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Conference Engrossed

State of Arizona Senate Forty-sixth Legislature First Regular Session 2003

SENATE BILL 1071

AN ACT

AMENDING SECTION 41-511.23, ARIZONA REVISED STATUTES; RELATING TO LAND CONSERVATION FUND GRANTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 41-511.23, Arizona Revised Statutes, is amended to read:

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\frac{\text{41-511.23.}}{\text{fund;}} \underbrace{\frac{\text{Conservation acquisition board; land conservation}}{\text{conservation accounts; livestock and crop}}_{\text{conservation fund}}
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- A. The conservation acquisition board is established, as an advisory body to the Arizona state parks board, consisting of the following members who are appointed by the governor, at least one of whom shall be experienced in soliciting money from private sources:
 - 1. One state land lessee.
- 2. One member who is qualified by experience in managing large holdings of private land for income production or conservation purposes.
- 3. One member of the state bar of Arizona who is experienced in the practice of private real estate law.
- 4. One real estate appraiser who is licensed or certified under title 32, chapter 36.
 - 5. One member who is qualified by experience in marketing real estate.
 - 6. One representative of a conservation organization.
 - 7. One representative of a state public educational institution.
- B. The governor shall designate a presiding member of the board. The term of office is five years except that initial members shall assign themselves by lot to terms of one, two, three, two members for four and two members for five years in office.
 - C. The conservation acquisition board shall:
 - 1. Solicit donations to the conservation donation account.
- 2. Consult with entities such as private land trusts, state land lessees, the state land department, the Arizona state parks board and others to identify conservation areas that are reclassified pursuant to section 37-312 and that are suitable for funding.
- 3. Recommend to the Arizona state parks board appropriate grants from the land conservation fund.
- $\,$ D. The land conservation fund is established consisting of the following accounts:
- 1. The conservation donation account consisting of monies received as donations. Donations to the account are subject to any lawful conditions the donor may prescribe, including any conditions on the use of the money or reversion to the donor. Monies in the account are exempt from the provisions of section 35-190 relating to lapsing of appropriations.
- 2. The public conservation account consisting of monies appropriated to the account from the state general fund and monies from any other designated source. In fiscal years 2000-2001 through 2010-2011, the sum of twenty million dollars is appropriated each fiscal year from the state general fund to the public conservation account in the land conservation fund

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for the purposes of this section. Monies in the account are appropriated for the purposes of this section, and the Arizona state parks board may spend monies in the account without further legislative authorization. Each expenditure of monies from the public conservation account for purposes listed under subsection G, paragraph $\frac{1}{2}$ of this section shall be matched by an equal expenditure of monies from the conservation donation account or from other private or governmental sources.

- E. If the legislature fails to appropriate monies to the public conservation account in a fiscal year, and if there are no other monies in the public conservation account, the Arizona state parks board may either grant nothing from the fund in that year or, on recommendation by the conservation acquisition board, may grant available monies in the conservation donation account for purposes authorized in subsection G of this section.
- F. The monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.
- G. Monies in the public conservation account, with matching monies from the conservation donation account, are appropriated AS FOLLOWS:
- A TOTAL OF TWO MILLION DOLLARS EACH FISCAL YEAR TO THE LIVESTOCK AND CROP CONSERVATION FUND. THE FUND IS ESTABLISHED FOR THE PURPOSES OF THIS PARAGRAPH. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE ARIZONA DEPARTMENT OF AGRICULTURE FOR THE EXCLUSIVE PURPOSE OF GRANTING MONIES TO INDIVIDUAL LANDOWNERS AND GRAZING AND AGRICULTURAL LESSEES OF STATE OR FEDERAL LAND WHO CONTRACT WITH THE ARIZONA DEPARTMENT OF AGRICULTURE TO IMPLEMENT CONSERVATION BASED MANAGEMENT ALTERNATIVES USING LIVESTOCK OR CROP PRODUCTION PRACTICES, OR REDUCE LIVESTOCK OR CROP PRODUCTION, TO PROVIDE WILDLIFE HABITAT OR OTHER PUBLIC BENEFITS THAT PRESERVE OPEN SPACE AND FOR ADMINISTRATIVE EXPENSES AS PROVIDED BY THIS PARAGRAPH. THE DEPARTMENT SHALL ADMINISTER THE FUND. ON NOTICE FROM THE DIRECTOR OF THE DEPARTMENT, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. FOR THE PURPOSES OF GRANTING MONIES FROM THE FUND PURSUANT TO THIS PARAGRAPH, THE DEPARTMENT:
- (a) SHALL DEVELOP GUIDELINES AND CRITERIA FOR IMPLEMENTATION OF THIS PROGRAM THAT SHALL INCLUDE REQUIRING AS PART OF THE APPLICATION A LETTER DESCRIBING THE INTENDED USE FOR THE GRANT MONEY.
- (b) SHALL GIVE PRIORITY TO LESSEES OF STATE OR FEDERAL LAND WHO REDUCE LIVESTOCK PRODUCTION TO PROVIDE PUBLIC BENEFITS SUCH AS WILDLIFE SPECIES CONSERVATION OR WILDLIFE HABITAT.
- (c) SHALL NOT GRANT MORE THAN FIFTY PER CENT OF THE MONIES IN THE FUND WITH RESPECT TO LAND IN ONE COUNTY IN ANY FISCAL YEAR.
- (d) IS EXEMPT FROM CHAPTER 6 OF THIS TITLE WITH RESPECT TO ADOPTING RULES, EXCEPT THAT THE DEPARTMENT SHALL PROVIDE FOR PUBLIC NOTICE AND SIXTY

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DAYS FOR PUBLIC COMMENT ON THE ANNUAL GRANT GUIDELINES AND CRITERIA, INCLUDING PUBLIC HEARINGS.

- (e) SHALL AWARD ALL GRANTS PURSUANT TO CHAPTER 24, ARTICLE 1 OF THIS TITLE.
- (f) SHALL REQUIRE EACH GRANTEE TO SUBMIT TO THE DEPARTMENT, WITHIN TWELVE MONTHS AFTER RECEIVING THE GRANT, A WRITTEN REPORT DETAILING HOW GRANT MONIES WERE USED TO ACHIEVE THE PROJECT DESCRIBED IN THE LETTER SUBMITTED AS PART OF THE APPLICATION. IF THE PROJECT IS LONGER THAN ONE YEAR, A WRITTEN REPORT SHALL BE SUBMITTED TO THE DEPARTMENT ON AN ANNUAL BASIS UNTIL THE PROJECT IS COMPLETE.
- (g) MAY USE NOT MORE THAN FIVE PER CENT OF THE MONIES APPROPRIATED TO THE FUND IN ANY FISCAL YEAR FOR THE PURPOSES OF ADMINISTERING THE PROGRAM.
- (h) SHALL PREPARE A REPORT OF THE DISPOSITION OF MONIES APPROPRIATED TO THE FUND EACH FISCAL YEAR AND PROVIDE A COPY OF THE REPORT TO THE GOVERNOR, TO THE ARIZONA STATE PARKS BOARD AND TO ANY PERSON WHO REQUESTS A COPY.
- 2. THE REMAINDER OF THE MONIES to the Arizona state parks board for the exclusive purpose of granting monies:
- 1. to the state or any of its political subdivisions, or to a nonprofit organization that is exempt from federal income taxation under section 501(c) of the internal revenue code and that has the purpose of preserving open space, for the following purposes only:
- (a) To purchase or lease state trust lands that are classified as suitable for conservation purposes pursuant to title 37, chapter 2, article 4.2. A grant of money under this subdivision to a nonprofit organization is conditioned on the organization providing reasonable public access to any land that is wholly or partly purchased with that money. The organization shall agree with the Arizona state parks board that it will impose a restrictive covenant, running with the title to the land, granting such access and providing for reversion to this state of any interest in the property acquired with money granted under this subdivision on the failure to comply with the terms of the covenant. The Arizona state parks board and the state land commissioner have standing to either enforce the covenant or recover the amount of the grant from the current owner, with interest from the date the grant was awarded to the nonprofit organization.
- (b) To purchase the development rights of state trust lands throughout this state under the following conditions:
- (i) The development rights shall be sold at public auction as provided in section 37-258.01.
- (ii) The lessee of the state trust land at the time the development rights are purchased shall be notified of the purchase in writing.

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- (iii) The purchase of the development rights shall not result in cancellation or modification of the current lease.
- (iv) The purchase of the development rights shall not affect the existing lessee's current economic use of the land and rights pursuant to title 37, chapter 2, article 4.2.
- (v) As a condition of the sale of the development rights, the purchaser shall agree in perpetuity not to exercise the development rights and that the land shall remain as open space.
- (vi) The state trust land shall retain any other rights and attributes as prescribed by law at the time of the purchase.
- 2. To an individual landowner or grazing or agricultural lessee of state or federal land who contracts with the Arizona state parks board to implement conservation based management alternatives using livestock or crop production practices, or reduce livestock or crop production, to provide wildlife habitat or other public benefits that preserve open space. The conservation acquisition board shall give priority under this paragraph to lessees of state or federal land who are required to reduce livestock production to provide public benefits, such as wildlife species conservation or wildlife habitat.
 - H. FOR THE PURPOSES OF SUBSECTION G, PARAGRAPH 2 OF THIS SECTION:
 - The Arizona state parks board shall not grant more than:
- 1. Ten per cent of the monies in the public conservation account for purposes of subsection G, paragraph 2 of this section in any fiscal year.
- $\frac{2.}{}$ fifty per cent of the monies $\frac{under\ subsection\ G\ of\ this\ section}{}$ with respect to land in one county in any fiscal year.
- I. 2. A grant of money under subsection G of this section is valid for eighteen months and may be extended one time for twelve additional months if a required public auction has not been held.
- J. 3. The Arizona state parks board may adopt rules to establish qualifications of nonprofit organizations for purposes of applying for and receiving money granted for purposes of subsection G of this section.
- K. 4. The owner of property that is wholly or partly acquired with money granted under subsection G, paragraph 1 of this section shall not restrict or unreasonably limit access to private lands. Any sale of land with money granted under subsection G of this section shall include a condition requiring that permanent access to private lands be allowed.
- L. I. The Arizona state parks board shall administer the land conservation fund. On notice from the board, the state treasurer shall invest and divest monies in either account in the fund as provided by section 35-313, and monies earned from investments shall be credited to a separate administration account to pay the BOARD'S expenses of administering the land conservation and acquisition program under SUBSECTION G, PARAGRAPH 2 OF this section, which shall not exceed five per cent of the amount deposited in the public conservation account in any fiscal year or five hundred thousand dollars, whichever is less. Any unobligated amount remaining in the

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administration account at the end of the fiscal year shall be credited to the public conservation account for purposes of subsection D of this section.

M. J. Members of the conservation acquisition board may be reimbursed for travel and lodging expenses and per diem subsistence allowances incurred while on public business for the board. Reimbursement amounts shall not exceed those allowed under title 38, chapter 4, article 2.

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