



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

House: LARA DP 8-1-0-0

HB 2865: natural resource conservation districts; board

Sponsor: Representative Griffin, LD 19

Caucus & COW

Overview

Establishes the State Natural Resource Conservation Board (Board) and transfers oversight of natural resource conservation districts (Districts) from the State Land Commissioner to the Board. Appropriates \$150,000 and 2 FTE positions from the state General Fund (GF) in FY 2025 to the Board and \$1,000,000 from the state GF in FY 2026 to the Natural Resource Conservation District Fund (Fund).

History

Currently, the State Land Commissioner oversees the Division of Natural Resource Conservation (Division). A District can be established through the Division to: 1) conserve Arizona lands, soil resources, natural resources, wildlife, rivers and streams; and 2) preserve water rights and prevent soil erosion. Statute outlines the procedure for establishing a District and its supervisors through a petition and election (A.R.S. §§ [37-1001](#), [37-1033](#)).

Provisions

Establishment of the Board and Membership

1. Establishes the Board that consists of members Arizona residents, not more than two of whom are residents of the same county and who are appointed by the Governor. (Sec. 7)
2. Outlines Board membership and specifies that at least six members be appointed from Districts and the remaining members must be members of the public. (Sec. 7)
3. Requires the initial Board members to assign themselves by lot to terms of one, two and three years in office and subsequent members to serve three-year terms. (Sec. 7)
4. Directs the Board's chairperson to notify the Governor's Office of these terms. (Sec. 7)
5. Details service, designee and reimbursement duties and powers for Board members. (Sec. 7)
6. Repeals the Board on July 1, 2032 and this legislation on January 1, 2033. (Sec. 3)

Powers and Duties of the Board

7. Allows the Board to appoint an administrative officer, a secretary and other assistants as required, assign their duties, define their powers and determine the amount of bond required of an assistant entrusted with monies or property. (Sec. 7)
8. Requires the Board to adopt a seal, hold public hearings, keep records of all proceedings and adopt orders and rules as necessary. (Sec. 7)

9. Specifies that the Board must keep the supervisors of each District informed of relevant information from other states and facilitate cooperation of program opportunities between Districts. (Sec. 7)
10. Assigns the current duties of the Commissioner to the Board. (Sec. 7)
11. Requires the Board to:
 - a) meet at least quarterly to receive updates from its administrative officer, provide guidance to the administrative officer and vote on any matters requiring a decision;
 - b) assist a District with coordinating with a federal agency and developing long-term plans; and
 - c) adopt administrative rules as deemed necessary and proper. (Sec. 7)
12. Allows the Board to contract or employ legal counsel and other professional and administrative services. (Sec. 7)
13. Outlines permissible powers of the legal counsel retained by the Board. (Sec. 7)
14. Specifies that the Board must include in its annual budget request a sum of not more than \$40,000 for each District and soil and water conservation district and \$60,000 for each District that operates an education center. (Sec. 8)

Natural Resource Conservation District Fund

15. Establishes the Fund that consists of legislative appropriations, grants, federal monies and other contributions. (Sec. 10)
16. Requires the Board to administer the Fund. (Sec. 10)
17. States that Fund monies are continuously appropriated and exempt from lapsing. (Sec. 10)
18. Requires the State Treasurer to invest and divest Fund monies and requires monies earned from investment to be credited to the Fund. (Sec. 10)
19. Requires the Board to:
 - a) establish criteria for the use of Fund monies;
 - b) establish and revise the grant application process;
 - c) review and evaluate all submitted grant applications; and
 - d) award grants to Districts and soil and water conservation districts to conduct projects. (Sec. 10)
20. Specifies that Fund monies cannot be used to acquire property. (Sec. 10)
21. Allows the Board to use up to 10% of Fund monies Fund administration. (Sec. 10)
22. Established reporting requirements for the Fund. (Sec. 10)

District Governing Body

23. Specifies that two members of a District governing body must be appointed by the Board from a list of nominees selected by the elected supervisors. (Sec. 21)
24. Requires a nomination petition to be a candidate for a District governing body to contain signatures of the higher of not less than .5% of the qualified electors of the District or five qualified electors of the District, rather than 25% of the District's qualified electors.. (Sec. 21)

25. States that if only one person files a nominating petition for an election to fill a position on the District board, the Board can cancel the election for that position and instead appoint the person who filed the nominating petition to fill the position. (Sec. 21)
26. Allows, if no person files a nominating petition for an election to fill a District office, the Board to cancel the election for the offices and states the office is to be filled as otherwise provided by law. (Sec. 21)
27. States that a person who is appointed to office is fully vested with the powers and duties of the office as if elected to that office. (Sec. 21)

Appropriation

28. Appropriates \$150,000 and 2 FTE positions from the state GF in FY 2025 to the Board. (Sec. 32)
29. Appropriates \$1,000,000 from the GF in FY 2026 to the Fund. (Sec. 32)
30. Exempts the appropriations from lapsing. (Sec. 32)

Miscellaneous

31. Specifies that a notice of a hearing to organize a District can be posted on its website (Sec. 12)
32. Allows a District to apply for and spend monies from the Water Infrastructure Finance Authority. (Sec. 24)
33. Requires the Arizona Water Protection Fund Commission to gather information from the Board. (Sec. 28)
34. Defines *board*, *cooperative agreement* and *fund*. (Sec. 5)
35. Transfers the State Land Commissioner's oversight and responsibilities to the Natural Resource Conservation Districts to the Board on the effective date of this legislation. (Sec. 30)
36. Requires the Board to initiate the recruitment of staff, determine where staff will be housed and decide on an annual budget and conduct any other business required to effectuate the transition of duties. (Sec. 30)
37. Contains a purpose statement. (Sec. 31)
38. Makes technical and conforming changes. (Sec. 1, 4-9, 11-29)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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