

Arkansas Natural Resources Commission
Rules Governing Conservation Districts
Title 2 MARK-UP VERSION
(Effective ~~July 1, 2010~~ June 1, 2016)

<u>Subtitle</u>	<u>Page</u>
I. General provisions	
201.1 Purpose.....	1
201.2 Enabling and pertinent legislation	1
201.3 Definitions	1
201.4 Executive Director and staff assistance	1
II. Creation of a district	
III. Division of a district	
IV. Combination of districts	
V. Discontinuance of a district	
VI. Changing the name of a district	
[Subtitles VII through IX <u>VIII</u> reserved]	
<u>IX. Appointment of Conservation District Directors Emeritus</u>	
<u>209.1 Conservation District Directors Emeritus Program</u>	<u>2</u>
<u>209.2 Role of a Director Emeritus</u>	<u>2</u>
<u>209.3 Process of awarding Director Emeritus title</u>	<u>3</u>
<u>209.4 Process for filling board vacancy due to acceptance of Director Emeritus position</u>	<u>3</u>
X. Appointment and reappointment of district directors	
210.1 Notification of expiration of term.....	3
210.2 Request for board <u>Board</u> recommendation	3
210.3 Reappointment of director	3
210.4 Public request for appointment.....	3
210.5 Review of qualifications of prospective appointees	4
210.6 Report of the Executive Director	4
210.7 Commission action	4
210.8 Issuance of certificate of appointment	4
XI. Election and reelection of district directors	
211.1 Elections.....	4
211.2 Notice to district.....	4
211.3 Appointed directors to serve as election committee	4
211.4 Approval of polling place	5
211.5 Petitions	5

Title II

211.6	Reelection of directors	5
211.7	Certification of candidates	5
211.8	Notice of election	5
211.9	Ballots	5
211.10	Absentee ballots <u>Voting procedure</u>	6
211.11	Write-in candidates <u>Early voting and absentee ballots</u>	6
211.12	Voting procedure <u>Write-in candidates</u>	6
211.13	Vote tally	6
211.14	Election challenge	7
211.15	Certification of results	7
211.16 <u>211.15</u>	<u>Issuance of certificate of election</u>	7

XII. Waiver of attendance requirement for reappointment or certification as a candidate for reelection

212.1	Request for waiver	7
212.2	Meeting with director making request	7
212.3	Consideration of request	8
212.4	Criteria in making decision with respect to waiver request	8

XIII. Resignation of district directors and decline of office

213.1	Resignations in writing	7
213.2	Resignations filed with Commission	8
213.3	Resignations effective	8
213.4	No contingent resignations	8
213.5	Decline of office	8

XIV. Removal of district directors

214.1	Grounds for removal	9
214.2	Petition for removal	9
214.3	Executive Director to investigate	9
214.4	Review of Commission	9
214.5	Decision of the Commission	9
214.6	Appointment of successor	9

[Subtitles XV through XVI reserved]

XVII. District operations ~~planning~~

217.1	Operating plan required	9
217.2	Operating plan contents	10
217.3	Disqualification from Commission funding	10
217.4	District meetings	10
<u>217.5</u>	<u>Hiring practices</u>	<u>10</u>
<u>217.6</u>	<u>District employees</u>	<u>11</u>

XVIII. ~~District operations state~~ State funding

Title II

218.1	State fund requests	11
218.2	Special project fund requests	11
218.3	Approval of applications.....	12
218.4	Distribution of state matching <u>operating</u> funds.....	12
218.5	Application for hardship status	12
218.6	<u>218.5</u> Fund limitations and priority	13
218.7	Eligibility for state matching funds	13
218.8	Administrative divisions	13
218.9	District review committee.....	14
218.10	District review system	14
218.11	District review.....	14
 XIX. District operations financial <u>Financial records</u>		
219.1	Accounting	14
219.2	State/ local matching fund accounting	14
219.3	<u>219.2</u> Financial report	15
219.4	<u>219.3</u> Annual review of financial records.....	15
219.5	<u>219.4</u> Report of difficulties	15
219.6	<u>219.5</u> Inventory	15
219.7	District employees	15
219.8	<u>219.6</u> Equipment rental and sale of goods.....	15
219.9	<u>219.7</u> Program accounting	16
219.10	<u>219.8</u> District travel	16
219.11	<u>219.9</u> Penalty for noncompliance	16
 XX. Conservation district beaver control program		
220.1	Purpose.....	16
220.2	District participation	16
220.3	Funding	17
 [Subtitles XXI reserved]		
 XXII. Conservation district grant program		
222.1	Purposes	17
222.2	Availability of funds	17
222.3	Application period and notification of application period.....	18
222.4	Projects for which grants may be obtained and applicant	18
222.5	Application procedure.....	18
222.6	Grants review committee	18
222.7	<u>222.6</u> Review of applications.....	18
222.8	<u>222.7</u> Award of grants	19
222.9	<u>222.8</u> Grant agreements and reports	19
222.10	<u>222.9</u> Additional conditions.....	19

[Subtitles XXII through XXIV reserved]

XXV. Rules governing the delegation and operation of the water conservation education/ information program by conservation districts

225.1	Purpose.....	20
225.2	Request for delegation of local program.....	20
225.3	Memorandum of understanding.....	20
225.4	Available funding	20
225.5	Local program contents	20
225.6	Specific local program activities.....	21
225.7	Specific local plan and review	21
225.8	District transfer of funds	21

Arkansas Natural Resources Commission
Rules Governing Conservation Districts

Subtitle I. General provisions

Section 201.1 Purpose.

The purpose of these rules is to outline procedures for the establishment and operation of conservation districts.

Section 201.2 Enabling and pertinent legislation.

A. Ark. Code Ann. §14-125-101, et seq., Conservation District Law.

B. Ark. Code Ann. §15-20-201, et seq., Arkansas ~~Soil and Water~~ Natural Resources Conservation Commission.

Section 201.3 Definitions.

The following definitions shall apply to all parts of these rules:

A. Commission: The Arkansas Natural Resources Commission, formerly known as Arkansas Soil and Water Conservation Commission, as defined in Ark. Code Ann. §15-20-201, et seq.

B. Conservation district or district: A district created under the Conservation District Law, Ark. Code Ann. §14-125-101, et seq.

C. Director: A member of the governing ~~body (board)~~ of a conservation district, as defined by Ark. Code Ann. §14-125-301, et seq.

~~D. Eligible Local Funds: Funds that meet the requirements of Section 218.7 and are eligible for match with state matching funds under Section 218.1 of these rules.~~

~~E.~~ D. Executive Director: The person appointed to administer the affairs of the Arkansas Natural Resources Commission, as defined by Ark. Code Ann. §15-20-205.

~~F.~~ E. Local Funds: Funds provided to, or earned by, the district from a source other than the state during the fiscal year of the request.

~~G.~~ F. Operating Plan: A district's proposed budget, goals, and annual report, as defined in Section 217.2 of these rules.

~~H.~~ G. Special Project: A planned undertaking to research, demonstrate, construct or enhance the conservation of land and water resources.

~~I.~~ H. State Matching Operating Funds: State funds provided to ~~match eligible local funds under Section 218.7~~ conservation districts meeting the requirements in Section 218.1(C) of these rules.

Section 201.4 Executive Director and staff assistance.

The Executive Director and Commission staff shall assist the districts in complying with these rules. Guidelines may be developed to assist districts in complying with these rules, but the rules themselves shall be controlling.

Subtitle II. Creation of a district

[Reserved] See Ark. Code Ann. §14-125-201 et seq.

Subtitle III. Division of a district

[Reserved] See Ark. Code Ann. §14-125-401 et seq.

Subtitle IV. Combination of districts

[Reserved] See Ark. Code Ann. §14-125-401 et seq.

Subtitle V. Discontinuance of a district

[Reserved] See Ark. Code Ann. §14-125-901 et seq.

Subtitle VI. Changing the name of a district

[Reserved] See Ark. Code Ann. §14-125-410

[Subtitles VII through ~~IX~~ VIII reserved]

Subtitle IX. Appointment of Conservation District Directors Emeritus

Section 209.1 Conservation District Directors Emeritus Program.
This program recognizes individuals who have served twenty-five (25) or more years of concurrent or intermittent service on a conservation district board or boards. It also provides a mechanism for tapping institutional knowledge attained by these individuals without requiring them to serve as government officials.

Section 209.2 Role of a Director Emeritus.
A Director Emeritus serves the district by providing knowledge, experience, and wisdom to the district's elected and appointed directors. A Director Emeritus may continue to commit time, energy, and other resources to the District while serving in an advisory, non-voting capacity without legal or fiduciary responsibilities. A Director Emeritus is appointed for life.

Section 209.3 Process of awarding Director Emeritus title.

A. After obtaining the consent of a qualifying individual who has provided previous service to the district or who currently serves as a district director, a conservation district board may nominate him or her to the Commission for appointment as a Director Emeritus.

B. Upon receipt of a conservation district board's completed nominating petition for a qualifying individual, the Commission will approve the nominated individual.

Section 209.4 Process for filling board vacancy due to acceptance of Director Emeritus position.

If the Commission approves an individual as a Director Emeritus that currently serves as a district director, the Commission shall appoint a director to serve the remainder of the Director Emeritus's term.

Subtitle X. Appointment and reappointment of district directors

Section 210.1 Notification of expiration of term.

Sixty days prior to the expiration of an appointed director's term, the Executive Director shall notify the director and the district board of the date of the expiration of the term.

Section 210.2 ~~Request for board~~ Board recommendation.

~~After notifying the district of the expiration, the Executive Director shall request that the district Board recommend person(s) the Commission should consider as appointed director(s). The district shall provide the Commission its recommendation within 30 days of receipt of the request. The~~ Commission shall consider any appointment recommendation which may be made by the remaining members of the local governing board.

Section 210.3 Reappointment of director.

A. Any appointed director seeking reappointment shall provide the Executive Director with a certified statement from the district board summarizing the director's attendance at district board meetings, area, and/or state meetings for the past three years, and proof of completion of the Commission's approved training program for directors.

B. (1) No appointed director shall be reappointed unless that director has attended sixty-five percent (65%) of the district meetings and three state or area meetings within the last three years or has obtained a waiver pursuant to Subtitle XII of these rules.

(2) A director may meet the state or area meeting attendance requirement by attending a meeting or meetings approved by the Executive Director as being of regional or state importance to soil and water conservation.

Section 210.4 Public request for appointment.

Any person owning land within a district who is registered to vote under the election laws of Arkansas may be considered by the Commission ~~as an appointed director~~ for appointment by filing a written request with the Executive Director. The request shall remain on file at the Commission until the district's next board vacancy. If the Commission receives a written request for

appointment to a particular conservation district board, the Commission will notify that board of the request.

Section 210.5 Review of qualifications of prospective appointees. The Executive Director shall review the qualifications of anyone proposed as an appointed director. This review may include an interview with the applicant, or a request for recommendations from persons having knowledge of the applicant's interest and activities in the areas of soil and water conservation.

Section 210.6 Report of the Executive Director. By the first regular meeting of the Commission after the expiration of the appointed director's term, the Executive Director shall provide the Commission with the names and qualifications of all prospective appointees.

Section 210.7 Commission action. Upon presentation by the Executive Director, the Commission may:

- A. Select one of the prospective appointees,
- B. Ask for additional information concerning any of the applicants, or
- C. Ask the Executive Director to seek additional applicants.

Section 210.8 Issuance of certificate of appointment. After a director has ~~completed the approved training course~~, taken the oath of office, and submitted proof to the Commission, the Executive Director shall issue a certificate of appointment to the district director.

Subtitle XI. Election and reelection of district directors

Section 211.1 Elections. Elections will be held on the first Tuesday in March in ~~designated~~ districts designated by statute. All polling places shall be open for voting from 8:00 a.m. to 5:00 p.m.

Section 211.2 Notice to district. By December 10, the Executive Director shall notify the districts which have elections scheduled for the following March.

Section 211.3 Appointed directors to serve as election committee. The appointed district directors constitute the District Election Committee, the Commission's representative for conducting elections. The Committee's duties include the following:

- 1. Publishing notice of the election, availability and qualifications for obtaining an open position on the board, and the deadline for filing the candidate nomination petition;
- 2. Selecting the polling sites;
- 3. Appointing a person or persons to oversee polling sites;
- 4. Conducting the election; and

5. Collecting absentee and regular ballots and counting votes.

Section 211.4 Approval of polling place.

By February 1 of election year, the District Election Committee shall submit, for the Executive Director's approval, the location(s) of polling place(s) for the district election. The number and location of the polling place(s) shall provide adequate coverage of the district.

Section 211.5 Petitions.

A. ~~A person wishing to be a candidate~~ To qualify as a candidate, a person owning land within the district and registered to vote under the election laws of Arkansas shall submit to the Commission a candidate nomination petition, signed by 25 or more qualified electors, stating that each signatory is a registered voter in the State of Arkansas and is an owner of land within the district.

B. All petitions for candidacy shall be submitted to the Commission on or before February 10.

Section 211.6 Reelection of directors.

A. Any elected director seeking re-election shall provide the Executive Director with the following: a certified statement from the district board summarizing the director's attendance at district board meetings, area and/or state meetings for the past three years; and, proof of completion of the Commission's approved training program for directors.

B.(1) No elected director shall be re-elected unless that director has attended sixty-five percent (65%) of the district meetings and three state or area meetings within the last three years, or has obtained a waiver pursuant to Subtitle XII of these rules.

(2) A director may meet the state or area meeting attendance requirement by attending a meeting or meetings approved by the Executive Director as being of regional or state importance to soil and water conservation.

Section 211.7 Certification of candidates.

The Executive Director must certify a person as a candidate prior to the election before that person may be elected to the office of director.

Section 211.8 Notice of election.

A. The Election Committee shall, prior to the election and at district expense, publish a notice of election twice, seven days apart, in a district newspaper of general circulation.

B. The Executive Director shall, prior to the election, publish a notice of election twice, seven days apart, in a newspaper of statewide circulation. The notice shall ~~indicate in which~~ identify districts holding elections ~~are being held that year~~.

Section 211.9 Ballots.

A. The Executive Director shall provide the requested number of ballots to the District Election Committee.

B. The names of certified candidates shall be alphabetized, by surname, on the ballots. The ballots shall contain instructions to vote for three by placing an "X" in the appropriate boxes.

Section 211.10 Voting procedure.

A. Any person who is a registered voter of the state and is an owner of real estate within the district is a qualified elector.

B. Prior to obtaining a ballot, a person shall sign a registration of voters, an affirmation that the person is a qualified elector.

C. After obtaining a ballot, the person shall select up to three candidates to serve as district directors by putting an "X" in the appropriate boxes, and then placing the ballot in the ballot box.

~~Section 211.10~~ 211.11 Absentee Early voting and absentee ballots.

A. ~~Absentee ballots~~ Ballots shall be available at the district office two weeks prior to the election for all qualified voters ~~persons unavoidably absent from the district on election day~~. No ~~absentee~~ ballot shall be removed from the district office except as provided in Subsection B below. The ~~absentee~~ voting procedure under this subsection shall be the same as the regular procedure contained in Section 211.12 of these rules.

B. An infirmed person, whose physical condition makes it difficult to vote on election day ~~or to vote absentee at the district office~~, may obtain a ballot by presenting a signed, written statement that the person making the request:

1. Is a registered voter in Arkansas;
2. Owns land within the district;
3. Cannot vote on election day due to health reasons; and
4. Is attaching the name of the person authorized to deliver the ballot to the infirmed person. The person so-named shall present the request to the Election Committee to obtain a ballot and shall return the ballot to the district office by the Monday before election day.

~~Section 211.11~~ 211.12 Write-in candidates.

No write-in candidates shall be allowed. Votes for write-in candidates shall be void and shall not be counted.

~~Section 211.12 Voting procedure.~~

~~A. Any person who is a registered voter of the state and is an owner of real estate within the district is a qualified elector.~~

~~B. Prior to obtaining a ballot, a person shall sign a registration of voters, an affirmation that the person is a qualified elector.~~

~~C. After obtaining a ballot, the person shall select up to three candidates to serve as district directors by putting an "X" in the appropriate boxes, and then placing the ballot in the ballot box.~~

Section 211.13 Vote tally.

A. After the polls close, the Election Committee shall collect all ballot boxes and election materials.

B. Both members of the Election Committee shall together open the ballot boxes and count the votes cast.

C. Any ballot with more than three candidates marked shall be disqualified and not be counted. Any ballot with write-in candidates shall be disqualified and not be counted.

D. The Election Committee shall certify to the Commission the results of the election, including the number of voters and the number of votes for each candidate.

E. The Election Committee shall then post results at polling place(s), the district office and other public places in the district.

F. The ballots and other election materials shall be maintained in a secure place until the Executive Director requests that they be sent to the Commission or indicates that they may be destroyed.

Section 211.14 Election challenge.

A. Any person challenging results of the election shall, within three days of the election, notify the Executive Director, in writing, outlining the reasons for the challenge.

B. The Executive Director shall investigate any allegations made, including: taking ballots and other election materials into custody, recounting the vote, or verifying those voting in the election.

C. The Executive Director shall report any findings to the Commission.

D. The Commission may then require a recount of votes, confirm the results as reported, set aside the results and conduct a special election, or take any other appropriate action.

~~Section 211.15 Certification of results.~~

~~A. At the first regular meeting of the Commission after the election the Commission shall certify the results of the election.~~

~~B. The Executive Director shall notify the directors elect and provide them with appropriate training materials.~~

Section ~~211.16~~ 211.15 Issuance of certificate of election.

After a director has ~~completed the Commission's approved training course~~, taken the oath of office, and submitted proof to the Commission, the Executive Director shall issue a certificate of election to the district director.

Subtitle XII. Waiver of attendance requirement for reappointment or certification as candidate for reelection

Section 212.1 Request for waiver.

Any appointed or elected director failing to meet the attendance requirement and seeking certification as a candidate for reappointment or re-election may request a waiver by submitting a request in writing to the Executive Director. In the request, the director should explain the failure to meet the attendance requirement for the past term.

Section 212.2 Meeting with director making request.

After receipt of a waiver request, a member of the Commission chosen by the Commission Chairman and the Executive Director, or his designee, shall meet with the director making the waiver request. At the meeting, inquiry should be made as to the reason for failure to meet the attendance requirement and the director's ability to meet the attendance requirement in the future. The Executive Director and Commission member shall stress the importance of regular attendance at district board meetings and attendance at area and state meetings.

Section 212.3 Consideration of request.

A. Prior to the meeting in which a director's request for waiver is to be considered, the Executive Director shall invite, but not require, the director to attend the next Commission meeting and make a statement, if he so desires, concerning the waiver request.

B. At the time of consideration of the waiver request the member of the Commission and Executive Director or his designee shall make a report of the meeting held pursuant to Section 212.2.

C. The Commission shall then approve or disapprove on the waiver of attendance requirement request, and the decision shall be duly noted in the Commission's permanent records.

Section 212.4 Criteria in making decision with respect to waiver request.

A. Local meeting requirements. Attendance at local conservation district board meetings is of utmost importance to efficient and effective district activities. Waivers for directors failing to attend more than fifty percent (50%) of the local meetings will not be considered.

B. Area and state meeting requirements. Directors should make every effort to make the appropriate area and state meetings. In determining whether to grant a waiver request, the Commission may consider the other conservation district activities undertaken by the director making the request.

Subtitle XIII. Resignation of district directors and decline of office

Section 213.1 Resignations in writing.

All resignations shall be in writing.

Section 213.2 Resignations filed with Commission.

All resignations shall be filed with the district board and the Commission.

Section 213.3 Resignations effective.

Unless the resignation provides otherwise, a resignation shall be effective upon receipt by the Executive Director.

Section 213.4 No contingent resignations.

No resignation shall be contingent upon another event.

Section 213.5 Decline of office.

An elected or appointed director will be deemed to have declined the office of director if that director ~~fails to complete the Commission's approved training program, and~~ fails to take the required oath of office within 60 days of certification of election returns or appointment by the Commission. The Commission shall then appoint a new director pursuant to these rules.

Subtitle XIV. Removal of district directors

Section 214.1 Grounds for removal.

The Commission shall have the power to remove directors for neglect of duty or ~~malfeasance~~ wrongdoing in office, but for no other reason. A director who is absent from three, successive, regular monthly meetings or two, successive, regular quarterly meetings shall be removed for neglect of duty, unless the Commission is presented with a satisfactory written explanation.

Section 214.2 Petition for removal.

Any person seeking a director's removal shall file a petition with the Executive Director, stating specific allegations of the director's alleged neglect of duty or malfeasance in office. The signed petition shall be accompanied by an affidavit stating that the information contained in the petition is true to the best of affiant's knowledge and belief.

Section 214.3 Executive Director to investigate.

Upon receipt of a petition contained in Section 214.2, or on personal initiative, the Executive Director shall investigate whether there are grounds for a district director's removal under Section 214.1. The Executive Director shall then report any findings and recommendations to the Commission.

Section 214.4 Review of Commission.

If, after receiving the Executive Director's report on the allegations, the Commission determines a hearing is warranted, then a hearing by the Commission, or by an appointed hearing officer, shall be conducted as an administrative adjudication under the Administrative Procedure Act.

Section 214.5 Decision of the Commission.

The Commission shall enter a finding of fact and ~~or~~ a conclusion of law, and, if the Commission determines that a director should be removed, an order authorizing removal. The Commission may, based upon the record presented, remove a director for neglect of duty or malfeasance in office.

Section 214.6 Appointment of successor.

Upon removal of a director under this subtitle, the Commission shall appoint a successor pursuant to these rules.

[Subtitles XV through XVI reserved]

Subtitle XVII. District operations—~~planning~~

Section 217.1 Operating plan required.

Each year prior to ~~December 31~~ September 1, the district shall submit to the Executive Director an operating plan for the fiscal year (July 1-June 30).

Section 217.2 Operating plan contents.

The operating plan shall contain as a minimum the following:

- A. A brief statement of existing district program;
- B. The district's long-term and short-term goals in regard to local resource concerns and needs;
- C. Specific activities for the upcoming year, defined in a plan of work, to accomplish the district's goals;
- D. A budget itemizing use of district funds to accomplish the activities.
 - 1. ~~Proposed biennial annual budget due on December 31 of odd-numbered years~~ annual budget due by September 1 each year.
 - 2. ~~Proposed annual budget due on December 31 of even-numbered years~~ The proposed budget must reflect the proposed operating revenue and expenditures and will incorporate any financial goals stated in the annual operating plan.
- E. An assessment of last year's activities and the effectiveness in accomplishing district goals ~~(due on September 30 by September 1)~~; and
- F. An assessment of the thistle problem, if any, within the district, proposed methods of thistle control and eradication, and an assessment of the effectiveness of the last year's efforts to control and eradicate the thistle.
- ~~G. A complete set of minutes for the calendar year, reflecting directors' attendance, employees' salaries, and any other Handbook requirements.~~

Section 217.3 Disqualification from Commission funding.

Failure to submit an operating plan acceptable to the Executive Director shall result in the district being disqualified from receiving funds from the Commission.

Section 217.4 District meetings.

- A. Each district must provide notice of its meetings, regular and special, in compliance with the Arkansas Freedom of Information Act.
- B. Each district shall hold at least nine monthly meetings per year.
- C. Each district must establish a consistent time and date for its monthly board meetings. If due to unforeseen circumstances there is need to change the time and date, the district must notify the Commission within twenty-four (24) hours of the decision to reschedule the meeting and must provide at least twenty-four (24) hours of notice of the newly scheduled date and time.
- D. Each district must submit its minutes to the Commission immediately following approval.

Section 217.5 Hiring practices

- A. To avoid all appearance of impropriety, no conservation district shall:
 - 1. Hire an employee to supervise or be supervised by a relative, and
 - 2. Hire an employee who is a relative of a district board member.
- B. A relative shall be considered someone related to a supervisory employee or director within the third degree according to civil law.
 - 1. To determine the degree of relationship, begin with one of the individuals and count one degree for each level of the genealogical chart up to the common ancestor, and then count one degree for each level downward until the other individual is reached. For

example, brothers or brothers-in-law would be related to each other within the second degree.

C. Any employee hired prior to the effective date of this rule is exempt from the application of this rule.

Section 217.6 District employees.

A. Districts shall adopt employment policies addressing at least the following issues:

1. Rate of pay;
2. Pay periods;
3. Leave accrual, both vacation and sick leave; and
4. Compensation for unused leave.

B. District employees may be paid only upon submission of a timesheet for the applicable pay period signed by the employee and accounting for hours worked during the pay period and leave taken during the pay period.

1. Timesheets must be reviewed and signed by at least one member of the district board before an employee may be paid.

2. District employee paychecks must be signed by two bonded, unrelated persons, one of whom must be a district director.

C. Leave time records must be reviewed by district boards.

Subtitle XVIII. ~~District operations state~~ State funding

Section 218.1 State fund requests.

A. As a matter of administrative convenience, workers' compensation premiums, fidelity bond premiums, and membership fees for the Arkansas Association of Conservation Districts and the National Association of Conservation Districts ~~will~~ may be withheld and paid by the Commission from state funds prior to commitment of ~~state funds for matching or special projects operating or special project funds.~~ However, the Commission will not withhold dues for payment of membership fees to the Arkansas Association of Conservation Districts or the National Association of Conservation Districts on behalf of any district that objects to dues being withheld for such purpose.

B. Application for ~~state matching~~ operating funds and the corresponding operating plan will be submitted to the Commission office by ~~December 31~~ September 1.

C. The Executive Director's approval of the operating plan is necessary before ~~state matching~~ operating funds are distributed to the district.

Section 218.2 Special project fund requests.

A. Special project fund requests may be submitted at any time after approval of the operating plan.

B. A special project may be funded only if the district does not have sufficient reserve funds to cover the cost of the project.

C. A request for special project funds shall include:

1. A narrative of the proposed project including how the project is beneficial to conservation of land and water resources, and

2. A project budget including sources and uses of funds.

D. Upon completion of the project, an accounting of monies spent on the project shall be submitted to the Commission.

E. Upon completion of the project, all remaining state funds shall be returned to the Commission.

F. Failure to comply with the requirements of this subtitle may result in the district being ineligible for State funds for up to three years.

Section 218.3 Approval of applications.

A. The Executive Director shall report to the Commission the approval or disapproval of each district's operating plan, which shall be duly noted in the Commission minutes.

B. The Executive Director shall recommend to the Commission, at its regular June meeting, a commitment of state funds to each district which is in compliance with these regulations.

~~C. In making a recommendation to the Commission for state matching funds, the Executive Director shall consider the recommendation of the district review committee as contained in Section 218.11.~~

~~D. C.~~ Requests for matching operating funds and special project funds shall be prioritized by the Commission based upon the following criteria:

1. The degree of cooperation and assistance from county and municipal government;
2. Nature and extent of resource problems within the district;
3. Adequacy of operating plan in addressing priority problems;
4. Consistency with Commission goals;
5. Furtherance of district's goals; and
6. Whether the district's actual expenditures were consistent with its proposed budget during the previous fiscal year.

~~E. D.~~ The Commission shall establish the maximum amount of state matching operating funds available for each district under this subtitle.

Section 218.4 Distribution of state matching operating funds.

After approval of a conservation district's operating plan, state matching operating funds will be distributed as often as quarterly, starting in July, ~~by the following formula:~~

~~A. The first \$2,000 in eligible local funds will be matched on a two for one basis; i.e., \$2 state for \$1 local.~~

~~B. All other eligible local funds will be matched on a one for one basis up to the amount approved pursuant to Section 218.3.~~

The Commission may withhold operating funds from any district that fails to submit required reports, including the annual operating plan. The Commission may also withhold funds from districts that fail to meet deadlines for administration of Commission programs, including poultry registration and water use reporting.

~~Section 218.5 Application for hardship status.~~

~~A district that cannot fully qualify for state matching funds under Section 218.4A may apply for hardship funding. To be eligible, the district must have no reserve accounts and must make application to the Executive Director, explaining why it is unable to qualify for funds under Section 218.7.~~

~~Section 218.6~~ 218.5 Fund limitations and priority.

All funding requests are subject to the availability of state revenues, ~~state matching~~ with operating funds having priority over special project funds.

~~Section 218.7~~ Eligibility for state matching funds.

~~A. The Commission will use the application, and the operating plan to establish district eligibility for state matching funds.~~

~~B. Eligible local funds, to qualify for state matching funds, must:~~

- ~~_____ 1. Be money or money equivalents;~~
- ~~_____ 2. Be collected or earned within the current fiscal year; and~~
- ~~_____ 3. Meet the other requirements within this Section.~~

~~C. Examples of eligible local funds:~~

- ~~_____ 1. Cash contributions and gifts.~~
- ~~_____ 2. Profit from sale of goods or services; i.e., seeds, trees, fish fingerlings, chemicals, etc.~~
- ~~_____ 3. Proceeds from sale of advertising in district publications.~~
- ~~_____ 4. Cash contributions and gifts obtained for scholarships to the Youth Conservation Workshops.~~
- ~~_____ 5. Earnings of reserve accounts.~~
- ~~_____ 6. Income from real estate or equipment.~~

~~D. A district may request that money equivalents become eligible local funds by submitting a written request for determination of eligibility to the Commission, concisely describing the type and source of the money equivalents.~~

~~E. All state funds with matching requirements, for which valid matching commitments have not been received by May 1 will be placed in the special project fund.~~

~~Section 218.8~~ Administrative divisions.

~~A. The Executive Director shall establish two or more administrative divisions of conservation districts within the State.~~

~~B. These divisions shall be utilized in establishing maximum state matching funding for each district.~~

~~C. Available state matching funds for district operations shall be allocated among these administrative divisions.~~

~~Section 218.9~~ District review committee.

~~A. The Executive Director shall establish a district review committee for each administrative area.~~

~~B. The review committee shall be made up of one district director, one district employee, one USDA NRCS employee with knowledge of the district program, and one member of the Commission staff.~~

~~C. No district director or district employee shall serve on a review committee of the administrative area in which their district is located.~~

~~Section 218.10 District review system.~~

~~A. The Executive Director in consultation with district review committees shall establish a system to be used by the district review committees in the review of the districts. The system shall include the criteria to be evaluated and a weighting for each criteria.~~

~~B. Each district shall be provided a copy of the evaluation system to be used. If the evaluation system is to be changed from the prior year each district will be provided a copy of the new system by December 31st.~~

~~C. The same evaluation system shall be utilized statewide.~~

~~Section 218.11 District review.~~

~~A. The district review committee for each administrative area shall review each district within the area and make an evaluation of each district based upon the evaluation system.~~

~~B. Each review committee shall report its evaluations to the Executive Director.~~

Subtitle XIX. ~~District operations financial~~ Financial records

Section 219.1 Accounting.

A. ~~All districts~~ A district shall use a ~~double entry accounting system and shall establish and maintain a journal and ledger an accounting system approved by the Executive Director.~~ ~~Districts~~ A district may use either the cash or accrual basis for accounting.

B. All district checks must bear authorized signatures of two, bonded, unrelated persons, including at least one district director.

C. No district check may be signed with a blank payee line or amount.

D. Signature stamps shall not be used on district checks.

E. Debit cards shall not be obtained or used by districts.

F. Each district shall instruct its financial institution to mail statements for all district bank accounts to a member of the district board.

G. A current ~~account transaction report,~~ comparative balance sheet, comparative profit and loss report, bank reconciliation and copies of the most recent bank statements for all district accounts must be signed by the district treasurer and attached to and made part of the minutes of each regular district board meeting.

~~—1. Transaction reports shall contain the following information: numbers, dates, amounts, payees, and purposes of all checks written since the last.~~

~~Section 219.2 State/ local matching fund accounting.~~

~~A. Districts shall establish a State/Local Matching Fund Account in the bookkeeping journal and ledger.~~

~~B. All state matching funds shall be credited to this account.~~

~~C. All eligible local funds used for state matching funds under Subtitle XVIII shall be credited to this account.~~

~~Section 219.3~~ 219.2 Financial report.

By ~~September 30~~ September 1 of each year, the district shall submit to the Commission a financial report including a comparative balance sheet and comparative income statement for the previous fiscal year, signed by the district board members and the employee who prepared the report.

~~Section 219.4~~ 219.3 Annual review of financial records.

A. ~~Districts~~ All districts which receive federal funds of \$25,000.00 or more, or districts whose annual receipts are \$25,000.00 or more, shall employ a Certified Public Accountant to perform agreed-upon procedures established by the Commission.

B. All district books are subject to review by Commission staff.

~~Section 219.5~~ 219.4 Report of difficulties.

Districts shall immediately report any financial difficulty or irregularity to the Executive Director, who shall investigate and offer assistance. The Executive Director may also require additional financial reports, or request an audit of the district books and accounts by the Division of Legislative Audit.

~~Section 219.6~~ 219.5 Inventory.

A. Districts shall maintain an inventory of district owned equipment, listing date of purchase and serial number of each item.

B. Each item of equipment shall be given a number and the number placed permanently upon the equipment.

C. Prior to disposal or sale of any equipment listed in the district's inventory, the district must contact the Commission in advance of the sale to obtain approval.

D. Upon disposal of any equipment on the inventory, the date and method of disposal shall be noted in the inventory records.

~~Section 219.7~~ District employees.

~~A. Districts shall adopt employment policies addressing at least the following issues:~~

- ~~_____ 1. Rate of pay;~~
- ~~_____ 2. Pay periods;~~
- ~~_____ 3. Leave accrual, both vacation and sick leave; and~~
- ~~_____ 4. Compensation for unused leave.~~

~~B. District employees may be paid only upon submission of a timesheet for the applicable pay period signed by the employee and accounting for hours worked during the pay period and leave taken during the pay period.~~

~~_____ 1. Timesheets must be reviewed and signed by at least one member of the district board before an employee may be paid.~~

~~_____ 2. District employee paychecks must be signed by two bonded, unrelated persons, one of whom must be a district director.~~

~~C. Leave time records, both vacation and sick, must be maintained by district boards.~~

~~Section 219.8~~ 219.6 Equipment rental and sale of goods.

A. ~~Districts~~ A district shall maintain an inventory of goods owned by the district that are made available to the public for rental or sale.

B. ~~Districts~~ A district shall establish accounts as necessary ~~in the bookkeeping journal and ledger~~ to track equipment rental and sales and maintain those accounts using the method approved by the Executive Director.

C. All money received for equipment rental and the sale of goods shall be credited to the applicable accounts.

Section ~~219.9~~ 219.7 Program accounting.

A. ~~Districts~~ A district shall follow the standardized chart of accounts established by the Commission. All money received by the district shall be credited to the applicable accounts.

B. Districts shall issue all required Internal Revenue Service forms to contractors and cooperators.

Section ~~219.10~~ 219.8 District travel.

Districts should substantially comply with the State of Arkansas Travel Regulation as promulgated by the Chief Fiscal Officer of the State pursuant to Ark. Code Ann. § 19-4-901, et seq.

Section ~~219.11~~ 219.9 Penalty for noncompliance.

Failure to comply with requirements of this Subtitle may disqualify a district from receiving ~~state matching operating~~ funds for up to three years pursuant to Ark. Code Ann. § 14-125-109(d).

Subtitle XX. Conservation district beaver control program

Section 220.1 Purpose.

A. The Conservation District Beaver Control Program enables the Commission to help control Arkansas's beaver population by reimbursing conservation districts ten dollars per beaver for payments districts make to beaver harvesters under these rules.

B. Reimbursements shall be made for beaver only, though district plans may offer incentives for the control of other nuisance animals.

C. The Commission shall not be liable for reimbursements requested after the money available for the program is expended.

Section 220.2 District participation.

To receive money under the Conservation District Beaver Control Program, conservation districts must submit a written beaver control plan to the Executive Director by January 1 of the applicable calendar year. The district plan must be approved by the Executive Director before reimbursable harvesting may begin. The Executive Director may allocate a portion of the appropriation available in the applicable fiscal year to each district which submits an approved plan. The district plan must comply with the following provisions:

A. The district board shall designate a beaver control officer.

B. To receive payments, beaver harvesters shall present beaver tails to the beaver control officer, who shall cut a "V" notch in the rounded end.

C. The beaver control officer shall certify to the district board, at intervals to be set in the district plan, the number of beavers presented by each certified harvester.

D. The district may then apply to the Commission for reimbursements by submitting the Reimbursement Form to the Executive Director at reasonable intervals.

E. The plan shall specify the anticipated number of beavers for which reimbursement will be requested during the fiscal year.

F. Each district must also provide the Commission with quarterly reports and proof of payment to trappers.

Section 220.3 Funding.

A. After expiration of the time for submission of beaver control plans, the Executive Director shall review the state funds available for the program in the current fiscal year and determine the funds available for the beaver control program.

B. The Executive Director shall allocate the available funds to each district desiring to participate in the program. This allocation shall be based upon the district's demonstrated need for beaver control and the probable success of the district's beaver control program. In making the allocation, the Executive Director may consider the following: the beaver control plan, the estimated number of beavers within the district, the type and severity of damage, the number of beavers harvested in the past under this or similar programs, and other factors to ensure equity in allocation.

C. After allocation, the Executive Director shall provide each participating district the amount of its allocation.

D. Each district may request reimbursement as provided in this subtitle up to the amount of its allocation.

E. The Executive Director shall review the allocation of funds on or about April 1st of each year or as otherwise necessary to assure that the funds are used as effectively as possible. No reduction in any participating district's allocation shall occur without prior notification to the district.

[Subtitle XXI reserved]

Subtitle XXII. Conservation district grant program

Section 222.1 Purposes.

A. The purpose of this program is to enhance the capability of conservation districts to carry out conservation within their respective district.

B. The purpose of the subtitle is to establish a procedure to administer the program.

Section 222.2 Availability of funds.

A. Upon review of the Commission's annual appropriation for conservation districts and other funds available for the district program, the Commission may allocate a portion of available funds for the grant program.

B. Funds provided under this subtitle are limited to those funds actually made available by the Commission for this purpose. The Commission is not required to provide funds under this subtitle if the funds are not appropriated or otherwise not available.

Section 222.3 Application period and notification of application period.

A. Upon allocation of funds for this program by the Commission, the Executive Director shall establish a period in which he shall accept applications for funds available under this program. The application period shall be at least thirty (30) days.

B. The Executive Director shall notify each conservation district that applications are being accepted for the program and the last day that applications will be accepted.

Section 222.4 Projects for which grants may be obtained and applicants.

A. Projects eligible for grant funds must carry out resource enhancement, restoration or protection and must be new or in addition to those in which a district is currently involved.

B. Projects intended to replace existing programs are not eligible for grant funding.

C. Only conservation districts may make application for assistance under this subtitle.

Section 222.5 Application procedure.

Applications shall be in writing and submitted in a form acceptable to the Executive Director. The following information shall be submitted:

A. The name, address, telephone and facsimile number of the conservation district making application.

B. The name, address and telephone number of a contact person with knowledge of the application.

C. A brief narrative of the project including benefits to be gained for the project.

D. Project budget, including funds requested under this subtitle and amounts and sources of other funds. Budget shall be of such detail to allow review of application for financial feasibility.

E. List of other governmental agencies, groups, associations, corporations or individuals that have agreed to assist with the project, including any in-kind resources that they will provide. Monetary contributions should be listed in (D) above.

F. Any additional information requested by the Executive Director.

G. Application shall be authorized by the district board and signed by the district chairman.

~~Section 222.6 Grants review committee.~~

~~The Executive Director shall appoint a grants review committee composed of the following: three district directors, three district employees, three USDA-NRCS employees with knowledge of the district program, and three members of the Commission staff.~~

Section ~~222.7~~ 222.6 Review of applications.

A. All applications received during application period shall be reviewed by the ~~grants review committee~~ Conservation Division Chief and field staff.

B. The ~~grants review committee~~ Conservation Division Chief and field staff shall:

1. Review the applications for feasibility, practicability, and potential benefits to the applying district;

~~C.2.~~ 2. The ~~grants review committee~~ shall Rank the applications; and

3. Make recommendations to the Executive Director as to award of grants.

~~D. C.~~ After review of the ~~grants review committee's~~ rankings and recommendations, the Executive Director shall make his recommendation of projects to be funded to the Commission, based upon the ~~grants review committee's analysis~~ review and the project's potential ~~in obtaining to further~~ the goals of the Arkansas Water Plan, the Nonpoint Source Pollution Abatement Program, ~~ACP~~ the Arkansas Conservation Partnership Strategic Plan or other identifiable conservation goal.

Section ~~222.8~~ 222.7 Award of grants.

After review of the applications and the recommendations of the Executive Director, the Commission may make grant awards based upon the potential benefits to conservation in the applying district, region or the State as a whole.

Section ~~222.9~~ 222.8 Grant agreement and reports.

A. Prior to providing funds, the Executive Director and conservation district awarded a grant under this subchapter shall enter into a grant agreement.

B. The grant agreement shall incorporate the application by reference and establish the terms and conditions of the grant. No funds shall be disbursed prior to execution of the grant agreement.

C. At the completion of the project for which grant funds have been provided, the conservation district shall provide to the Executive Director a review of the project including, but not limited to the following:

1. actual benefits of the project;
2. how actual benefits differed from what was expected; and
3. summary of project receipts and project expenditures.

D. On multiple year projects, this review shall be done annually.

~~D. E.~~ E. Funds provided for under this subtitle shall be accounted for as part of a conservation district's financial operation as contained in Subtitle XIX of these rules. The Executive Director may require additional accounting of funds as the Executive Director deems necessary.

Section ~~222.10~~ 222.9 Additional conditions.

The following conditions shall apply to grants provided under this subtitle:

A. Maximum total grant available per district is \$25,000 per year. For multiple district applications, grants of up to \$25,000 per project per district per year may be approved.

B. Grants shall be awarded for only two years for the same or similar projects.

C. Grant funds must be matched by local cash funds or cash equivalents on a ratio of \$1 local to \$2 grant. Local funds may be used only once for any matching requirement.

D. At the time the grant application is submitted under Section 222.5, the conservation district must ask the Executive Director for a determination that its proposed cash equivalents be eligible for the matching requirement. The request must concisely describe the type and the source of the proposed non-cash matching. Prior to or at the time of grant award, the Executive Director will notify the requesting district of the acceptability of non-cash matching as cash equivalents for Subsection C requirements.

E. In cases where the grant is used to fund personnel, it must be used for newly hired personnel or additional hours of existing employees.

[Subtitle XXIII through Subtitle XXIV reserved]

Subtitle XXV. Rules governing the delegation and operation of the water conservation / education information program by conservation districts

Section 225.1 Purpose.

A. The Commission pursuant to Ark. Code Ann. §15-22-907 is required to develop and implement an education/information program to encourage water conservation. This program should increase the public's awareness of the need for and techniques available for water conservation.

B. The Commission has determined that for this program to be most effective, a portion of the effort should be on a local basis. Conservation districts are well qualified to undertake the local water conservation education/information program and are the most logical organizations to operate the program on a local basis. This subtitle establishes the procedure for delegation and operation of a local water conservation education information program by a conservation district.

Section 225.2 Request for delegation of local program.

Upon request by a conservation district and determination by the Executive Director that the district has the ability to successfully undertake the program, the local portion of the education/information program may be delegated to the requesting district under the terms of these rules.

Section 225.3 Memorandum of understanding.

Any district wishing to obtain delegation of the local portion of the education/information program within its boundaries shall enter into a memorandum of understanding with the Commission agreeing to abide by the rules of the Commission.

Section 225.4 Available funding.

The Commission will from time to time make funds available for the education/information program to the districts operating the local program. The source of the funds may be, but is not limited to, water use reporting fees collected pursuant to A.C.A. §15-22-913 and Titles III and IV of the Commission's rules.

Section 225.5 Local program contents.

Each local program shall contain the following elements:

- A. Education,
- B. Training,
- C. Technology transfer,
- D. Technical assistance, and
- E. Demonstration projects.

Section 225.6 Specific local program activities.

The scope of the program must be tailored to meet local water conservation needs and available funding. It may consist of any or all of the following activities:

- A. Making presentations to civic groups, schools, and professional organizations;
- B. Producing newsletters to be sent to all water users and other interested groups;
- C. Setting up displays at meetings, symposiums, and the county fair;
- D. Attending water conservation training provided by the Commission, USDA, Natural Resources Conservation Service, or other agency or group and utilizing that information within the district;
- E. Conducting or making presentations at irrigation or conservation field days;
- F. Assisting volunteer groups in developing water education programs;
- G. Establishing a one-on-one training program for the water user;
- H. Utilizing the local media, including radio and television, to inform residents of water use reporting and water conservation information;
- I. Using educational videos dealing with water use reporting and water resources conservation information; or
- J. Any other activity that the Executive Director may approve.

Section 225.7 Specific local plan and review.

A. As a part of the district's operating plan, submitted pursuant to Section 217.2(C) of the Commission rules, the district shall outline the specific goals and activities that it will undertake to accomplish these goals as part of its local education/information water conservation plan.

B. A budget for the education/information plan shall be prepared and submitted as part of the district's proposed budget within the operating plan prepared pursuant to Section 217.2(D) of the Commission rules.

C. An assessment of last year's water conservation education/information activities and its effectiveness in obtaining those goals shall be included in the operating plan assessment required under Section 217.2(E) of the Commission's rules.

Section 225.8 District transfer of funds.

A district obtaining delegation of the local water conservation education/information program under this subtitle may, by appropriate resolution of the district board, transfer funds held for use under this title to the Arkansas Water Resource Agricultural Cost-Share Program fund created under Title X of the Commission rules. Notice of this transfer shall be properly noted in the district's permanent records and accounting records.

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE**

DEPARTMENT/AGENCY Arkansas Natural Resources Commission
DIVISION Conservation Division
DIVISION DIRECTOR Adrian Baber
CONTACT PERSON Crystal Phelps
ADDRESS 101 E. Capitol, Ste 350, Little Rock, AR 72201
PHONE NO. (501) 682-3905 **FAX NO.** (501) 682-3991 **E-MAIL** crystal.phelps@arkansas.gov
NAME OF PRESENTER AT COMMITTEE MEETING Randy Young, Adrian Baber, Crystal Phelps
PRESENTER E-MAIL crystal.phelps@arkansas.gov

INSTRUCTIONS

- A. Please make copies of this form for future use.
B. Please answer each question **completely** using layman terms. You may use additional sheets, if necessary.
C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201

1. What is the short title of this rule? Rules Governing Conservation Districts

2. What is the subject of the proposed rule? Updating district operating rules

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes ☐ No ☒
If yes, please provide the federal rule, regulation, and/or statute citation. _____

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes ☐ No ☒
If yes, what is the effective date of the emergency rule? _____

When does the emergency rule expire? _____

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?

Yes ☐

No ☐

5. Is this a new rule? Yes ☐ No ☒

If yes, please provide a brief summary explaining the regulation. _____

Does this repeal an existing rule? Yes ☐ No ☒

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. _____

Is this an amendment to an existing rule?

Yes ☒

No ☐

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. § 14-125-108

7. What is the purpose of this proposed rule? Why is it necessary? ANRC proposed these amendments to (1) create a Conservation District Directors Emeritus Program; (2) clarify election responsibilities of district directors during district elections; (3) increase voter participation by allowing early voting in district elections; and (4) streamline district operating procedures and reflect current funding procedures.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). The rule will be available at <http://anrc.ark.org/rules/proposed-rules/>.

9. Will a public hearing be held on this proposed rule? Yes ☒ No ☐

If yes, please complete the following:

Date: February 18, 2016

Time: 2 pm

Place: Arkansas River Room, 101 E. Capitol,
Ste 350, Little Rock, AR 72201

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

March 9, 2016

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

July 1, 2016

12. Do you expect this rule to be controversial? Yes ☐ No ☒

If yes, please explain.

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules?

Please provide their position (for or against) if known.

Arkansas Association of Conservation Districts

individual Arkansas conservation districts

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Natural Resources Commission
DIVISION Conservation
PERSON COMPLETING THIS STATEMENT Crystal Phelps
TELEPHONE NO. (501) 682-3905 **FAX NO.** (501) 682-3991 **EMAIL:** crystal.phelps@arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Rules Governing Conservation Districts

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☐ No ☒
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☒ No ☐
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☒ No ☐

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;

- (b) The reason for adoption of the more costly rule;

- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

- (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue	<u>N/A</u>
Federal Funds	<u></u>
Cash Funds	<u></u>
Special Revenue	<u></u>
Other (Identify)	<u></u>

Next Fiscal Year

General Revenue	<u>N/A</u>
Federal Funds	<u></u>
Cash Funds	<u></u>
Special Revenue	<u></u>
Other (Identify)	<u></u>

Total _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue N/A
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds less than \$100
Special Revenue _____
Other (Identify) _____

Total _____

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes ☐ No ☒

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and

- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.