

SB 1336 -- Redline

Engrossed to Chaptered -- state land department; continuation; oversight

Deletions ~~struck~~ · Insertions underlined

~~Senate~~House Engrossed Senate Bill state land department;
oversight State of Arizona Senate Fifty-seventh Legislature Second Regular Session CHAPTER 224 SENATE
BILL 1336 AN ACT AMENDING SECTION~~TITLE 37-102, 27, CHAPTER 2, ARTICLE 1, ARIZONA REVISED~~
~~STATUTES;~~STATUTES, BY ADDING SECTION 27-201.01;

AMENDING~~REPEALING TITLE~~SECTION 37, 27-231, CHAPTER 1, ARTICLE 1, ARIZONA REVISED ~~STATUTES, STATUTES; -BY~~
~~ADDING SECTIONS 37-111 AND 37-112;~~

AMENDING SECTIONS~~SECTION 37-331.03, 27-239, 41-1001 AND 41-1002, ARIZONA REVISED STATUTES;
AMENDING TITLE 27, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 27-240;
AMENDING SECTION 27-251, ARIZONA REVISED STATUTES;
AMENDING TITLE 27, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 27-251.01;
AMENDING SECTIONS 27-252 AND 27-253, ARIZONA REVISED STATUTES;~~

PROVIDING FOR TRANSFERRING AND RENUMBERING;

AMENDING SECTION 27-254, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED;

AMENDING SECTIONS 27-255 AND 27-256, ARIZONA REVISED STATUTES;

AMENDING TITLE 27, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 27-257;

REPEALING SECTION 27-271, ARIZONA REVISED STATUTES;

AMENDING SECTIONS 37-102, 37-231 AND 37-233, ARIZONA REVISED STATUTES;

AMENDING TITLE 37, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 37-325;

AMENDING SECTIONS 37-331.03 AND 37-527, ARIZONA REVISED STATUTES;

AMENDING SECTION ~~41-6011, 44-301,~~ ARIZONA REVISED STATUTES;

- i - (TEXT OF BILL BEGINS ON NEXT PAGE) - ~~iii~~ - S.B.

Title 27, chapter 2, article 1, Arizona Revised Statutes, is amended by adding section 27-201.01, to
read:

27-201.01.

Definitions IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1.

"COMMISSIONER" MEANS THE STATE LAND COMMISSIONER.

2.

"COMMODITY TYPE":

(a) INCLUDES ANY OF THE FOLLOWING:

(i) MINERALS.

(ii) COMMON VARIETY MINERAL.

(iii) OIL AS DEFINED IN SECTION 27-501.

(iv) GAS AS DEFINED IN SECTION 27-501.

(v) GEOTHERMAL RESOURCES AS DEFINED IN SECTION 27-651.

(vi) ANY OTHER TANGIBLE NATURAL PRODUCT OF THE LAND, NOT INCLUDING NATIVE PLANTS, TIMBER OR WATER, THAT
MAY BE EXPLORED AND PRODUCED IN THE FUTURE.

(b) EXCEPT FOR HEAT AND OTHER FORMS OF ENERGY ASSOCIATED WITH GEOTHERMAL RESOURCES AS DEFINED IN SECTION
27-651, DOES NOT INCLUDE NONTANGIBLE NATURAL PRODUCTS OF THE LAND, INCLUDING WIND, SOLAR OR ELECTRICITY
GENERATED BY NONTANGIBLE NATURAL PRODUCTS OF THE LAND.

3.

"COMMON VARIETY MINERAL":

(a) INCLUDES:

(i) A DEPOSIT OF PETRIFIED WOOD, STONE, PUMICE, PUMICITE, CINDERS, DECOMPOSED GRANITE, SAND, GRAVEL,
BOULDERS, COMMON CLAY, FILL DIRT AND WASTE ROCK.

(ii) A DEPOSIT THAT, ALTHOUGH THE DEPOSITS MAY HAVE VALUE FOR USE IN TRADE, MANUFACTURING, CONSTRUCTION,
LANDSCAPE AND DECORATIVE ROCK INDUSTRIES, DOES NOT POSSESS A DISTINCT, SPECIAL ECONOMIC VALUE FOR THOSE
USES BEYOND THE NORMAL USES OF THE DEPOSIT.

(iii) A MATERIAL THAT IS USED AS ROAD BASE MATERIAL, RIPRAP, BALLAST, BORROW, FILL, FACING STONE,
LANDSCAPE OR ORNAMENTAL USES AND OTHER SIMILAR USES.

(b) DOES NOT INCLUDE LIMESTONE THAT IS SUITABLE FOR USE IN PRODUCING CEMENT, METALLURGICAL OR CHEMICAL
GRADE LIMESTONE OR GYPSUM.

4.

"MINERAL" MEANS A METALLIC ORE MINERAL OR INDUSTRIAL MINERAL OTHER THAN A COMMON VARIETY MINERAL.

5.

"PRODUCTION LEASE" MEANS A LEASE FOR THE PURPOSES OF THE EXTRACTION, SALE OR PROCESSING OR ANY OTHER PROCESSES OF A COMMODITY TYPE.

6.

"STATE LAND" MEANS ANY LAND THAT IS OWNED OR HELD IN TRUST, OR OTHERWISE, BY THIS STATE, INCLUDING LEASED SCHOOL OR UNIVERSITY LAND.

Sec.

2.

Repeal Section 27-231, Arizona Revised Statutes, is repealed.

- 1 - S.B.

1336 Sec.

3.

Section 27-239, Arizona Revised Statutes, is amended to read:

27-239.

Inspections, investigations and audits A.

The state land commissioner or the commissioner's authorized representative may enter, and the lessee shall maintain access to, the state land held under a mineral PRODUCTION lease at reasonable times to inspect the workings, improvements and other facilities used to extract or sever minerals or common variety minerals, as defined in section 27-271, from state lands.

B.

The commissioner or the commissioner's authorized representative may enter at reasonable times to:

1.

Obtain factual data or access to records pertinent to mineral production and required to be kept under the terms of the lease.

2.

Otherwise ascertain compliance with law and the terms of the lease.

C.

Inspections, investigations and audits under subsection A OF THIS SECTION shall be on reasonable notice to the lessee unless reasonable grounds exist to believe that notice would frustrate the enforcement of law or the terms of the lease.

The commissioner may, and if required by law shall, apply for and obtain warrants for entry and inspection.

D.

The commissioner may require a lessee to appear at reasonable times and on reasonable notice at the commissioner's office and produce such records and information as are specified in the notice to determine compliance with the terms of the lease.

E.

The commissioner shall provide to the lessee a written report of each inspection, investigation and audit under this section.

F.

Tax records and trade secrets, as defined in section 23-401, obtained under this section are confidential.

Sec.

4.

Title 27, chapter 2, article 3, Arizona Revised Statutes, is amended by adding section 27-240, to read: 27-240.

State trust lands;

production leases;

renewals;

indexed royalties A.

NOTWITHSTANDING ANY OTHER LAW, THE COMMISSIONER MAY RENEW AN EXISTING PRODUCTION LEASE WITHOUT PUBLIC AUCTION IF THE COMMISSIONER DETERMINES ALL OF THE FOLLOWING:

1.

THE LESSEE IS IN COMPLIANCE WITH THE TERMS OF THE PRODUCTION LEASE.

2.

THE PRODUCTION LEASE IS IN PRODUCTION OR A PERSON WILL PUT THE PRODUCTION LEASE IN PRODUCTION WITHIN TWO YEARS AFTER THE DATE OF PRODUCTION LEASE RENEWAL.

3.

THE RENEWAL IS FOR A TERM THAT IS ALLOWED BY THE LAWS OF THIS STATE.

- 2 - S.B.

1336 B.

A PRODUCTION LEASE THAT THE COMMISSIONER RENEWS PURSUANT TO THIS SECTION SHALL PROVIDE FOR A ROYALTY RATE THAT IS ADJUSTED PURSUANT TO A MARKET-BASED INDEXING MECHANISM THAT THE COMMISSIONER ADOPTS.

THE INDEXING MECHANISM MAY INCLUDE ANY OF THE FOLLOWING:

1.

PRODUCER PRICE INDICES.

2.

REGIONAL OR STATEWIDE CONSTRUCTION AGGREGATE PRICE INDICES.

3.

OTHER OBJECTIVE INDICATORS THAT ARE RECOGNIZED BY THE INDUSTRY.

C.

THE COMMISSIONER SHALL REVIEW THE INDEXED ROYALTY RATE FOR EACH RENEWED PRODUCTION LEASE NOT MORE THAN ONCE EVERY FIVE YEARS.

Sec.

5.

Heading change The article heading of title 27, chapter 2, article 4, Arizona Revised Statutes, is changed from "MINERAL EXPLORATION PERMITS AND MINERAL LEASES" to "EXPLORATION PERMITS".

Sec.

6.

Section 27-251, Arizona Revised Statutes, is amended to read:

27-251.

Application for exploration permit A.

Any natural person WHO IS over eighteen years of age and any other person qualified to transact business in this state may apply to the state land commissioner for a mineral AN exploration permit on the state land in, INCLUDING STATE LAND RESERVED MINERALS THAT ARE SUBJECT TO SECTION 37-231, SUBSECTION E.

EACH APPLICATION FOR AN EXPLORATION PERMIT ON STATE LAND IN one or more of the rectangular subdivisions of twenty acres, more or less, or lots, in any one section IDENTIFIED CONTIGUOUS SECTIONS of the public land survey MAY NOT EXCEED MORE THAN NINE SECTIONS.

Such THE EXPLORATION PERMIT application shall be in writing and signed by the applicant, or an authorized agent or attorney for the applicant, and shall contain the name and address of the applicant, a description according to the public land survey of the state land for which the applicant seeks a mineral exploration permit, and such other information as the commissioner may prescribe by rule.

The application APPLICANT shall be filed FILE THE EXPLORATION PERMIT APPLICATION with the state land department and shall be accompanied by payment to the department of a filing fee ACCOMPANY THE APPLICATION WITH A FILING FEE PAYABLE TO THE STATE LAND DEPARTMENT as prescribed pursuant to section 37-107.

THE COMMISSIONER SHALL STAMP each application meeting THAT MEETS the requirements of this section shall be stamped by the department with the time and date it THAT THE APPLICATION is filed with the STATE LAND department.

The AN application FOR AN EXPLORATION PERMIT FOR A SPECIFIC COMMODITY TYPE shall have priority over any other application for a mineral exploration permit involving the same state land which THAT may be filed with the STATE LAND department subsequent to such time and date, and such land shall be THAT IS SUBJECT TO THE EXPLORATION PERMIT APPLICATION FOR A SPECIFIC TYPE IS deemed withdrawn as long as the application is pending.

- 3 - S.B.

1336 B.

Not less than thirty days nor BUT NOT more than forty-five days from AFTER the filing of the application with the STATE LAND department, provided there is no prior application for a mineral AN exploration permit FOR THE SAME COMMODITY TYPE involving the same state land then pending before the STATE LAND department, or if such prior EXPLORATION application is then pending but is subsequently cancelled CANCELED, not more than thirty days after it is cancelled CANCELED, the STATE LAND department shall mail to the applicant at the address shown on the application a written notice designating the state land that is described in the EXPLORATION application and that, at the time the application was filed with the STATE LAND department, was open to application, the amount of rental required to be paid for the

mineral exploration permit as herein provided, and whether a bond will be required under the provisions of section 27-255 as a condition to issuance of such ISSUING THE EXPLORATION permit.

If, within thirty days after the mailing of such THE notice, the applicant pays to the STATE LAND department as rental for the permit the amount of two dollars \$2 per acre for each acre of state land designated in the notice and files with the STATE LAND department the bond, if any, required under section 27-255, and if the commissioner finds that issuing the permit is in the best interest of the trust, the commissioner shall issue to the applicant a mineral AN exploration permit for the state land designated in the notice.

The commissioner may deny the application for any of the following reasons:

1.

The application was not made in good faith.

2.

The proposed exploration or possible future mining activities would not be the highest and best use of the trust lands.

3.

The value and income potential of surrounding trust lands would be adversely affected and the benefit from proposed exploration and future mining activity cannot reasonably be expected to be greater than the diminished value to those surrounding trust lands.

4.

The proposed operations would violate applicable state or federal law.

5.

The commissioner determines that the proposed exploration activities or possible future mining activities will create a liability to the THIS state greater than the income from the proposed operations.

C.

During the period such mineral THAT AN exploration permit is in effect, no person except ONLY the permittee and the authorized agents and employees of the permittee shall be entitled to explore for minerals THE SPECIFIC COMMODITY TYPE on the state land covered by the permit.

If the applicant fails to make the payment or furnish the bond within the period of thirty days, the application shall be deemed cancelled and of no further effect.

- 4 - S.B.

1336 Sec.

7.

Title 27, chapter 2, article 4, Arizona Revised Statutes, is amended by adding section 27-251.01, to read:

27-251.01.

Definition of exploration IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "EXPLORATION" MEANS ACTIVITY CONDUCTED ON STATE LAND, INCLUDING ACTIVITY ON STATE RESERVED MINERALS, THAT IS COVERED BY AN EXPLORATION PERMIT ISSUED PURSUANT TO THIS ARTICLE TO DETERMINE THE EXISTENCE OR NONEXISTENCE OF A COMMODITY TYPE, INCLUDING GEOLOGICAL, GEOCHEMICAL OR GEOPHYSICAL SURVEYS CONDUCTED BY QUALIFIED EXPERTS AND DRILLING, SAMPLING AND EXCAVATING, TOGETHER WITH THE COSTS OF ASSAY AND METALLURGICAL TESTING OF SAMPLES FROM STATE LAND.

Sec.

8.

Section 27-252, Arizona Revised Statutes, is amended to read:

27-252.

Terms of exploration permit A.

Every mineral AN exploration permit shall be for a term of one year from FIVE YEARS AFTER the date of issuance, subject to renewals THE ELIGIBILITY FOR EXPLORATION PERMIT RENEWAL FOR ONE ADDITIONAL FIVE-YEAR PERIOD as provided in this article for an aggregate of not to exceed five MORE THAN TEN years from such AFTER THE date, OF ISSUANCE and shall give to the permittee the rights, subject ONLY to the terms and conditions, as follows:

1.

During the period the AN EXPLORATION permit is in force and effect, the permittee shall have the exclusive right to explore for minerals A SPECIFIC COMMODITY TYPE within the state land covered by the permit and to apply for and obtain a mineral PRODUCTION lease or leases to the STATE land.

2.

DURING THE PERIOD THE EXPLORATION PERMIT IS IN FORCE AND EFFECT, the permittee shall have those surface rights necessary for exploration for mineral on the state land covered by the permit, but may remove

from the STATE land only that amount of mineral COMMODITY TYPE THAT IS required by the permittee for sampling, assay and metallurgical testing purposes.

3.

The permittee shall have the right of ingress to and egress from the STATE land covered by the permit across other state lands but only along routes first approved by the commissioner.

4.

The permittee shall be liable to and shall compensate the owner and OR ANY STATE lessee of the surface of the state land covered by the permit, or across which the permittee exercises the right of ingress and egress, for any loss to such owner and lessee from damage or destruction caused by the permittee or the permittee's agents or employees to grasses, forage, crops or improvements upon ON such state land.

5.

The permit shall terminate automatically as of the end of any annual THE INITIAL FIVE-YEAR period from and after the date of issuance unless AND IS SUBJECT TO RENEWAL FOR AN EXPLORATION PERMIT AS PROVIDED BY THIS ARTICLE.

During such annual THE INITIAL FIVE-YEAR period, OR ANY RENEWAL PERIOD, the permittee expended MUST EXPEND in exploration for - 5 - S.B.

1336 valuable mineral deposits THE SPECIFIC COMMODITY TYPE on the state land covered by the permit not less than the amount per acre provided in this article or paid to the STATE LAND department a sum equal thereto, and prior to BEFORE expiration of such annual THE INITIAL FIVE-YEAR period shall have filed with the STATE LAND department an application for renewal for the ensuing annual period, and an affidavit showing such expenditure, together with such other proof in support thereof as the commissioner by rule may prescribe.

The amount to be so expended or paid to the STATE LAND department during each of the first two annual periods in which such YEARS THAT THE permit may be in effect shall be not less than ten dollars MUST BE AT LEAST \$10 for each acre of state land covered by the permit at the commencement of such annual THE FIVE-YEAR period, and the amount to be so expended or paid to the STATE LAND department during each of the last three annual periods in which such YEARS THAT THE permit may be in effect shall be not less than twenty dollars MUST BE AT LEAST \$20 for each acre of state land covered by the permit at the commencement of such annual period THE FIVE-YEAR PERIOD.

Prior to BEFORE termination of any such annual FIVE-YEAR PERMIT period, the permittee may, by instrument in writing filed with the STATE LAND department, release from the permit the acreage covered thereby and contained within one or more rectangular subdivisions of twenty acres, more or less, or lots, according to the lines of the public land surveys.

6.

When a permittee has an interest in one or more contiguous properties for which he or she THAT THE PERSON holds a mineral AN exploration permit, such THE permittee may group such permits and expend the sum required by this article under a common plan of development on one or more of the properties for the benefit of all if the total area of such contiguous property does not exceed three miles on a side.

7.

Upon ON termination of the mineral exploration permit, other than by issuance of a mineral lease, the permittee shall submit to the STATE LAND department the following information, which shall not include any chemical analysis or other identification of minerals COMMODITY TYPES, concerning any drill holes or wells drilled on state land covered by the permit:

(a) Total depth.

(b) Lithologies and depths of lithologic boundaries encountered in the hole.

(c) Logs of surveys made of the hole, including gamma ray, resistivity, caliper and deviation surveys.

8.

Drill hole information shall be confidential for one year after termination of the permit, and such period of confidentiality shall be extended for an additional year upon ON the request of the permittee.

9.

Any expenditures in exploration for valuable mineral deposits A SPECIFIC COMMODITY TYPE made in excess of the requirements of this article - 6 - S.B.

1336 during any annual period of the permit may be credited against expenditure requirements of successive annual periods YEARS of the permit.

10.

In lieu of making expenditures in exploration, the permittee may elect to make a money payment of the amounts required for expenditures in exploration for valuable mineral deposits A SPECIFIC COMMODITY TYPE to the STATE LAND department.

B.

Upon ON any partial or total relinquishment, or ON the cancellation or expiration of the permit other

than by issuance of a mineral PRODUCTION lease, the permittee shall fill any holes, ditches or other excavations, as may be required by the commissioner, and, as far as reasonably possible, reclaim the surface to its former condition.

C.

As used in this article, "exploration" means activity conducted upon the state land covered by an exploration permit to determine the existence or nonexistence of a valuable mineral deposit, including but not limited to geological, geochemical or geophysical surveys conducted by qualified experts, and drilling, sampling and excavation, together with the costs of assay and metallurgical testing of samples from such land.

Sec.

9.

Section 27-253, Arizona Revised Statutes, is amended to read:

27-253.

Renewal of exploration permit The holder of an exploration permit may, prior to WITHIN SIXTY DAYS BEFORE THE expiration of the annual INITIAL FIVE-YEAR EXPLORATION PERMIT period for which such permit was issued, or prior to expiration of the annual period for which such permit was renewed, file with the STATE LAND department an application for renewal of such THE EXPLORATION permit for the ensuing annual FIVE-YEAR period.

No such AN application for renewal shall MAY NOT be filed, nor shall the EXPLORATION permit be renewed, for more than four successive annual periods following ONE ADDITIONAL FIVE-YEAR PERMIT PERIOD AFTER expiration of the annual INITIAL FIVE-YEAR period for which such THAT THE permit was issued.

No rental shall be payable for the first annual period for which a permit may be renewed.

The rental for each of the three subsequent annual periods following the first annual period PERMIT PERIOD for which a permit may be renewed shall be one dollar \$1 for each acre of state land for which the application for renewal is filed.

Upon ON receipt by the STATE LAND department of the application for renewal, and the affidavit of expenditure of the required amount in exploration during the current annual INITIAL FIVE-YEAR period or a IN LIEU OF THE sum equal thereto, together with such other proof in support of such expenditure as the commissioner by regulation may prescribe, and payment to the STATE LAND department of the rental for the ensuing annual period, all prior to BEFORE THE expiration of the current annual INITIAL FIVE-YEAR period, the commissioner shall issue a renewal of the EXPLORATION permit for the ensuing annual FIVE-YEAR period.

- 7 - S.B.

1336 Sec.

10.

Transfer and renumber Section 27-254, Arizona Revised Statutes, is transferred and renumbered for placement in title 27, chapter 2, article 3, Arizona Revised Statutes, as a new section 27-231.

Sec.

11.

Section 27-255, Arizona Revised Statutes, is amended to read:

27-255.

Bonds A.

The commissioner, in his THE COMMISSIONER'S discretion, may require the applicant for a mineral AN exploration permit, prior to issuance of such IN CONJUNCTION WITH ISSUING THE EXPLORATION permit, to file with the commissioner a surety bond, in form and amount and with surety approved by the commissioner, conditioned upon ON the prompt payment to the owner and lessee of the surface of state land to be covered by the permit, or across which the permittee exercises the right of ingress or egress, for any loss to such owner or lessee from damage or destruction caused by the permittee or his or its agents or employees to grasses, forage, crops and improvements upon ON such state lands.

B.

The commissioner may also require the permittee to furnish a bond, in a reasonable amount to be fixed by the commissioner, conditioned that the permittee will guarantee restoration of the surface of the STATE land described in the mineral exploration permit to its former condition upon ON any partial or total relinquishment of such STATE lands, or the cancellation or expiration of the permit other than by issuance of a mineral lease.

C.

On default, the commissioner may use the proceeds of the bond for the purposes described in subsection A or B OF THIS SECTION.

Sec.

12.

Section 27-256, Arizona Revised Statutes, is amended to read:

27-256.

Assignment of exploration permits Any mineral exploration permit issued hereunder PURSUANT TO THIS ARTICLE may be assigned in whole or in part by the permittee.

, but such AN EXPLORATION PERMIT assignment shall not become IS NOT effective unless and until THE PERMITTEE FILES a copy thereof is filed OF THE EXPLORATION PERMIT ASSIGNMENT with the STATE LAND department and is approved by the commissioner APPROVES THE ASSIGNMENT.

The assignee shall succeed to all of the rights and shall be subject to obligations of the permittee under the mineral exploration permit.

Sec.

13.

Title 27, chapter 2, article 4, Arizona Revised Statutes, is amended by adding section 27-257, to read: 27-257.

Applicability A MINERAL PERMIT OR COMMON VARIETY RIGHT OF ENTRY PERMIT THAT THE STATE LAND DEPARTMENT ISSUED BEFORE THE EFFECTIVE DATE OF THIS SECTION MAY DO EITHER OF THE FOLLOWING AT THE CHOICE OF THE PERMITTEE:

1.

CONTINUE IN EFFECT UNTIL THE INITIAL EXPIRATION DATE STATED IN THE EXISTING EXPLORATION PERMIT.

- 8 - S.B.

1336 2.

BE SURRENDERED AT ANY TIME BEFORE THE INITIAL EXPIRATION DATE STATED IN THE EXPLORATION PERMIT AND REMAIN SUBJECT TO REPLACEMENT WITH A FIVE-YEAR PERMIT PERIOD AS PROVIDED IN THIS ARTICLE.

Sec.

14.

Repeal Section 27-271, Arizona Revised Statutes, is repealed.

Sec.

15.

The department shall have charge and control PRIMARY OVERSIGHT of all lands owned by this state, and timber, stone, gravel and other products of such lands, except lands under the specific use and control of state institutions and the products of such lands.

IF THE MATTER INVOLVES A FEDERAL LAND WITHDRAWAL OR RESERVATION OR THE FEDERAL GOVERNMENT'S ACQUISITION OF NONFEDERALLY CONTROLLED LAND, THE DEPARTMENT SHALL COOPERATE AND SEEK THE ADVICE OF THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES ON THE COMMUNICATION.

~~G- 9 - S.B.~~

~~1336 G.~~

Make a map of the ancillary military facility described in section 28-8461, paragraph 7, subdivision (a) available to the public in ~~-printed 4or -electronic S.B. format and provide the map in printed or electronic format to the state real estate department.~~

~~1336 printed or electronic format and provide the map in printed or electronic format to the state real estate department.~~

~~5-~~

~~ADOPT RULES TO ESTABLISH APPROPRIATE TIME FRAMES FOR ACTION ON ANY APPLICATION OR OTHER COMPARABLE REQUEST THAT AN APPLICANT OR INSTRUMENT HOLDER SUBMITS TO THE DEPARTMENT AS PRESCRIBED IN TITLE 41, CHAPTER 6, ARTICLE 7.1-~~

~~THE DEPARTMENT SHALL MAINTAIN A LIST ON THE DEPARTMENT'S WEBSITE OF ALL LICENSE APPLICATIONS AND ACTIONS TAKEN ON THE APPLICATIONS.~~

~~IF THE DEPARTMENT FAILS TO ACT WITHIN ANY TIME FRAME ESTABLISHED PURSUANT TO THIS PARAGRAPH, THE DEPARTMENT IS SUBJECT TO THE SAME PENALTIES PRESCRIBED IN SECTION 41-1077.~~

~~6-~~

~~RESTRICT THE USE OF A LEASE OR PERMIT HOLDOVER PROVISION TO NOT MORE THAN NINETY DAYS.~~

~~IF THE DEPARTMENT DOES NOT TAKE ACTION ON A LEASE RENEWAL WITHIN NINETY DAYS, THE LEASE AUTOMATICALLY EXTENDS FOR THREE YEARS AND NINETY DAYS AFTER THE INITIAL DATE OF EXPIRATION.~~

~~NOTWITHSTANDING ANY OTHER LAW, A HOLDOVER TENANT WHOSE LEASE IS TERMINATED BY THE DEPARTMENT SHALL RECEIVE IMMEDIATE REIMBURSEMENT FOR THE FAIR MARKET VALUE, AS DETERMINED BY AN INDEPENDENT THIRD PARTY VENDOR, OF ANY REASONABLE AND CUSTOMARY IMPROVEMENTS THAT THE HOLDOVER TENANT MADE TO THE STATE LAND.~~

~~7-~~

~~FOR A LEASE RENEWAL AND SPECIAL LAND USE PERMIT:-~~

~~(a) APPROVE ANY IMPROVEMENTS THAT ARE CUSTOMARY IN THE LESSEE'S OR PERMITTEE'S COURSE OF BUSINESS.~~

~~NOTWITHSTANDING ANY OTHER LAW, ON CONCLUSION OF THE LEASE OR SPECIAL LAND USE PERMIT, THE DEPARTMENT SHALL - 2 - S.B.~~

~~1336 REIMBURSE THE LESSEE OR PERMITTEE FOR THE IMPROVEMENTS WITH MONIES FROM THE STATE LAND TRUST.~~

~~(b) NOT LESS THAN SIX MONTHS BEFORE THE EXPIRATION OF THE LEASE RENEWAL OR SPECIAL LAND USE PERMIT, PROVIDE NOTICE OF EXPIRATION.~~

~~THE NOTICE MUST INCLUDE ALL OF THE FOLLOWING:~~

~~(i) ANY PROPOSED RENTAL INCREASE OR CHANGE TO THE TERMS AND CONDITIONS OF THE LEASE RENEWAL OR SPECIAL LAND USE PERMIT.~~

~~(ii) THE INTENT OF THE DEPARTMENT TO RENEW OR TERMINATE THE LEASE ON EXPIRATION AND AN EXPLANATION OF THE DEPARTMENT'S RENEWAL OR TERMINATION PROCESS.~~

~~(iii) THE JUSTIFICATION FOR THE COMMISSIONER'S DECISION PURSUANT TO SECTION 37-133.~~

~~8.~~

~~RESTRICT THE USE OF SPECIAL LAND USE PERMITS TO ONLY TEMPORARY LAND USES THAT DO NOT HAVE A DEDICATED LAND USE LEASE OR PERMIT.~~

~~9.~~

~~COLLABORATE WITH THE STATE NATURAL RESOURCE CONSERVATION BOARD ESTABLISHED BY SECTION 41-6011, OR THE APPLICABLE NATURAL RESOURCE CONSERVATION DISTRICT OR SOIL AND WATER CONSERVATION DISTRICT AS DESIGNATED BY THE BOARD, ON THE REVIEW OF ANY PROPOSED FEDERAL CONSERVATION-RELATED PERMIT ON NONURBAN STATE LANDS.~~

~~10.~~

~~FOR THE LEASE OF THE STATE LANDS, NOT INCLUDE TERMS IN THE LEASE THAT ARE MORE STRINGENT THAN STATUTE.~~

~~11.~~

~~PROTECT AND UPHOLD THE DUE PROCESS RIGHTS OF A PERSON THAT DOES BUSINESS WITH THE DEPARTMENT CONSISTENT WITH THE REGULATORY BILL OF RIGHTS PRESCRIBED IN SECTION 41-1001.01.~~

~~IN ADDITION TO SUBMITTING A COMPLAINT TO THE OFFICE OF OMBUDSMAN-CITIZENS AIDE AS PRESCRIBED IN SECTION 41-1001.01, SUBSECTION A, PARAGRAPH 10, A PERSON MAY FILE A COMPLAINT WITH THE ATTORNEY GENERAL ALLEGING A VIOLATION OF THIS PARAGRAPH.~~

~~THE ATTORNEY GENERAL SHALL INVESTIGATE ANY COMPLAINTS AND ISSUE A WRITTEN ORDER OUTLINING ANY FINDINGS.~~
THE DEPARTMENT SHALL:

1.

UNLESS MUTUALLY AGREED ON BY THE DEPARTMENT AND THE LESSEE, RESTRICT THE USE OF A HOLDOVER PROVISION FOR A LEASE OR PERMIT TO NOT MORE THAN NINETY DAYS.

2.

UNLESS MUTUALLY AGREED ON BY THE DEPARTMENT AND THE LESSEE, RESTRICT THE USE OF SPECIAL LAND USE PERMITS TO ONLY TEMPORARY LAND USES THAT DO NOT HAVE A DEDICATED LAND USE LEASE OR PERMIT.

THE DEPARTMENT SHALL ISSUE A SPECIAL LAND USE PERMIT ONLY FOR A SET TIME FRAME ENUMERATED IN THE SPECIAL LAND USE PERMIT.

THE DEPARTMENT MAY NOT CANCEL A SPECIAL LAND USE PERMIT UNLESS THE SPECIAL LAND USE PERMITTEE VIOLATES THE TERMS OF THE SPECIAL LAND USE PERMIT.

- 10 - S.B.

1336 3.

USE PUBLICLY POSTED CRITERIA THAT ARE CREATED BY THE DEPARTMENT AND POSTED ON THE DEPARTMENT'S WEBSITE AND DETERMINE THE ADMINISTRATIVE COMPLETENESS OF ALL APPLICATIONS THAT THE DEPARTMENT RECEIVES PURSUANT TO STATE LAW.

AN APPLICATION IS SUBJECT TO WITHDRAWAL IF THE APPLICANT DOES NOT RESPOND TO A WRITTEN AND ELECTRONIC NOTICE OF DEFICIENCY OR REQUEST FOR ADDITIONAL INFORMATION WITHIN THREE MONTHS AFTER THE NOTICE OR REQUEST.

AFTER THE THREE-MONTH PERIOD, THE DEPARTMENT SHALL ISSUE A FINAL NOTICE THAT STATES THE APPLICATION IS WITHDRAWN IF THE APPLICANT DOES NOT RESPOND IN THIRTY DAYS.

4.

MAKE AVAILABLE TO THE PUBLIC ON THE DEPARTMENT'S WEBSITE ALL BOILERPLATE LEASE, PATENT, ADDENDUM, APPLICATION AND OTHER INSTRUMENT CONDITIONS AND OBLIGATIONS THAT THE DEPARTMENT REQUIRES IN A LEASE, PATENT, ADDENDUM OR OTHER INSTRUMENT FOR THE USE, POSSESSION, OCCUPANCY, LEASE OR CONVEYANCE OF STATE LANDS.

THE DEPARTMENT MAY NOT INCLUDE ANY TERM, CONDITION OR OBLIGATION IN AN INSTRUMENT FOR THE USE, POSSESSION, OCCUPANCY, LEASE OR CONVEYANCE OF STATE LANDS THAT IS NOT AUTHORIZED BY STATUTE, THAT IS MORE STRINGENT THAN STATUTE.

I.

J.

K.

~~K. 3 - S.B.~~

~~1336 L. - K.~~

M.

N.

The state land department shall send the revised map to the state real estate department electronically and shall also send an accompanying ~~letter specifying~~11 the military~~S.B. training route changes.~~
1336 letter specifying the military training route changes.

O.

P.

Q.

R.

S.

T.

~~T. 4 - S.B.~~

~~1336 U. - T.~~

V.

W.

~~Sec. 12 - S.B.~~

~~2-1336 Sec.~~

~~Title 16, chapter 1, article 1, Arizona Revised Statutes, is amended by adding sections 37-111 and 37-112, to read:~~

~~37-111. Section 37-231, Arizona Revised Statutes, is amended to read:~~

~~State 37-231. land oversight board;~~

~~membership; State lands subject to sale;~~

~~fingerprinting; rights reserved in lands sold;~~

~~conduct state of lands office; not subject to sale;~~

~~definition development agreements A.~~

~~THE All STATE state LAND lands, OVERSIGHT except BOARD as IS otherwise ESTABLISHED provided TO for PROVIDE in BROAD this OVERSIGHT title, OF including THE all STATE improvements LAND made DEPARTMENT or AND placed TO on PERFORM or OTHER connected DUTIES with AS state PRESCRIBED lands, BY shall LAW be subject to appraisal and sale as provided in this title.~~

~~THE Any BOARD person CONSISTS over OF eighteen THE years FOLLOWING of MEMBERS; age is entitled to purchase any of the state lands.~~

C.

All sales, grants, deeds or patents to any state lands sold between July 9, 1954 and March 18, 1968 shall be subject to and shall contain a reservation to the THIS state of an undivided one-sixteenth of all oil, gases and other hydrocarbon substances, coal or stone, metals, minerals, fossils and fertilizer of every name and description, together with all uranium, all thorium, or any other material which THAT is or may be determined by the laws of the THIS state or the United States or decisions of courts to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, subject to the following:

~~FOUR For PERSONS the FROM purpose A of COUNTY promoting WITH the A sale POPULATION of OF state FOUR lands HUNDRED and THOUSAND the PERSONS more OR active MORE cooperation of the owner of the soil, and to facilitate the development of its mineral resources, the state constitutes the purchaser of the land its agent for the purposes specified in this section, and in consideration hereof, relinquishes to and vests in the purchaser of the state land an undivided fifteen-sixteenths of all oil, gas and the value thereof which THAT may be upon ON or within any state land purchased after July 9, 1954 and before March 18, 1968.~~

~~FOUR The PERSONS purchaser FROM of A the COUNTY soil WITH may A sell POPULATION or OF lease LESS to THAN any FOUR person, HUNDRED firm THOUSAND or PERSONS, corporation the oil and gas and other minerals which THAT may be on or in the land, upon ON terms and conditions the purchaser and the owner deem best, subject to the provisions and reservations of this section, but the lessee or purchaser shall pay to the THIS state an undivided one-sixteenth of the mineral produced or the value of the mineral produced at the well or mine as determined by the state land department.~~

~~ONE Upon PERSON ON WHO discovery SPECIALIZES of IN oil FINANCE and OR gas STATEWIDE in LAND paying USE quantities NEEDS on land adjoining state lands purchased under the authority of this section, the purchaser or the purchaser's lessee shall drill and produce all wells necessary to protect the land so purchased from drainage by wells on lands in which the THIS state has no royalty interest, or has a lesser royalty interest.~~

If the purchaser or the purchaser's lessee fails to protect against such drainage, the THIS state,

acting through the state land department, may, three months after demand therefor in writing by the state land department to such purchaser and the purchaser's lessee, MAY - 13 - S.B.
1336 enter upon ON such lands and drill all wells necessary to protect the THIS state against such drainage.

THEThe FOLLOWINGinterest ASreserved ADVISORYby MEMBERsthe WITHOUTTHIS THEstate POWERin TOany VOTEstate BUTlands WHOsold MAYmay ATTENDbe EXECUTIVEcommitted SESSIONsto OFa THEdrilling BOARD:unit or cooperative or unit plans of development and operation of oil and gas pools with the United States, its agencies and its and their lessees and permittees, and with private owners and persons holding oil and gas leases on private lands or on state lands.

(a)The THEstate PRESIDENTland OFdepartment THEmay, SENATEinsofar ORas THEthe PRESIDENT'Sinterest DESIGNEE,of the THIS state may be affected thereby, MAY join in and consent to any such plan on behalf of the THIS state.

(b)Such THEagreements SPEAKERshall OFprovide THEfor HOUSEthe OFequitable REPRESENTATIVESdivision ORon THEan SPEAKER'Sagreed DESIGNEE,basis of the oil and gas produced from the unit, but no such AN agreement shall NOT relieve any operator from the obligation to develop reasonably the lands and leases as a whole committed thereto.

(c)The THERoyalties MINORITYto LEADERwhich OFthe THETHIS SENATEstate ORis THEentitled MINORITYon LEADER'Sproduction DESIGNEE,from land purchased under this section shall be computed only on that part of the production allocated to such tract.

(d)when THEthe MINORITYagreements LEADERmade OFunder THEthis HOUSEsection OFprovide REPRESENTATIVESfor ORthe THEReturn MINORITYof LEADER'Sgas DESIGNEE,to a formation underlying the unit, they may provide that no royalties are required to be paid on the gas so returned.

(e) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE.

(f) THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY OR THE DIRECTOR'S DESIGNEE.

(g) THE DIRECTOR OF THE DEPARTMENT OF WATER RESOURCES OR THE DIRECTOR'S DESIGNEE.

(h) THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION OR THE DIRECTOR'S DESIGNEE.

(i) THE CHIEF EXECUTIVE OFFICER OF THE ARIZONA COMMERCE AUTHORITY OR THE CHIEF EXECUTIVE OFFICER'S DESIGNEE.

- 5 - S.B.

1336 C.

THE FOLLOWING APPLY TO THE MEMBERS APPOINTED PURSUANT TO SUBSECTION B, PARAGRAPHS 1 AND 2 OF THIS SECTION:

1-

NO THREE APPOINTED MEMBERS OF THE BOARD MAY BE RESIDENTS OF THE SAME COUNTY, AND AT LEAST ONE APPOINTED MEMBER OF THE BOARD SHALL BE A RESIDENT OF EACH COUNTY WITH A POPULATION OF FOUR HUNDRED THOUSAND PERSONS OR MORE.

2-

MEMBERS MUST HAVE A SUBSTANTIAL KNOWLEDGE OF AND EXPERIENCE WITH LAND MANAGEMENT OR FINANCE, INCLUDING PUBLIC FINANCE.

THEState FOLLOWINGlands APPLYknown TOto ALLcontain MEMBERSoil, APPOINTEDgases PURSUANTand TOother SUBSECTIONhydrocarbon B,substances, PARAGRAPHSgeothermal 1,resources, 2coal ANDor 3stone, OFmetals, minerals, fossils and fertilizer of every name and description, in paying quantities, or uranium, thorium or any other material which is or may be determined by the laws of the THIS SECTION:state the United States or decisions of court to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, and state lands adjoining lands upon ON which there are producing oil, gas or geothermal wells or adjoining lands known to contain any of such substances in paying quantities, or uranium, thorium or any other material peculiarly essential to the production of fissionable materials, whether or not of commercial value, shall not be sold.

The prohibition against sale shall not operate to prevent the sale of lands known to contain, in paying quantities, common variety minerals as defined in section 27-271 27-201.01 or to prevent the sale of lands where the THIS state does not own such substances, minerals or metals in the lands sought to be sold.

The provisions of This subsection shall not prohibit the sale of such lands located within the exterior boundaries of an incorporated city or town, in which case the commissioner may offer the land for sale, provided the land shall be used solely for a public purpose.

Such land shall revert to the THIS state if it is used other than for a public purpose.

E.

Notwithstanding the provisions of subsection C of this section, all state lands sold after March 18, 1968 shall be sold with the reservation that all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, geothermal resources, coal, metals, minerals, fossils, fertilizer of every name and description, together with - 14 - S.B.

1336 all uranium, all thorium or any other material which THAT is or may be determined by the laws of the United States or of this state, or BY decisions of court, to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, and the exclusive right thereto, on, in, or under such land, shall be and remain and be reserved in and retained by the THIS state, regardless of any sale under this section and the issuance of any certificate of purchase to any purchaser of state lands pursuant to this section, provided, that the reservation shall not include common variety minerals as defined in section 27-271 27-201.01, subject to the following:

~~THE~~The GOVERNORstate SHALLland APPOINTdepartment TWOshall OFadopt THERules MEMBERSproviding FROMfor Athe COUNTYprotection WITHof Athe POPULATIONpatentee OFor FOURcontract HUNDREDpurchaser THOUSANDof PERSONSstate ORlands, MOREor SHALLtheir APPOINTsuccessors TWOin OFinterest, THEand MEMBERSthe FROMTHIS Astate COUNTYof WITHArizona, Aagainst POPULATIONdamage OFto LESSthe THANlands, FOURlivestock, HUNDREDwater, THOUSANDcrops, PERSONSor ANDother SHALLtangible APPOINTimprovements THEon MEMBERlands WHOheld SPECIALIZESby INsuch FINANCEpatentee ORor STATEWIDEcontract LANDpurchaser, MANAGEMENTand FROMsuffered Aby JOINTreason LISTof OFthe ATuse LEASTor FIVEoccupation QUALIFIEDof APPLICANTSsuch SUBMITTEDlands BYby THElessees PRESIDENTor OFpermittees THEengaged SENATEin ANDmining THEand SPEAKERoil, OFgas THEand HOUSEgeothermal OFresource REPRESENTATIVES,exploration and development under leases or permits executed by the department.

The state land department may, at any time, MAY require each of its lessees or permittees to execute a bond in a reasonable principal amount conditioned upon ON payment for all such damages.

~~THE~~The PRESIDENTmineral OFrights THEReserved SENATEto ANDthe THETHIS MINORITYstate LEADERin OFthe THElands SENATESold SHALLshall APPOINTbe ONEclosed OFto THEentry MEMBERSand FROMlocation Aas COUNTYa WITHmineral Aclaim POPULATIONor OFclaims, FOURbut HUNDREDthe THOUSANDdepartment PERSONSmay ORissue, MOREupon ANDON ONEapplication, OFmineral THEexploration MEMBERSpermits FROMembracing Athe COUNTYreserved WITHmineral Arights POPULATIONwhen OFsuch LESSissuance THANis FOURdeemed HUNDREDin THOUSANDthe PERSONS, best interest of the THIS state, provided that the surface owner or owners shall have the first right of refusal to acquire such mineral exploration permits.

~~THE~~Sec. PRESIDENT OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL ALTERNATE THE TERMS IN WHICH THESE MEMBERS ARE APPOINTED.

3-17.

~~THE~~Section SPEAKER37-233, OFArizona THERevised HOUSEStatutes, OFis REPRESENTATIVESamended ANDto THERead: MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT ONE OF THE MEMBERS FROM A COUNTY WITH A POPULATION OF FOUR HUNDRED THOUSAND PERSONS OR MORE AND ONE OF THE MEMBERS FROM A COUNTY WITH A POPULATION OF LESS THAN FOUR HUNDRED THOUSAND PERSONS.

~~THE~~37-233. SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL ALTERNATE THE TERMS IN WHICH THESE MEMBERS ARE APPOINTED.

4-Sale of state lands;

~~APPOINTED~~restriction MEMBEROn SERVESale FIVE-YEARof TERMStimber OFland; OFFICE BEGINNING AND ENDING ON THE THIRD MONDAY IN JANUARY AND ARE ELIGIBLE FOR REAPPOINTMENT.

~~A~~expense MEMBERof MAYsale; BE REMOVED ONLY FOR CAUSE BY THE PERSON WHO THEN HOLDS THE SAME OFFICE AS THE PERSON WHO APPOINTED THAT MEMBER.

5-procedures and criteria for sale of state lands by the commissioner A.

~~MEMBERS~~On SHALLreceiving BEan RESIDENTSapplication, OFor THISON STATEthe FORcommissioner's AInitiative, LEASTthe TWOstate YEARS, land department, under the rules of the department, may cause state lands to be sold if the sale of them is not prohibited by law.

6-B.

~~THE~~Land ORDERcontaining INTimber WHICHof THEa MEMBERSvalue AREwhich APPOINTEDin PURSUANTthe TOopinion SUBSECTIONof B, the PARAGRAPHScommissioner 1should ANDbe 2sold OFseparately THISfrom SECTIONthe IS, land shall not be subject to sale until after the timber is sold.

~~(a)C. FOR THE INITIAL TERM AND EVERY THIRD TERM THEREAFTER, THE PRESIDENT OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL APPOINT FIRST, THE GOVERNOR SHALL APPOINT SECOND AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT THIRD.~~

~~(b)When FORan THEapplication SECONDis TERMfiled ANDwith EVERYthe THIRDDepartment TERMfor THEREAFTER, selection THEor GOVERNORSale SHALLof APPOINTland FIRST, under THEthe SPEAKERlaws OFof THEthis HOUSEstate, OFand REPRESENTATIVESthe ANDdepartment THEdetermines MINORITYthat LEADERthe OFbenefit THEto HOUSEbe OFderived REPRESENTATIVESfrom SHALLthe APPOINTselection or sale is less than the expense involved, the commissioner may accept from the applicant an amount of money sufficient to pay the expense incidental to - 615 - S.B.~~

1336 SECONDTHE ANDselection THEor PRESIDENTsale. OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL APPOINT THIRD.

~~(c)If FORthe THEapplicant THIRDFails TERMto ANDsecure EVERYa THIRDDlease TERMAfter THEREAFTER, selection THEof SPEAKERland, OFor THEFails HOUSEto OFpurchase REPRESENTATIVESland ANDafter THEbidding MINORITYfor LEADERit, OFthe THEsuccessful HOUSElessee OFor REPRESENTATIVESpurchaser SHALLshall APPOINTreimburse~~

~~FIRST, the THE original PRESIDENT applicant OF for THE all SENATE funds AND so THE advanced. MINORITY LEADER OF THE SENATE SHALL APPOINT SECOND AND THE GOVERNOR SHALL APPOINT THIRD.~~

~~D.~~

~~THE DEPARTMENT SHALL ESTABLISH A PROCEDURE AND THE CRITERIA THAT THE COMMISSIONER MUST USE FOR DETERMINING WHETHER TO INITIATE THE SALE OF STATE LANDS BY THE COMMISSIONER'S OWN INITIATIVE AND SHALL POST THE PROCEDURE AND CRITERIA ON THE DEPARTMENT'S WEBSITE.~~

~~BEFORE A MEMBER IS APPOINTED TO THE BOARD COMMISSIONER PURSUANT TO SUBSECTION C OR D OF THIS SECTION, THE PROSPECTIVE MEMBER SHALL SUBMIT HIRE A FULL THIRD-PARTY SET CONTRACTOR OF FINGERPRINTS TO THE APPRAISE GOVERNOR AND FOR PREPARE THE PURPOSE OF OBTAINING A STATE AND LANDS FEDERAL FOR CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW AUCTION. 92-544.~~

~~THE GOVERNOR DEPARTMENT SHALL MAY SUBMIT USE THE EITHER FINGERPRINTS DEPARTMENT STAFF OR A THIRD-PARTY CONTRACTOR TO SATISFY THE DEPARTMENT NOTICE OF REQUIREMENTS PUBLIC PRESCRIBED SAFETY, IN SECTION 37-237. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.~~

~~THIS SECTION DOES NOT PROHIBIT THE BOARD COMMISSIONER SHALL FROM ELECT SELLING A STATE CHAIRPERSON LANDS THAT HAVE NOT BEEN IDENTIFIED FOR SALE IN THE FIVE YEAR DISPOSITION PLAN ADOPTED PURSUANT TO SECTION 37-331.03 OR RESTRICT THE USE OF STATE LANDS SOLD PURSUANT TO THIS SECTION TO THE BOARD USES FROM IDENTIFIED AMONG IN THE VOTING CONCEPTUAL MEMBERS. LAND USE PLAN APPROVED PURSUANT TO SECTION 37-331.03.~~

~~THE Sec. CHAIRPERSON MAY APPOINT SUBCOMMITTEES AS NECESSARY.~~

~~G-18.~~

~~THE Title BOARD 37, MAY chapter REQUEST 2, ASSISTANCE article FROM 5, REPRESENTATIVES Arizona OF Revised OTHER Statutes, STATE IS AGENCIES, amended by adding section 37-325, to read:~~

~~THE 37-325. DEPARTMENT SHALL PROVIDE TECHNICAL ASSISTANCE TO THE BOARD.~~

~~H-Improvements;~~

~~BOARD lease MEMBERS renewals; SERVE WITHOUT COMPENSATION BUT ARE ELIGIBLE FOR REIMBURSEMENT OF EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.~~

~~A holdover BOARD leases MEMBER THE WHO DEPARTMENT IS SHALL OTHERWISE DO EMPLOYED ALL AS OF AT THE PUBLIC FOLLOWING: OFFICER MAY NOT RECEIVE REIMBURSEMENT PURSUANT TO THIS SUBSECTION IF IT IS OTHERWISE PROHIBITED BY LAW.~~

~~I-~~

~~A MAJORITY OF THE VOTING MEMBERS CONSTITUTES A QUORUM FOR THE PURPOSE OF AN OFFICIAL MEETING FOR CONDUCTING BUSINESS.~~

~~AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTING MEMBERS PRESENT AT AN OFFICIAL MEETING IS SUFFICIENT FOR THE BOARD TO TAKE ANY ACTION.~~

~~J-~~

~~THE BOARD SHALL KEEP AND MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL BOARD PROCEEDINGS.~~

~~K-~~

~~THE BOARD AND ANY SUBCOMMITTEES ARE SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 3.1, RELATING TO PUBLIC MEETINGS, EXCEPT ADVISORY NONVOTING MEMBERS OF THE BOARD MAY ATTEND EXECUTIVE SESSIONS OF THE BOARD.~~

~~L-~~

~~THE BOARD, ITS SUBCOMMITTEES AND THE OFFICERS AND ANY EMPLOYEES OF THE BOARD ARE SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 8, RELATING TO CONFLICTS OF INTEREST.~~

~~IN ADDITION TO THE CONFLICT OF INTEREST PROVISIONS IN TITLE 38, CHAPTER 3, ARTICLE 8, AND EXCEPT FOR EMPLOYEES OF THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE, THE FOLLOWING APPLY:~~

~~A WITHIN PERSON NINETY IS DAYS. NOT APPROVE ELIGIBLE OR FOR DENY APPOINTMENT ANY APPLICATION TO THE PLACE BOARD AND IF IMPROVEMENT THE ON PERSON LEASED OR STATE THE LANDS PERSON'S THAT RELATIVE IS MEETS CONSISTENT ANY WITH OF THE FOLLOWING LEASE. CRITERIA:~~

~~(a) IS EMPLOYED BY OR PARTICIPATES IN THE MANAGEMENT OF A BUSINESS ENTITY OR OTHER ORGANIZATION THAT LEASES OR BUYS STATE LANDS.~~

~~(b) OWNS, CONTROLS OR HAS, DIRECTLY OR INDIRECTLY, MORE THAN A TEN PERCENT INTEREST IN A BUSINESS ENTITY OR OTHER ORGANIZATION THAT BUYS OR LEASES STATE LANDS.~~

~~7 S.B.~~

~~1336 (c) USES OR RECEIVES A SUBSTANTIAL AMOUNT OF TANGIBLE GOODS, SERVICES OR MONIES FROM THE DEPARTMENT.~~

~~(d) HAS A PERSONAL FINANCIAL INTEREST IN THE CONVEYANCE OF STATE LANDS.~~

~~THE PERSON OR THE PERSON'S RELATIVE DOES NOT HAVE A PERSONAL FINANCIAL INTEREST IF THE PERSON OR THE PERSON'S RELATIVE IS A MEMBER OF A CLASS OF PERSONS AND IT REASONABLY APPEARS THAT A MAJORITY OF THE TOTAL MEMBERSHIP OF THAT CLASS IS TO BE AFFECTED BY THE ACTION.~~

~~A WITHIN PERSON SIX MAY MONTHS NOT AFTER BE THE A CONCLUSION VOTING MEMBER OF THE A BOARD LEASE OR ACT LEASE AS HOLDOVER, PROVIDE THE GENERAL LESSEE COUNSEL A TO REIMBURSEMENT THE PLAN BOARD THAT OR INCLUDES AUTHORITY BOTH~~

~~IF OF THE PERSON FOLLOWING: IS REQUIRED TO REGISTER AS A LOBBYIST.~~

~~(a) A VALUATION OF THE FAIR MARKET VALUE OF ALL PREVIOUSLY APPROVED IMPROVEMENTS THAT THE LESSEE MADE TO THE STATE LANDS, AS DETERMINED BY AN INDEPENDENT THIRD-PARTY VENDOR.~~

~~(b) A REASONABLE TIMELINE IN WHICH THE DEPARTMENT WILL REIMBURSE THE LESSEE FOR THE FAIR MARKET VALUE OF ALL PREVIOUSLY APPROVED IMPROVEMENTS THAT THE LESSEE MADE TO THE STATE LANDS.~~

~~A PERSON MAY NOT BE LESS THAN SIX MONTHS BEFORE THE BOARD EXPIRATION OR AN EMPLOYEE OF THE BOARD LEASE, IF PROVIDE THE TO PERSON OR THE PERSON'S LESSEE RELATIVE IS AN OFFICER, EMPLOYEE OR PAID CONSULTANT FOR A WATER NOTICE. USERS' ASSOCIATION OR TRADE ASSOCIATION.~~

~~M. THE NOTICE MUST INCLUDE ALL OF THE FOLLOWING:~~

~~AN (a) EMPLOYEE ANY OF PROPOSED ARENTAL POLITICAL INCREASE SUBDIVISION OR OF PROPOSED THIS CHANGE STATE TO WHO SERVES ON THE BOARD TERMS MAY AND NOT CONDITIONS PARTICIPATE IN THE CONSIDERATION OF OR A VOTE CONCERNING ANY CONVEYANCE THAT WILL DIRECTLY BENEFIT THE POLITICAL LEASE. SUBDIVISION.~~

~~N. (b) THE INTENT OF THE DEPARTMENT TO RENEW OR TERMINATE THE LEASE.~~

~~(c) THE BOARD JUSTIFICATION SHALL ADOPT WRITTEN POLICIES, PROCEDURES AND GUIDELINES FOR STANDARDS THE OF COMMISSIONER'S CONDUCT, DECISION, INCLUDING AS A PRESCRIBED GIFT IN POLICY, SECTION FOR 37-133. MEMBER TO OF RENEW THE OR BOARD TERMINATE AND FOR OFFICERS AND EMPLOYEES OF THE BOARD. LEASE.~~

~~O. 16 - S.B.~~

~~THE 1336 BOARD SEC. IS A PUBLIC BODY THAT IS SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 3.~~

~~THE 19. BOARD SHALL OPERATE ON THE STATE FISCAL YEAR.~~

~~P.~~

~~ALL STATE AGENCIES SHALL COOPERATE WITH THE BOARD AND MAKE AVAILABLE DATA PERTAINING TO THE FUNCTIONS OF THE BOARD AS REQUESTED BY THE BOARD.~~

~~Q.~~

~~FOR THE PURPOSES OF THIS SECTION, "TRADE ASSOCIATION" MEANS ANY COOPERATIVE, ASSOCIATION OR BUSINESS ORGANIZATION, WHETHER OR NOT INCORPORATED UNDER FEDERAL OR STATE LAW, THAT IS DESIGNED TO ASSIST ITS MEMBERS, INDUSTRY OR PROFESSION IN ADVOCATING FOR OR PROMOTING THEIR COMMON INTEREST.~~

~~37-112.~~

~~State land oversight board;~~

~~powers and duties;~~

~~annual report A.~~

~~THE STATE LAND OVERSIGHT BOARD MAY:~~

~~1.~~

~~HOLD PUBLIC MEETINGS TO RECEIVE TESTIMONY AND STAKEHOLDER INPUT REGARDING THE STATE LAND DEPARTMENT'S PROCESSES.~~

~~2.~~

~~CONFER WITH SUBJECT MATTER EXPERTS ON ANY MATTERS RELATING TO MANAGING, LEASING, DEVELOPING AND DISPOSING STATE LANDS.~~

~~B.~~

~~THE BOARD SHALL:~~

~~1.~~

~~HAVE BROAD DISCRETION ON OVERSEEING THE DEPARTMENT'S ADOPTION OF RULES AND POLICIES.~~

~~2.~~

~~REVIEW RULEMAKING, INTERNAL TIMELINES AND PROCEDURAL EFFICIENCIES THAT AFFECT APPLICANTS, LESSEES AND PURCHASERS OF STATE TRUST LANDS.~~

~~8 - S.B.~~

~~1336-3.~~

~~COLLABORATE WITH THE DEPARTMENT TO IDENTIFY OPPORTUNITIES FOR IMPROVED TRANSPARENCY, PREDICTABILITY AND ACCOUNTABILITY RELATING TO THE STATE LAND DEPARTMENT'S PROCESSES.~~

~~4.~~

~~ENSURE THE DEPARTMENT COMPLIES WITH THE LAWS OF THIS STATE.~~

~~5.~~

~~ON REQUEST OF THE CHAIRPERSON OF THE SENATE NATURAL RESOURCES COMMITTEE OF REFERENCE AND THE HOUSE OF REPRESENTATIVES NATURAL RESOURCES, ENERGY AND WATER COMMITTEE OF REFERENCE, OR THEIR SUCCESSOR COMMITTEES OF REFERENCE, PROVIDE TESTIMONY ON THE OPERATIONS AND OVERSIGHT OF THE DEPARTMENT.~~

~~6.~~

~~ON OR BEFORE JUNE 1, 2027 AND EACH YEAR THEREAFTER, SUBMIT A REPORT OF THE BOARD'S FINDINGS AND RECOMMENDATIONS TO THE CHAIRPERSONS OF THE SENATE NATURAL RESOURCES COMMITTEE OF REFERENCE AND THE HOUSE OF REPRESENTATIVES NATURAL RESOURCES, ENERGY AND WATER COMMITTEE OF REFERENCE, OR THEIR SUCCESSOR~~

~~COMMITTEES OF REFERENCE, THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE.~~

~~Sec.~~

~~3-~~

The commissioner DEPARTMENT shall create AND APPROVE conceptual land use plans for all urban state trust land in this state and other state trust lands the commissioner considers to be appropriate.

(a) Correlate with the rate of population growth in the urban ~~AND RURAL~~ areas in this state.

(c) PROMOTE ECONOMIC GROWTH IN THE RURAL AREAS OF THIS STATE.

Revise and update each CONCEPTUAL LAND USE plan at least every ten years.

THE COMMISSIONER SHALL ISSUE A WRITTEN ORDER APPROVING EACH CONCEPTUAL LAND USE PLAN AND CONCEPTUAL LAND USE PLAN REVISION.

Consult with the city, OR town or AND county in which the STATE TRUST land is located and with any regional planning organization regarding integrating the conceptual ~~LAND USE~~ plan into the general land use plan of the city, town or ~~county~~ COUNTY AND THE ARIZONA GEOLOGICAL SURVEY.

Submit POST each CONCEPTUAL LAND USE plan, and revision of the A CONCEPTUAL LAND USE plan, to the urban land planning oversight committee for ~~review~~ review AND THE COMMISSIONER'S WRITTEN APPROVAL OF EACH CONCEPTUAL LAND USE PLAN AND CONCEPTUAL LAND USE PLAN REVISION ON THE DEPARTMENT'S WEBSITE.

On approval of the conceptual land use plan by the commissioner under this section, the conceptual LAND USE plan is considered to be a state general plan for THE purposes of this ~~article~~ article AND REMAINS EFFECTIVE UNTIL REVISED AS PRESCRIBED BY THIS SECTION.

Using department staff or AND private consultants.

~~-2-0-S.B.~~

~~1336-2-~~

Issuing planning permits for urban STATE lands pursuant to section 37-338.

The commissioner shall create A five year disposition plans PLAN for all state trust land in ~~this~~ EACH state COUNTY FOR IN EACH this COUNTY, state, based at a minimum on market demand, ~~anticipated~~ POTENTIAL transportation ECONOMIC and BENEFITS infrastructure TO availability. RURAL COMMUNITIES OR - 17 - S.B. ~~The 1336 commissioner anticipated shall~~ transportation and infrastructure availability.

The commissioner shall DO ALL OF THE FOLLOWING:

Review and update each FIVE YEAR DISPOSITION plan each year ~~EVERY~~ FOR THREE EACH YEARS COUNTY-OR as may be necessary.

Consult with the city, OR town or AND county in which the land is located and with any regional planning organization.

~~HIRE~~ POST THIRD-PARTY EACH CONTRACTORS. FIVE YEAR DISPOSITION PLAN, EACH FIVE YEAR DISPOSITION PLAN REVISION AND EACH WRITTEN ORDER THAT ADOPTS OR APPROVES A FIVE YEAR DISPOSITION PLAN OR FIVE YEAR DISPOSITION PLAN REVISION ON THE DEPARTMENT'S WEBSITE TO ENSURE CONFORMITY WITH THE CONCEPTUAL LAND USE PLAN UNDER SUBSECTION A OF THIS SECTION.

ENSURE THAT EACH FIVE YEAR DISPOSITION PLAN AND FIVE YEAR DISPOSITION PLAN REVISION CONFORMS WITH THE CONCEPTUAL LAND USE PLAN.

5.

CONSIDER HIRING THIRD-PARTY CONTRACTORS TO PREPARE THE FIVE YEAR DISPOSITION PLAN.

6.

~~5-~~ Submit each plan and revision to the urban land planning oversight committee to ensure conformity with the conceptual plan under subsection A.

~~Submit 7.-each FIVE YEAR DISPOSITION plan and revision to the urban land planning oversight committee to ensure conformity with the conceptual LAND USE plan under subsection A OF THIS SECTION.~~

ISSUE A WRITTEN ORDER THAT APPROVES AND ADOPTS EACH FIVE YEAR DISPOSITION PLAN AND FIVE YEAR DISPOSITION PLAN REVISION.

ON APPROVAL OF THE FIVE YEAR DISPOSITION PLAN, THE FIVE YEAR DISPOSITION PLAN SHALL REMAIN EFFECTIVE UNTIL REVISED AS PRESCRIBED BY THIS SECTION.

THIS SECTION DOES NOT PROHIBIT THE CONVEYANCE OF STATE LANDS THAT ARE NOT IDENTIFIED IN THE FIVE YEAR DISPOSITION PLAN OR CONCEPTUAL LAND USE PLAN.

E.

F.

(a) Appropriate land ~~uses~~ uses AND RIGHTS-OF-WAY, including commercial, industrial, MINING, FORESTRY, AGRICULTURAL, ENERGY, GRAZING, residential and open space ~~uses~~ RECREATIONAL uses THAT GENERATE REVENUE.

(b) Transportation AND ENERGY corridors and infrastructure requirements.

(d) KNOWN AND PROVEN MINERAL RESOURCES, INCLUDING MINERALS, COMMON VARIETY MINERALS AND COMMODITY TYPES AS DEFINED IN SECTION 27-201.01.

- 18 - S.B.

1336 Sec.

20.

Section 37-527, Arizona Revised Statutes, is amended to read:

37-527.

Trust land management fund A.

The trust land management fund is established.

The fund consists of FEES COLLECTED PURSUANT TO SECTION 37-107.

Up to ten percent of the annual proceeds of:

1.

Each beneficiary's trust lands granted to this state by the United States.

2.

All sales of timber, mineral, gravel or other natural products or property from each beneficiary's trust lands granted to this state by the United States.

B.

The commissioner shall determine the percentage of trust land proceeds to be deposited in the fund each fiscal year.

The percentage shall be the same for all beneficiaries.

The commissioner shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting of the determination on or before September 1 of the preceding fiscal year.

C.

B.

The monies in the fund:

1.

Are subject to legislative appropriation.

The department may retain an amount of monies from the fund that is sufficient to pay the department's costs for contracting with a qualified third-party reviewer as prescribed in section 37-132, subsection A, paragraph 12.

2.

Shall be used exclusively to manage trust lands as prescribed by law AND TO PREPARE STATE LANDS FOR SALE OR LEASE AS PRESCRIBED BY LAW.

3.

MAY BE USED TO AWARD DEPARTMENT-WIDE, PERFORMANCE-BASED INCENTIVES AS PRESCRIBED IN SECTION 38-618.

FOR THE PURPOSES OF THIS PARAGRAPH, THE COMMISSIONER MAY ONLY USE MONIES COLLECTED PURSUANT TO SECTION 37-107, SUBSECTION B, PARAGRAPH 1 AND THE COMMISSIONER MAY NOT DIVERT MORE THAN TEN PERCENT OF THE REVENUES COLLECTED PURSUANT TO SECTION 37-107, SUBSECTION B, PARAGRAPH 1 IN ANY ONE FISCAL YEAR.

D.

The commissioner shall administer the fund.

On notice from the commissioner, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

E.

Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations, but if the balance in the fund at the end of any fiscal year exceeds two times the budget of the department for the management of trust lands for the next fiscal year, the excess amount shall be credited proportionately to the several permanent funds based on the last fiscal year's deposits.

F.

This section does not prevent the legislature from appropriating state general fund monies for the purposes described in this section.

~~4-21.~~

Repeal Section ~~41-1001~~, ~~41-3026.05~~, Arizona Revised Statutes, is ~~amended~~ ~~repealed~~. ~~to read:~~

~~41-1001~~, - 19 - S.B.

1336 Sec.

22.

Title 41, chapter 27, article 2, Arizona Revised Statutes, is amended by adding section 41-3030.19, to read:

41-3030.19.

State land department;

termination July 1, 2030 A.

THE STATE LAND DEPARTMENT TERMINATES ON JULY 1, 2030.

B.

TITLE 37, CHAPTERS 1 AND 2 AND THIS SECTION ARE REPEALED ON JANUARY 1, 2031.

Sec.

23.

Section 44-301, Arizona Revised Statutes, is amended to read:

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