

REFERENCE TITLE: cotton research and protection council

State of Arizona
Senate
Fifty-first Legislature
First Regular Session
2013

SB 1092

Introduced by
Senators Pierce, Pancrazi; Representatives Barton, Pratt; Senator Griffin

AN ACT

AMENDING SECTIONS 3-107, 3-108 AND 3-204, ARIZONA REVISED STATUTES; AMENDING TITLE 3, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 3-204.01; AMENDING SECTIONS 3-205, 3-206, 3-214.01, 3-1082, 3-1083, 3-1084, 3-1085, 3-1086, 3-1086.02, 3-1087, 41-712 AND 41-2501, ARIZONA REVISED STATUTES; RELATING TO THE COTTON RESEARCH AND PROTECTION COUNCIL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 3-107, Arizona Revised Statutes, is amended to
3 read:

4 3-107. Organizational and administrative powers and duties of
5 the director

6 A. The director shall:

7 1. Formulate the program and policies of the department and adopt
8 administrative rules to effect its program and policies.

9 2. Ensure coordination and cooperation in the department in order to
10 achieve a unified policy of administering and executing its responsibilities.

11 3. Subject to section 35-149, accept, expend and account for gifts,
12 grants, devises and other contributions of money or property from any public
13 or private source, including the federal government. All contributions shall
14 be included in the annual report under paragraph 6 of this subsection.
15 Monies received under this paragraph shall be deposited, pursuant to sections
16 35-146 and 35-147, in special funds for the purpose specified, which are
17 exempt from the provisions of section 35-190 relating to lapsing of
18 appropriations.

19 4. Contract and enter into interagency and intergovernmental
20 agreements pursuant to title 11, chapter 7, article 3 with any private party
21 or public agency.

22 5. Administer oaths to witnesses and issue and direct the service of
23 subpoenas requiring witnesses to attend and testify at or requiring the
24 production of evidence in hearings, investigations and other proceedings.

25 6. Not later than September 30 each year, issue a report to the
26 governor and the legislature of the department's activities during the
27 preceding fiscal year. The report may recommend statutory changes to improve
28 the department's ability to achieve the purposes and policies established by
29 law. The director shall provide a copy of the report to the Arizona state
30 library, archives and public records.

31 7. Establish, equip and maintain a central office in Phoenix and field
32 offices as the director deems necessary.

33 8. Sign all vouchers to expend money under this title, which shall be
34 paid as other claims against this state out of the appropriations to the
35 department.

36 9. Coordinate agricultural education efforts to foster an
37 understanding of Arizona agriculture and to promote a more efficient
38 cooperation and understanding among agricultural educators, producers,
39 dealers, buyers, mass media and the consuming public to stimulate the
40 production, consumption and marketing of Arizona agricultural products.

41 10. Employ staff subject to title 41, chapter 4, article 4 and
42 terminate employment for cause as provided by title 41, chapter 4, article 5.

1 11. Conduct hearings on appeals ~~of the portion of plow up refunds~~
2 ~~withheld as a penalty pursuant to criteria adopted pursuant to section~~
3 ~~3-1087, subsection B~~ BY PRODUCERS REGARDING THE ASSESSED ACTUAL COSTS OF THE
4 PLOW UP AND THE PENALTY OF ONE HUNDRED FIFTY PER CENT FOR UNPAID COSTS
5 PURSUANT TO SECTION 3-204.01. The director may adopt rules to implement this
6 paragraph.

7 12. Cooperate with the Arizona-Mexico commission in the governor's
8 office and with researchers at universities in this state to collect data and
9 conduct projects in the United States and Mexico on issues that are within
10 the scope of the department's duties and that relate to quality of life,
11 trade and economic development in this state in a manner that will help the
12 Arizona-Mexico commission to assess and enhance the economic competitiveness
13 of this state and of the Arizona-Mexico region.

14 B. The director may:

15 1. Authorize in writing any qualified officer or employee in the
16 department to perform any act that the director is authorized or required to
17 do by law.

18 2. Construct and operate border inspection stations or other necessary
19 facilities in this state and cooperate by joint agreement with an adjoining
20 state in constructing and operating border inspection stations or other
21 facilities within the boundaries of this state or of the adjoining state.

22 3. Cooperate with agencies of the United States and other states and
23 other agencies of this state and enter into agreements in developing and
24 administering state and federal agricultural programs regarding the use of
25 department officers, inspectors or other resources in this state, in other
26 states or in other countries.

27 4. Cooperate with the office of tourism in distributing Arizona
28 tourist information.

29 5. Enter into compliance agreements with any person, state or
30 regulatory agency. For the purposes of this paragraph, "compliance
31 agreement" means any written agreement or permit between a person and the
32 department for the purpose of enforcing the department's requirements.

33 6. Abate, suppress, control, regulate, seize, quarantine or destroy
34 any agricultural product or foodstuff that is adulterated or contaminated as
35 the result of an accident at a commercial nuclear generating station as
36 defined in section 26-301, paragraph 1. A person owning an agricultural
37 product or foodstuff that has been subject to this paragraph may request a
38 hearing pursuant to title 41, chapter 6, article 10.

39 7. Engage in joint venture activities with businesses and commodity
40 groups that are specifically designed to further the mission of the
41 department, that comply with the constitution and laws of the United States
42 and that do not compete with private enterprise.

43 8. Sell, exchange or otherwise dispose of personal property labeled
44 with the "Arizona grown" trademark. Revenues received pursuant to this

1 paragraph shall be credited to the commodity promotion fund established by
2 section 3-109.02.

3 Sec. 2. Section 3-108, Arizona Revised Statutes, is amended to read:

4 3-108. Administrative support fund; use; exemption

5 A. A department of agriculture administrative support fund is
6 established. All monies collected pursuant to any interagency agreement with
7 the department pursuant to section 3-588, subsection A ~~and section 3-1084,~~
8 ~~subsection C~~ shall be deposited, pursuant to sections 35-146 and 35-147, in
9 the fund.

10 B. All monies collected pursuant to any interagency agreement with the
11 department in accordance with section 3-468.03, subsection A and section
12 3-526.03, subsection A shall be deposited in the administrative support fund
13 or deposited in the citrus, fruit and vegetable trust fund established by
14 section 3-447 pursuant to the terms of the interagency agreement. Deposits
15 in the administrative support fund shall be made pursuant to sections 35-146
16 and 35-147.

17 C. Monies in the fund are continuously appropriated and exempt from
18 the provisions of section 35-190 relating to lapsing of appropriations.

19 Sec. 3. Section 3-204, Arizona Revised Statutes, is amended to read:

20 3-204. Summary abatement of imminently dangerous nuisance;
21 procedure; expense; lien; public sale; reimbursement
22 costs and penalties to state for certain abatements

23 A. If, in the opinion of the director, the danger to the agricultural
24 and horticultural industry of the state is imminent if the nuisance caused by
25 a plant or thing is not speedily abated or suppressed, and if ~~he~~ **THE DIRECTOR**
26 finds it is practical to summarily abate the nuisance, either by the
27 destruction of the plant or thing or by the treatment thereof so as to
28 destroy or eradicate the crop pest or disease without actually destroying the
29 plant or thing, the director shall in writing direct the owner or person in
30 charge of the nuisance, if ~~he~~ **THE OWNER OR PERSON** is found in the county,
31 forthwith and at ~~his~~ **THE OWNER'S OR PERSON'S** expense to abate and suppress
32 the nuisance in the manner provided in the written direction. If the owner
33 or person in charge fails or neglects to comply with the direction for a
34 period of five days after the date on which the direction was delivered to or
35 served ~~upon him~~ **ON THE OWNER OR PERSON**, ~~then~~ the director shall summarily
36 abate the nuisance in the manner specified in the written direction.

37 B. If the owner or person in charge or control of the nuisance is a
38 nonresident of the state or cannot, after reasonable diligence by the
39 director, be found within the county where the nuisance exists, the director
40 shall publish the notice and the direction one time in a newspaper published
41 in the county, and shall post a copy at, on or in the immediate vicinity of
42 the nuisance, and after seven days from the first publication and posting,
43 the director shall abate the nuisance in the manner specified in the
44 direction.

1 C. If the nuisance is abated by the director, the expense shall be
2 borne by the state, but, when the abatement does not involve the destruction
3 of the plant or thing and it has some value after the crop pest or disease
4 has been eradicated, ~~then~~ the state shall have a first claim and lien thereon
5 for the payment of expenses incurred in the abatement of the nuisance.

6 D. The director shall notify the owner or person in charge or control
7 of the nuisance of the amount of the expenses, and that unless the amount is
8 paid within ten days after the date of service of the notice ~~upon~~ ON the
9 owner or person in charge, the plant or thing will be sold at public sale,
10 and the proceeds, or so much thereof as may be necessary, applied to the
11 payment of the expenses. The notice shall be personally served or posted as
12 required in this section for notices to abate.

13 E. If the owner or person in charge of the plant or thing fails to pay
14 the expenses within the time specified in the notice, the director shall give
15 public notice of the time and place of sale with a description of the plant
16 or thing to be sold, and the amount of expenses against it, which shall
17 include costs of publication, posting and service of notice. The notice of
18 sale shall be published and posted as provided in this section for the
19 publication and posting of direction to suppress the nuisance.

20 F. The owner or person in charge of a plant or thing constituting the
21 nuisance may waive in writing the service of all directions and notices in
22 connection with the abatement or sale thereof.

23 G. If the director is required to abate the nuisance of ~~cotton or~~
24 ~~cotton stubble which is not destroyed before a date established by the~~
25 ~~director or is required to abate the nuisance of cotton planted before a date~~
26 ~~established by the director, unless the director waives such dates due to~~
27 ~~variations in weather conditions,~~ STUB, SOCA OR VOLUNTEER COTTON following
28 the refusal by the owner or person in charge or control of the nuisance to do
29 so, the owner or person in charge or control of the nuisance shall reimburse
30 the department for the actual costs of the state's abatement of the nuisance.
31 An injunction shall not be granted to stay this state from abating the
32 nuisance. ~~To collect the costs of reimbursement, the director may either~~
33 ~~request reimbursement from the cotton research and protection council under~~
34 ~~programs of the council to abate cotton fields or from the owner or person in~~
35 ~~charge.~~ THE DIRECTOR MAY REQUEST THE COTTON RESEARCH AND PROTECTION COUNCIL
36 TO PROVIDE MONIES PURSUANT TO SECTION 3-1085, SUBSECTION B TO HELP DEFRAY THE
37 DEPARTMENT'S COST OF ABATEMENT UNTIL THE OWNER OR PERSON IN CHARGE REIMBURSES
38 THE DEPARTMENT FOR THOSE COSTS. If the actual costs of abatement are not
39 paid within ten days after the owner or person in charge receives notice of
40 the amount of the costs, the director may impose a penalty of fifty per cent
41 of the costs of abatement and may prepare and file or record in the office of
42 the county recorder of the county where the land is situated a notice of
43 lien, setting forth the amount of the unpaid costs, the amount of the penalty
44 and the name of the owner or person in charge. ~~Upon such~~ ON THAT recording,
45 the amount required to be reimbursed becomes a lien on the land subordinate

1 only to any lien for state and local taxes. ~~The director may issue a notice~~
2 ~~of abatement penalty to be applied to any rebate authorized pursuant to~~
3 ~~section 3-1083, subsection B, paragraph 4 and section 3-1087, subsection B.~~
4 ~~All penalties collected under this section shall be deposited in the cotton~~
5 ~~research and protection council fund established by section 3-1085.~~ ALL
6 PENALTIES COLLECTED UNDER THIS SUBSECTION SHALL BE DEPOSITED, PURSUANT TO
7 SECTIONS 35-146 AND 35-147, IN THE DANGEROUS PLANTS, PESTS AND DISEASES TRUST
8 FUND ESTABLISHED BY SECTION 3-214.01.

9 Sec. 4. Title 3, chapter 2, article 1, Arizona Revised Statutes, is
10 amended by adding section 3-204.01, to read:

11 3-204.01. Council plow-up request; penalty; lien

12 A. AT THE REQUEST OF THE COTTON RESEARCH AND PROTECTION COUNCIL, THE
13 DIRECTOR, ACTING AS AN AGENT OF THE COUNCIL, SHALL PLOW UP COTTON FIELDS THAT
14 ARE NOT IN COMPLIANCE WITH SECTION 3-1086, SUBSECTION D. AN INJUNCTION SHALL
15 NOT BE GRANTED TO STAY THIS STATE FROM PLOWING UP THE FIELDS. THE DIRECTOR
16 MAY REQUEST THE COTTON RESEARCH AND PROTECTION COUNCIL TO PROVIDE MONIES
17 PURSUANT TO SECTION 3-1085, SUBSECTION B TO HELP DEFRAY THE COSTS OF THE PLOW
18 UP UNTIL THE OWNER OR PERSON IN CHARGE REIMBURSES THE DEPARTMENT FOR THE
19 ACTUAL COSTS OF THE PLOW UP.

20 B. IF THE ACTUAL COSTS OF THE PLOW UP ARE NOT PAID WITHIN THREE MONTHS
21 AFTER THE OWNER OR PERSON IN CHARGE RECEIVES NOTICE OF THE AMOUNT OF THE
22 COSTS, THE DEPARTMENT MAY IMPOSE A PENALTY OF ONE HUNDRED FIFTY PERCENT OF
23 THE COSTS OF THE PLOW UP AND MAY PREPARE AND FILE OR RECORD IN THE OFFICE OF
24 THE COUNTY RECORDER OF THE COUNTY WHERE THE LAND IS SITUATED A NOTICE OF LIEN
25 SETTING FORTH THE AMOUNT OF THE UNPAID COSTS, THE AMOUNT OF THE PENALTY AND
26 THE NAME OF THE OWNER OR THE PERSON IN CHARGE. ON THAT RECORDING, THE AMOUNT
27 REQUIRED TO BE REIMBURSED BECOMES A LIEN ON THE LAND SUBORDINATE ONLY TO ANY
28 LIEN FOR STATE AND LOCAL TAXES.

29 C. ALL COSTS AND PENALTIES COLLECTED UNDER THIS SECTION SHALL BE
30 DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE DANGEROUS PLANTS,
31 PESTS AND DISEASES TRUST FUND ESTABLISHED BY SECTION 3-214.01.

32 Sec. 5. Section 3-205, Arizona Revised Statutes, is amended to read:

33 3-205. Abatement of nuisance not imminently dangerous;
34 procedure; lien; foreclosure; release of lien;
35 reimbursement costs and penalties to state for certain
36 abatements

37 A. If the director believes the danger to the agricultural and
38 horticultural industry is not imminent, or if impractical for any reason to
39 summarily abate the nuisance, as described in sections 3-203, 3-204, 3-206
40 and 3-207, the ~~direction~~ DIRECTOR shall not require summary destruction or
41 eradication, but shall set forth the measures required to be taken by the
42 owner or person in charge to control, suppress or eradicate the danger, and
43 shall require the person, at ~~his~~ THE PERSON'S expense, to take and comply
44 with the measures specified in the direction and subsequent directions.

1 B. The directions shall be made, given and served as prescribed for
 2 summary abatement, and if they are not complied with, the director may
 3 proceed as provided by the directions, and the expense shall be charged
 4 against the state.

5 C. If the plant or thing constituting the nuisance consists only of
 6 personalty, ~~and~~ and is not attached to land or contained in a building,
 7 enclosure, vehicle or place belonging to the person, the state shall have the
 8 same lien and it is enforceable in the same manner as provided for summary
 9 abatement of the nuisance under section 3-204.

10 D. If the plant or thing is attached to land, ~~or~~ or contained in a
 11 building, enclosure or vehicle ~~which~~ THAT is the property of the person, ~~then~~
 12 the lien shall also attach to the land, building, enclosure or vehicle, and
 13 the director shall prepare and file in the office of the county recorder
 14 where the property is situated a notice of the lien, setting forth the amount
 15 and the name of the owner or person in charge, and stating that the amount of
 16 the lien shall be paid within thirty days from filing the notice, or
 17 otherwise the property will be subjected to payment thereof.

18 E. The lien shall be prior to all other liens against the property
 19 except liens for state and county taxes. If the amount of the lien is not
 20 paid within the thirty days, the county attorney ~~shall~~, on written request of
 21 the director, SHALL foreclose the lien against the property impressed
 22 therewith as other liens are foreclosed.

23 F. ~~Upon~~ ON satisfaction of the lien, the director shall issue a
 24 release of the lien to the person against whom the lien was claimed. Such
 25 release shall be a document in a form as specified in section 11-480.

26 G. If the director is required to abate the nuisance of ~~cotton or~~
 27 ~~cotton stubble which is not destroyed before a date established by the~~
 28 ~~director or is required to abate the nuisance of cotton planted before a date~~
 29 ~~established by the director, unless the director waives such dates due to~~
 30 ~~variations in weather conditions,~~ STUB, SOCA OR VOLUNTEER COTTON following
 31 the refusal by the owner or person in charge or control of the nuisance to do
 32 so, the owner or person in charge or control of the nuisance shall reimburse
 33 the department for the actual costs of the state's abatement of the nuisance.
 34 ~~In addition, a penalty of fifty per cent of the costs of the state's~~
 35 ~~abatement of the nuisance shall be imposed. All penalties shall be deposited~~
 36 ~~in the cotton research and protection council fund established by section~~
 37 ~~3-1085.~~ An injunction shall not be granted to stay this state from abating
 38 the nuisance. ~~To collect the costs of reimbursement, the director may either~~
 39 ~~request reimbursement from the cotton research and protection council under~~
 40 ~~programs of the council to abate cotton fields or from the owner or person in~~
 41 ~~charge.~~ THE DIRECTOR MAY REQUEST THE COTTON RESEARCH AND PROTECTION COUNCIL
 42 TO PROVIDE MONIES PURSUANT TO SECTION 3-1085, SUBSECTION B TO HELP DEFRAY THE
 43 DEPARTMENT'S COST OF ABATEMENT UNTIL THE OWNER OR PERSON IN CHARGE REIMBURSES
 44 THE DEPARTMENT FOR THOSE COSTS. If the actual costs of abatement are not
 45 paid within ten days after the owner or person in charge receives notice of

1 the amount of the costs, ~~the department may charge~~ THE DIRECTOR MAY IMPOSE A
 2 PENALTY OF one hundred fifty per cent of the costs OF ABATEMENT and may
 3 prepare and file or record in the office of the county recorder of the county
 4 where the land is situated a notice of lien, setting forth the amount of the
 5 unpaid costs, THE AMOUNT OF THE PENALTY and the name of the owner or person
 6 in charge. ~~, and upon such~~ ON THAT recording, the amount required to be
 7 reimbursed becomes a lien on the land subordinate only to any lien for state
 8 and local taxes. ~~The director may issue a notice of abatement penalty to be~~
 9 ~~applied to any rebate authorized pursuant to section 3-1083, subsection B,~~
 10 ~~paragraph 4 and section 3-1087, subsection B.~~ ALL PENALTIES COLLECTED UNDER
 11 THIS SUBSECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147,
 12 IN THE DANGEROUS PLANTS, PESTS AND DISEASES TRUST FUND ESTABLISHED BY SECTION
 13 3-214.01.

14 Sec. 6. Section 3-206, Arizona Revised Statutes, is amended to read:
 15 3-206. Destruction of noninfected crops on abatement of
 16 nuisance; procedure; hearing; evidence

17 A. If the plants constituting the nuisance consist of growing crops,
 18 trees, orchards, vines or shrubbery, and the infestation or infection is by a
 19 plant pest or disease of such a nature, or if the location of the plants with
 20 respect to other plants not infested or infected is a part of the same crop,
 21 or is growing immediately adjacent to the infested or infected plants, and
 22 the director believes it is impractical to abate the nuisance, and to
 23 suppress, eradicate or control the crop pest or disease without destroying
 24 the whole of the crop, trees, orchard, vines or shrubbery of which the
 25 infested or infected plants are a part, or without serious injury to
 26 uninfected or uninfested plants, ~~then~~ the director may adopt proper measures
 27 to control, eradicate and suppress the crop pest or disease, although it
 28 causes a destruction of the crops, trees, orchards, vines and shrubbery, ~~or~~
 29 an injury to uninfected or uninfested plants ~~which~~ THAT are a part of the
 30 crops, trees, orchards, vines or shrubbery.

31 B. Before proceeding with abatement of the nuisance or suppressing,
 32 eradicating or controlling the crop pest or disease, the director shall serve
 33 written notice ~~upon~~ ON the owner or person in charge of the premises on which
 34 the nuisance is located, specifying the infestation or infection and
 35 directing the person to appear at a hearing to be held at a time and place
 36 within the county where the nuisance exists, and show cause why the crop,
 37 trees, orchard, vines or shrubbery should not be destroyed in whole or in
 38 part.

39 C. The notice shall be personally served on the person, if ~~he~~ THE
 40 PERSON is found within the county where the nuisance exists, at least five
 41 days ~~prior to~~ BEFORE the hearing. If the person is a nonresident or cannot
 42 be found in the county, ~~then~~ the notice shall be published in a newspaper
 43 published in the county for at least seven days ~~prior to~~ BEFORE the hearing,
 44 and in addition, a copy thereof shall be posted in a conspicuous place on or
 45 at the premises involved for a like period.

1 D. Any interested party may appear at the hearing and be heard, either
2 in person or by attorney. The hearing officer shall preserve a record of all
3 evidence introduced, and at the conclusion of the hearing shall enter an
4 order conforming to ~~his~~ THE HEARING OFFICER'S findings.

5 ~~E. Any crop or portion thereof which is destroyed pursuant to this~~
6 ~~section shall be paid for from the general fund. The payments shall equal~~
7 ~~sixty per cent of its value at the time of destruction. If the damages are~~
8 ~~disputed the director may settle the dispute by arbitration.~~

9 Sec. 7. Section 3-214.01, Arizona Revised Statutes, is amended to
10 read:

11 3-214.01. Dangerous plants, pests and diseases trust fund

12 A. A dangerous plants, pests and diseases trust fund is established
13 for the exclusive purpose of implementing, continuing and supporting the
14 agricultural program established by this article. All monies collected under
15 ~~the provisions of~~ this article except civil penalties assessed pursuant to
16 section ~~3-204, 3-205,~~ 3-205.02 or 3-215.01 shall be deposited in the
17 dangerous plants, pests and diseases trust fund.

18 B. The director shall administer the trust fund as trustee. The state
19 treasurer shall accept, separately account for and hold in trust any monies
20 deposited in the state treasury, which are considered to be trust monies as
21 defined in section 35-310 and which shall not be commingled with any other
22 monies in the state treasury except for investment purposes. On notice from
23 the director, the state treasurer shall invest and divest any trust fund
24 monies deposited in the state treasury as provided by sections 35-313 and
25 35-314.03, and monies earned from investment shall be credited to the trust
26 fund.

27 C. The beneficiary of the trust is the agricultural program
28 established by this article. All monies in the dangerous plants, pests and
29 diseases trust fund are to be used by the department exclusively to carry out
30 ~~the provisions of~~ this article, including salaries, fees and office,
31 administrative, bonding and travel expenses incurred.

32 D. The unexpended and unencumbered balance of monies, if any,
33 remaining in the dangerous plants, pests and diseases trust fund at the end
34 of each fiscal year shall not revert to the state general fund.

35 Sec. 8. Section 3-1082, Arizona Revised Statutes, is amended to read:

36 3-1082. Cotton research and protection council; membership;
37 terms; vacancy; compensation

38 A. The cotton research and protection council is established and is
39 composed of nine active cotton producers to be appointed by the governor.
40 The members shall be appointed as follows:

- 41 1. Two each who are residents of:
 - 42 (a) Maricopa county.
 - 43 (b) Pinal county.
 - 44 (c) The Yuma, La Paz and Mohave counties area.

1 2. One each who is a resident of:
2 (a) Pima county.
3 (b) Cochise county.
4 (c) The Graham and Greenlee counties area.
5 B. The governor may consult with any recognized cotton producer
6 organizations in this state in determining appointments to the council.
7 C. The term of office of council members is three years and expires on
8 December 31 of the appropriate year, but a member may continue to serve until
9 ~~his~~ A successor is appointed and assumes office. A member is eligible for a
10 second consecutive three-year term. A member who completes a second
11 consecutive three-year term is ineligible for reappointment for at least one
12 year. On the expiration of a term of a member or in the event of a vacancy,
13 a successor shall be appointed by the governor.
14 D. ~~IF THE OFFICE OF ANY COUNCIL MEMBER BECOMES VACANT, THE COUNCIL~~
15 ~~SHALL NOTIFY THE GOVERNOR AND THE GOVERNOR SHALL APPOINT A PERSON TO FILL THE~~
16 ~~REMAINDER OF THE TERM.~~ The office of any member shall be deemed vacant ~~and~~
17 ~~the governor shall appoint a person to fill the remainder of the term~~ under
18 any of the following circumstances:
19 1. The member is no longer an active cotton producer.
20 2. The member is unable to perform ~~his~~ THE duties OF OFFICE.
21 3. ~~The absence of~~ The member HAS BEEN ABSENT from three consecutive
22 council meetings if the absences have not been excused by the council.
23 4. The member has ceased to reside in the county or county area that
24 the member was appointed to represent.
25 E. Members of the council are not eligible to receive compensation but
26 are eligible for reimbursement of expenses pursuant to title 38, chapter 4,
27 article 2.
28 Sec. 9. Section 3-1083, Arizona Revised Statutes, is amended to read:
29 3-1083. Council powers and duties
30 A. The council shall:
31 1. Receive and disburse monies to be used in administering ~~the~~
32 ~~provisions of~~ this article.
33 2. Meet at least once each calendar quarter and more frequently on the
34 call of the chairman or by five members of the council.
35 3. Annually elect a chairman from among its members.
36 4. Elect a secretary and treasurer from among its members.
37 5. Establish an executive committee consisting of the chairman,
38 secretary and treasurer. ~~AN EXECUTIVE COMMITTEE MEMBER MAY NOT SERVE IN THE~~
39 ~~SAME EXECUTIVE OFFICE FOR MORE THAN THREE YEARS.~~ The executive committee
40 shall act in accordance with the direction received from the council or, if
41 necessary, the executive committee shall act and bring the matter before the
42 full council at the next regular meeting of the council for review and
43 ratification.

1 6. Provide for a triennial audit of its accounts by a qualified public
2 accounting firm and additional audits as the council may require and make an
3 annual financial statement available to any producer and the auditor general
4 on request.

5 7. Keep and maintain a permanent record of its proceedings and make
6 these records available for public inspection for any lawful purpose.

7 8. Prepare an annual report of its activities, receipts and
8 expenditures. The report shall be submitted to the governor, other state
9 officers as the council determines and other persons in the cotton industry
10 in this state as may be appropriate. Copies of the annual report shall be
11 available to any interested cotton producer and the general public on
12 request.

13 9. Organize and administer any referendum called FOR under subsection
14 C, paragraph ~~6- 9~~ of this section.

15 ~~10. Reimburse the department for costs incurred in the abatement of
16 cotton fields under section 3-204, subsection G and section 3-205, subsection
17 G from monies authorized for abatement of cotton fields pursuant to section
18 3-1087, subsection B, if monies are available.~~

19 B. The council may authorize or contract for any of the following
20 programs:

21 1. Those research programs that are related to cotton production or
22 its protection, including cotton seed breeding or other research programs to
23 develop germplasm.

24 ~~2. The execution of nuisance abatements related to cotton protection
25 as provided for under sections 3-204 and 3-205.~~

26 ~~3-~~ 2. Programs of aflatoxin control and cotton pest eradication.

27 ~~4-~~ 3. A program to refund REBATE A PORTION OF collected fees to
28 cotton producers to provide an incentive to abate PLOW UP cotton fields ~~to be
29 administered in cooperation with the department~~ IN A TIMELY MANNER.

30 ~~5-~~ 4. Any other programs that the council deems to be appropriate for
31 furthering the purposes of this article.

32 C. The council may:

33 1. Adopt rules necessary to promptly and effectively administer ~~the
34 provisions of~~ this article.

35 2. Award grants of monies, property, services or other assistance to
36 public or private recipients for the express purpose of furthering the
37 objectives of this article, including research programs related to cotton
38 protection and production authorized by the council.

39 3. Accept grants and donations of monies, property, services or other
40 assistance from public or private sources for the express purpose of
41 furthering the objectives of this article.

42 4. Investigate and prosecute in the name of this state any action or
43 suit to enforce the collection or ensure payment of the fees authorized and
44 to sue and be sued in the name of the council.

1 5. Buy and sell seed and other products used in the council's
2 aflatoxin control program, extend credit in connection with the sale and
3 distribution of treated seed and other products, collect and enforce debts or
4 obligations with respect to extended credit and take a security interest in
5 collateral of all kinds, including real and personal property to secure the
6 credit.

7 6. Cooperate with any local, state and national organizations or
8 agencies engaged in activities similar to or related to those of the council
9 and enter into contracts with these organizations or agencies for carrying on
10 joint programs.

11 7. Acquire and protect patents, licenses or certificates of protection
12 for plant varieties resulting from seed breeding or other programs authorized
13 by the council and grant licenses to use intellectual property rights held by
14 the council.

15 8. Act jointly and in cooperation with this state or any other state
16 or the federal government in the administration of any program deemed by the
17 council as beneficial to the cotton industry of this state.

18 9. Refer to the cotton producers in this state for an advisory vote
19 the question of establishing, continuing or discontinuing any program
20 authorized by this article.

21 10. Expend monies for public relations programs that are organized to
22 promote the cotton industry or agriculture in this state.

23 11. Purchase **AND SELL** motor vehicles for the administration of its own
24 motor vehicle fleet and provide for its operation and maintenance.

25 12. **PROVIDE MONIES TO THE DEPARTMENT AS NECESSARY FOR THE ABATEMENT OF**
26 **A COTTON NUISANCE UNDER SECTION 3-204, SUBSECTION G OR SECTION 3-205,**
27 **SUBSECTION G OR FOR THE PLOW UP OF COTTON FIELDS PURSUANT TO SECTION 3-204.01**
28 **TO BE LOANED BY AND REPAID TO THE COUNCIL PURSUANT TO SECTION 3-1085,**
29 **SUBSECTION B.**

30 ~~D. No member may serve in the same executive office of the council for~~
31 ~~more than three consecutive years.~~

32 Sec. 10. Section 3-1084, Arizona Revised Statutes, is amended to read:

33 3-1084. Council staff; administrative services; reimbursement

34 A. The council may employ staff, **INCLUDING A STAFF DIRECTOR**, at a rate
35 of compensation determined by the council, to serve at the pleasure of the
36 council and shall prescribe the terms and conditions of employment of
37 employees as necessary to perform the functions prescribed by this article.

38 B. All employees of the council are exempt from title 38, chapter 4,
39 article 1 and title 41, chapter 4, articles 5 and 6 and are not under the
40 jurisdiction of the department of administration.

41 C. The council may ~~also~~ enter into ~~an~~ interagency ~~agreement~~ **AGREEMENTS**
42 with the department to provide necessary administrative services to the
43 council, including ~~+~~

1 ~~1. Providing~~ secretarial and other services necessary for the council
2 to carry out its activities.

3 ~~2. Establishing separate operating accounts for the council.~~

4 ~~3. Providing necessary financial and accounting services to the~~
5 ~~council, including the issuance of checks, payment of bills approved by the~~
6 ~~council, annual audits, expenditure and receipt reports whether monthly or~~
7 ~~annually, preparation of an annual budget and any other activities requested~~
8 ~~by the council.~~

9 ~~4. Receiving mail and other communications for the council.~~

10 ~~5. Receiving monies authorized under this article for deposit,~~
11 ~~pursuant to sections 35-146 and 35-147, in the appropriate funds.~~

12 ~~6. Accepting donated monies on behalf of the council to be credited to~~
13 ~~the account of the council.~~

14 ~~7. Providing space for the meetings of the council.~~

15 ~~8. Providing any other administrative services which the council~~
16 ~~requests or finds necessary.~~

17 ~~D. If the department performs any function under this article, it acts~~
18 ~~as the agent of the council and has no authority or control over the council~~
19 ~~or the council's employees or assets. The council shall reimburse the~~
20 ~~department for any administrative services the department provides from the~~
21 ~~monies received under this article in an amount agreed on by the council and~~
22 ~~director. Monies received by the department shall be deposited, pursuant to~~
23 ~~sections 35-146 and 35-147, in the administrative support fund established by~~
24 ~~section 3-108.~~

25 Sec. 11. Section 3-1085, Arizona Revised Statutes, is amended to read:

26 3-1085. Cotton research and protection council fund; use by
27 director

28 A. The cotton research and protection council fund is established for
29 the purpose of administering this article. The council shall administer the
30 fund. The fund consists of penalties, ~~collected pursuant to sections 3-204~~
31 ~~and 3-205,~~ fees and other income collected pursuant to this article.

32 B. The director may request the use of fund monies for the NUISANCE
33 abatement of upland cotton fields ~~and for those purposes AS~~ provided for
34 under the abatement provisions of sections 3-204, **SUBSECTION G** and 3-205,
35 **SUBSECTION G AND THE PLOW UP OF COTTON FIELDS UNDER SECTION 3-204.01**. Monies
36 distributed pursuant to this subsection shall be repaid to the fund within
37 one calendar year after their disbursement, but the council may extend the
38 repayment period at its discretion and set the terms and conditions for
39 repayment. **THE COUNCIL MAY WAIVE REPAYMENT OF FUND MONIES BY THE DEPARTMENT.**

40 C. The council may deposit monies from fees assessed pursuant to
41 section 3-1086 in the fund. ~~The council shall deposit monies from penalties~~
42 ~~collected pursuant to section 3-204 in the fund.~~

43 D. The monies in the fund may be invested pursuant to section 35-313.
44 Interest earned on these monies shall be credited to the fund.

1 Sec. 12. Section 3-1086, Arizona Revised Statutes, is amended to read:
2 3-1086. Fees; collection; plow-up enforcement; budget

3 A. The council, on or before July 1 of each calendar year, shall
4 assess a fee of not to exceed one dollar per bale of cotton produced in this
5 state on land above twenty-seven hundred feet in elevation and not to exceed
6 five dollars per bale of cotton produced in this state on land twenty-seven
7 hundred feet in elevation or below. If the council finds that a program ~~of~~
8 ~~pink bollworm eradication~~ TO CONTROL COTTON PESTS OR DISEASES is necessary on
9 land above twenty-seven hundred feet in elevation, the council may raise the
10 fee not to exceed ~~five~~ THREE dollars per bale of cotton ~~for the duration of~~
11 ~~the eradication program or for four years after establishing the eradication~~
12 ~~program, whichever period expires first, after which the fee reverts to not~~
13 ~~more than one dollar per bale of cotton~~ SUBJECT TO THE COUNCIL ADOPTING AN
14 ANNUAL BUDGET FOR THE PROGRAM.

15 B. Cotton gins shall collect and remit the fee to the council
16 according to procedures and on forms the council prescribes. A gin shall
17 remit at least one-half of the annual fee as established by the council and
18 not designated as a ~~refund~~ REBATE for the ~~abatement~~ PLOW UP of cotton fields
19 as provided in section 3-1087, subsection B on or before February 15 of each
20 year with a report of actual bales ginned through January 31 of each year and
21 an estimate of bales to be ginned by March 15. The remainder of the fee is
22 due on or before March 15 of each year. The portion of the fee that is
23 designated as a ~~refund~~ REBATE for the ~~abatement~~ PLOW UP of cotton fields may
24 be held by the gin, subject to certification by the ~~Arizona department of~~
25 ~~agriculture~~ COUNCIL that a producer has complied with the ~~abatement~~ PLOW UP
26 program. ~~Upon~~ ON notification of certification to the gin, the fee
27 designated for the ~~abatement~~ PLOW UP program as a ~~refund~~ REBATE shall be
28 credited to the producer's account of the gin responsible for the remittance
29 of the fee. ~~If a producer fails to comply with the program to abate cotton~~
30 ~~fields according to plow up rules adopted under chapter 2, article 1 of this~~
31 ~~title, the fee designated as a refund shall be remitted, in full, to the~~
32 ~~council. The gin shall inform the council, on forms prescribed by the~~
33 ~~council, of the names of persons or farms for which the gin is withholding~~
34 ~~the fee designated as a refund under section 3-1087, subsection B at the time~~
35 ~~the fee is collected.~~

36 C. THE COUNCIL MAY GRANT EXTENSIONS FOR THE PLOW UP OF COTTON FIELDS
37 FOR WEATHER RELATED REASONS ONLY. THE COUNCIL SHALL ESTABLISH, BY RULE,
38 CRITERIA AND A PROCESS FOR GRANTING EXTENSIONS.

39 D. IF A PRODUCER FAILS TO COMPLY WITH THE REQUIREMENT TO PLOW UP
40 COTTON FIELDS ON ESTABLISHED DATES AS REQUIRED BY SECTION 3-1087, SUBSECTION
41 B AND RULES ADOPTED UNDER CHAPTER 2, ARTICLE 1 OF THIS TITLE, THE PRODUCER
42 FORFEITS THE FEE DESIGNATED AS A REBATE UNDER SUBSECTION B OF THIS SECTION
43 AND SECTION 3-1087, SUBSECTION B AND IS ALSO ASSESSED A PENALTY OF ONE
44 HUNDRED DOLLARS FOR EACH ACRE NOT IN COMPLIANCE AS CERTIFIED BY THE
45 COUNCIL. THE REBATE MUST BE REMITTED IN FULL TO THE COUNCIL BY THE GIN

1 RESPONSIBLE FOR THE REMITTANCE OF THE REBATE. THE COUNCIL SHALL NOTIFY THE
 2 OWNER OR PERSON IN CHARGE OF THE AMOUNT OF THE PENALTY AND THE REQUIREMENT
 3 THAT IT MUST BE PAID TO THE COUNCIL WITHIN THREE MONTHS. IF THE PENALTY IS
 4 NOT PAID WITHIN THREE MONTHS AFTER THE OWNER OR PERSON IN CHARGE RECEIVES THE
 5 NOTICE, THE COUNCIL MAY PREPARE AND FILE OR RECORD IN THE OFFICE OF THE
 6 COUNTY RECORDER OF THE COUNTY WHERE THE LAND IS SITUATED A NOTICE OF LIEN,
 7 SETTING FORTH THE AMOUNT OF THE PENALTY AND THE NAME OF THE OWNER OR PERSON
 8 IN CHARGE. ON THAT RECORDING, THE AMOUNT OF THE PENALTY BECOMES A LIEN ON
 9 THE LAND SUBORDINATE ONLY TO ANY LIEN FOR STATE AND LOCAL TAXES. ALL MONIES
 10 COLLECTED UNDER THIS SUBSECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS
 11 35-146 AND 35-147, IN THE COTTON RESEARCH AND PROTECTION COUNCIL FUND
 12 ESTABLISHED BY SECTION 3-1085. THE COUNCIL MAY ADOPT RULES TO IMPLEMENT THIS
 13 SUBSECTION. A PRODUCER MAY APPEAL TO THE COUNCIL THE FORFEITED REBATE, THE
 14 ASSESSED PENALTY APPLICABLE TO THE NONCOMPLIANT ACRES AND THE ORDER OF THE
 15 COUNCIL FOR THE PLOW UP OF NONCOMPLIANT COTTON FIELDS BY THE DEPARTMENT
 16 PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10. THE COUNCIL MAY REQUEST, UNDER
 17 SECTION 3-204.01, THAT THE DEPARTMENT PLOW UP COTTON FIELDS NOT IN COMPLIANCE
 18 WITH SECTION 3-1087, SUBSECTION B AND THE RULES ADOPTED UNDER CHAPTER 2,
 19 ARTICLE 1 OF THIS TITLE.

20 ~~E~~. E. A cotton producer is responsible for payment of the fee unless
 21 the fee is withheld for payment to the council by a gin.

22 ~~D~~. F. Before establishing the annual fee the council shall establish
 23 a budget. The budget is effective on approval of the council.

24 ~~E~~. G. Title 41, chapter 6 does not apply to setting the fee under
 25 this section, but the council shall provide sixty days' advance notice of the
 26 meeting at which the fee will be adopted and the amount of the proposed fee.
 27 The council shall receive public testimony at the meeting regarding the fee.

28 Sec. 13. Section 3-1086.02, Arizona Revised Statutes, is amended to
 29 read:

30 3-1086.02. Pink bollworm eradication program: fee;
 31 registration; civil penalties

32 A. The council may organize and implement a pink bollworm eradication
 33 program. The council shall conduct a referendum among eligible cotton
 34 producers, as determined by the council, with the assistance of the
 35 department and appropriate federal agencies, on the question of establishing
 36 a program and fee. The ballot for the referendum shall present the question,
 37 "Shall a pink bollworm eradication program and fee of not more than
 38 thirty-two dollars per planted acre of cotton be established in this state?"
 39 with spaces in which the voter can indicate a vote for or against the
 40 proposal. The program may not be established unless either:

41 1. At least sixty-six per cent of those voting approve of the program.

42 2. Those voting to approve the program represent more than fifty per
 43 cent of the cotton acreage in this state, as determined by the council.

1 B. If approved, the council may choose to either implement a statewide
2 eradication program or establish regional areas in this state for
3 implementation of an eradication program.

4 C. The authority to assess and collect the pink bollworm eradication
5 program fee under this section terminates four years after the date
6 establishing the pink bollworm eradication program statewide or four years
7 after the date implementing a pink bollworm eradication program in a region.

8 D. After a pink bollworm eradication program has been established
9 under this section:

10 1. The council may assess a fee on or before July 1 each year of not
11 more than thirty-two dollars per planted acre of cotton to control the pink
12 bollworm. Title 41, chapter 6 does not apply to setting the fee under this
13 section, but the council shall provide thirty days' advance notice of the
14 meeting at which the fee will be adopted and the proposed amount of the fee.
15 The fee shall be based on a detailed expenditure plan for that year to
16 control the pink bollworm in non-Bt fields. The council shall approve the
17 expenditure plan before establishing the fee. The council shall provide a
18 copy of the proposed annual expenditure plan to all producers who request a
19 copy within ten days before the meeting at which the fee will be adopted.
20 The council shall receive public testimony at the meeting regarding the fee.

21 2. The council shall waive the fee for each planted acre of Bt cotton.

22 3. Thirty days after the date established by rules adopted pursuant to
23 chapter 2, article 1 of this title for abatement of the nuisance of cotton or
24 cotton stubble, each producer shall register each acre of non-Bt cotton with
25 the council on forms prescribed by the council and shall pay the fee in full
26 to the council within sixty days of registration, unless the producer's
27 lender guarantees payment or other arrangements are made to the council's
28 satisfaction or under terms established by the council. The council, at its
29 discretion, may permit late registration.

30 4. A producer shall not plant non-Bt cotton after the dates
31 established in rules adopted pursuant to ~~sections 3-204 and 3-205~~ CHAPTER 2,
32 ARTICLE 1 OF THIS TITLE without written permission of the council.

33 5. The council may impose a civil penalty against a producer of not
34 more than two hundred dollars per acre for each planted acre of non-Bt cotton
35 for failure to register or failure to pay the fee when due under this
36 section.

37 6. The council shall rebate, under terms established by the council,
38 any collected fees that are not spent for protection from pink bollworm in
39 non-Bt cotton fields statewide or in a region in which the fees were
40 collected.

41 Sec. 14. Section 3-1087, Arizona Revised Statutes, is amended to read:
42 3-1087. Deposit of fees; rebates; use of monies on termination

43 A. Monies collected pursuant to sections 3-1086, 3-1086.01 and
44 3-1086.02 shall be deposited and held in trust in the council's accounts,
45 ~~which are administered by the department as the council's agent,~~ and

1 disbursed as approved by the council for the purposes prescribed in this
2 article.

3 B. The council may use monies collected under section 3-1086 as a
4 ~~refund~~ REBATE to cotton producers to facilitate a program to provide
5 incentives for the ~~abatement of cotton fields~~ TIMELY PLOW UP OF COTTON FIELDS
6 ACCORDING TO THE DATES ESTABLISHED BY RULES ADOPTED PURSUANT TO CHAPTER 2,
7 ARTICLE 1 OF THIS TITLE TO MAINTAIN A HOST-FREE PERIOD. The council ~~may~~
8 SHALL issue a ~~refund~~ REBATE only on certification by the ~~Arizona department~~
9 ~~of agriculture~~ COUNCIL that the cotton field has been ~~abated according to~~
10 ~~plow-up rules adopted under chapter 2, article 1 of this title~~ PLOWED UP.
11 With the approval of the cotton producer, ~~a refund~~ THE REBATE may be assigned
12 to a lending institution. ~~A portion of the refund may be withheld as a~~
13 ~~penalty for noncompliance with plow-up rules. The council in cooperation~~
14 ~~with the department shall annually agree on criteria specifying how the~~
15 ~~amount of penalty shall be determined. A producer may appeal the withheld~~
16 ~~portion of the refund as a penalty pursuant to section 3-107.~~

17 C. If the council is terminated, any monies in the council's accounts
18 shall be expended to meet existing legal obligations of the council. The
19 council shall expend any remaining monies on any program consistent with this
20 article.

21 D. The monies in the account may be invested pursuant to section
22 35-313. Interest earned on these monies shall be credited to the account.

23 Sec. 15. Section 41-712, Arizona Revised Statutes, is amended to read:

24 41-712. Telecommunications program office; state contractor;
25 cost of operation; employees; report; exception

26 A. The director shall establish a telecommunications program office
27 within the department to enter into a primary contract with a corporation
28 authorized to do business in this state for the contractor to provide for the
29 installation and maintenance of telecommunication systems and to act as the
30 state's agent for telecommunication carrier services to the offices,
31 departments and agencies of this state. Each office, department and agency
32 of this state shall contract with the primary contractor through the
33 telecommunications program office and make payment to the primary contractor
34 for its telecommunications needs.

35 B. With the approval of the director, the telecommunications program
36 office may enter into more than one contract for each statewide
37 telecommunications product or service not provided by the primary contractor.

38 C. The director shall pay administrative costs of the
39 telecommunications program office, and each office, department or other state
40 agency shall pay from available monies the proportionate cost of
41 administration of the office as determined by the director. In carrying out
42 this subsection, the director shall only employ those contract managers,
43 telephone operators, help desk personnel and forensic investigators required
44 to oversee the primary contract and administer efficiently the
45 telecommunications program office.

1 D. The department shall prepare and submit an annual consolidated
2 telecommunications budget report to the joint legislative budget committee in
3 connection with its annual budget request showing the previous fiscal year's
4 actual payments and the next fiscal year's anticipated payments charged and
5 received by the primary contractor from state offices, departments and
6 agencies for telecommunications services.

7 E. All procurement pursuant to this section shall be as prescribed in
8 chapter 23 of this title unless otherwise provided by law.

9 F. Any contract involving the use of a state highway right-of-way is
10 subject to approval pursuant to sections 28-304, 28-363, 28-7045, 28-7048 and
11 28-7209.

12 G. THIS SECTION DOES NOT APPLY TO THE COTTON RESEARCH AND PROTECTION
13 COUNCIL ESTABLISHED BY SECTION 3-1082.

14 Sec. 16. Section 41-2501, Arizona Revised Statutes, is amended to
15 read:

16 41-2501. Applicability

17 A. This chapter applies only to procurements initiated after January
18 1, 1985 unless the parties agree to its application to procurements initiated
19 before that date.

20 B. This chapter applies to every expenditure of public monies,
21 including federal assistance monies except as otherwise specified in section
22 41-2637, by this state, acting through a state governmental unit as defined
23 in this chapter, under any contract, except that this chapter does not apply
24 to either grants as defined in this chapter, or contracts between this state
25 and its political subdivisions or other governments, except as provided in
26 chapter 24 of this title and in article 10 of this chapter. This chapter
27 also applies to the disposal of state materials. This chapter and rules
28 adopted under this chapter do not prevent any state governmental unit or
29 political subdivision from complying with the terms of any grant, gift,
30 bequest or cooperative agreement.

31 C. All political subdivisions and other local public agencies of this
32 state may adopt all or any part of this chapter and the rules adopted
33 pursuant to this chapter.

34 D. The Arizona board of regents and the legislative and judicial
35 branches of state government are not subject to this chapter except as
36 prescribed in subsection E of this section.

37 E. The Arizona board of regents and the judicial branch shall adopt
38 rules prescribing procurement policies and procedures for themselves and
39 institutions under their jurisdiction. The rules must be substantially
40 equivalent to the policies and procedures prescribed in this chapter.

41 F. The Arizona state lottery commission is exempt from this chapter
42 for procurement relating to the design and operation of the lottery or
43 purchase of lottery equipment, tickets and related materials. The executive
44 director of the Arizona state lottery commission shall adopt rules
45 substantially equivalent to the policies and procedures in this chapter for

1 procurement relating to the design and operation of the lottery or purchase
2 of lottery equipment, tickets or related materials. All other procurement
3 shall be as prescribed by this chapter.

4 G. The Arizona health care cost containment system administration is
5 exempt from this chapter for provider contracts pursuant to section 36-2904,
6 subsection A and contracts for goods and services, including program
7 contractor contracts pursuant to title 36, chapter 29, articles 2 and 3. All
8 other procurement, including contracts for the statewide administrator of the
9 program pursuant to section 36-2903, subsection B, shall be as prescribed by
10 this chapter.

11 H. Arizona industries for the blind is exempt from this chapter for
12 purchases of finished goods from members of national industries for the blind
13 and for purchases of raw materials for use in the manufacture of products for
14 sale pursuant to section 41-1972. All other procurement shall be as
15 prescribed by this chapter.

16 I. Arizona correctional industries is exempt from this chapter for
17 purchases of raw materials, components and supplies that are used in the
18 manufacture or production of goods or services for sale entered into pursuant
19 to section 41-1622. All other procurement shall be as prescribed by this
20 chapter.

21 J. The state transportation board and the director of the department
22 of transportation are exempt from this chapter other than section 41-2586 for
23 the procurement of construction or reconstruction, including engineering
24 services, of transportation facilities or highway facilities and any other
25 services that are directly related to land titles, appraisals, real property
26 acquisition, relocation, property management or building facility design and
27 construction for highway development and that are required pursuant to title
28 28, chapter 20.

29 K. The Arizona highways magazine is exempt from this chapter for
30 contracts for the production, promotion, distribution and sale of the
31 magazine and related products and for contracts for sole source creative
32 works entered into pursuant to section 28-7314, subsection A, paragraph 5.
33 All other procurement shall be as prescribed by this chapter.

34 L. The secretary of state is exempt from this chapter for contracts
35 entered into pursuant to section 41-1012 to publish and sell the
36 administrative code. All other procurement shall be as prescribed by this
37 chapter.

38 M. This chapter is not applicable to contracts for professional
39 witnesses if the purpose of such contracts is to provide for professional
40 services or testimony relating to an existing or probable judicial proceeding
41 in which this state is or may become a party or to contract for special
42 investigative services for law enforcement purposes.

43 N. The head of any state governmental unit, in relation to any
44 contract exempted by this section from this chapter, has the same authority

1 to adopt rules, procedures or policies as is delegated to the director
2 pursuant to this chapter.

3 O. Agreements negotiated by legal counsel representing this state in
4 settlement of litigation or threatened litigation are exempt from this
5 chapter.

6 P. This chapter is not applicable to contracts entered into by the
7 department of economic security:

8 1. With a provider licensed or certified by an agency of this state to
9 provide child day care services or with a provider of family foster care
10 pursuant to section 8-503 or 36-554.

11 2. With area agencies on aging created pursuant to the older Americans
12 act of 1965 (P.L. 89-73; 79 Stat. 218; 42 United States Code sections 3001
13 through 3058ee).

14 3. For services pursuant to title 36, chapter 29, article 2.

15 4. With an eligible entity as defined by Public Law 105-285, section
16 673(1)(a)(i), as amended, for designated community services block grant
17 program monies and any other monies given to the eligible entity that
18 accomplishes the purpose of Public Law 105-285, section 672.

19 Q. The department of health services may not require that persons with
20 whom it contracts follow this chapter for the purposes of subcontracts
21 entered into for the provision of the following:

22 1. Mental health services pursuant to section 36-189, subsection B.

23 2. Services for the seriously mentally ill pursuant to title 36,
24 chapter 5, article 10.

25 3. Drug and alcohol services pursuant to section 36-141.

26 4. Domestic violence services pursuant to title 36, chapter 30,
27 article 1.

28 R. The department of health services is exempt from this chapter for
29 contracts for services of physicians at the Arizona state hospital.

30 S. Contracts for goods and services approved by the board of trustees
31 of the public safety personnel retirement system are exempt from this
32 chapter.

33 T. The Arizona department of agriculture is exempt from this chapter
34 with respect to contracts for private labor and equipment to effect cotton or
35 cotton stubble plow-up pursuant to rules adopted under title 3, chapter 2,
36 article 1. ~~On or before September 1 of each year, the director of the
37 Arizona department of agriculture shall establish and announce costs for each
38 acre of cotton or cotton stubble to be abated by private contractors.~~

39 U. The Arizona state parks board is exempt from this chapter for
40 purchases of guest supplies and items for resale such as food, linens, gift
41 items, sundries, furniture, china, glassware and utensils for the facilities
42 located in the Tonto natural bridge state park.

43 V. The Arizona state parks board is exempt from this chapter for the
44 purchase, production, promotion, distribution and sale of publications,
45 souvenirs and sundry items obtained and produced for resale.

1 W. The Arizona state schools for the deaf and the blind are exempt
2 from this chapter when purchasing products through a cooperative that is
3 organized and operates in accordance with state law if such products are not
4 available on a statewide contract and are related to the operation of the
5 schools or are products for which special discounts are offered for
6 educational institutions.

7 X. Expenditures of monies in the morale, welfare and recreational fund
8 established by section 26-153 are exempt from this chapter.

9 Y. Notwithstanding section 41-2534, the director of the state
10 department of corrections may contract with local medical providers in
11 counties with a population of less than four hundred thousand persons
12 according to the most recent United States decennial census for the following
13 purposes:

14 1. To acquire hospital and professional medical services for inmates
15 who are incarcerated in state department of corrections facilities that are
16 located in those counties.

17 2. To ensure the availability of emergency medical services to inmates
18 in all counties by contracting with the closest medical facility that offers
19 emergency treatment and stabilization.

20 Z. The department of environmental quality is exempt from this chapter
21 for contracting for procurements relating to the water quality assurance
22 revolving fund program established pursuant to title 49, chapter 2,
23 article 5. The department shall engage in a source selection process that is
24 similar to the procedures prescribed by this chapter. The department may
25 contract for remedial actions with a single selection process. The exclusive
26 remedy for disputes or claims relating to contracting pursuant to this
27 subsection is as prescribed by article 9 of this chapter and the rules
28 adopted pursuant to that article. All other procurement by the department
29 shall be as prescribed by this chapter.

30 AA. The motor vehicle division of the department of transportation is
31 exempt from this chapter for third-party authorizations pursuant to title 28,
32 chapter 13, only if all of the following conditions exist:

33 1. The division does not pay any public monies to an authorized third
34 party.

35 2. Exclusivity is not granted to an authorized third party.

36 3. The director has complied with the requirements prescribed in title
37 28, chapter 13 in selecting an authorized third party.

38 BB. This section does not exempt third-party authorizations pursuant
39 to title 28, chapter 13 from any other applicable law.

40 CC. The state forester is exempt from this chapter for purchases and
41 contracts relating to ~~wild-land~~ WILDLAND fire suppression and pre-positioning
42 equipment resources and for other activities related to combating ~~wild-land~~
43 WILDLAND fires and other unplanned risk activities, including fire, flood,
44 earthquake, wind and hazardous material responses. All other procurement by
45 the state forester shall be as prescribed by this chapter.

1 DD. The cotton research and protection council is exempt from this
2 chapter for procurements ~~relating to its aflatoxin control program and for~~
3 ~~contracts for research programs related to cotton production or protection.~~

4 EE. Expenditures of monies in the Arizona agricultural protection fund
5 established by section 3-3304 are exempt from this chapter.

6 FF. The Arizona commerce authority is exempt from this chapter, except
7 article 10 for the purpose of cooperative purchases. The authority shall
8 adopt policies, procedures and practices, in consultation with the department
9 of administration, that are similar to and based on the policies and
10 procedures prescribed by this chapter for the purpose of increased public
11 confidence, fair and equitable treatment of all persons engaged in the
12 process and fostering broad competition while accomplishing flexibility to
13 achieve the authority's statutory requirements. The authority shall make its
14 policies, procedures and practices available to the public. The authority
15 may exempt specific expenditures from the policies, procedures and practices.

16 Sec. 17. Retention of members

17 Notwithstanding section 3-1082, Arizona Revised Statutes, as amended by
18 this act, all persons serving as members of the cotton research and
19 protection council on the effective date of this act may continue to serve
20 until the expiration of their normal terms. The governor shall make all
21 subsequent appointments as prescribed by statute.