

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 193

HOUSE BILL 2508

AN ACT

AMENDING SECTIONS 27-101.01, 27-102, 27-105, 27-107, 27-108, 27-110 AND 27-111, ARIZONA REVISED STATUTES; AMENDING TITLE 27, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 27-112; REPEALING SECTION 41-3006.02, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3016.01; RELATING TO THE DEPARTMENT OF MINES AND MINERAL RESOURCES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 27-101.01, Arizona Revised Statutes, is amended to
3 read:

4 27-101.01. Department of mines and mineral resources;
5 objectives; immunity

6 A. A department of mines and mineral resources is established.

7 B. The objectives of the department are to promote the development of
8 the mineral resources of this state:

9 1. Through technical and educational processes, including field
10 investigations, public seminars, publications, conferences, ~~AND~~ mineral
11 displays. ~~and~~

12 2. By providing mining, metallurgical and other technical information
13 and assistance to ~~prospectors, operators of small mines, the mineral industry~~
14 ~~and to all others~~ ALL PERSONS WHO ARE interested in DEVELOPING the mineral
15 resources of this state.

16 C. ANY CLAIM OR ACTION AGAINST THE DEPARTMENT, THE BOARD OF GOVERNORS
17 OR ANY MEMBER OF THE BOARD OR THE DIRECTOR OR ANY OTHER OFFICER, EMPLOYEE OR
18 VOLUNTEER OF THE DEPARTMENT IN THE PERSON'S OFFICIAL CAPACITY MUST BE BROUGHT
19 AGAINST THE STATE OF ARIZONA AND NOT AGAINST THE DEPARTMENT, BOARD, BOARD
20 MEMBER, DIRECTOR OR OFFICER, EMPLOYEE OR VOLUNTEER INDIVIDUALLY.

21 Sec. 2. Section 27-102, Arizona Revised Statutes, is amended to read:
22 27-102. Duties of the department; mining and mineral museum

23 A. CONSISTENT WITH THE OBJECTIVES STATED IN SECTION 27-101.01, the
24 department shall:

25 1. Promote the development of the mineral resources and industry of
26 this state. ~~by participating~~

27 2. ADVOCATE THE DEVELOPMENT OF MINERAL RESOURCES AND THE PRODUCTION OF
28 MINERALS AND MINERAL PRODUCTS IN THIS STATE IN SUPPORT OF ITS OBJECTIVES.

29 3. PARTICIPATE in conferences, seminars, forums, speaking engagements,
30 public news media and other functions necessary to achieve its objectives.

31 ~~2.~~ 4. Conduct studies of the ~~economic problems of prospectors and~~
32 ~~operators of small mines for the purpose of assisting in their solution and~~
33 ~~investigate their~~ properties AND CLAIMS OF COMPANIES AND INDIVIDUALS to
34 assist in THE EXPLORATION AND development OF MINERAL RESOURCES.

35 ~~3. Maintain:~~

36 ~~(a) An information bank and library of mineral and mining information,~~
37 ~~including books, periodicals, films, videotapes and individual mine files.~~

38 ~~(b) Underground mine map repository files, mining district data and an~~
39 ~~archive of mine data.~~

40 ~~(c) A mineral museum as the state depository for collecting,~~
41 ~~cataloging and displaying mineral specimens of various ores, gemstones,~~
42 ~~lapidary material and other valuable mineral specimens. The director may~~
43 ~~establish entrance fees to the museum for persons who are at least eighteen~~
44 ~~years of age.~~

1 5. MAINTAIN A REPOSITORY OF MINERAL AND MINING INFORMATION, INCLUDING
2 DATABASES, BOOKS, PERIODICALS, INDIVIDUAL MINE FILES, MINE MAP REPOSITORY
3 FILES, MINING DISTRICT DATA AND AN ARCHIVE OF MINE DATA. ALL DATABASES AND
4 OTHER ARCHIVAL MATERIALS SHALL BE MAINTAINED IN A SECURE AND RETRIEVABLE
5 FORMAT AND LOCATION PRESCRIBED BY THE DIRECTOR TO PROTECT AND PRESERVE
6 INFORMATION FROM DAMAGE OR DESTRUCTION.

7 ~~4-~~ 6. Provide quality mining data, evaluation and assistance relating
8 to PROMOTING mineral development to the legislature, and ~~other~~ FEDERAL, state
9 and ~~county~~ LOCAL GOVERNMENTAL agencies AND THE PUBLIC.

10 ~~5-~~ 7. Make surveys of potential economic mineral resources and
11 conduct field and other investigations which may interest capital in the
12 development of the state's mineral resources.

13 ~~6-~~ 8. Serve as a ~~center~~ SOURCE of mining information for this state
14 in matters relating to its mineral resources and monitor current mining and
15 exploration activities.

16 ~~7-~~ 9. Publish and disseminate information and data necessary or
17 advisable to attain its objectives. The director may establish reasonable
18 fees for publications.

19 ~~8-~~ ~~Cooperate with the state land department to encourage mining~~
20 ~~activity on state lands.~~

21 ~~9-~~ 10. Cooperate with the corporation commission in its
22 investigations and administration of laws relating to the sale of mining
23 securities.

24 ~~10-~~ ~~Cooperate with the state geologist and deliver to the Arizona~~
25 ~~geological survey problems which the field work of the department shows to be~~
26 ~~within the scope of the activities of the Arizona geological survey.~~

27 ~~11-~~ ~~Cooperate with federal and other agencies in matters related to~~
28 ~~developing mineral resources in this state.~~

29 ~~12-~~ ~~Oppose congressional acts favoring reciprocal or duty free imports~~
30 ~~of foreign minerals.~~

31 11. ASSIST FEDERAL, STATE AND LOCAL GOVERNMENTAL AGENCIES AND
32 INSTRUMENTALITIES, ECONOMIC DEVELOPMENT ORGANIZATIONS AND GEM AND MINERAL
33 ORGANIZATIONS IN MATTERS RELATING TO:

34 (a) EDUCATION.

35 (b) THE IDENTIFICATION, EXPLORATION AND DEVELOPMENT OF MINERAL
36 RESOURCES IN THIS STATE.

37 ~~13-~~ 12. Use its authority in other ways to assist in more extensive
38 exploration and development of the mineral resources of the state.

39 B. THE DEPARTMENT SHALL MAINTAIN A MINING AND MINERAL MUSEUM AS THE
40 STATE DEPOSITORY FOR COLLECTING, CATALOGING AND DISPLAYING MINING ARTIFACTS
41 AND SPECIMENS OF VARIOUS ORES, GEMSTONES, LAPIDARY MATERIAL AND OTHER
42 VALUABLE MINERAL SPECIMENS. IN CONNECTION WITH THE MUSEUM, THE DIRECTOR MAY:

43 1. ESTABLISH AND COLLECT ENTRANCE FEES TO THE MUSEUM FOR PERSONS WHO
44 ARE AT LEAST EIGHTEEN YEARS OF AGE.

1 2. OPERATE A RETAIL GIFT SHOP INCLUDING THE ACQUISITION, PURCHASE AND
2 RESALE OF MINERAL SPECIMENS AND MINERAL-RELATED ITEMS.

3 3. EMPLOY A CURATOR FOR THE MUSEUM.

4 ~~B. A mines and mineral resources fund is established consisting of~~
5 ~~monies received pursuant to subsection A, paragraph 3, subdivision (c) and~~
6 ~~paragraph 7 of this section and section 27-105, paragraphs 6 and 7. Monies~~
7 ~~in the fund are continuously appropriated to the department for purposes of~~
8 ~~administration of this article, and monies in the fund are exempt from the~~
9 ~~provisions of section 35-190 relating to lapsing of appropriations.~~

10 Sec. 3. Section 27-105, Arizona Revised Statutes, is amended to read:
11 27-105. Powers and duties of board of governors

12 A. The board OF GOVERNORS shall:

- 13 1. Establish field offices it deems necessary.
14 2. Prescribe the number of field and office assistants.
15 3. Formulate the program and policies of the department.

16 B. FOR THE PURPOSES OF CARRYING OUT THIS ARTICLE, THE BOARD MAY:

17 ~~4.~~ 1. Adopt rules and regulations for government THE MANAGEMENT of
18 the department.

19 ~~5.~~ 2. Purchase OR LEASE necessary TECHNOLOGICAL AND office equipment
20 and rent or lease PAY FOR THE UTILITY SERVICE AND MAINTENANCE FOR necessary
21 MUSEUM, office AND STORAGE space.

22 ~~6.~~ 3. APPLY FOR AND accept GRANTS, DONATIONS, gifts, bequests or
23 legacies of real or personal property, or any other contribution, financial
24 or otherwise, for use in accordance with the direction of the donor, or, in
25 the absence of an express direction, to be disposed of ~~for the best interests~~
26 ~~of the state~~ AS PRESCRIBED BY THE BOARD CONSISTENT WITH THIS ARTICLE. Monies
27 received pursuant to this paragraph shall be deposited in a separate account
28 of the mines and mineral resources fund established by section ~~27-102~~ 27-111.

29 ~~7.~~ 4. Accept from the federal OR STATE GOVERNMENT, ANY LOCAL
30 government or ~~its~~ ANY OF THEIR agencies RESTRICTED AND UNRESTRICTED monies
31 made available to the state for the purposes of this article.

32 ~~8.~~ 5. Enter into cooperative agreements IN SUPPORT OF THE OBJECTIVES
33 STATED IN SECTION 27-101.01, INCLUDING INTERGOVERNMENTAL AGREEMENTS PURSUANT
34 TO TITLE 11, CHAPTER 7, ARTICLE 3, with:

35 (a) The federal government and its agencies. ~~or with~~

36 (b) INTERNATIONAL ORGANIZATIONS AND ORGANIZATIONS AND AGENCIES OF
37 OTHER NATIONS.

38 (c) AGENCIES AND INSTRUMENTALITIES OF THIS STATE AND POLITICAL
39 SUBDIVISIONS OF THIS STATE.

40 (d) Any mining agency created by the law of any OTHER state ~~for the~~
41 ~~purpose of carrying out this article.~~

42 (e) OTHER PUBLIC AND PRIVATE ORGANIZATIONS, FOUNDATIONS, CLUBS AND
43 MUSEUMS AND OTHER ENTITIES.

44 6. CONTRACT WITH PERSONS AND PUBLIC OR PRIVATE ORGANIZATIONS TO
45 PROVIDE OR RECEIVE SERVICES.

1 2. ESTABLISH AND APPOINT THE MEMBERS OF ADVISORY COMMITTEES AS
2 NECESSARY TO ASSIST THE OPERATION OF THE DEPARTMENT.

3 B. Neither the director nor any OTHER OFFICER OR employee shall:

4 1. POSSESS OR acquire a pecuniary interest in any mining property in
5 ~~the state.~~

6 2. Act as broker or agent for any purchaser, owner or agent of mining
7 property, equipment or products.

8 3. Accept any commission or compensation for services rendered in
9 connection with the mining industry.

10 4. Make an investigation or report on an individual property for
11 evaluation or private use other than in pursuance of his official duties.

12 Sec. 7. Section 27-111, Arizona Revised Statutes, is amended to read:
13 27-111. Mines and mineral resources fund

14 A. THE MINES AND MINERAL RESOURCES FUND IS ESTABLISHED. Monies
15 received from any source by the department shall be deposited, pursuant to
16 sections 35-146 and 35-147, in the mines and mineral resources fund
17 ~~established by section 27-102.~~ MONIES IN THE FUND ARE CONTINUOUSLY
18 APPROPRIATED TO THE DEPARTMENT FOR PURPOSES OF ADMINISTERING THIS ARTICLE.
19 THE FUND INCLUDES THE FOLLOWING SEPARATE ACCOUNTS:

20 1. Monies received pursuant to section 27-105, SUBSECTION B,
21 paragraphs ~~6- 3~~ and ~~7- 4~~ shall be credited to a special account in the fund,
22 designated as the department of mines and mineral resources account, to be
23 used by the department in accordance with ~~the provisions of~~ section 27-105,
24 paragraph ~~6- 3~~ or ~~7- 4~~, as appropriate.

25 2. Monies received pursuant to section 27-102, subsection B ~~A,~~
26 ~~paragraph 3, subdivision (c)~~ shall be credited to an account in the ~~mines and~~
27 ~~mineral resources fund~~ to be used for THE MAINTENANCE AND operations of the
28 MINING AND mineral museum.

29 3. Monies obtained from the sale of publications under section 27-102,
30 subsection A, paragraph ~~7- 9~~ shall be credited to the department's printing
31 revolving account in the fund for printing further publications. Monies in
32 the department's printing revolving account that at any time are in excess of
33 ~~ten~~ TWENTY thousand dollars shall immediately revert to the state general
34 fund.

35 B. Monies in the department's printing revolving account up to an
36 amount of ~~ten~~ TWENTY thousand dollars and monies in other accounts in the
37 mines and mineral resources fund are exempt from the provisions of section
38 35-190 relating to the lapsing of appropriations.

39 ~~C. Claims for expenses shall be approved by the director.~~

40 Sec. 8. Title 27, chapter 1, article 1, Arizona Revised Statutes, is
41 amended by adding section 27-112, to read:

42 27-112. Trade secrets; confidentiality; definition

43 A. THE DIRECTOR MAY RECEIVE AND ACCEPT GEOLOGIC, ENGINEERING AND
44 FEASIBILITY STUDIES AND OTHER ECONOMIC AND TECHNICAL INFORMATION THAT IS
45 CONSIDERED A TRADE SECRET IN THE MINERAL INDUSTRY.

1 B. TRADE SECRET INFORMATION OBTAINED UNDER THIS SECTION IS
2 CONFIDENTIAL AND NOT SUBJECT TO PUBLIC DISCLOSURE.

3 C. FOR THE PURPOSES OF THIS SECTION, "TRADE SECRET" MEANS INFORMATION
4 TO WHICH ALL OF THE FOLLOWING APPLY:

5 1. A PERSON HAS TAKEN REASONABLE MEASURES TO PROTECT THE INFORMATION
6 FROM DISCLOSURE AND THE PERSON INTENDS TO CONTINUE TO TAKE THOSE MEASURES.

7 2. THE INFORMATION IS NOT AND HAS NOT BEEN REASONABLY OBTAINABLE BY
8 LEGITIMATE MEANS BY OTHER PERSONS WITHOUT THE PERSON'S CONSENT, OTHER THAN BY
9 GOVERNMENTAL ENTITIES AND OTHER THAN IN DISCOVERY BASED ON A SHOWING OF
10 SPECIAL NEED IN A JUDICIAL OR QUASI-JUDICIAL PROCEEDING.

11 3. A STATUTE DOES NOT SPECIFICALLY REQUIRE DISCLOSURE OF THE
12 INFORMATION TO THE PUBLIC.

13 4. THE PERSON HAS SATISFACTORILY SHOWN THAT DISCLOSING THE INFORMATION
14 IS LIKELY TO CAUSE SUBSTANTIAL HARM TO THE PERSON'S COMPETITIVE POSITION.

15 Sec. 9. Repeal

16 Section 41-3006.02, Arizona Revised Statutes, is repealed.

17 Sec. 10. Title 41, chapter 27, article 2, Arizona Revised Statutes, is
18 amended by adding section 41-3016.01, to read:

19 41-3016.01. Department of mines and mineral resources;
20 termination July 1, 2016

21 A. THE DEPARTMENT OF MINES AND MINERAL RESOURCES TERMINATES ON JULY 1,
22 2016.

23 B. TITLE 27, CHAPTER 1, ARTICLE 1 IS REPEALED ON JANUARY 1, 2017.

24 Sec. 11. Purpose

25 Pursuant to section 41-2955, subsection B, the legislature continues
26 the department of mines and mineral resources to assist in the exploration,
27 development and exploitation of the state's mineral resources.

28 Sec. 12. Retroactivity

29 Sections 9 and 10 of this act are effective retroactively to July 1,
30 2006.

APPROVED BY THE GOVERNOR APRIL 24, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2006.