

ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature – First Regular Session

**COMMITTEE ON AGRICULTURE, WATER AND LANDS**

Report of Regular Meeting  
Thursday, March 19, 2015  
House Hearing Room 3 -- 9:00 a.m.

**Convened** 9:05 a.m.

**Recessed**

**Reconvened**

**Adjourned** 9:55 a.m.

**Members Present**

Mrs. Benally  
Mrs. Cobb  
Ms. Fann  
Mrs. Gabaldón  
Mr. Montenegro  
Ms. Otondo  
Mr. Shope  
Mr. Mitchell, Vice-Chairman  
Mrs. Barton, Chairman

**Members Absent**

**Request to Speak**

Report – Attachment 1

**Presentations**

**Name**

None

**Organization**

**Attachments (Handouts)**

**Committee Action**

**Bill**

**Action**

**Vote**

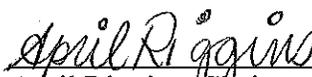
**Attachments**

(Summaries,

Amendments, Roll Call)

SB1345 DP  
SB1462 DPA S/E  
SB1466 DPA  
SCM1004 DP

7-1-0-1 2, 3  
9-0-0-0 4, 5, 6  
9-0-0-0 7, 8, 9  
7-1-0-1 10, 11



April Riggins, Chairman Assistant  
March 20, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

# Information Registered on the Request to Speak System

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*House Agriculture, Water and Lands (3/19/2015)*

## **SCM1004, memorial; urging Congress; technical correction (NOW: waters; definition; urging Congress)**

### **Testified in support:**

Robert Lynch, IRRIGATION AND ELECTRICAL DIST ASSN

### **Testified as opposed:**

Sandy Bahr, Sierra Club - Grand Canyon Chapter

### **Support:**

Chris Udall, AGRIBUSINESS & WATER COUNCIL OF ARIZONA, INC.; Ron Doba, NAMWUA; Steve Trussell, Arizona Rock Products Association; Chris Udall, AGRIBUSINESS & WATER COUNCIL OF ARIZONA, INC.; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

### **Oppose:**

Peter Bengtson, representing self; Michael Fiflis, representing self; Alisa McMahon, representing self; Robert Bulechek, representing self; Michael Sorum, representing self

### **All Comments:**

Chris Udall, AGRIBUSINESS & WATER COUNCIL OF ARIZONA, INC.: We support the SCM and Congressman Gosar's HR 594I. Please support. Thank you. Chris Udall; Peter Bengtson, Self: Arizona should be following the EPA rule that clarifies waters protected by the clean water act. The state needs to work with the EPA rule to protect as many waters as possible.; Steve Trussell, Arizona Rock Products Association: ARPA supports SCM1004 urging Congress to support HR594 which would require Federal agencies to consult with states and submit any changes to Congress as intended since only they have that authority to define the scope of the Clean Water Act.; Chris Udall, AGRIBUSINESS & WATER COUNCIL OF ARIZONA, INC.: Our members support the effort. Please support. Thank you. Chris Udall

## **SB1345, government purchase of private property (NOW: private land acquisition; study committee)**

### **Support:**

Tom Holding, representing self; Joyce Hill, representing self; Terry Hill, representing self; Sandi Bartlett, representing self; Ann Heins, representing self; Dawn Monahan, representing self; Mary Ann Baunoch, representing self; John Baunoch, representing self; Richard Hofelich, representing self

**Oppose:**

Michael Fiflis, representing self; Alisa McMahon, representing self; Robert Bulechek, representing self; Sandy Bahr, Sierra Club - Grand Canyon Chapter

**All Comments:**

John Baunoch, Self: I encourage you to vote Yes on SB1435.

**SB1466, livestock loss board; compensation fund****Testified in support:**

Kurt Davis, Arizona Game And Fish Commission; Patrick Bray , Arizona Cattlemen's Association; Jim deVos, representing self

**Testified as opposed:**

Sandy Bahr, Sierra Club - Grand Canyon Chapter

**Support:**

Ana Kennedy, Government Relations Manager, Arizona Farm Bureau

**Oppose:**

Michael Fiflis, representing self; Alisa McMahon, representing self; Robert Bulechek, representing self; Michael Sorum, representing self; Karen Michael, ANIMAL DEFENSE LEAGUE OF ARIZONA

**All Comments:**

Michael Sorum, Self: I am for livestock loss compensation but I see no need for this bill in that the Mexican wolf coexistence council just paid out over \$600,000 to ranchers in compensation for 2014. Don't undermine the work of this council with this bill.; Kurt Davis, Arizona Game And Fish Commission: The Arizona Game and Fish Commission supports SB1466 and the Barton Amendment.; Jim deVos, Self: The Arizona Game and Fish Commission supports SB1466 and the Barton amendment.

**SB1462, water supply development fund; committee (NOW: water infrastructure finance authority; board)****Testified in support:**

Sean Dollman, AZ STATE TREASURER'S OFFICE; Kody Kelleher, AZ BOARD OF REGENTS

**Support:**

Katy Yanez, NORTHERN ARIZONA UNIVERSITY; Andrew Escoto, UNIVERSITY OF ARIZONA; Abigail Polito Hawkins, AZ STATE UNIVERSITY; Duc Ma, representing self

**All Comments:**

Sean Dollman, AZ STATE TREASURER'S OFFICE: The Treasurer's Office is in support of the Proposed Strike Everything Amendment, Treasurer Jeff DeWit would like to speak on behalf of the proposed amendment.; Kody Kelleher, AZ BOARD OF REGENTS: Support the Cobb striker; Katy Yanez, NORTHERN ARIZONA UNIVERSITY: Support

the Cobb strike everything amendment; Andrew Escoto, UNIVERSITY OF ARIZONA: Support the Cobb strike everything amendment; Abigail Polito Hawkins, AZ STATE UNIVERSITY: in support of commercial paper amendment; Duc Ma, Self: The University of Arizona in support of the Cobb Striker Amendment.



# HOUSE OF REPRESENTATIVES

SB 1345

private land acquisition; study committee

Sponsor: Senator Griffin

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X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1345 establishes the Private Land Acquisition Study Committee (Committee).

## HISTORY

Laws 2012, Chapter 176 established the Joint Legislative Study Committee (JLSC) on Government and Private Lands to examine the consequences of the transfer of property from private parties to government entities. A report was to be submitted regarding the activities and recommendations of the JLSC on or before December 31, 2012 to the President of the Senate, the Speaker of the House, and the Secretary of the state.

The JLSC had not met before the sunset date, October 1, 2013, so the Ad Hoc Committee on Government and Private Lands was established by the President of the Senate and the Speaker of the House to complete the tasks originally assigned to the JLSC.

## PROVISIONS

1. Establishes the Committee composed of:
  - a. Three members of the Senate, not more than two of whom are members of the same political party, and one county assessor, who are appointed by the President of the Senate; and
  - b. Three members of the House of Representatives, not more than two of whom are members of the same political party, who are appointed by the Speaker of the House;
2. Requires the Committee to:
  - a. Conduct hearings and collect and analyze information relating to the acquisition of privately owned real property by government entities;
  - b. Examine the impact that ownership of real property by a government entity has on the economies of this state and of local communities;
  - c. Identify a process to allow a government entity to acquire privately owned real property without reducing the tax base of the local community; and
  - d. Submit a report regarding the study Committee's activities, findings and recommendations to the Governor, and the Legislature prior to January 1, 2018.
3. Repeals the Committee on October 1, 2018.

**ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - First Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. SB 1345

DATE March 19, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón			✓		
Mr. Montenegro					✓
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		11	1	0	1

APPROVED:

Brenda Barton  
BRENDA BARTON, Chairman  
DARIN MITCHELL, Vice-Chairman

April Riggs  
COMMITTEE SECRETARY

ATTACHMENT 3



# HOUSE OF REPRESENTATIVES

SB 1462

water infrastructure finance authority; board

Sponsor: Senator Ward

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X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1462 changes the population requirement for a Governor-appointed member of the Water Infrastructure Finance Authority Board (WIFA).

## Summary of the Proposed Strike-Everything Amendment to SB 1462

The proposed strike-everything amendment to SB 1462 allows the Arizona Board of Regents (ABOR) to issue commercial paper.

## HISTORY

Commercial paper is an unsecured, short-term debt instrument issued by corporations to finance short-term liabilities and may be used as a lower-cost alternative to bank loans. Maturities on commercial paper usually do not exceed 270 days and the average maturity is between 30 and 35 days.

Arizona Revised Statutes § 15-1683 allows ABOR to issue bonds if:

- a. The projected debt service on the bonds and certificates of participation shown in the most recent capital improvement plan reported to ABOR does not exceed 8% in any fiscal year (FY) of the institution's total projected expenditures and mandatory transfers; and
- b. The project to be acquired with the proceeds of the bonds is reviewed by the Joint Committee on Capital Review (JCCR).

## PROVISIONS

1. Allows ABOR to obtain lines of credit for cash management or liquidity purposes and issue commercial paper to provide short-term financing for up to 270 days for:
  - a. Capital projects;
  - b. Payment of expenses; or
  - c. Providing for payment of commercial paper or other previous obligations.
2. Requires commercial paper to be repaid within 270 days.
3. Permits commercial paper to be issued as notes or other obligations, to be issued as a single instrument or as a succession of instruments.
4. Allows commercial paper to be issued pursuant to an ABOR resolution or authorized agreements.
5. Permits the repayment obligations on commercial paper to be payable from and secured by fees, tuitions, rentals and other charges; interest and earnings on investments; or from amounts budgeted and allocated by ABOR.

**SB 1462**

6. Requires commercial paper payable from amounts budgeted and allocated by ABOR to provide that:
  - a. The obligation to make payments for or related to commercial paper is a current expense and is not a general obligation indebtedness of ABOR or the state; and
  - b. If ABOR fails to budget and allocate monies for any periodic payment or renewal term for any future fiscal period, the obligation to make payments for or related to commercial paper ceases at the end of the fiscal period and ABOR and the state are relieved of any subsequent payment obligations.
7. Requires ABOR to establish a final maturity date or final renewal period and a maximum rate of interest for commercial paper by resolution or authorizing agreement.
8. Allows the individual instruments representing commercial paper to:
  - a. Bear interest at rates not exceeding the maximum rate established by ABOR;
  - b. Mature and be retired over periods not ending later than the final maturity date or renewal period established by ABOR; and
  - c. Be retired with the proceeds of bonds or other obligations.
9. Allows commercial paper to be sold through an agent or a dealer recognized in municipal finance in the form of instruments that mature at intervals and bear interest at rates determined to be the most advantageous to ABOR.
10. Allows ABOR to:
  - a. Contract with a bank or other financial institution, insurance company or indemnity company to provide additional security for the commercial paper in the form of a line of credit, a letter of credit, and insurance policy or other security;
  - b. Pay the costs of the additional security from amounts provided by the commercial paper or from other lawfully available sources and may enter into reimbursement obligations in connection with the cost of the additional security.
11. Specifies that any reimbursement obligation entered into with a bank or other financial institution, insurance or indemnity company may not provide for the payment on interest in excess of the maximum interest rate established by ABOR or a different maximum interest rate established by ABOR for the reimbursement obligation.
12. Stipulates that JCCR is not required to review or approve the issuance of commercial paper.
13. Requires ABOR to submit an annual report to the Governor and the Legislature on any commercial paper issued during the previous FY, including the amount of commercial paper issued, the purposes for which the commercial paper was used and any commercial paper that was redeemed.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1462

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-1682, Arizona Revised Statutes, is amended to  
3 read:

4 15-1682. Powers

5 The board shall have power for each institution, as defined in this  
6 article, to:

7 1. Acquire, if authorized by the legislature, any project or projects,  
8 or any combination thereof, and to secure indirect or third-party financing  
9 for or own, operate and maintain the same and establish, own, operate and  
10 maintain a system of building facilities.

11 2. Acquire by purchase, contract, lease-purchase, lease or gift, and  
12 hold or dispose of, real or personal property or rights or interest therein.

13 3. Accept grants, subsidies or loans of monies from a federal agency,  
14 or others, ~~upon~~ ON such terms and conditions as may be imposed, and to pledge  
15 the proceeds of grants, subsidies or loans of monies received or to be  
16 received from the United States of America or any agency or instrumentality  
17 thereof, or others, pursuant to agreements entered into between such board  
18 and the United States of America, or any agency or instrumentality thereof,  
19 or others.

20 4. Borrow monies and issue bonds to acquire any one project, or more  
21 than one, or any combination thereof, if authorized by the legislature, and  
22 to refund bonds heretofore or hereafter issued to acquire any project or  
23 projects, or to refund any such refunding bonds, or for any one, or more than  
24 one, or all of such purposes, or any combination thereof, and to provide for  
25 the security and payment of such bonds and for the rights of the holders  
26 thereof.

27 5. Make contracts and leases and execute all instruments and perform  
28 all acts and do all things necessary or convenient to carry out the powers  
29 granted in this article.

30 6. Retain in its treasury:

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Not Offered \_\_\_\_\_ Analysts Initials \_\_\_\_\_

1 (a) All monies received from the sale of all bonds issued under this  
2 article.

3 (b) All fees, tuitions, rentals and other charges from students,  
4 faculty, staff members and others using or being served by, or having the  
5 right to use or the right to be served by, or to operate, any project.

6 (c) All fees for student activities and student services and all other  
7 fees, tuitions and charges collected from students matriculated, registered  
8 or otherwise enrolled at and attending each institution pledged under the  
9 terms of any resolution authorizing bonds pursuant to this article.

10 (d) All rentals from any facility or building leased to the United  
11 States of America.

12 7. OBTAIN LINES OF CREDIT FOR CASH MANAGEMENT OR LIQUIDITY PURPOSES  
13 AND TO ISSUE COMMERCIAL PAPER AS PROVIDED IN SECTION 15-1696.

14 Sec. 2. Title 15, chapter 13, article 5, Arizona Revised Statutes, is  
15 amended by adding section 15-1696, to read:

16 15-1696. Commercial paper; requirements; annual report

17 A. THE BOARD HAS THE POWER AND IS HEREBY AUTHORIZED TO ISSUE  
18 COMMERCIAL PAPER FROM TIME TO TIME TO PROVIDE SHORT-TERM FINANCING FOR UP TO  
19 TWO HUNDRED SEVENTY DAYS FOR ANY CAPITAL PROJECT, TO PAY ANY EXPENSES OF ONE  
20 OR MORE INSTITUTIONS OR TO PROVIDE FOR PAYMENT OF COMMERCIAL PAPER OR OTHER  
21 OBLIGATIONS PREVIOUSLY ISSUED. THE COMMERCIAL PAPER MAY BE ISSUED AS NOTES  
22 OR OTHER OBLIGATIONS, TO BE ISSUED AS A SINGLE INSTRUMENT OR AS A SUCCESSION  
23 OF INSTRUMENTS TO PROVIDE FOR PAYMENT OF INSTRUMENTS PREVIOUSLY ISSUED.

24 B. THE FOLLOWING APPLY TO COMMERCIAL PAPER ISSUED UNDER THIS SECTION:

25 1. COMMERCIAL PAPER MAY BE ISSUED PURSUANT TO RESOLUTION OF THE BOARD  
26 OR PURSUANT TO BOARD-AUTHORIZED AGREEMENTS.

27 2. THE BOARD'S REPAYMENT OBLIGATIONS ON COMMERCIAL PAPER MAY BE  
28 PAYABLE FROM AND SECURED BY A PLEDGE OF THE SAME SOURCES AND COVENANTS  
29 PERMITTED BY SECTION 15-1685, OR OTHER SOURCES THAT MAY BE PLEDGED, OR MAY BE  
30 PAYABLE FROM AMOUNTS BUDGETED AND ALLOCATED BY THE BOARD FOR THAT PURPOSE FOR  
31 THE CURRENT FISCAL PERIOD.

32 3. ANY COMMERCIAL PAPER PAYABLE FROM AMOUNTS BUDGETED AND ALLOCATED BY  
33 THE BOARD FOR THAT PURPOSE FOR THE CURRENT FISCAL PERIOD SHALL PROVIDE THAT  
34 BOTH:

1 (a) THE OBLIGATION OF THE BOARD TO MAKE ANY PAYMENTS FOR OR RELATED TO  
2 THE COMMERCIAL PAPER IS A CURRENT EXPENSE OF THE BOARD AND IS NOT A GENERAL  
3 OBLIGATION INDEBTEDNESS OF THE BOARD OR THIS STATE.

4 (b) IF THE BOARD FAILS TO BUDGET AND ALLOCATE MONIES FOR ANY PERIODIC  
5 PAYMENT OR RENEWAL TERM FOR ANY FUTURE FISCAL PERIOD, THE BOARD'S OBLIGATION  
6 TO MAKE PAYMENTS FOR OR RELATED TO THE COMMERCIAL PAPER CEASES AT THE END OF  
7 THE CURRENT FISCAL PERIOD, AND THE BOARD AND THIS STATE ARE RELIEVED OF ANY  
8 SUBSEQUENT PAYMENT OBLIGATIONS.

9 4. THE BOARD SHALL ESTABLISH BY RESOLUTION OR IN THE AUTHORIZING  
10 AGREEMENT A FINAL MATURITY DATE OR FINAL RENEWAL PERIOD FOR COMMERCIAL PAPER  
11 AND A MAXIMUM RATE OF INTEREST FOR COMMERCIAL PAPER ISSUED PURSUANT TO THIS  
12 SECTION. THE INDIVIDUAL INSTRUMENTS REPRESENTING THE COMMERCIAL PAPER MAY  
13 BEAR INTEREST AT RATES NOT EXCEEDING THE MAXIMUM RATE ESTABLISHED BY THE  
14 BOARD, MAY MATURE AND BE RETIRED, INCLUDING WITH THE PROCEEDS OF SUBSEQUENT  
15 INSTRUMENTS, OVER PERIODS ENDING NOT LATER THAN THE FINAL MATURITY DATE OR  
16 RENEWAL PERIOD ESTABLISHED BY THE BOARD AND MAY BE RETIRED WITH THE PROCEEDS  
17 OF BONDS OR OTHER OBLIGATIONS OF THE BOARD.

18 5. COMMERCIAL PAPER MAY BE SOLD THROUGH AN AGENT OR DEALER THAT IS  
19 RECOGNIZED IN MUNICIPAL FINANCE IN THE FORM OF INSTRUMENTS THAT MATURE AT  
20 INTERVALS AND BEAR INTEREST AT RATES THAT THE AGENT OR DEALER DETERMINES TO  
21 BE THE MOST ADVANTAGEOUS TO THE BOARD. COMMERCIAL PAPER SHALL BE IN THE  
22 FORM, BE EXECUTED AND HAVE SUCH OTHER TERMS AND CONDITIONS AS PROVIDED BY THE  
23 BOARD.

24 6. IN CONNECTION WITH THE COMMERCIAL PAPER REQUIREMENTS OF THIS  
25 SECTION, THE BOARD MAY:

26 (a) CONTRACT WITH A BANK OR OTHER FINANCIAL INSTITUTION, INSURANCE  
27 COMPANY OR INDEMNITY COMPANY TO PROVIDE ADDITIONAL SECURITY FOR THE  
28 COMMERCIAL PAPER IN THE FORM OF A LETTER OF CREDIT, A LINE OF CREDIT, AN  
29 INSURANCE POLICY OR OTHER SECURITY.

30 (b) PAY THE COSTS OF THE ADDITIONAL SECURITY FROM AMOUNTS PROVIDED BY  
31 THE COMMERCIAL PAPER OR FROM OTHER LAWFULLY AVAILABLE SOURCES AND MAY ENTER  
32 INTO REIMBURSEMENT OBLIGATIONS IN CONNECTION WITH THE COST OF THAT ADDITIONAL  
33 SECURITY.

34 7. ANY REIMBURSEMENT OBLIGATION ENTERED INTO WITH A BANK OR OTHER  
35 FINANCIAL INSTITUTION, INSURANCE COMPANY OR INDEMNITY COMPANY MAY NOT PROVIDE  
36 FOR THE PAYMENT OF INTEREST IN EXCESS OF THE MAXIMUM INTEREST RATE

1 ESTABLISHED BY THE BOARD FOR THE COMMERCIAL PAPER OR A DIFFERENT MAXIMUM  
2 INTEREST RATE ESTABLISHED BY THE BOARD FOR THE REIMBURSEMENT OBLIGATION. THE  
3 REIMBURSEMENT OBLIGATION MAY BE PAYABLE FROM THE SAME SOURCE AS THE  
4 COMMERCIAL PAPER OR FROM OTHER LAWFULLY AVAILABLE MONIES OF THE BOARD BUT MAY  
5 NOT CONSTITUTE A GENERAL OBLIGATION OF THE BOARD OR THIS STATE.

6 8. NOTWITHSTANDING ANY OTHER LAW, THE JOINT COMMITTEE ON CAPITAL  
7 REVIEW IS NOT REQUIRED TO REVIEW OR APPROVE THE ISSUANCE OF COMMERCIAL PAPER.  
8 COMMERCIAL PAPER ISSUED PURSUANT TO THIS SECTION IS EXEMPT FROM AND EXCLUDED  
9 FROM THE COMPUTATIONS REQUIRED BY SECTION 15-1683, SUBSECTION A, PARAGRAPH 1,  
10 SUBDIVISION (a).

11 9. ANY COMMERCIAL PAPER ISSUED BY THE BOARD PURSUANT TO THIS SECTION  
12 IS REQUIRED TO BE REPAID WITHIN TWO HUNDRED SEVENTY DAYS.

13 C. ON OR BEFORE NOVEMBER 15 OF EACH YEAR, THE BOARD SHALL PROVIDE TO  
14 THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND  
15 THE GOVERNOR A REPORT ON ANY COMMERCIAL PAPER ISSUED PURSUANT TO THIS SECTION  
16 DURING THE PREVIOUS FISCAL YEAR, INCLUDING THE AMOUNT OF COMMERCIAL PAPER  
17 ISSUED, THE PURPOSES FOR WHICH THE COMMERCIAL PAPER WAS USED AND ANY  
18 COMMERCIAL PAPER THAT WAS REDEEMED."

19 Amend title to conform

REGINA COBB

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**ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - First Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. SB 1462

DATE March 19, 2015 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón		✓			
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		9	0	0	0

APPROVED:

*Brenda Barton*  
 BREND A BARTON, Chairman  
 DARIN MITCHELL, Vice-Chairman

*April Higgins*  
 COMMITTEE SECRETARY

ATTACHMENT 6



# HOUSE OF REPRESENTATIVES

SB 1466

livestock loss board; compensation fund

Sponsors: Senator Allen; Representatives Barton, Bowers, et al.

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X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1466 establishes a nine-member Livestock Loss Board and Livestock Compensation Fund.

## HISTORY

In 2014, Congress authorized the Agricultural Act of 2014, which allowed the Livestock Indemnity Program to provide livestock owners and producers payments for livestock loss resulting from animals, including wolves, reintroduced into the wild by the federal government. The payments provided are equal to 75% of the market value of the applicable livestock and are retroactive to cover eligible losses back to October 1, 2011.

The Montana Legislature established a livestock loss board in 2007 to provide financial reimbursements to livestock operators for losses caused by wolves and grizzly bears and to apply prevention tools and incentives to decrease the risk of wolf or grizzly bear caused losses.

## PROVISIONS

### *Livestock Loss Board (Board)*

1. States the purpose of the Board is to address the depredation of wolves on livestock operations.
2. Establishes the Board with the following members:
  - a. The Director of the Department of Agriculture;
  - b. The Director of the Game and Fish Department (G&F);
  - c. Three Governor-appointed members representing the livestock industry;
  - d. Two Governor-appointed members representing wildlife conservation or wildlife management interests and who have experience with livestock production;
  - e. One member appointed by the Speaker of the House who is a livestock auction market owner; and
  - f. One member appointed by the President of the Senate who is a university faculty member with experience in agricultural and life sciences.
3. Specifies that the appointments by the Governor, the Speaker and the President must assign themselves to two- and four-year terms and all subsequent appointments will serve four-year terms.
4. Stipulates that a majority of members is a quorum of the Board.
5. Specifies that members of the Board may only receive compensation for travel expenses.
6. Requires the Board to submit an annual report to the Governor, the Legislature and the Secretary of State containing the number of applications for compensation, the total amount

**SB 1466**

of monies provided to landowners, lessees and livestock operators as well as any recommendations of the Board.

7. Sunsets the Board on July, 1, 2023.
8. Requires the Board to establish:
  - a. Procedures to compensate livestock operators, landowners or lessees for wolf depredation on livestock;
  - b. Requirements to report and demonstrate wolf depredation on livestock;
  - c. Eligibility and application requirements to receive compensation;
  - d. The compensation rate for each livestock animal depredated by wolves; and
  - e. Procedures to appeal decisions of the Board.
9. Stipulates that the Board must also research and develop measures to prevent wolf depredation on livestock.
10. The Board may:
  - a. Implement a pay-for-presence program to provide compensation to landowners, lessees and livestock operators who allow wolves to be present on private property and accept the potential of wolf depredation on livestock;
  - b. Coordinate with G&F in investigations of wolf depredations of livestock and any corrective measures;
  - c. Coordinate with state and federal wildlife agencies to verify wolf depredation on livestock;
  - d. Collaborate with federal farm services agencies to promote livestock compensation programs; and
  - e. Adopt rules.

***Livestock Compensation Fund (Fund)***

11. Establishes the Fund consisting of federal monies, legislative appropriations and donations to be used for compensating livestock operators, landowners and lessees for wolf depredation on livestock and for participating in a pay-for-presence program.
12. Requires the Board to administer the Fund.
13. Allows the Board to accept and spend federal monies, grants, gifts, contributions and devises.
14. Specifies that monies in the Fund are continuously appropriated and do not revert to the General Fund at the end of the Fiscal Year.
15. Requires monies in the fund to be used to supplement, not supplant, monies appropriated to G&F.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1466

(Reference to Senate engrossed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 17-306, Arizona Revised Statutes, is amended to  
3 read:

4 17-306. Importation, transportation, release or possession of  
5 live wildlife; violations; classification

6 A. No person shall import or transport into ~~the~~ THIS state or sell,  
7 trade or release within ~~the~~ THIS state or have in ~~his~~ THE PERSON'S possession  
8 any live wildlife except as authorized by the commission or as defined in  
9 title 3, chapter 16.

10 B. IT IS UNLAWFUL FOR A PERSON TO KNOWINGLY AND WITHOUT LAWFUL  
11 AUTHORITY UNDER STATE OR FEDERAL LAW IMPORT AND TRANSPORT INTO THIS STATE AND  
12 RELEASE WITHIN THIS STATE A SPECIES OF WILDLIFE THAT IS LISTED AS A  
13 THREATENED, ENDANGERED OR CANDIDATE SPECIES UNDER THE ENDANGERED SPECIES ACT  
14 OF 1973 (P.L. 93-205; 87 STAT. 884; 16 UNITED STATES CODE SECTIONS 1531  
15 THROUGH 1544).

16 C. A PERSON WHO VIOLATES SUBSECTION B OF THIS SECTION IS GUILTY OF A  
17 CLASS 6 FELONY.

18 D. A PERSON WHO VIOLATES SUBSECTION B OF THIS SECTION WITH THE INTENT  
19 TO DISRUPT OR INTERFERE WITH THE DEVELOPMENT OR USE OF PUBLIC NATURAL  
20 RESOURCES TO ESTABLISH THE PRESENCE OF THE SPECIES IN AN AREA NOT CURRENTLY  
21 KNOWN TO BE OCCUPIED BY THAT SPECIES IS GUILTY OF A CLASS 4 FELONY.

22 Sec. 2. Section 17-309, Arizona Revised Statutes, is amended to read:

23 17-309. Violations; classification

24 A. Unless otherwise prescribed by this title, it is unlawful for a  
25 person to:

26 1. Violate any provision of this title or any rule adopted pursuant to  
27 this title.

Adopted <input checked="" type="checkbox"/>	# of Verbals _____
Failed _____	Withdrawn _____
Not Offered _____	Analysts Initials _____

1           2. Take, possess, transport, RELEASE, buy, sell or offer or expose for  
2 sale wildlife except as expressly permitted by this title.

3           3. Destroy, injure or molest livestock, growing crops, personal  
4 property, notices or signboards, or other improvements while hunting,  
5 trapping or fishing.

6           4. Discharge a firearm while taking wildlife within one-fourth mile of  
7 an occupied farmhouse or other residence, cabin, lodge or building without  
8 permission of the owner or resident.

9           5. Take a game bird, game mammal or game fish and knowingly permit an  
10 edible portion thereof to go to waste, except as provided in section 17-302.

11           6. Take big game, except bear or mountain lion, with the aid of dogs.

12           7. Make more than one use of a shipping permit or coupon issued by the  
13 commission.

14           8. Obtain a license or take wildlife during the period for which the  
15 person's license has been revoked or suspended or the person has been denied  
16 a license.

17           9. Litter hunting and fishing areas while taking wildlife.

18           10. Take wildlife during the closed season.

19           11. Take wildlife in an area closed to the taking of that wildlife.

20           12. Take wildlife with an unlawful device.

21           13. Take wildlife by an unlawful method.

22           14. Take wildlife in excess of the bag limit.

23           15. Possess wildlife in excess of the possession limit.

24           16. Possess or transport any wildlife or parts of the wildlife that was  
25 unlawfully taken.

26           17. Possess or transport the carcass of big game without a valid tag  
27 being attached.

28           18. Use the edible parts of any game mammal or any part of any game  
29 bird or nongame bird as bait.

30           19. Possess or transport the carcass or parts of a carcass of any  
31 wildlife that cannot be identified as to species and legality.

32           20. Take game animals, game birds and game fish with an explosive  
33 compound, poison or any other deleterious substances.

34           21. Import into this state or export from this state the carcass or  
35 parts of a carcass of any wildlife unlawfully taken or possessed.

36           B. Unless a different or other penalty or punishment is specifically  
37 prescribed, a person who violates any provision of this title, or who

1 violates or fails to comply with a lawful order or rule of the commission, is  
2 guilty of a class 2 misdemeanor.

3 C. A person who knowingly takes any big game during a closed season or  
4 who knowingly possesses, transports or buys any big game that was unlawfully  
5 taken during a closed season is guilty of a class 1 misdemeanor.

6 D. A person is guilty of a class 6 felony who knowingly:

7 1. Barters, sells or offers for sale any big game or parts of big game  
8 taken unlawfully.

9 2. Barters, sells or offers for sale any wildlife or parts of wildlife  
10 unlawfully taken during a closed season.

11 3. Barters, sells or offers for sale any wildlife or parts of wildlife  
12 imported or purchased in violation of this title or a lawful rule of the  
13 commission.

14 4. Assists another person for monetary gain with the unlawful taking  
15 of big game.

16 5. Takes or possesses wildlife while under permanent revocation under  
17 section 17-340, subsection B, paragraph 3.

18 E. A peace officer who knowingly fails to enforce a lawful rule of the  
19 commission or this title is guilty of a class 2 misdemeanor."

20 Renumber to conform

21 Amend title to conform

BRENDA BARTON

1466 bb  
03/13/2015  
8:34 AM  
C: LD

**ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - First Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. SB 1466

DATE March 19, 2015 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón		✓			
Mr. Montenegro		✓			
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		9	0	0	0

*April Riggins*  
COMMITTEE SECRETARY

APPROVED:  
*Brenda Barton*  
BRENDA BARTON, Chairman  
DARIN MITCHELL, Vice-Chairman

ATTACHMENT 9



# HOUSE OF REPRESENTATIVES

## SCM 1004

waters; definition; urging Congress  
Sponsors: Senators Griffin; Shooter

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X Committee on Agriculture, Water and Lands

Caucus and COW

House Engrossed

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### OVERVIEW

SCM 1004 urges Congress to pass the Waters of the United States Regulatory Overreach Protection Act of 2015 (H.R. 594).

### HISTORY

On April 21, 2014, the United States Environmental Protection Agency (EPA) and the United States Army Corps of Engineers (Army Corps) published a proposed rule in the Federal Register that defines "Waters of the United States" under the Clean Water Act (CWA). This proposed rule will expand the scope of the CWA, as well as subject almost all physical areas with a connection to downstream navigable waters to the jurisdiction of the CWA.

The final rule is projected to be published in the Federal Register by August 31, 2015.

H.R. 594, sponsored by Representative Gosar, dictates that the Secretary of the Army (Secretary) jointly consults with state and local officials to develop recommendations for a proposal that would identify scope of waters covered and not covered under the Federal Water Pollution Control Act. The Secretary is required to consult officials and follow the requirements of the consultation given in H.R. 594.

The Secretary must publish a draft report describing the recommendations developed in the consultation in the Federal Register, no later than one year after the date of the enactment of H.R. 594. A consensus must be met between the Secretary and the Administrator of the EPA (Administrator). If a consensus is not met, the draft report must describe the areas and issues where a consensus was met, areas and issues where there are still disagreements, and explanations for those disagreements. The Secretary and Administrator must allow no less than 180 days for the public to review and comment on the draft report. A final report is required to be submitted to the Committee on Transportation and Infrastructure and the Committee on Environment and Public Works no later than two years after the enactment of H.R. 594.

### PROVISIONS

1. Urges Congress to pass H.R. 594, which prohibits the EPA and the Army Corps from developing, finalizing, adopting, implementing, applying, administering or enforcing the proposed federal rule that defines "Waters of the United States" under the Clean Water Act.
2. Requests the Secretary of State to transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, each Member of Congress from the State of Arizona, the Administrator of the EPA and the Commanding General and Chief of Engineers of the Army Corps.

**ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - First Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON AGRICULTURE, WATER AND LANDS BILL NO. SCM 1004

DATE March 19, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Benally		✓			
Mrs. Cobb		✓			
Ms. Fann		✓			
Mrs. Gabaldón			✓		
Mr. Montenegro					✓
Ms. Otondo		✓			
Mr. Shope		✓			
Mr. Mitchell, Vice-Chairman		✓			
Mrs. Barton, Chairman		✓			
		11	1	0	1

APPROVED:

*Brenda Barton*  
 \_\_\_\_\_  
 BRENDA BARTON, Chairman  
 DARIN MITCHELL, Vice-Chairman

*April Riggins*  
 \_\_\_\_\_  
 COMMITTEE SECRETARY

ATTACHMENT 11