

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
Third Special Session  
2009

# HOUSE BILL 2014

## AN ACT

AMENDING SECTIONS 3-1332, 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 AND 45-2473, 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)

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

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

4 3-1332. Method, place and time of inspecting livestock

5 A. Livestock officers and inspectors shall inspect livestock, other  
6 than equine and livestock subject to authorized self-inspection, for health,  
7 marks and brands at loading stations, at places of exit from the state and at  
8 places where livestock are gathered to be sold, slaughtered, transported,  
9 conveyed, shipped or driven from their range for any purpose whatever except  
10 when livestock are being moved from pasture to a destination in this state  
11 and no change of ownership, slaughter or other disposition is involved and  
12 the owner is utilizing self-inspection approved by the division under section  
13 3-1203. Livestock officers and inspectors need not inspect outgoing  
14 livestock from feed lots, dairies and producers utilizing self-inspection  
15 pursuant to section 3-1203 but may conduct periodic inspections to ascertain  
16 compliance with this article.

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

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

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

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

40 Sec. 2. Section 15-1662, Arizona Revised Statutes, is amended to read:

41 15-1662. Universities; funds and accounts

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

44 1. Universities land fund ESTABLISHED BY SECTION 37-522.  
45 Distributions from the fund pursuant to article X, section 7, Constitution of

1 Arizona, and ~~all~~ monies derived from the lease, sale or other disposition of  
2 lands granted by the United States for the use and benefit of the  
3 universities shall be deposited in the universities land fund as provided in  
4 this section and section 37-522. Monies accruing to the universities under  
5 the laws of the United States pertaining to timber lands shall be deposited  
6 in the universities timber land account established by section 37-482,  
7 subsection B and may be used for the payment of expenditures which the state  
8 land department incurs for the conservation, sale and other administration of  
9 timber or timber products as provided in this section and sections 37-482 and  
10 37-522.

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

17 3. Agricultural and mechanical colleges land fund ESTABLISHED BY  
18 SECTION 37-524. Distributions from the fund pursuant to article X, section  
19 7, Constitution of Arizona, and ~~all~~ monies derived from the lease, sale or  
20 other disposition of lands granted by the United States for the use and  
21 benefit of agricultural and mechanical colleges shall be deposited in the  
22 agricultural and mechanical colleges land fund as provided in this section  
23 and section 37-524.

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

30 5. Military institutes land fund ESTABLISHED PURSUANT TO SECTION  
31 37-525. Distributions from the fund pursuant to article X, section 7,  
32 Constitution of Arizona, and ~~all~~ monies derived from the lease, sale or other  
33 disposition of lands granted by the United States for the use and benefit of  
34 military institutes shall be deposited in the military institutes land fund  
35 as provided in this section and section 37-525.

36 B. The Arizona board of regents shall maintain a separate permanent  
37 fund to be known as the universities fund. All monies other than those  
38 specified in subsection A OF THIS SECTION which are derived from the lease,  
39 sale or other disposition of lands or property which are given by any person  
40 or by law as a trust fund to be administered by the board in conformity with  
41 the terms of the gift shall be deposited in the universities fund. Such  
42 monies shall be invested and administered as designated for the use of the  
43 universities except such monies as are appropriated for specific purposes  
44 from the general fund of this state for the use of the universities.

1 C. The state treasurer shall keep the monies of the land funds  
2 invested in safe interest bearing securities and prudent equity pursuant to  
3 article X, section 7, Constitution of Arizona, and as provided by sections  
4 35-313 and 35-314.01, and monies earned from investment shall be credited to  
5 the funds.

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

10 Sec. 3. Section 37-247, Arizona Revised Statutes, is amended to read:  
11 37-247. Purchaser's default; forfeiture and cancellation of  
12 certificate of purchase; extension of time for  
13 payments

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

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

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

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

40 2. The commissioner may grant an extension in response to a request  
41 made within sixty days after the date of the default or failure notice  
42 provided in subsection A. An extension under this paragraph begins on the  
43 date of the notice and continues for the period stated in a written notice to  
44 the purchaser.

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

7           Sec. 4. Section 37-521, Arizona Revised Statutes, is amended to read:

8           37-521. Permanent state school fund; composition; use

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

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

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

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

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

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

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

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

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

44           2. If there are no outstanding state school facilities revenue bonds  
45 pursuant to title 15, chapter 16, article 6 or if the amount of monies

1 available under this subsection exceeds the amount required under paragraph 1  
2 of this subsection, the monies are subject to legislative appropriation to  
3 the new school facilities fund established by section 15-2041.

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

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

14 Sec. 5. Section 37-522, Arizona Revised Statutes, is amended to read:

15 37-522. Universities land fund; composition; use

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

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

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

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

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

30 Sec. 6. Section 37-523, Arizona Revised Statutes, is amended to read:

31 37-523. Normal schools land fund; composition; use

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

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

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

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

41 B. The fund shall be and remain a perpetual fund for the benefit and  
42 support equally of the universities for the purpose of training teachers and  
43 distributions from the fund pursuant to article X, section 7, Constitution of  
44 Arizona together with the monies derived from the rental of the lands and

1 property, including interest and accrued rent for that year credited pursuant  
2 to section 37-295, shall be used.

3 Sec. 7. Section 37-524, Arizona Revised Statutes, is amended to read:

4 37-524. Agricultural and mechanical colleges land fund and  
5 school of mines land fund; composition; use

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

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

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

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

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

22 Sec. 8. Section 37-525, Arizona Revised Statutes, is amended to read:

23 37-525. Other land funds; composition; use

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

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

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

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

37 B. The funds shall be and remain perpetual funds for the benefit and  
38 support of institutions corresponding to the purposes for which the funds are  
39 established, except as otherwise provided in the enabling act and section  
40 37-295 and distributions from the funds pursuant to article X, section 7,  
41 Constitution of Arizona together with the monies derived from the rental of  
42 the lands and property, shall be used. Monies in the state charitable,  
43 penal and reformatory institutions land fund are subject to legislative  
44 appropriation.

1       Sec. 9. Title 37, chapter 2, article 13, Arizona Revised Statutes, is  
2 amended by adding section 37-527, to read:

3       37-527. Trust land management fund

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

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

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

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

17       C. THE MONIES IN THE FUND:

18       1. ARE SUBJECT TO LEGISLATIVE APPROPRIATION.

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

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

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

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

33       Sec. 10. Section 41-511.23, Arizona Revised Statutes, is amended to  
34 read:

35       41-511.23. Conservation acquisition board; land conservation  
36       fund; conservation donation and public  
37       conservation accounts; livestock and crop  
38       conservation fund

39       A. The conservation acquisition board is established, as an advisory  
40 body to the Arizona state parks board, consisting of the following members  
41 who are appointed by the governor, at least one of whom shall be experienced  
42 in soliciting money from private sources:

43       1. One state land lessee.

44       2. One member who is qualified by experience in managing large  
45 holdings of private land for income production or conservation purposes.

1           3. One member of the state bar of Arizona who is experienced in the  
2 practice of private real estate law.

3           4. One real estate appraiser who is licensed or certified under title  
4 32, chapter 36.

5           5. One member who is qualified by experience in marketing real estate.

6           6. One representative of a conservation organization.

7           7. One representative of a state public educational institution.

8           B. The governor shall designate a presiding member of the board. The  
9 term of office is five years except that initial members shall assign  
10 themselves by lot to terms of one, two, three, two members for four and two  
11 members for five years in office.

12          C. The conservation acquisition board shall:

13           1. Solicit donations to the conservation donation account.

14           2. Consult with entities such as private land trusts, state land  
15 lessees, the state land department, the Arizona state parks board and others  
16 to identify conservation areas that are reclassified pursuant to section  
17 37-312 and that are suitable for funding.

18           3. Recommend to the Arizona state parks board appropriate grants from  
19 the land conservation fund.

20          D. The land conservation fund is established consisting of the  
21 following accounts:

22           1. The conservation donation account consisting of monies received as  
23 donations. Donations to the account are subject to any lawful conditions the  
24 donor may prescribe, including any conditions on the use of the money or  
25 reversion to the donor. Monies in the account are exempt from the provisions  
26 of section 35-190 relating to lapsing of appropriations.

27           2. The public conservation account consisting of monies appropriated  
28 to the account from the state general fund and monies from any other  
29 designated source. In fiscal years 2000-2001 through 2010-2011, the sum of  
30 twenty million dollars is appropriated each fiscal year from the state  
31 general fund to the public conservation account in the land conservation fund  
32 for the purposes of this section. Monies in the account are appropriated for  
33 the purposes of this section, and the Arizona state parks board may spend  
34 monies in the account without further legislative authorization. Each  
35 expenditure of monies from the public conservation account for purposes  
36 listed under subsection G, paragraph 2 of this section shall be matched by an  
37 equal expenditure of monies from the conservation donation account or from  
38 other private or governmental sources.

39          E. If the legislature fails to appropriate monies to the public  
40 conservation account in a fiscal year, and if there are no other monies in  
41 the public conservation account, the Arizona state parks board may either  
42 grant nothing from the fund in that year or, on recommendation by the  
43 conservation acquisition board, may grant available monies in the  
44 conservation donation account for purposes authorized in subsection G of this  
45 section.

1 F. The monies in the fund are exempt from the provisions of section  
2 35-190 relating to lapsing of appropriations.

3 G. Monies in the public conservation account, with matching monies  
4 from the conservation donation account, are appropriated as follows:

5 1. A total of two million dollars each fiscal year to the livestock  
6 and crop conservation fund. The fund is established for the purposes of this  
7 paragraph. Monies in the fund are continuously appropriated to the Arizona  
8 department of agriculture for the exclusive purpose of granting monies to  
9 individual landowners and grazing and agricultural lessees of state or  
10 federal land who contract with the Arizona department of agriculture to  
11 implement conservation based management alternatives using livestock or crop  
12 production practices, or reduce livestock or crop production, to provide  
13 wildlife habitat or other public benefits that preserve open space and for  
14 administrative expenses as provided by this paragraph. The department shall  
15 administer the fund. On notice from the director of the department, the  
16 state treasurer shall invest and divest monies in the fund as provided by  
17 section 35-313, and monies earned from investment shall be credited to the  
18 fund. Monies in the fund are exempt from the provisions of section 35-190  
19 relating to lapsing of appropriations. For the purposes of granting monies  
20 from the fund pursuant to this paragraph, the department:

21 (a) Shall develop guidelines and criteria for implementation of this  
22 program that shall include requiring as part of the application a letter  
23 describing the intended use for the grant money.

24 (b) Shall give priority to lessees of state or federal land who reduce  
25 livestock production to provide public benefits such as wildlife species  
26 conservation or wildlife habitat.

27 (c) Shall not grant more than fifty per cent of the monies in the fund  
28 with respect to land in one county in any fiscal year.

29 (d) Is exempt from chapter 6 of this title with respect to adopting  
30 rules, except that the department shall provide for public notice and sixty  
31 days for public comment on the annual grant guidelines and criteria,  
32 including public hearings.

33 (e) Shall award all grants pursuant to chapter 24, article 1 of this  
34 title.

35 (f) Shall require each grantee to submit to the department, within  
36 twelve months after receiving the grant, a written report detailing how grant  
37 monies were used to achieve the project described in the letter submitted as  
38 part of the application. If the project is longer than one year, a written  
39 report shall be submitted to the department on an annual basis until the  
40 project is complete.

41 (g) May use not more than ten per cent of the monies appropriated to  
42 the fund in any fiscal year for the purposes of administering the program.

43 (h) Shall prepare a report of the disposition of monies appropriated  
44 to the fund each fiscal year and provide a copy of the report to the

1 governor, to the Arizona state parks board and to any person who requests a  
2 copy.

3 2. The remainder of the monies to the Arizona state parks board for  
4 the exclusive purpose of granting monies to the state or any of its political  
5 subdivisions, or to a nonprofit organization that is exempt from federal  
6 income taxation under section 501(c) of the internal revenue code and that  
7 has the purpose of preserving open space, for the following purposes only:

8 (a) To purchase or lease state trust lands that are classified as  
9 suitable for conservation purposes pursuant to title 37, chapter 2, article  
10 4.2. A grant of money under this subdivision to a nonprofit organization is  
11 conditioned on the organization providing reasonable public access to any  
12 land that is wholly or partly purchased with that money. The organization  
13 shall agree with the Arizona state parks board that it will impose a  
14 restrictive covenant, running with the title to the land, granting such  
15 access and providing for reversion to this state of any interest in the  
16 property acquired with money granted under this subdivision on the failure to  
17 comply with the terms of the covenant. The Arizona state parks board and the  
18 state land commissioner have standing to either enforce the covenant or  
19 recover the amount of the grant from the current owner, with interest from  
20 the date the grant was awarded to the nonprofit organization.

21 (b) To purchase the development rights of state trust lands throughout  
22 this state under the following conditions:

23 (i) The development rights shall be sold at public auction as provided  
24 in section 37-258.01.

25 (ii) The lessee of the state trust land at the time the development  
26 rights are purchased shall be notified of the purchase in writing.

27 (iii) The purchase of the development rights shall not result in  
28 cancellation or modification of the current lease.

29 (iv) The purchase of the development rights shall not affect the  
30 existing lessee's current economic use of the land and rights pursuant to  
31 title 37, chapter 2, article 4.2.

32 (v) As a condition of the sale of the development rights, the  
33 purchaser shall agree in perpetuity not to exercise the development rights  
34 and that the land shall remain as open space.

35 (vi) The state trust land shall retain any other rights and attributes  
36 as prescribed by law at the time of the purchase.

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

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

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

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

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

5           I. The Arizona state parks board shall administer the land  
6 conservation fund. On notice from the board, the state treasurer shall  
7 invest and divest monies in either account in the fund as provided by section  
8 35-313, and monies earned from investments shall be credited to a separate  
9 administration account to pay the board's expenses of administering the land  
10 conservation and acquisition program under subsection G, paragraph 2 of this  
11 section, which shall not exceed five per cent of the amount deposited in the  
12 public conservation account in any fiscal year or five hundred thousand  
13 dollars, whichever is less. ~~Any unobligated amount remaining in the~~  
14 ~~administration account at the end of the fiscal year shall be credited to the~~  
15 ~~public conservation account for purposes of subsection D of this~~  
16 ~~section.~~ INVESTMENT EARNINGS IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ARE  
17 APPROPRIATED TO THE ARIZONA STATE PARKS BOARD FOR THE PURPOSE OF OPERATING  
18 STATE PARKS.

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

23           Sec. 11. Section 45-2473, Arizona Revised Statutes, is amended to  
24 read:

25           45-2473. Arizona water banking authority; interstate water  
26 banking; accounting

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

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

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

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

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

12 Sec. 12. Laws 2009, first special session, chapter 3, section 5 is  
13 amended to read:

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

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

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

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

31 Sec. 13. Transfer of monies; fire suppression; 2009-2010

32 A. Notwithstanding section 37-623.02, subsection D, paragraph 1,  
33 Arizona Revised Statutes, the sum of \$1,500,000 is transferred from the  
34 Arizona state parks board heritage fund established by section 41-502,  
35 Arizona Revised Statutes, to the fire suppression revolving fund established  
36 by section 37-623.02, Arizona Revised Statutes, on January 1, 2010 and April  
37 1, 2010.

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

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

1           Sec. 14. Arizona water protection fund; use

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

6           Sec. 15. Off-highway vehicle recreation fund; use

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

11          Sec. 16. Arizona state parks board; availability of monies

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

20          Sec. 17. Underground storage tank assurance account; transfer  
21               of monies; uses

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

28          Sec. 18. State land department; appropriation; reversion

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

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

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

38          D. This section is effective retroactively to from and after September  
39 30, 2009.

40          Sec. 19. Sanitary districts; cities and towns; loan agreements

41          A. Notwithstanding section 48-2011.01, Arizona Revised Statutes,  
42 during fiscal years 2009-2010 and 2010-2011, a sanitary district with a  
43 population of less than fifty thousand persons may enter into a financial  
44 assistance loan repayment agreement with the water infrastructure financing  
45 authority without submitting the question of entering and performing the

1 financial assistance loan repayment agreement to the qualified electors of  
2 the district if the agreement is financed with funding made available to the  
3 water infrastructure finance authority of Arizona under division A of title  
4 VII of the American recovery and reinvestment act of 2009. This subsection  
5 also applies if the sanitary district is required to provide matching monies  
6 for the funding made available under division A of title VII of the American  
7 recovery and reinvestment act of 2009.

8 B. Notwithstanding section 9-571, Arizona Revised Statutes, during  
9 fiscal years 2009-2010 and 2010-2011, a city or town of any size may enter  
10 into a financial assistance loan repayment agreement with the water  
11 infrastructure financing authority without submitting the question of  
12 entering and performing the financial assistance loan repayment agreement to  
13 the qualified electors of the city or town if the agreement is financed with  
14 funding made available to the water infrastructure finance authority of  
15 Arizona under division A of title VII of the American recovery and  
16 reinvestment act of 2009. This subsection also applies if the city or town  
17 is required to provide matching monies for the funding made available under  
18 division A of title VII of the American recovery and reinvestment act of  
19 2009.

20 C. Notwithstanding section 11-671, Arizona Revised Statutes, during  
21 fiscal years 2009-2010 and 2010-2011, a county of any size may enter into a  
22 financial assistance loan repayment agreement with the water infrastructure  
23 financing authority without submitting the question of entering and  
24 performing the financial assistance loan repayment agreement to the qualified  
25 electors of the county if the agreement is financed with funding made  
26 available to the water infrastructure finance authority of Arizona under  
27 division A of title VII of the American recovery and reinvestment act of  
28 2009. This subsection also applies if the county is required to provide  
29 matching monies for the funding made available under division A of title VII  
30 of the American recovery and reinvestment act of 2009.

31 Sec. 20. State land department; fee revenue; trust management  
32 fund deposit; retroactivity

33 A. Notwithstanding section 37-107, Arizona Revised Statutes, the sum  
34 of \$600,000 in fee revenue collected pursuant to section 37-108, Arizona  
35 Revised Statutes, shall be deposited in the trust land management fund  
36 established by section 37-527, Arizona Revised Statutes, as added by this  
37 act, in fiscal year 2009-2010.

38 B. This section is effective retroactively to from and after June 30,  
39 2009.

40 Sec. 21. Reporting; trust land management fund

41 Notwithstanding section 37-527, subsection B, Arizona Revised Statutes,  
42 as added by this act, within thirty days after the effective date of this act  
43 the state land commissioner shall notify the joint legislative budget  
44 committee and the governor's office of strategic planning and budgeting of

1 the percentage of trust land proceeds to be deposited in the trust land  
2 management fund.

3 Sec. 22. Conforming legislation

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

7 Sec. 23. Retroactivity

8 A. Sections 15-1662, 37-247, 37-521, 37-522, 37-523, 37-524 and  
9 37-525, Arizona Revised Statutes, as amended by this act, apply retroactively  
10 to from and after June 30, 2009.

11 B. Section 37-527, Arizona Revised Statutes, as added by this act, is  
12 effective retroactively to from and after June 30, 2009.