION SHALL ADMINISTER
39 THE FUND FOR THE PURPOSES PRESCRIBED IN THIS ARTICLE. MONIES IN THE FUND
40 ARE SUBJECT TO LEGISLATIVE APPROPRIATION.
41 B. THE COMMISSION SHALL:
42 1. ESTABLISH PRIORITIES FOR THE FUND.
43 2. USE THE MONIES IN THE FUND TO PROVIDE GRANTS TO NATURAL RESOURCE
44 CONSERVATION DISTRICTS TO CONDUCT PROGRAMS AUTHORIZED UNDER SECTION
45 37-1054.

1 C. THE COMMISSION MAY ACCEPT AND SPEND PRIVATE GRANTS, GIFTS,
2 CONTRIBUTIONS AND DEVICES TO ASSIST IN PROVIDING GRANTS UNDER SECTION
3 37-1007.

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

7 E. ON NOTICE FROM THE COMMISSION, THE STATE TREASURER SHALL INVEST
8 AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES
9 EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND
10 ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
11 APPROPRIATIONS.

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

16 37-1009. Annual report

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

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

25 37-1012. State natural resource conservation commissioner

26 A. The state land commissioner shall be THE state natural resource
27 conservation commissioner. ~~He~~ THE COMMISSIONER shall serve as such
28 without additional compensation.

29 ~~B. The commissioner may appoint an administrative officer of the~~
30 ~~division of natural resource conservation, a secretary and such other~~
31 ~~assistants as may be required, assign their duties, define their powers~~
32 ~~and determine the amount of bond required of any assistant entrusted with~~
33 ~~funds or property. The compensation of all such assistants shall be as~~
34 ~~determined pursuant to section 38-611.~~

35 B. COORDINATE WITH THE COMMISSION ON STAFFING NEEDS.

36 C. The commissioner shall:

37 1. Adopt a seal, ~~which~~ THAT shall be judicially noticed. ~~, and~~
38 ~~shall~~

39 2. Hold ~~such~~ public hearings. ~~,~~

40 3. Provide for the keeping of a record of all proceedings and
41 annual records of district operations. ~~,~~

42 4. Promulgate ~~such~~ orders, rules and regulations and perform such
43 other acts as are necessary to carry out the provisions of this chapter.

1 Sec. 4. Section 37-1013, Arizona Revised Statutes, is amended to
2 read:

3 37-1013. Powers and duties of commissioner

4 A. The state natural resource conservation commissioner shall:

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

7 2. Keep the supervisors of each district informed of the activities
8 and experiences of other districts, ~~AND OF RELEVANT INFORMATION FROM~~
9 ~~OTHER STATES~~ and facilitate cooperation and interchange of advice, ~~and~~
10 experience ~~AND PROGRAM OPPORTUNITIES~~ between districts.

11 ~~3. Coordinate the programs of the several districts insofar as~~
12 ~~possible by advice and consultation.~~

13 ~~4.~~ 3. Require the supervisors of each district to file with the
14 commissioner annually any audits and the records of the operations of the
15 district for the preceding year in the form and detail as the commissioner
16 prescribes.

17 ~~5.~~ 4. Secure the cooperation and assistance of the United States,
18 its agencies and agencies of this state, in the work of districts as local
19 units of state government with special expertise concerning land, soil,
20 water and natural resources management within the boundaries of the
21 district, ~~as the commissioner deems for the best interest of the~~ THIS
22 state.

23 ~~6. Disseminate information throughout the state concerning the~~
24 ~~activities and program of districts.~~

25 ~~7.~~ 5. Provide staff support to the Arizona water protection fund
26 commission established by title 45, chapter 12 and provide administrative
27 assistance to natural resource conservation districts for compliance with
28 the duties for districts pursuant to title 45, chapter 12.

29 6. PROVIDE ADMINISTRATIVE, TECHNICAL AND LEGAL SUPPORT TO THE
30 COMMISSION TO THE EXTENT FUNDING IS AVAILABLE AS PRESCRIBED BY SECTION
31 37-1008 AND FROM LEGISLATIVE APPROPRIATIONS. THIS SUPPORT MAY INCLUDE THE
32 HIRING OF A CONTRACT ADMINISTRATOR, AN ATTORNEY, OFFICE SUPPORT AND
33 TECHNICAL SUPPORT STAFF, WHO SHALL BE EMPLOYEES OF THE STATE LAND
34 DEPARTMENT.

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

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

43 37-1014. State financial assistance; application; criteria

44 A. The commissioner shall include in the annual state land
45 department budget request a sum of not more than ~~forty thousand dollars~~

1 \$40,000 for each district ESTABLISHED PURSUANT TO ARTICLE 3 OF THIS
2 CHAPTER and ~~sixty thousand dollars~~ \$60,000 for each DISTRICT THAT OPERATES
3 AN education center for distribution by the commissioner to those natural
4 resource conservation districts that have applied for, have met the
5 criteria for and have been approved for receiving state financial
6 assistance, as provided in this section.

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

- 12 1. The number of acres of land lying within the district.
- 13 2. The extent of conservation programs or education center programs
14 proposed to be undertaken during the fiscal year for which the financial
15 assistance is being requested.

16 3. Any audits that are requested by the commissioner.
17 C. On receipt of the application, the commissioner shall determine
18 whether or not such funds for the district or education center will be
19 included in the budget request for the state land department and shall
20 promptly notify the district of that determination.

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

23 37-1032. Hearing on petition; notice

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

- 30 1. The desirability and necessity, in the interest of preservation
31 of property, health, safety and public welfare, of the creation of such
32 district.
- 33 2. The appropriate boundaries to be assigned to the district.
- 34 3. The propriety of the petition and other proceedings taken.
- 35 4. All related questions.

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

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

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

3 37-1033. Determination by commissioner

4 A. If, after final hearing ~~upon~~ ON a petition, the commissioner
5 determines ~~upon~~ ON the facts presented and other relevant information that
6 a district within the territory considered is in the public interest, ~~he~~
7 THE COMMISSIONER shall record such determination and define the boundaries
8 of the district. In defining the boundaries, ~~he~~ THE COMMISSIONER shall
9 consider:

- 10 1. The topography of the area.
- 11 2. The character of soils.
- 12 3. The distribution of erosion.
- 13 4. Prevailing land use practices.
- 14 5. The desirability and necessity of including within the
15 boundaries of the district the particular lands under consideration and
16 the benefits to be received by such inclusion.
- 17 6. The relation of the proposed area to existing watersheds and
18 agricultural regions, ~~and~~ and to other districts already organized or
19 proposed for organization.
- 20 7. Such other physical, geographical and economic factors as are
21 relevant.

22 B. In defining the boundaries of the district, the commissioner
23 shall not include ~~therein~~ IN THE BOUNDARIES any area, land or property of
24 any person or persons who do not desire to have such area, land, ~~or~~
25 property included in such district. Notwithstanding any provision of this
26 chapter to the contrary, lands held under certificate of purchase or lease
27 from the state shall not be included in any district if the holder or
28 holders of certificates of purchase or the leases therefor do not desire
29 such lands included.

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

33 D. After expiration of eighteen months ~~from~~ AFTER the date of entry
34 of a determination by the commissioner that operation of a proposed
35 district is not administratively and economically feasible, and denial of
36 a petition pursuant to that determination, petitions may again be filed
37 and action taken in accordance with the provisions of this chapter.

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

40 37-1034. Referendum; election of supervisors

41 A. Within a reasonable time after the commissioner has recorded ~~his~~
42 THE COMMISSIONER'S determination that it is in the public interest that a
43 district be organized, and has defined the boundaries ~~thereof~~ OF THE
44 DISTRICT, ~~he~~ THE COMMISSIONER shall hold a referendum within the proposed
45 district ~~upon~~ ON the question of the creation of the district, ~~and~~ and an

1 election to elect three supervisors. ~~He~~ THE COMMISSIONER shall adopt
2 rules for the conduct of such referendum and election and prescribe a
3 procedure for the determination of persons eligible to vote. The
4 referendum and election of supervisors shall be conducted by separate
5 ballots.

6 B. The ballot for the referendum shall:

7 1. Describe the boundaries of the proposed district as determined
8 by the commissioner.

9 2. Contain the propositions: "For the creation of a district" and
10 "against the creation of a district", with a square after each
11 proposition.

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

14 C. Only owners of land lying within the boundaries of the territory
15 described ~~shall be~~ ARE eligible to vote on the referendum, but any such
16 owner who is not a qualified elector of the district, or any owner who is
17 a qualified elector but is unable because of illness or absence from the
18 district to appear at the polls, may appoint in writing, on a form
19 prescribed by the commissioner, a qualified elector of the district as ~~his~~
20 THE OWNER'S agent or proxy. The appointment of agent or proxy shall be
21 presented to the board of election, and if it is found to be bona fide and
22 in proper form, the holder thereof shall be allowed to vote ~~in~~ ON behalf
23 of the owner executing the appointment on the question of creation of the
24 district only. The appointment shall be filed with the ballots and other
25 election returns.

26 D. Candidates for supervisor shall file nomination petitions with
27 the commissioner in the manner prescribed by the commissioner. Any
28 qualified elector of the proposed district may sign the petitions of not
29 more than three candidates. The names of candidates shall appear on the
30 election ballot in alphabetical order by surnames, with a square opposite
31 each name, and an instruction to mark an X in the squares opposite the
32 names of not more than three candidates for whom the voter wishes to vote.

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

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

41 37-1038. Dissolution of district

42 A. At any time after five years following the organization of a
43 district, any twenty-five owners of land or not less than twenty ~~per cent~~
44 PERCENT of the owners of land lying within the boundaries of the district
45 may file a petition with the commissioner ~~praying~~ REQUESTING that the

1 operations of the district be terminated and its existence
2 discontinued. The commissioner shall conduct ~~such~~ public meetings and
3 hearings ~~upon~~ ON the petition as may be necessary to assist in the
4 consideration ~~thereof~~ TERMINATING AND DISCONTINUING THE DISTRICT.

5 B. Within sixty days after filing of the petition, the commissioner
6 shall give notice of the holding of a referendum, and shall supervise the
7 referendum and issue appropriate regulations governing the conduct
8 thereof. The question shall be submitted by ballots ~~upon~~ ON which the
9 propositions, "For terminating the existence of the (name of district)"
10 and "against terminating the existence of the (name of district)," shall
11 be printed, with a square after each proposition and an instruction to
12 mark an X in the square following the proposition for which the voter
13 desires to vote. Only owners of lands lying within the boundaries of the
14 district ~~shall be~~ ARE eligible to vote on the referendum. ~~No~~ Informality
15 in the conduct of the referendum or in any matter relating ~~thereto shall~~
16 THE REFERENDUM DOES NOT invalidate the referendum or the result ~~thereof~~ OF
17 THE REFERENDUM, if due notice ~~thereof~~ OF THE REFERENDUM has been given
18 substantially as provided in this chapter and the referendum has been
19 fairly conducted.

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

26 D. AFTER DISPOSING OF THE PROPERTY AND TRANSMITTING THE PROCEEDS OF
27 THE SALE PURSUANT TO SUBSECTION C OF THIS SECTION, the supervisors shall
28 ~~thereupon~~ file a verified application with the secretary of state for
29 discontinuance of the district, together with the certificate of the
30 commissioner setting forth the determination of the commissioner that the
31 continued operation of the district is not administratively feasible. The
32 application shall ~~recite~~ STATE that the property of the district has been
33 disposed of and the proceeds paid over as provided in this section, ~~and~~
34 ~~shall~~ include a full accounting of the properties and the proceeds of the
35 sale. The secretary of state shall issue to the supervisors a certificate
36 of dissolution, ~~and shall~~ record the certificate in ~~his~~ THE SECRETARY OF
37 STATE'S office.

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

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

3 37-1051. District supervisors; term of office; biennial
4 election

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

14 B. An election shall be held on the first Saturday in May of each
15 even-numbered year, at which one supervisor of the district shall be
16 elected. Any person desiring to be a candidate shall file with the
17 commissioner a nomination petition in such form as the commissioner
18 prescribes, at least ten days ~~prior to~~ BEFORE the election, containing the
19 signatures of not less than twenty-five qualified electors of the
20 district. ~~No~~ A person ~~shall be~~ IS NOT eligible to be a candidate for
21 supervisor unless ~~he~~ THE PERSON is a qualified elector of the district.
22 The names of candidates shall appear on the ballot in alphabetical order
23 by surnames, with a square after each name and an instruction to mark an X
24 in the square after the name of the voter's choice. The governing body of
25 a district may provide a mail ballot to a qualified district elector for
26 which the district governing body has a first class mailing address.
27 Qualified electors of a district who wish to vote by mail ballot shall
28 file a first class mailing address with the district governing body at
29 least thirty days ~~prior to~~ BEFORE the date of the election. Qualified
30 district electors who receive ballots in proper form from the district
31 governing body may cast their votes by mail. Mail ballots, to be counted,
32 shall be received at the place designated, and within the time prescribed
33 by the district supervisors and clearly specified in the notice of
34 election. Only qualified electors of the district shall have the right to
35 vote. The district governing body shall provide at least one polling
36 place in the district for qualified voters who wish to vote in person. If
37 two or more candidates receive the same number of votes, the successful
38 candidate shall be determined by lot.

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

41 37-1052. Organization of supervisors; vacancies

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

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

6 C. District supervisors may employ a secretary and **such** other
7 agents, employees and technical or professional experts as they may from
8 time to time require, and may determine qualifications, compensation and
9 duties applicable to any agent, employee or expert engaged.

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

12 **37-1054. Powers of district**

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

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

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

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

39 4. Cooperate, **COORDINATE** and enter into agreements with a
40 landowner, an operator or any agency or subdivision of **the THIS** state or
41 federal government to carry on programs of watershed improvement, soil
42 erosion prevention, methods of cultivation, cropping practices, land
43 leveling and improvement on agricultural lands, and programs limited to
44 methods of proper range use, reseeding and eradicating noxious growth and
45 invasive vegetation on grazing lands, all within the limits of an

1 individual farm or ranch and subject to the conditions the supervisors
2 deem necessary.

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

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

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

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

25 9. APPLY FOR, RECEIVE AND SPEND MONIES FROM THE WATER
26 INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA PURSUANT TO TITLE 49, CHAPTER
27 8 TO BE USED IN INDIVIDUAL DISTRICTS OR IN COOPERATION WITH OTHER
28 DISTRICTS, PERSONS, CITIES, TOWNS, COUNTIES AND SPECIAL DISTRICTS FOR
29 PROJECTS CONSISTENT WITH TITLE 49, CHAPTER 8.

30 ~~9.~~ 10. Employ agents, engineers, attorneys or other employees not
31 readily available from existing state agencies.

32 ~~10.~~ 11. Sue and be sued in the name of the district, have a seal,
33 which shall be judicially noticed, have perpetual succession unless
34 terminated as provided in this chapter, make and execute contracts and
35 other instruments necessary or convenient to exercise its powers and make,
36 amend and repeal rules not inconsistent with this chapter to effect its
37 purposes and powers.

38 ~~11.~~ 12. APPLY FOR GRANTS AND accept donations, gifts and
39 contributions in monies, services, materials or otherwise, and use or
40 expend them in carrying on its operations.

41 ~~12.~~ 13. Organize and establish an education center to increase the
42 knowledge of natural resources in this state through the following
43 methods:

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

- 1 (b) Publishing scholarly materials.
- 2 (c) Providing educational and training opportunities, both inside
3 and outside of the district.
- 4 (d) Conducting or sponsoring scientific studies that affect natural
5 resources in this state.
- 6 (e) Increasing public awareness of water conservation statewide,
7 including water conservation methods and best management practices.
- 8 (f) Increasing public awareness of soil health practices statewide.
- 9 B. A provision of law with respect to acquiring, operating or
10 disposing of property by other public bodies is not applicable to a
11 district organized under this chapter unless specifically stated
12 ~~therein~~ IN THAT LAW.
- 13 C. After the formation of any district under this chapter, all
14 participation thereunder shall be voluntary, notwithstanding any provision
15 of this chapter to the contrary.
- 16 D. A district may send to the NATURAL RESOURCE CONSERVATION
17 DISTRICT FUND COMMISSION ESTABLISHED BY SECTION 37-1003 AND THE Arizona
18 water protection fund commission established by ~~title 45, chapter 12~~
19 SECTION 45-2103 written recommendations for geographic areas to be
20 emphasized, issues of concern and measures to implement title 45,
21 chapter 12. A district that sends written recommendations ~~to the~~
22 ~~commission~~ shall request information from at least the following:
- 23 1. The director of the department of water resources and the state
24 land commissioner.
- 25 2. The federal and state fish, wildlife, recreation and natural
26 resource agencies.
- 27 3. County and municipal entities.
- 28 4. The public.
- 29 E. The district shall develop procedures to ensure adequate
30 participation in the public involvement process prescribed by subsection D
31 of this section.