Senate Engrossed

State of Arizona
Senate
Forty-ninth Legislature
First Regular Session
2009

SENATE BILL 1258

AN ACT

AMENDING SECTION 3-1332, ARIZONA REVISED STATUTES; REPEALING TITLE 3, CHAPTER 18, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-1662, 37-247, 37-521, 37-522, 37-523, 37-524 AND 37-525, ARIZONA REVISED STATUTES; AMENDING TITLE 37, CHAPTER 2, ARTICLE 13, ARIZONA REVISED STATUTES, BY ADDING SECTION 37-527; AMENDING SECTIONS 41-511.23, 45-2473 AND 49-457, ARIZONA REVISED STATUTES; AMENDING LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 3, SECTION 5; PRESCRIBING EXPENDITURE AUTHORITY; MAKING APPROPRIATIONS; RELATING TO ENVIRONMENT BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 3-1332, Arizona Revised Statutes, is amended to read:

3-1332. Method, place and time of inspecting livestock

A. Livestock officers and inspectors shall inspect livestock, other than equine and livestock subject to authorized self-inspection, for health, marks and brands at loading stations, at places of exit from the state and at places where livestock are gathered to be sold, slaughtered, transported, conveyed, shipped or driven from their range for any purpose whatever except when livestock are being moved from pasture to a destination in this state and no change of ownership, slaughter or other disposition is involved and the owner is utilizing self-inspection approved by the division under section 3-1203. Livestock officers and inspectors need not inspect outgoing livestock from feed lots, dairies and producers utilizing self-inspection pursuant to section 3-1203 but may conduct periodic inspections to ascertain compliance with this article.

B. Feed lots, dairies and producers utilizing self-inspection approved by the division under section 3-1203 shall comply with the applicable provisions of this section and procedures established by the division.

C. Brand inspections shall be made by daylight and in a manner that enables the livestock officer or inspector personally to see, inspect and record each and every mark and brand. Inspections of livestock for health at a slaughterhouse may be made by other than daylight if adequate artificial light is provided.

D. Upon being advised that livestock is subject to inspection, livestock officers and inspectors shall arrange for the inspection of the livestock and inspect such livestock within ~~twelve~~ FORTY-EIGHT hours.

E. The animal services division, the plant services division and the office of inspections shall cooperate to provide livestock inspections at border inspection stations or department offices and to train appropriate personnel to perform these inspections. Employees of the plant services division acting under this subsection do not have enforcement powers otherwise granted to livestock officers. In the case of an apparent discrepancy, disease or other problem a livestock officer or inspector employed by the animal services division shall be called on to make a final inspection and determination. The associate director of the animal services division shall assign at least one livestock officer or inspector to be on call from each office operated by the plant services division under this subsection.

Sec. 2. Repeal

Title 3, chapter 18, Arizona Revised Statutes, is repealed.

Sec. 3. Section 15-1662, Arizona Revised Statutes, is amended to read:

15-1662. Universities; funds and accounts

A. The state treasurer shall maintain the following separate permanent funds and accounts:

1. Universities land fund ESTABLISHED BY SECTION 37-522. Distributions from the fund pursuant to article X, section 7, Constitution of Arizona, and ~~all~~ monies derived from the lease, sale or other disposition of lands granted by the United States for the use and benefit of the universities shall be deposited in the universities land fund as provided in this section and section 37-522. Monies accruing to the universities under the laws of the United States pertaining to timber lands shall be deposited in the universities timber land account established by section 37-482, subsection B and may be used for the payment of expenditures which the state land department incurs for the conservation, sale and other administration of timber or timber products as provided in this section and sections 37-482 and 37-522.

2. Normal schools land fund ESTABLISHED BY SECTION 37-523. Distributions from the fund pursuant to article X, section 7, Constitution of Arizona, and ~~all~~ monies derived from the lease, sale or other disposition of lands granted by the United States for the use and benefit of normal schools shall be deposited in the normal schools land fund as provided in this section and section 37-523.

3. Agricultural and mechanical colleges land fund ESTABLISHED BY SECTION 37-524. Distributions from the fund pursuant to article X, section 7, Constitution of Arizona, and ~~all~~ monies derived from the lease, sale or other disposition of lands granted by the United States for the use and benefit of agricultural and mechanical colleges shall be deposited in the agricultural and mechanical colleges land fund as provided in this section and section 37-524.

4. School of mines land fund ESTABLISHED BY SECTION 37-524. Distributions from the fund pursuant to article X, section 7, Constitution of Arizona, and ~~all~~ monies derived from the lease, sale or other disposition of lands granted by the United States for the use and benefit of schools of mines shall be deposited in the school of mines land fund as provided in this section and section 37-524.

5. Military institutes land fund ESTABLISHED PURSUANT TO SECTION 37-525. Distributions from the fund pursuant to article X, section 7, Constitution of Arizona, and ~~all~~ monies derived from the lease, sale or other disposition of lands granted by the United States for the use and benefit of military institutes shall be deposited in the military institutes land fund as provided in this section and section 37-525.

B. The Arizona board of regents shall maintain a separate permanent fund to be known as the universities fund. All monies other than those specified in subsection A OF THIS SECTION which are derived from the lease, sale or other disposition of lands or property which are given by any person or by law as a trust fund to be administered by the board in conformity with the terms of the gift shall be deposited in the universities fund. Such monies shall be invested and administered as designated for the use of the

universities except such monies as are appropriated for specific purposes from the general fund of this state for the use of the universities.

C. The state treasurer shall keep the monies of the land funds invested in safe interest bearing securities and prudent equity pursuant to article X, section 7, Constitution of Arizona, and as provided by sections 35-313 and 35-314.01, and monies earned from investment shall be credited to the funds.

D. Monies shall not be taken from one fund or deposited in any other fund nor shall any fund or the income from the fund be taken or expended for any object other than ~~that of~~ AS PROVIDED BY SECTION 37-527 OR AS PROVIDED BY the original gift or appropriation.

Sec. 4. Section 37-247, Arizona Revised Statutes, is amended to read:

37-247. Purchaser's default; forfeiture and cancellation of certificate of purchase; extension of time for payments

A. When a purchaser defaults in a payment of principal or interest, as provided in the certificate of purchase, or fails to comply with a condition, covenant or requirement thereof, the certificate shall be declared subject to forfeiture. Within sixty days after default or failure the department shall give notice of the default or failure by certified mail to the purchaser's last known address of record in the department.

B. If the payment is not made, or the condition, covenant or requirement is not complied with, within sixty days from the date of notice, the certificate of purchase and all rights of the purchaser to the land and improvements thereon may be canceled. In the event of cancellation, the commissioner shall make a formal order canceling the certificate of purchase and a copy of the order shall be mailed to the last known post-office address of the holder of the certificate of purchase. If no appeal is made within thirty days from the date a copy of the order is mailed to the holder of the certificate of purchase, the order shall become final and the certificate of purchase shall be canceled on the records of the department, and the improvements and all payments made on the purchase price DEPOSITED IN THE RESPECTIVE PERMANENT FUND UNDER ARTICLE 13 OF THIS CHAPTER shall be deemed rental for the land.

C. On the purchaser's written request, the commissioner may extend the time for payment of the amount delinquent for a period of not more than five years on terms that the commissioner considers to be appropriate as follows:

1. The commissioner may grant an extension in response to a request made within sixty days before the due date of the payment. An extension under this paragraph begins on the date the payment was due and continues for the period stated in a written notice to the purchaser.

2. The commissioner may grant an extension in response to a request made within sixty days after the date of the default or failure notice provided in subsection A. An extension under this paragraph begins on the

date of the notice and continues for the period stated in a written notice to the purchaser.

3. If the department does not act on a request for extension within thirty days after receiving the request, the request is considered to be denied. If the purchaser fails during the period of the extension to complete all delinquent payments, including principal and interest, the certificate of purchase shall automatically be canceled and noted on the records of the department.

Sec. 5. Section 37-521, Arizona Revised Statutes, is amended to read:

37-521. Permanent state school fund; composition; use

A. AFTER ANY APPROPRIATION PURSUANT TO SECTION 37-527, the permanent state school fund shall consist of:

1. The proceeds of all lands granted to the state by the United States for the support of common schools.

2. All property which accrues to the state by escheat or forfeiture.

3. All property donated for the benefit of the common schools, unless the terms of the donation otherwise provide.

4. All unclaimed shares and dividends of any corporation incorporated under the laws of this state.

5. The proceeds of sale of timber, mineral, gravel or other natural products or property from school lands and state lands other than those granted for specific purposes.

6. The residue of the lands granted for payment of the bonds and accrued interest issued by Maricopa, Pima, Yavapai and Coconino counties, after the purpose of the grant has been satisfied, and the five per cent of the proceeds of sales of public lands lying within this state sold by the United States subsequent to admission of this state into the union, as granted by the enabling act.

B. The fund shall be and remain a perpetual fund and distributions from the fund pursuant to article X, section 7, Constitution of Arizona, plus monies derived from the rental of the lands and property, interest and accrued rent for that year credited pursuant to section 37-295 and interest paid on installment sales, shall be used as follows:

1. If there are outstanding state school facilities revenue bonds pursuant to title 15, chapter 16, article 6, outstanding qualified zone academy bonds pursuant to title 15, chapter 16, article 7 or outstanding state school trust revenue bonds issued to correct existing deficiencies ~~prescribed by section 15-2021~~, the state treasurer and the state land department shall annually transfer to the state school facilities revenue bond debt service fund established in section 15-2054, the state school improvement revenue bond debt service fund established in section 15-2084 and the state school trust revenue bond debt service fund the amount that is necessary to pay that fiscal year's debt service on outstanding state school facilities revenue bonds, qualified zone academy bonds and state school trust revenue bonds, before transferring amounts for any other uses.

2. If there are no outstanding state school facilities revenue bonds pursuant to title 15, chapter 16, article 6 or if the amount of monies available under this subsection exceeds the amount required under paragraph 1 of this subsection, the monies are subject to legislative appropriation to the new school facilities fund established by section 15-2041.

3. If the amount of monies available under this subsection exceeds the amount required under paragraphs 1 and 2 of this subsection, the legislature may annually appropriate an amount to be used as provided in section 15-971, subsection H, except that the amount appropriated may not exceed the amount appropriated from the permanent state school fund and from the rent and interest paid on installment sales for this purpose in fiscal year 2000-2001.

4. Notwithstanding paragraphs 1, 2 and 3 of this subsection, from and after June 30, 2001, any expendable earnings under this subsection that exceed the fiscal year 2000-2001 expendable earnings shall be deposited in the classroom site fund established by section 15-977.

Sec. 6. Section 37-522, Arizona Revised Statutes, is amended to read:

37-522. Universities land fund; composition; use

A. AFTER ANY APPROPRIATION PURSUANT TO SECTION 37-527, the universities land fund shall consist of:

1. The proceeds of all lands granted to the state by the United States for university purposes.

2. All property donated by individuals for university purposes, unless the terms of the donation otherwise provide.

3. The sale of timber, mineral, gravel or other natural products or property from lands granted or given for university purposes.

B. The fund is and shall remain a perpetual fund for the benefit and support of the universities of this state and distributions from the fund pursuant to article X, section 7, Constitution of Arizona, together with the monies derived from the sales of timber or timber products and the rental of the lands and property, including interest and accrued rent for that year credited pursuant to section 37-295, shall be used.

Sec. 7. Section 37-523, Arizona Revised Statutes, is amended to read:

37-523. Normal schools land fund; composition; use

A. AFTER ANY APPROPRIATION PURSUANT TO SECTION 37-527, the normal schools land fund shall consist of:

1. The proceeds of all lands granted to the state by the United States for normal schools for the purpose of training teachers.

2. All property donated for normal schools, teacher colleges or colleges of education for the purpose of training teachers, unless the terms of the donation otherwise provide.

3. The sale of timber, mineral, gravel or other natural products of property granted or donated for such purposes.

B. The fund shall be and remain a perpetual fund for the benefit and support equally of the universities for the purpose of training teachers and distributions from the fund pursuant to article X, section 7, Constitution of

Arizona, together with the monies derived from the rental of the lands and property, including interest and accrued rent for that year credited pursuant to section 37-295, shall be used.

Sec. 8. Section 37-524, Arizona Revised Statutes, is amended to read:

37-524. Agricultural and mechanical colleges land fund and school of mines land fund; composition; use

A. AFTER ANY APPROPRIATION PURSUANT TO SECTION 37-527, the agricultural and mechanical colleges land fund, and the school of mines land fund, shall separately consist of the proceeds of:

1. All lands granted to the state by the United States for the respective purposes named.

2. All property donated by individuals for like purposes, unless the terms of the donation otherwise provide.

3. The sale of timber, mineral, gravel or other natural products or property from lands granted or donated for such purposes.

B. The funds provided for in this section shall be and remain perpetual funds for the benefit and support of the agricultural and mechanical colleges and the schools of mines at the universities and distributions from the funds pursuant to article X, section 7, Constitution of Arizona, together with the money derived from the rental of the lands and property, including interest and accrued rent for that year credited pursuant to section 37-295, shall be used.

Sec. 9. Section 37-525, Arizona Revised Statutes, is amended to read:

37-525. Other land funds; composition; use

A. AFTER ANY APPROPRIATION PURSUANT TO SECTION 37-527, the legislative, executive and judicial public buildings land fund, the penitentiary land fund, the Arizona state hospital land fund, the state charitable, penal and reformatory institutions land fund, the schools and asylum for the deaf, dumb and blind land fund, the miners' hospital for disabled miners land fund and the military institutes land fund shall separately consist of:

1. The proceeds of all lands granted to this state by the United States for the respective purposes named.

2. All property donated by individuals for like purposes, unless the terms of the donation otherwise provide.

3. The sale of timber, mineral, gravel or other natural products or property from lands granted or donated for such purposes.

B. The funds shall be and remain perpetual funds for the benefit and support of institutions corresponding to the purposes for which the funds are established, except as otherwise provided in the enabling act and section 37-295 and distributions from the funds pursuant to article X, section 7, Constitution of Arizona, together with the monies derived from the rental of the lands and property~~,~~ shall be used. Monies in the state charitable, penal and reformatory institutions land fund are subject to legislative appropriation.

Sec. 10. Title 37, chapter 2, article 13, Arizona Revised Statutes, is amended by adding section 37-527, to read:

37-527. Trust land management fund

A. THE TRUST LAND MANAGEMENT FUND IS ESTABLISHED. THE FUND CONSISTS OF UP TO TEN PER CENT OF THE ANNUAL PROCEEDS OF:

1. EACH BENEFICIARY'S TRUST LANDS GRANTED TO THIS STATE BY THE UNITED STATES.

2. ALL SALES OF TIMBER, MINERAL, GRAVEL OR OTHER NATURAL PRODUCTS OR PROPERTY FROM EACH BENEFICIARY'S TRUST LANDS GRANTED TO THIS STATE BY THE UNITED STATES.

B. THE COMMISSIONER SHALL DETERMINE THE PERCENTAGE OF TRUST LAND PROCEEDS TO BE DEPOSITED IN THE FUND EACH FISCAL YEAR. THE PERCENTAGE SHALL BE THE SAME FOR ALL BENEFICIARIES. THE COMMISSIONER SHALL NOTIFY THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING OF THE DETERMINATION ON OR BEFORE SEPTEMBER 1 OF THE PRECEDING FISCAL YEAR.

C. THE MONIES IN THE FUND:

1. ARE SUBJECT TO LEGISLATIVE APPROPRIATION.

2. SHALL BE USED EXCLUSIVELY TO MANAGE TRUST LANDS AS PRESCRIBED BY LAW.

D. THE COMMISSIONER SHALL ADMINISTER THE FUND. ON NOTICE FROM THE COMMISSIONER, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

E. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS, BUT IF THE BALANCE IN THE FUND AT THE END OF ANY FISCAL YEAR EXCEEDS TWO TIMES THE BUDGET OF THE DEPARTMENT FOR THE MANAGEMENT OF TRUST LANDS FOR THE NEXT FISCAL YEAR, THE EXCESS AMOUNT SHALL BE CREDITED PROPORTIONATELY TO THE SEVERAL PERMANENT FUNDS BASED ON THE LAST FISCAL YEAR'S DEPOSITS.

F. THIS SECTION DOES NOT PREVENT THE LEGISLATURE FROM APPROPRIATING STATE GENERAL FUND MONIES FOR THE PURPOSES DESCRIBED IN THIS SECTION.

Sec. 11. Section 41-511.23, Arizona Revised Statutes, is amended to read:

41-511.23. Conservation acquisition board; land conservation fund; conservation donation and public conservation accounts; livestock and crop conservation fund

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 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 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:

1. 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 fund. 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 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 ten 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 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.

(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.

H. For the purposes of subsection G, paragraph 2 of this section:

1. The Arizona state parks board shall not grant more than fifty per cent of the monies with respect to land in one county in any fiscal year.

2. A grant of money is valid for eighteen months and may be extended one time for twelve additional months if a required public auction has not been held.

3. The Arizona state parks board may adopt rules to establish qualifications of nonprofit organizations for purposes of applying for and receiving money granted.

4. The owner of property that is wholly or partly acquired with money granted shall not restrict or unreasonably limit access to private lands. Any sale of land with money granted shall include a condition requiring that permanent access to private lands be allowed.

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 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.~~ INVESTMENT EARNINGS IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ARE APPROPRIATED TO THE ARIZONA STATE PARKS BOARD FOR THE PURPOSE OF OPERATING STATE PARKS.

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.

Sec. 12. Section 45-2473, Arizona Revised Statutes, is amended to read:

45-2473. Arizona water banking authority; interstate water banking; accounting

A. For each year during which the Arizona water banking authority is owed or receives monies pursuant to an interstate water banking agreement with the state of Nevada, or any agency or political subdivision of the state of Nevada, including the southern Nevada water authority, the Arizona water banking authority shall provide a full report to the joint legislative budget committee that accounts for all of the monies received through the interstate water banking agreement and shall account for all disbursements made with those monies, including monies used to purchase or store water or otherwise fulfill contractual obligations with the state of Nevada under that agreement. The Arizona water banking authority shall include in these reports any prepaid monies to the central Arizona project, any monies received under the agreement that are placed in an account with the state treasurer and any contract that obligates the Arizona water banking authority to pay or disburse these monies to any other entity, including the central Arizona project.

B. The Arizona water banking authority shall submit the report prescribed in subsection A OF THIS SECTION to the joint legislative budget committee on or before October 1 following the fiscal year for which the

report is made. ~~The report submitted on or before October 1, 2006 shall contain the information for both fiscal years 2004-2005 and 2005-2006.~~

C. PURSUANT TO SECTION 35-115, THE BUDGET REQUEST FOR THE DEPARTMENT OF WATER RESOURCES SHALL INCLUDE A SEPARATE ACCOUNTING OF THE NEVADA INTERSTATE WATER BANKING SUBACCOUNT. THIS INFORMATION SHALL APPEAR IN THE SAME FORMAT AND DETAIL AS REQUIRED FOR THE ARIZONA WATER BANKING FUND.

~~C.~~ D. The Arizona water banking authority shall not spend, encumber, lend or in any other way use the monies received pursuant to the interstate water banking agreement except to pay the costs directly incurred in meeting the Arizona water banking authority's obligations pursuant to the agreement and section 45-2425.

Sec. 13. Section 49-457, Arizona Revised Statutes, is amended to read:

49-457. Agricultural best management practices committee; members; powers; permits; definitions

A. A best management practices committee for regulated agricultural activities is established.

B. The committee shall consist of:

1. The director of environmental quality or the director's designee.

2. The director of the Arizona department of agriculture or the director's designee.

3. The dean of the college of agriculture of the university of Arizona or the dean's designee.

4. The state director of the United States natural resources conservation service or the director's designee.

5. One person actively engaged in the production of citrus.

6. One person actively engaged in the production of vegetables.

7. One person actively engaged in the production of cotton.

8. One person actively engaged in the production of alfalfa.

9. One person actively engaged in the production of grain.

10. One soil taxonomist from the university of Arizona college of agriculture.

C. The governor shall appoint the members designated pursuant to subsection B, paragraphs 5 through 10 of this section for a term of six years. Members may be reappointed. Members are not entitled to compensation for their services but are entitled to receive reimbursement of expenses pursuant to title 38, chapter 4, article 2.

D. The committee shall elect a chairman from the appointed members to serve a two year term.

E. The committee shall meet at the call of the chairman or at the request of a majority of the appointed members.

F. The department of environmental quality, the Arizona department of agriculture and the college of agriculture of the university of Arizona shall cooperate with and provide technical assistance and any necessary information to the committee. The department of environmental quality shall provide the necessary staff support and meeting facilities for the committee.

G. Notwithstanding subsections I, J and K of this section, a person engaged in a regulated agricultural activity on August 21, 1998 shall comply with the general permit as provided in subsection H of this section by December 31, 2001. A person who commences a regulated agricultural activity after December 31, 2000 shall comply with the general permit within eighteen months of commencing the activity.

H. By June 10, 2000, the committee shall adopt, by rule, an agricultural general permit specifying best management practices for regulated agricultural activities to reduce PM-10 particulate emissions. A person subject to an agricultural general permit pursuant to this section is not subject to a permit issued pursuant to section 49-426 except as provided in subsection K of this section. The committee shall adopt by rule a list of best management practices, at least two of which shall be used to demonstrate compliance with applicable provisions of the general permit no later than December 31, 2007. Best management practices may vary within the regulated area, according to regional or geographical conditions or cropping patterns. The director shall submit the rule to the United States environmental protection agency as a revision to the applicable implementation plan no later than December 31, 2007.

I. If the director determines that a person engaged in a regulated activity is not in compliance with the general permit, and that person has not previously been subject to a compliance order issued pursuant to this section, the director may serve upon the person by certified mail an order requiring compliance with the general permit and notifying the person of the opportunity for a hearing pursuant to title 41, chapter 6, article 10. The order shall state with reasonable particularity the nature of the noncompliance and shall specify that the person has a period that the director determines is reasonable, but is not less than six months, to submit a plan to the supervisors of the natural resource conservation district in which the person engages in the regulated activity that specifies the best management practices from among those adopted in rule pursuant to subsection H of this section that the person will use to comply with the general permit.

J. If the director determines that a person engaged in a regulated activity is not in compliance with the general permit, and that person has previously submitted a plan pursuant to subsection I of this section, the director may serve upon the person by certified mail an order requiring compliance with the general permit and notifying the person of the opportunity for a hearing pursuant to title 41, chapter 6, article 10. The order shall state with reasonable particularity the nature of the noncompliance and shall specify that the person has a period that the director determines is reasonable, but is not less than six months, to submit a plan to the department that specifies the best management practices from among those adopted in rule pursuant to subsection H of this section that the person will use to comply with the general permit.

K. If a person fails to comply with the plan submitted pursuant to subsection J of this section, the director may revoke the agricultural general permit for that person and require that the person obtain an individual permit pursuant to section 49-426. A revocation becomes effective after the director has provided the person with notice and an opportunity for a hearing pursuant to title 41, chapter 6, article 10.

L. The committee may periodically reexamine, evaluate and modify best management practices. Any approved modifications shall be submitted to the United States environmental protection agency as a revision to the applicable implementation plan.

M. The committee shall develop and commence an education program by June 10, 2000. The education program shall be conducted by the director or the director's designee or designees.

N. NOTWITHSTANDING ANY OTHER LAW, BY JUNE 1, 2010, THE COMMITTEE SHALL ADOPT, BY RULE, BEST MANAGEMENT PRACTICES FOR PM-10 EMISSIONS, INCLUDING ALL EMISSIONS FROM COMMERCIAL FARMING, ANIMAL PRODUCTION AND INCIDENTAL ACTIVITIES BY BEEF, DAIRY, SWINE, POULTRY AND LAYING HEN PRODUCERS IN ANY FUTURE DESIGNATED PM-10 NONATTAINMENT AREAS. THE RULES ADOPTED PURSUANT TO THIS SUBSECTION SUPERSEDE ANY REGULATIONS ADOPTED BY A COUNTY IN AN AREA THAT HAS NOT YET BEEN DESIGNATED AS A PM-10 NONATTAINMENT AREA. A BEST MANAGEMENT PRACTICE ADOPTED PURSUANT TO THIS SECTION SHALL NOT INTERFERE WITH ANY APPLICABLE REQUIREMENT IN A STATE IMPLEMENTATION PLAN OR WITH ANY APPLICABLE REQUIREMENT OF THE CLEAN AIR ACT.

~~N.~~ O. In this section, unless the context otherwise requires:

1. "Agricultural general permit" means best management practices that:

(a) Reduce PM-10 particulate emissions from tillage practices and from harvesting on a commercial farm.

(b) Reduce PM-10 particulate emissions from those areas of a commercial farm that are not normally in crop production.

(c) Reduce PM-10 particulate emissions from those areas of a commercial farm that are normally in crop production including prior to plant emergence and when the land is not in crop production.

2. "Applicable implementation plan" means that term as defined in 42 United States Code section 7601(q).

3. "Best management practices" means techniques that are verified by scientific research and that on a case by case basis are practical, economically feasible and effective in reducing PM-10 particulate emissions from a regulated agricultural activity.

4. "Maricopa PM 10 particulate nonattainment area" means the Phoenix planning area as set forth in 40 Code of Federal Regulations section 81.303.

5. "Regulated agricultural activities" means commercial farming practices that may produce PM 10 particulate emissions within the regulated area.

6. "Regulated area" means the Maricopa PM-10 PARTICULATE nonattainment area and any portion of area A that is located in a county with a population of two million or more persons.

Sec. 14. Laws 2009, first special session, chapter 3, section 5 is amended to read:

Sec. 5. Transfer of monies; fire suppression; 2008-2009

A. Notwithstanding section 37-623.02, subsection D, paragraph 1, Arizona Revised Statutes, the sum of $3,000,000 is transferred from the Arizona state parks board heritage fund established by section 41-502, Arizona Revised Statutes, to the fire suppression revolving fund established by section 37-623.02, Arizona Revised Statutes, on ~~the effective date of this act~~ JANUARY 31, 2009.

B. The monies transferred under subsection A of this section are in lieu of any other monies that are made available from the state general fund for fiscal year 2008-2009 for fire suppression by the state forester for the purposes of section 37-623.02, Arizona Revised Statutes. The state forester shall reimburse to the state general fund any amounts transferred from the state general fund in fiscal year 2008-2009.

C. NOTWITHSTANDING SECTION 37-623.02, SUBSECTION I, ARIZONA REVISED STATUTES, IF THE UNOBLIGATED BALANCE OF THE FIRE SUPPRESSION REVOLVING FUND EXCEEDS TWO MILLION DOLLARS AT THE END OF CALENDAR YEAR 2009, THE EXCESS SHALL BE TRANSFERRED TO THE ARIZONA STATE PARKS BOARD HERITAGE FUND.

Sec. 15. Transfer of monies; fire suppression; 2009-2010

A. Notwithstanding section 37-623.02, subsection D, paragraph 1, Arizona Revised Statutes, the sum of $3,000,000 is transferred from the Arizona state parks board heritage fund established by section 41-502, Arizona Revised Statutes, to the fire suppression revolving fund established by section 37-623.02, Arizona Revised Statutes, on the effective date of this act.

B. The monies transferred under subsection A of this section are in lieu of any other monies that are made available from the state general fund for fiscal year 2009-2010 for fire suppression by the state forester for the purposes of section 37-623.02, Arizona Revised Statutes.

C. Notwithstanding section 37-623.02, subsection I, Arizona Revised Statutes, if the unobligated balance of the fire suppression revolving fund exceeds two million dollars at the end of calendar year 2010, the excess shall be transferred to the Arizona state parks board heritage fund.

Sec. 16. Arizona water protection fund; use

Notwithstanding section 45-2112, subsection B, Arizona Revised Statutes, the annual appropriation from the state general fund to the Arizona water protection fund for fiscal year 2009-2010 shall be as specified in the general appropriations act.

Sec. 17. Off-highway vehicle recreation fund; use

Notwithstanding section 28-1176, Arizona Revised Statutes, the Arizona state parks board may spend up to $692,100 from the Arizona state parks board portion of the off-highway vehicle recreation fund in fiscal year 2009-2010 for parks board operating expenses.

Sec. 18. Arizona state parks board; availability of monies

Notwithstanding section 41-511.11, Arizona Revised Statutes, or any other law, all state parks enhancement fund monies are available in fiscal year 2009-2010 for the operation of state parks as appropriated by the legislature in the general appropriations act or for capital needs as determined by the Arizona state parks board with the prior approval of the joint committee on capital review to acquire and develop real property and improvements as state parks consistent with the purposes and objectives prescribed in section 41-511.03, Arizona Revised Statutes.

Sec. 19. Underground storage tank assurance account; transfer of monies; uses

Notwithstanding any other law, the administrative cap established in section 49-1051, subsection B, paragraphs 2 and 3, Arizona Revised Statutes, is suspended for fiscal year 2009-2010, and the department of environmental quality may transfer $6,531,000 from the assurance account of the underground storage tank revolving fund for administrative costs of the underground storage tank leak prevention program and for the used oil program.

Sec. 20. State land department; appropriation; reversion

A. The sum of $9,773,500 is appropriated in fiscal year 2009-2010 from the trust land management fund established by section 37-527, Arizona Revised Statutes, as added by this act, to the state land department for the purpose of managing the state land trust.

B. On or before October 1, 2009, the state land department shall transfer the sum of $3,819,700 to the state general fund.

C. In addition to the amount specified in subsection B of this section, on or before June 30, 2010, the state land department shall transfer the sum $3,257,800 to the state general fund.

Sec. 21. Sanitary districts; cities and towns; loan agreements

A. Notwithstanding section 48-2011.01, Arizona Revised Statutes, during fiscal year 2009-2010, a sanitary district with a population of less than fifty thousand persons may enter into a financial assistance loan repayment agreement with the water infrastructure financing authority without submitting the question of entering and performing the financial assistance loan repayment agreement to the qualified electors of the district if the agreement is financed with funding made available to the water infrastructure finance authority of Arizona under division A of title VII of the American recovery and reinvestment act of 2009.

B. Notwithstanding section 9-571, Arizona Revised Statutes, during fiscal year 2009-2010, a city or town of any size may enter into a financial assistance loan repayment agreement with the water infrastructure financing

authority without submitting the question of entering and performing the financial assistance loan repayment agreement to the qualified electors of the city or town if the agreement is financed with funding made available to the water infrastructure finance authority of Arizona under division A of title VII of the American recovery and reinvestment act of 2009.

Sec. 22. Reporting; trust land management fund

Notwithstanding section 37-527, subsection B, Arizona Revised Statutes, as added by this act, within thirty days after the effective date of this act the state land commissioner shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the percentage of trust land proceeds to be deposited in the trust land management fund.

Sec. 23. Conforming legislation

The legislative council staff shall prepare proposed legislation conforming the Arizona Revised Statutes to the provisions of this act for consideration in the forty-ninth legislature, second regular session.