

PROPOSED AMENDMENT  
SENATE AMENDMENTS TO S.B. 1077  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 37-101, Arizona Revised Statutes, is amended to  
3 read:

4 37-101. Definitions

5 In this title, unless the context otherwise requires:

6 1. "Agricultural lands" means lands which are used or can be used  
7 principally for raising crops, fruits, grains and similar farm products.

8 2. "Amortized value" means the value for improvements established  
9 pursuant to section 37-281.02, subsection G.

10 3. "Commercial lands" means lands which can be used principally for  
11 business, institutional, religious, charitable, governmental or recreational  
12 purposes, or any general purpose other than agricultural, grazing, mining,  
13 oil, homesite or rights-of-way.

14 4. "Commissioner" means the state land commissioner.

15 5. "Community identity package" means a design theme including such  
16 elements as architecture, landscape, lighting, street furniture, walls and  
17 signage.

18 6. "CONSERVATION" HAS THE SAME MEANING PRESCRIBED IN ARTICLE X,  
19 SECTION 3, CONSTITUTION OF ARIZONA.

20 ~~6.~~ 7. "Department" means the state land department.

21 8. "DEVELOPMENT" HAS THE SAME MEANING PRESCRIBED IN ARTICLE X, SECTION  
22 3, CONSTITUTION OF ARIZONA.

23 ~~7.~~ 9. "Grazing lands" means lands which can be used only for the  
24 ranging of livestock.

25 ~~8.~~ 10. "Holding lease" means a commercial lease issued solely to  
26 grant a limited use leasehold interest in state land in anticipation of  
27 future development.

1           ~~9.~~ 11. "Homesite lands" means lands which are suitable for  
2 residential purposes.

3           ~~10.~~ 12. "Improvements" means anything permanent in character which is  
4 the result of labor or capital expended by the lessee or his predecessors in  
5 interest on state land in its reclamation or development, and the  
6 appropriation of water thereon, and which has enhanced the value of the land.

7           ~~11.~~ 13. "Infrastructure" means facilities or amenities, such as  
8 streets, utilities, landscaping and open space, which are constructed or  
9 located on state lands and which are intended to benefit more than the land  
10 on which they are immediately located by enhancing the development potential  
11 and value of the state lands impacted by the facility or amenities.

12           ~~12.~~ 14. "Leapfrog development" means the development of lands in a  
13 manner requiring the extension of public facilities and services from their  
14 existing terminal point through intervening undeveloped areas that are  
15 scheduled for development at a later time, according to the plans of the  
16 local governing body having jurisdiction for the area and which is  
17 responsible for the provision of these facilities and services.

18           ~~13.~~ 15. "Leased school or university land" means school or university  
19 land for which a lease has been issued by the state, or the territory of  
20 Arizona, under which the lessee retains rights.

21           ~~14.~~ 16. "Master developer" means a person who assumes, as a condition  
22 of a land disposition, the responsibilities prescribed by the department for  
23 infrastructure or community identity package amenities, or both, or for  
24 implementing a development plan containing a master plan area.

25           ~~15.~~ 17. "Participation contract" means a contract arising out of a  
26 sale together with other rights and obligations in trust lands whereby the  
27 department receives a share of the revenues generated by subsequent sales or  
28 leases.

29           ~~16.~~ 18. "Section of land" means an area of land consisting of six  
30 hundred forty acres.

1           ~~17.~~ 19. "State lands" means any land owned or held in trust, or  
2 otherwise, by the state, including leased school or university land.

3           ~~18.~~ 20. "Sublease" means an agreement in which the lessee relinquishes  
4 control of the leased land to another party for the purposes authorized in  
5 the lease.

6           ~~19.~~ 21. "Urban lands" means any state lands which are adjoining  
7 existing commercially or homesite developed lands and which are either:

8           (a) Within the corporate boundaries of a city or town.

9           (b) Adjacent to the corporate boundaries of a city or town.

10           (c) Lands for which the designation as urban lands is requested  
11 pursuant to section 37-331.01.

12           ~~20.~~ 22. "Urban sprawl" means the development of lands in a manner  
13 requiring the extension of public facilities and services on the periphery of  
14 an existing urbanized area where such extension is not provided for in the  
15 existing plans of the local governing body having the responsibility for the  
16 provision of these facilities and services to the lands in question.

17           Sec. 2. Section 37-203, Arizona Revised Statutes, is amended to read:

18           ~~37-203.~~ 37-203. Selection of lands; designation of land to institution  
19   or purpose; credit of receipts to specific funds

20           A. Lands granted to the state shall be selected and filed upon by the  
21 selection board as expeditiously as the best interest of the state warrants.  
22 All lands selected and all lands specifically by description granted to the  
23 state shall be designated on the books, maps and plats of the state land  
24 department as lands of the institution, department or purpose to which the  
25 proceeds received therefrom will be credited.

26           B. THE SELECTION BOARD MAY REASSIGN THE DESIGNATION OF THE LANDS  
27 GRANTED AMONG THE BENEFICIARY POSTSECONDARY SCHOOLS, COLLEGES AND  
28 UNIVERSITIES FOR THE PURPOSES OF SECTION 37-318.02 IF THE TRUE VALUE OF THE  
29 LANDS ALLOCATED TO EACH AFFECTED BENEFICIARY REMAINS UNCHANGED AFTER THE  
30 REASSIGNMENT.

1 C. PURSUANT TO ARTICLE X, SECTION 3, SUBSECTION D, PARAGRAPH 8,  
2 CONSTITUTION OF ARIZONA, THE SELECTION BOARD MAY IDENTIFY AND DESIGNATE LANDS  
3 THAT ARE SUITABLE FOR CONVEYANCE TO AN AGENCY OF THE UNITED STATES IF THE  
4 NATURE OF THE TRANSACTION OR THE LOCATION OF THE LANDS ENSURES THAT THE LANDS  
5 WILL BE PROTECTED AGAINST DEVELOPMENT.

6 ~~B.~~ D. All money received from leases or grants of any land designated  
7 as belonging to any institution, department or purpose, and all monies  
8 received for forfeitures or penalties in connection therewith shall belong to  
9 the institution, department or purpose and shall be credited to a fund set up  
10 for such institution, department or purpose.

11 Sec. 3. Section 37-311, Arizona Revised Statutes, is amended to read:

12 37-311. Definitions

13 In this article, unless the context otherwise requires:

14 ~~1. "Conservation" means protection of the natural assets of state~~  
15 ~~trust lands for the long-term benefit of the land, the trust beneficiaries,~~  
16 ~~lessees, the public and the unique resources that each area contains, such as~~  
17 ~~open space, scenic beauty, protected plants, wildlife, archaeology and~~  
18 ~~multiple use values.~~

19 ~~2.~~ 1. "Existing lessee" means any of the following:

20 (a) The lessee who is entitled to the use of state lands at the time  
21 the lands are considered for classification and are classified as  
22 trust lands suitable for conservation purposes.

23 (b) ~~An existing~~ A lessee who continues to lease the trust lands after  
24 classification as trust lands suitable for conservation purposes.

25 ~~3.~~ 2. "Open space" means land that is generally free of land uses  
26 that would jeopardize the conservation and open space values of the land or  
27 development that would obstruct the scenic beauty of the land.

28 ~~4.~~ 3. "Trust land" means any land that is owned or held in trust by  
29 this state.

1           Sec. 4. Section 37-312, Arizona Revised Statutes, is amended to read:

2           37-312. Nominating and classifying trust land as suitable for  
3                           conservation purposes

4           A. On the commissioner's initiative, on petition as provided by  
5           subsection C of this section or as provided by section 37-332, the  
6           commissioner may nominate certain trust lands as being under consideration  
7           for classification as trust lands suitable for conservation purposes. **THE**  
8           **COMMISSIONER SHALL NOT NOMINATE OR ACCEPT NOMINATIONS FOR CLASSIFICATION**  
9           **UNDER THIS SECTION AFTER DECEMBER 31, 2004.** The commissioner shall not  
10          nominate trust lands as being under consideration for classification as trust  
11          lands suitable for conservation purposes unless the trust lands are eligible  
12          for classification under this section and are located within:

13           1. One mile of the corporate boundaries of an incorporated city or  
14          town having a population of less than ten thousand persons according to the  
15          most recent United States decennial census.

16           2. Three miles of the corporate boundaries of an incorporated city or  
17          town having a population of ten thousand persons or more according to the  
18          most recent United States decennial census.

19           3. Ten miles of the boundaries that are established in paragraph 1 or  
20          2 of this subsection and that are located within counties with a population  
21          greater than five hundred thousand persons according to the most recent  
22          United States decennial census and are adjacent to lands that are eligible  
23          for conservation and share with them a specific physical characteristic such  
24          as a reach of a river, a mountain slope or an archaeological feature.

25          B. In addition to the lands identified in subsection A, paragraphs 1  
26          through 3 of this section, the following lands may be nominated for  
27          reclassification by the commissioner:

28           1. Those lands within the Tortolita mountain park in Pinal county  
29          located within ~~T10S, R12E and~~ T10S, R13E.

30           2. Those lands in the vicinity of the Superstition mountains in Pinal  
31          county located within ~~T1N, R9E; T1N, R10E; and T1S, R10E.~~ T1S, R9E;

1           ~~3. Those lands in the vicinity of the San Tan mountains in Pinal~~  
2 ~~county located within T3S, R7E, section 10, the northwest quarter of the~~  
3 ~~southeast quarter and the south half of the southeast quarter; section 15,~~  
4 ~~the north half and southeast quarter.~~

5           ~~4.~~ 3. The following lands located in Coconino county:

6           (a) T19N, R5E, section 3.

7           (b) T19N, R6E, sections 5 and 6.

8           (c) T20N, R5E, sections 2, 8, 10, 12, 14, 18, 20, 22, 24, 26, 28, 30,  
9 32, 34 and 36.

10           (d) T20N, R6E, sections 4, 5, ~~6,~~ 8, 10, 14, 17, 18, 20, 22, 26, 28,  
11 30, 32 and 34.

12           ~~(e) T21N, R6E, sections 21, 22, 28, 31, 32 and 33.~~

13           C. The commissioner shall receive a petition to nominate trust lands  
14 as being under consideration for classification as trust lands suitable for  
15 conservation purposes from:

16           1. A state agency that leases the land or intends to lease or purchase  
17 the land.

18           2. The board of supervisors of the county in which the land is  
19 located.

20           3. The governing body of a city or town if the land is located within:

21           (a) The corporate boundaries of the city or town.

22           (b) One mile outside the corporate boundaries and the city or town has  
23 a population of less than ten thousand persons.

24           (c) Three miles outside the corporate boundaries and the city or town  
25 has a population of ten thousand persons or more.

26           4. Ten or more private individuals who:

27           (a) Reside in the county in which the land is located.

28           (b) Have the financial capability to lease or purchase the land.

29           5. A nonprofit corporation or trust, the purpose or powers of which  
30 include conservation of natural, scenic, open space or other conservation  
31 values.

32           6. The current lessee of the land.

1           7. A business or corporation that is legally empowered to own or  
2 manage real property in this state and that intends to lease or purchase the  
3 land.

4           D. A petitioner who requests the commissioner to reclassify the land  
5 pursuant to this article solely or partially on grounds that the land  
6 contains cultural resources worthy of conservation shall provide, on the  
7 commissioner's request, a report on the results of a cultural resources  
8 survey of the petitioned land for the commissioner's consideration before  
9 determining if the reclassification is in the best interest of the trust.

10           E. Unless the commissioner nominates the trust lands under section  
11 37-332, a petitioner shall post a bond or other security sufficient to cover  
12 the costs of the planning, notice, advertisement and public hearing as  
13 required by this article and as determined by the commissioner. The bond or  
14 security is forfeit to this state if the commissioner reclassifies the land  
15 pursuant to this article.

16           F. The commissioner shall not nominate or classify trust land as  
17 suitable for conservation purposes if a development plan was approved for the  
18 land pursuant to article 5.1 of this chapter before July 26, 1996. The  
19 commissioner may nominate and classify trust land as suitable for  
20 conservation purposes in an area within a development plan approved after  
21 July 26, 1996 if appropriate conservation purposes are incorporated within  
22 the development plan prepared for the commissioner's approval. In nominating  
23 and classifying trust lands as suitable for conservation purposes under this  
24 subsection, the commissioner shall follow the procedures for requesting local  
25 government zoning pursuant to section 37-334, subsection E.

26           G. Unless the commissioner nominates the trust lands under section  
27 37-332, after nominating the trust lands under subsection A or B of this  
28 section, the commissioner shall:

29           1. Mail notice of intent to classify the lands as trust lands suitable  
30 for conservation purposes to the beneficiary or beneficiaries for whom the  
31 lands are held in trust, existing lessees, local planning authorities, the  
32 appropriate regional planning authorities and owners of private land that

1 consists of forty or more acres and that is located within three hundred feet  
2 of the trust land. The notice shall include the date, time and place of the  
3 public hearing to be held pursuant to subsection H of this section and a  
4 request for written comments on the proposed classification within thirty  
5 days after the date of notice.

6 2. Within thirty days after giving the notice under paragraph 1 of  
7 this subsection:

8 (a) Publish the notice stating a date, time and place of a public  
9 hearing for six publications in a newspaper of general circulation in the  
10 county in which the designated lands are located.

11 (b) Mail the notice to any person who has requested notice of any  
12 classification under this article.

13 (c) Mail the notice to the Arizona game and fish department, the  
14 Arizona department of agriculture, the Arizona state parks board, the Arizona  
15 department of transportation and any other affected state agency.

16 H. Within sixty days after the last date of publication of notice  
17 under subsection G of this section, the commissioner or the commissioner's  
18 designee shall conduct a public hearing in a location in this state as close  
19 as conveniently possible to the trust land to receive and record oral and  
20 written testimony concerning the proposed classification.

21 I. In determining whether reclassification is in the best interest of  
22 the trust, the commissioner shall:

23 1. Consult with the governing body of each city or town in which the  
24 land proposed for reclassification is located or to which the land is  
25 contiguous, the county board of supervisors of each county in which the land  
26 is located if the land is not located within the boundaries of a city or town  
27 and the local planning and zoning authorities, including the affected  
28 regional planning authorities.

29 2. Consider recommendations of the conservation advisory committee.

30 3. Consider all evidence and testimony that are submitted at the  
31 hearing that was held pursuant to:

1           (a) Subsection H of this section if the commissioner nominated the  
2 trust lands under this section.

3           (b) Section 37-332, subsections B, C and D if the commissioner  
4 nominated the trust lands under section 32-332.

5           4. Consider the physical and economic impacts that the  
6 reclassification would have on other lands owned or controlled by the current  
7 lessee and the physical and economic impacts on the local community.

8           5. Consider the existence of any holding lease on the lands.

9           6. Consider the existence of any planning permit issued by the  
10 commissioner for the lands pursuant to article 5.1 of this chapter.

11           7. Consider the amount of progress on any development plans being  
12 completed for the lands pursuant to article 5.1 of this chapter.

13           8. Evaluate the mineral potential of the land.

14           J. The commissioner shall determine whether the reclassification is in  
15 the best interest of the trust and, in making the determination, shall state  
16 in writing the reasons why the classification is or is not in the best  
17 interests of the trust.

18           K. If the commissioner reclassifies the trust land as suitable for  
19 conservation purposes, the commissioner shall adopt a plan to allow existing  
20 and conservation uses to be coordinated in a manner that will protect both  
21 existing uses and conservation and open space values. If the reclassified  
22 trust land is unleased or the petitioner is the lessee pursuant to subsection  
23 C, paragraph 6 of this section, the commissioner may require a plan from the  
24 petitioners describing how the property is to be managed. In adopting the  
25 plan, the commissioner shall consult with:

26           1. The conservation advisory committee.

27           2. The governing body of the city or town if the land is located in a  
28 city or town.

29           3. The county board of supervisors if the land is not located in a  
30 city or town.



1           2. PAYMENT FOR THE LAND ON A CASH OR TERM BASIS AS PRESCRIBED IN THE  
2 PURCHASE AGREEMENT, BUT NOT LATER THAN DECEMBER 31, 2039. THE LEGISLATURE  
3 FINDS THAT DEVELOPMENT FEES COLLECTED BY A COUNTY, CITY OR TOWN PURSUANT TO  
4 SECTION 9-463.05 OR 11-1102 ULTIMATELY LOWER THE NET REVENUES COLLECTED FROM  
5 THE PROPERTY BY THE SELLER. THE LEGISLATURE FINDS THAT IT IS NOT IN THE BEST  
6 INTERESTS OF THE STATE TRUST TO ALLOW COUNTIES, CITIES AND TOWNS TO PAY FOR  
7 LAND UNDER THIS ARTICLE WITH MONEY DERIVED DIRECTLY OR INDIRECTLY FROM  
8 DEVELOPMENT FEES OR TO ASSESS DEVELOPMENT FEES WITH RESPECT TO ANY PROPERTY  
9 ACQUIRED PURSUANT TO THIS ARTICLE.

10           3. The condition that the conveyance of title ~~is~~ BE subject to a  
11 covenant that runs with the land, ~~and~~ that the land ~~shall~~ be used only for  
12 purposes that are consistent with ~~the conservation of specifically named~~  
13 ~~resources or public values~~ AND THAT THE LAND BE SUBJECT TO REASONABLE PUBLIC  
14 ACCESS.

15           D. The commissioner shall include the applicable conditions under  
16 subsection C of this section in any public notices relating to the sale under  
17 this section.

18           E. If the trust land is sold subject to a lease and the lease is  
19 canceled or modified due to a sale of land under this section and the  
20 purchaser and the existing lessee cannot agree on compensation, the  
21 commissioner shall determine the amount of reasonable compensation for  
22 damages sustained by the existing lessee after considering the following  
23 factors:

24           1. The time remaining in the term of the lease at the time that the  
25 lease is canceled or modified.

26           2. The actual use of the leased land.

27           3. The rentals paid during the term of the lease.

28           4. The actual amount of economic damage to the production unit caused  
29 by the cancellation or modification. In determining the amount of economic  
30 damage to the production unit, the commissioner shall not limit the scope of  
31 review to only that portion of the lands involved in the reclassification but  
32 shall take into consideration the impact of the loss of these lands on the

1 overall production unit, including situations in which other leased or  
2 private lands are necessary and have been leased by the existing lessee for  
3 operation as a production unit.

4 5. Other factors that the commissioner or the existing lessee  
5 ~~determine~~ DETERMINES to be relevant.

6 F. The purchaser shall make payments for reimbursement or  
7 compensation, or both, as established in this section to the existing lessee  
8 at the time of sale. This section does not prevent the payment for  
9 reimbursement or compensation, or both, from being made in installments if  
10 the existing lessee and purchaser agree to installment payments.

11 G. If trust lands that are conveyed pursuant to this section are  
12 subject to a current planning permit under article 5.1 of this chapter, the  
13 transferee shall reimburse the holder of the permit as provided by section  
14 37-338.

15 H. At the time of application the applicant shall post a bond pursuant  
16 to section 37-108. The bond is forfeit to this state if no bidder bids at  
17 the auction for the sale of the land.

18 I. IF ANY OF THE LANDS CLASSIFIED PURSUANT TO THIS ARTICLE ARE NOT  
19 SOLD OR CONVEYED, OR PAYMENT IS NOT COMPLETED IN FULL BY DECEMBER 31, 2039,  
20 THE COMMISSIONER SHALL RECLASSIFY THE LAND AS PRESCRIBED BY LAW.

21 Sec. 6. Title 37, chapter 2, Arizona Revised Statutes, is amended by  
22 adding article 4.3, to read:

23 ARTICLE 4.3. LANDS DESIGNATED FOR CONSERVATION

24 37-318. Lands permanently restricted against development

25 A. PURSUANT TO ARTICLE X, SECTION 3, SUBSECTION D, PARAGRAPH 4,  
26 SUBDIVISION (c), CONSTITUTION OF ARIZONA, THE COMMISSIONER SHALL OFFER THE  
27 FOLLOWING STATE TRUST LANDS FOR CONVEYANCE OF TITLE WITHOUT ADVERTISEMENT,  
28 AUCTION OR CONSIDERATION TO AN AGENCY OF THIS STATE, TO A COUNTY, CITY OR  
29 TOWN IN THIS STATE OR TO A NONPROFIT ORGANIZATION THAT IS EXEMPT FROM FEDERAL  
30 INCOME TAX PURSUANT TO FEDERAL LAW. THE CONVEYANCE IS SUBJECT TO THE  
31 CONDITIONS PRESCRIBED BY THE CONSTITUTION OF ARIZONA. THE LANDS SUBJECT TO  
32 THIS SUBSECTION ARE:

1	BURRO CREEK	5,061.6 ACRES
2	CASTLE HOT SPRINGS	20,166.8 ACRES
3	CATALINA GALIURO CORRIDOR	35,639.0 ACRES
4	CIENEGA CREEK	60,687.7 ACRES
5	DAISY MOUNTAIN	1,286.7 ACRES
6	DRAGOON MOUNTAIN WILDLIFE CORRIDOR	16,002.3 ACRES
7	KARTCHNER CAVERNS CORRIDOR	5,875.3 ACRES
8	LESLIE CREEK	4,565.1 ACRES
9	LITTLE COLORADO RIVER	3,092.3 ACRES
10	LOWER SAN PEDRO	17,335.7 ACRES
11	MALPAI	21,267.7 ACRES
12	MCDOWELL SONORAN PRESERVE	2,371.9 ACRES
13	MIDDLE VERDE	1,182.7 ACRES
14	PICACHO MOUNTAINS	18,705.4 ACRES
15	PICACHO PEAK STATE PARK	3,969.3 ACRES
16	SAN PEDRO RIPARIAN NCA	4,430.4 ACRES
17	SANTA CRUZ WILDLIFE CORRIDOR	8,769.3 ACRES
18	SIERRITA MOUNTAINS	30,170.7 ACRES
19	SUPERSTITION MOUNTAINS	16,448.8 ACRES
20	UPPER CHINO VALLEY GRASSLANDS	40,148.0 ACRES
21	WICKENBURG	6,846.8 ACRES

22 B. THE COMMISSIONER SHALL DETERMINE THE ACTUAL LEGAL BOUNDARIES OF THE  
23 PARCELS OF LAND LISTED IN THIS SECTION, INCLUDING MINOR ADJUSTMENTS AS  
24 NECESSARY TO CORRECT TECHNICAL, CLERICAL OR SURVEY ERRORS.

25 C. THE LANDS LISTED UNDER THIS SECTION ARE PERMANENTLY RESTRICTED  
26 AGAINST DEVELOPMENT. THE COMMISSIONER SHALL CONTINUE TO MANAGE THE LANDS  
27 LISTED UNDER THIS SECTION UNTIL CONVEYED IN A MANNER THAT IS CONSISTENT WITH  
28 CONSERVATION.

29 D. THE MANAGEMENT AND DISPOSITION OF LANDS UNDER THIS SECTION IS  
30 SUBJECT TO THE CONTINUATION OR RENEWAL OF ALL LEASES, RIGHTS-OF-WAY AND USES  
31 OF THE LANDS THAT EXISTED ON JULY 1, 2009. DURING THE TERM OF ANY  
32 PRE-EXISTING LEASES, THIS STATE RESERVES THE RIGHT TO:

1           1. CONTINUE TO ADMINISTER THE LEASES AND RENEW THEM FOR AN ADDITIONAL  
2 TERM OF UP TO TWENTY-FIVE YEARS.

3           2. ISSUE EASEMENTS AND RIGHTS-OF-WAY ON, OVER AND ACROSS THE LAND AS  
4 PROVIDED BY ARTICLE X, SECTION 3, SUBSECTION D, PARAGRAPH 9, CONSTITUTION OF  
5 ARIZONA.

6           3. COLLECT RENT, ROYALTY AND OTHER PAYMENTS UNDER THE LEASES, PERMITS,  
7 EASEMENTS AND RIGHTS-OF-WAY FOR THE BENEFIT OF THE PERMANENT FUND  
8 CORRESPONDING TO THE GRANT UNDER WHICH THE LAND WAS CONVEYED OR CONFIRMED BY  
9 THE ARIZONA-NEW MEXICO ENABLING ACT (ACT OF JUNE 20, 1910; 36 STAT. 557).

10           E. IF A PREEXISTING LEASE IS NOT RENEWED AFTER CONVEYANCE AND THE  
11 TRANSFEREE AND THE LESSEE CANNOT AGREE ON COMPENSATION, THE COMMISSIONER  
12 SHALL DETERMINE THE AMOUNT OF REASONABLE COMPENSATION FOR DAMAGES SUSTAINED  
13 BY THE LESSEE AFTER CONSIDERING THE FOLLOWING FACTORS:

14           1. THE ACTUAL USE OF THE LEASED LAND.

15           2. THE RENTALS PAID DURING THE TERM OF THE LEASE.

16           3. THE ACTUAL AMOUNT OF ECONOMIC DAMAGE TO THE PRODUCTION UNIT CAUSED  
17 BY THE FAILURE TO RENEW. IN DETERMINING THE AMOUNT OF ECONOMIC DAMAGE TO THE  
18 PRODUCTION UNIT, THE COMMISSIONER SHALL NOT LIMIT THE SCOPE OF REVIEW TO ONLY  
19 THE LANDS CONVEYED BUT SHALL TAKE INTO CONSIDERATION THE IMPACT OF THE LOSS  
20 OF THESE LANDS ON THE LESSEE'S OVERALL PRODUCTION UNIT, INCLUDING SITUATIONS  
21 IN WHICH OTHER LEASED OR PRIVATE LANDS ARE NECESSARY AND HAVE BEEN LEASED BY  
22 THE LESSEE FOR OPERATION AS A PRODUCTION UNIT.

23           4. OTHER FACTORS THAT THE COMMISSIONER OR THE LESSEE DETERMINES TO BE  
24 RELEVANT.

25           F. ANY DISPOSITION OF LANDS UNDER THIS SECTION MUST REQUIRE THAT THE  
26 LANDS ARE:

27           1. PERMANENTLY RESTRICTED, ON CONVEYANCE, AGAINST DEVELOPMENT AS  
28 PRESCRIBED BY LAW, AND SHALL INCLUDE IN THE CONVEYANCE APPROPRIATE  
29 CONDITIONS, COVENANTS AND RESTRICTIONS OR PROVIDE FOR REVERSIONS TO ENSURE  
30 THE USE OF THE LAND IN A MANNER CONSISTENT WITH CONSERVATION.

31           2. SUBJECT TO LEASE, RIGHTS-OF-WAY AND OTHER USES THAT ARE CONSISTENT  
32 WITH CONSERVATION.



1	PHOENIX SONORAN PRESERVE	10,213.2 ACRES
2	SPRINGERVILLE GRASSLANDS	12,849.9 ACRES
3	SPUR CROSS RANCH CONSERVATION AREA	2,000.0 ACRES
4	SUPERSTITION MOUNTAINS	641.1 ACRES
5	TORTOLITA FAN	10,458.0 ACRES
6	TORTOLITA MOUNTAIN PARK	7,762.0 ACRES
7	WALNUT CANYON NATIONAL MONUMENT	1,286.0 ACRES
8	WEST DESERT PRESERVE	2,073.6 ACRES
9	WHITE TANKS	2,217.5 ACRES
10	WICKENBURG	4,059.9 ACRES

11 B. THE COMMISSIONER SHALL DETERMINE THE ACTUAL LEGAL BOUNDARIES OF THE  
12 PARCELS OF LAND LISTED IN THIS SECTION, INCLUDING MINOR ADJUSTMENTS AS  
13 NECESSARY TO CORRECT TECHNICAL, CLERICAL OR SURVEY ERRORS.

14 C. A TRANSACTION INVOLVING A SALE OF LANDS UNDER THIS SECTION:

15 1. MUST BE ESTABLISHED IN A WRITTEN PURCHASE AGREEMENT.

16 2. MUST BE PAID IN FULL OVER A PAYMENT TERM ENDING ON OR BEFORE  
17 DECEMBER 31, 2039. THE LEGISLATURE FINDS THAT DEVELOPMENT FEES COLLECTED BY  
18 A COUNTY, CITY OR TOWN PURSUANT TO SECTION 9-463.05 OR 11-1102 ULTIMATELY  
19 LOWER THE NET REVENUES COLLECTED FROM THE PROPERTY BY THE SELLER. THE  
20 LEGISLATURE FINDS THAT IT IS NOT IN THE BEST INTERESTS OF THE STATE TRUST TO  
21 ALLOW COUNTIES, CITIES AND TOWNS TO PAY FOR LAND UNDER THIS ARTICLE WITH  
22 MONEY DERIVED DIRECTLY OR INDIRECTLY FROM DEVELOPMENT FEES OR TO ASSESS  
23 DEVELOPMENT FEES WITH RESPECT TO ANY PROPERTY ACQUIRED PURSUANT TO THIS  
24 ARTICLE.

25 3. IS SUBJECT TO THE CONTINUATION OF ANY EXISTING LEASE ISSUED BY THE  
26 STATE LAND DEPARTMENT UNTIL THE ISSUANCE OF A PATENT TO THE PURCHASER.

27 D. IF A PREEXISTING LEASE IS NOT RENEWED AFTER SALE AND THE TRANSFEREE  
28 AND THE LESSEE CANNOT AGREE ON COMPENSATION, THE COMMISSIONER SHALL DETERMINE  
29 THE AMOUNT OF REASONABLE COMPENSATION FOR DAMAGES SUSTAINED BY THE LESSEE  
30 AFTER CONSIDERING THE FOLLOWING FACTORS:

31 1. THE ACTUAL USE OF THE LEASED LAND.

32 2. THE RENTALS PAID DURING THE TERM OF THE LEASE.

1           3. THE ACTUAL AMOUNT OF ECONOMIC DAMAGE TO THE PRODUCTION UNIT CAUSED  
2 BY THE FAILURE TO RENEW. IN DETERMINING THE AMOUNT OF ECONOMIC DAMAGE TO THE  
3 PRODUCTION UNIT, THE COMMISSIONER SHALL NOT LIMIT THE SCOPE OF REVIEW TO ONLY  
4 THE LANDS CONVEYED BUT SHALL TAKE INTO CONSIDERATION THE IMPACT OF THE LOSS  
5 OF THESE LANDS ON THE LESSEE'S OVERALL PRODUCTION UNIT, INCLUDING SITUATIONS  
6 IN WHICH OTHER LEASED OR PRIVATE LANDS ARE NECESSARY AND HAVE BEEN LEASED BY  
7 THE LESSEE FOR OPERATION AS A PRODUCTION UNIT.

8           4. OTHER FACTORS THAT THE COMMISSIONER OR THE LESSEE DETERMINES TO BE  
9 RELEVANT.

10          E. ANY SALE OF LANDS UNDER THIS SECTION MUST REQUIRE THAT THE LANDS  
11 ARE:

12           1. PERMANENTLY RESTRICTED, ON CONVEYANCE, AGAINST DEVELOPMENT AS  
13 PRESCRIBED BY LAW, AND SHALL INCLUDE IN THE SALE DOCUMENTS APPROPRIATE  
14 CONDITIONS, COVENANTS AND RESTRICTIONS OR PROVIDE FOR REVERSIONS TO ENSURE  
15 THE USE OF THE LAND IN A MANNER CONSISTENT WITH CONSERVATION.

16           2. SUBJECT TO LEASE, RIGHTS-OF-WAY AND OTHER USES THAT ARE CONSISTENT  
17 WITH CONSERVATION.

18           3. SUBJECT TO THE RESERVATION TO THIS STATE OF MINERALS, GASES AND  
19 HYDROCARBON SUBSTANCES LOCATED UNDER THE LAND SURFACE.

20           4. SUBJECT TO REASONABLE PUBLIC ACCESS.

21          F. IF ANY LANDS DESIGNATED FOR DISPOSITION UNDER THIS SECTION ARE NOT  
22 SOLD, THEIR STATUS AND DESIGNATION UNDER THIS SECTION TERMINATES AND THE  
23 UNCONVEYED LANDS SHALL BE RECLASSIFIED AS PROVIDED BY LAW.

24          G. THE LANDS LISTED IN THIS SECTION ARE NOT ELIGIBLE FOR DISPOSITION  
25 PURSUANT TO ARTICLE 4.2 OF THIS CHAPTER, NOTWITHSTANDING ANY PREVIOUS  
26 NOMINATION, CLASSIFICATION OR OTHER ADMINISTRATIVE ACTION. ANY STATUS OF  
27 THESE LANDS UNDER ARTICLE 4.2 OF THIS CHAPTER TERMINATES ON THE EFFECTIVE  
28 DATE OF THIS SECTION.

29           37-318.02. Lands designated for the benefit of state  
30 universities

31          A. PURSUANT TO SECTION 37-203, SUBSECTION B, THE TRUST LANDS LOCATED  
32 IN COCONINO COUNTY IN THE AREA COMMONLY KNOWN AS THE CENTENNIAL FOREST ARE

1 DESIGNATED FOR THE SOLE BENEFIT OF NORTHERN ARIZONA UNIVERSITY FOR  
2 ADMINISTRATION BY THE SCHOOL OF FORESTRY. THE DESIGNATION OF THE LANDS IS  
3 SUBJECT TO ANY EXISTING LEASES AND THE FOLLOWING TERMS AND RESTRICTIONS:

4 1. THE LANDS ARE PERMANENTLY RESTRICTED AGAINST DEVELOPMENT, EXCEPT  
5 THAT BUILDINGS AND RELATED INFRASTRUCTURE TO SUPPORT NORTHERN ARIZONA  
6 UNIVERSITY'S PROGRAMS ON THE CENTENNIAL FOREST PROPERTY MAY BE CONSTRUCTED ON  
7 UP TO \_\_\_\_\_ ACRES AT LOCATIONS TO BE IDENTIFIED BY NORTHERN ARIZONA  
8 UNIVERSITY, AND EXISTING BUILDINGS, IMPROVEMENTS AND STRUCTURES MAY BE  
9 MAINTAINED OR REPLACED WITHOUT REGARD TO THESE RESTRICTIONS.

10 2. THE LANDS MAY BE LEASED OR MANAGED FOR GRAZING, TIMBER MANAGEMENT,  
11 RECREATION AND OTHER PURPOSES IF THOSE USES ARE COMPATIBLE WITH AND FURTHER  
12 THE EDUCATIONAL AND RESEARCH PURPOSES OF THE CENTENNIAL FOREST, AS DETERMINED  
13 BY THE SCHOOL OF FORESTRY OF NORTHERN ARIZONA UNIVERSITY.

14 3. ANY REVENUES FROM LEASES OF THE LANDS SHALL ACCRUE TO THE SCHOOL OF  
15 FORESTRY OF NORTHERN ARIZONA UNIVERSITY FOR THE RESEARCH AND EDUCATIONAL  
16 PURPOSES OF THE CENTENNIAL FOREST.

17 4. IF A PREEXISTING LEASE IS NOT RENEWED AND NORTHERN ARIZONA  
18 UNIVERSITY AND THE LESSEE CANNOT AGREE ON COMPENSATION, THE COMMISSIONER  
19 SHALL DETERMINE THE AMOUNT OF REASONABLE COMPENSATION FOR DAMAGES SUSTAINED  
20 BY THE LESSEE AFTER CONSIDERING THE FOLLOWING FACTORS:

21 (a) THE ACTUAL USE OF THE LEASED LAND.

22 (b) THE RENTALS PAID DURING THE TERM OF THE LEASE.

23 (c) THE ACTUAL AMOUNT OF ECONOMIC DAMAGE TO THE PRODUCTION UNIT CAUSED  
24 BY THE FAILURE TO RENEW. IN DETERMINING THE AMOUNT OF ECONOMIC DAMAGE TO THE  
25 PRODUCTION UNIT, THE COMMISSIONER SHALL NOT LIMIT THE SCOPE OF REVIEW TO ONLY  
26 THE CENTENNIAL FOREST LANDS BUT SHALL TAKE INTO CONSIDERATION THE IMPACT OF  
27 THE LOSS OF THOSE LANDS ON THE LESSEE'S OVERALL PRODUCTION UNIT, INCLUDING  
28 SITUATIONS IN WHICH OTHER LEASED OR PRIVATE LANDS ARE NECESSARY AND HAVE BEEN  
29 LEASED BY THE LESSEE FOR OPERATION AS A PRODUCTION UNIT.

30 (d) OTHER FACTORS THAT THE COMMISSIONER OR THE LESSEE DETERMINES TO BE  
31 RELEVANT.

1           B. PURSUANT TO SECTION 37-203, SUBSECTION B, THE TRUST LANDS LOCATED  
2           IN PIMA COUNTY IN THE AREA COMMONLY KNOWN AS THE SANTA RITA EXPERIMENTAL  
3           RANGE ARE DESIGNATED FOR THE SOLE BENEFIT OF THE UNIVERSITY OF ARIZONA FOR  
4           ADMINISTRATION BY THE COLLEGE OF AGRICULTURE AND LIFE SCIENCES AS A RESEARCH  
5           AND EDUCATIONAL FIELD STATION. THE DESIGNATION OF THE LANDS IS SUBJECT TO  
6           ANY EXISTING LEASES AND THE FOLLOWING TERMS AND RESTRICTIONS:

7           1. THE LANDS ARE PERMANENTLY RESTRICTED AGAINST VERTICAL DEVELOPMENT,  
8           EXCEPT THAT BUILDINGS AND RELATED INFRASTRUCTURE TO SUPPORT THE UNIVERSITY OF  
9           ARIZONA'S PROGRAMS ON THE SANTA RITA EXPERIMENTAL RANGE MAY BE CONSTRUCTED ON  
10          UP TO \_\_\_\_\_ ACRES AT LOCATIONS TO BE IDENTIFIED BY THE UNIVERSITY OF  
11          ARIZONA, AND EXCEPT THAT EXISTING BUILDINGS, IMPROVEMENTS AND STRUCTURES MAY  
12          BE MAINTAINED OR REPLACED WITHOUT REGARD TO THESE RESTRICTIONS.

13          2. THE LANDS MAY BE LEASED OR MANAGED FOR GRAZING, RECREATION AND  
14          OTHER PURPOSES IF THOSE USES ARE COMPATIBLE WITH AND CONTRIBUTE TO THE  
15          EDUCATIONAL AND RESEARCH PURPOSES OF THE SANTA RITA EXPERIMENTAL RANGE, AS  
16          DETERMINED BY THE COLLEGE OF AGRICULTURE AND LIFE SCIENCES.

17          3. ANY REVENUES FROM LEASES OF THE LANDS SHALL ACCRUE TO THE COLLEGE  
18          OF AGRICULTURE AND LIFE SCIENCES TO SUPPORT THE RESEARCH AND EDUCATIONAL  
19          PURPOSES OF THE SANTA RITA EXPERIMENTAL RANGE.

20          4. IF A PREEXISTING LEASE IS NOT RENEWED AND THE UNIVERSITY OF ARIZONA  
21          AND THE LESSEE CANNOT AGREE ON COMPENSATION, THE COMMISSIONER SHALL DETERMINE  
22          THE AMOUNT OF REASONABLE COMPENSATION FOR DAMAGES SUSTAINED BY THE LESSEE  
23          AFTER CONSIDERING THE FOLLOWING FACTORS:

24               (a) THE ACTUAL USE OF THE LEASED LAND.

25               (b) THE RENTALS PAID DURING THE TERM OF THE LEASE.

26               (c) THE ACTUAL AMOUNT OF ECONOMIC DAMAGE TO THE PRODUCTION UNIT CAUSED  
27          BY THE FAILURE TO RENEW. IN DETERMINING THE AMOUNT OF ECONOMIC DAMAGE TO THE  
28          PRODUCTION UNIT, THE COMMISSIONER SHALL NOT LIMIT THE SCOPE OF REVIEW TO ONLY  
29          THE SANTA RITA RANGE LANDS BUT SHALL TAKE INTO CONSIDERATION THE IMPACT OF  
30          THE LOSS OF THOSE LANDS ON THE LESSEE'S OVERALL PRODUCTION UNIT, INCLUDING  
31          SITUATIONS IN WHICH OTHER LEASED OR PRIVATE LANDS ARE NECESSARY AND HAVE BEEN  
32          LEASED BY THE LESSEE FOR OPERATION AS A PRODUCTION UNIT.

1 (d) OTHER FACTORS THAT THE COMMISSIONER OR THE LESSEE DETERMINES TO BE  
2 RELEVANT.

3 C. PURSUANT TO SECTION 37-203, SUBSECTION B, THE SELECTION BOARD SHALL  
4 DESIGNATE LANDS FOR THE SOLE BENEFIT OF ARIZONA STATE UNIVERSITY IF THE TRUE  
5 VALUE OF THE LANDS DOES NOT EXCEED THE VALUE OF EITHER THE CENTENNIAL FOREST  
6 LANDS OR THE SANTA RITA RANGE LANDS DESIGNATED UNDER SUBSECTION A OR B OF  
7 THIS SECTION.

8 37-318.03. Conveyance of in lieu lands

9 A. THE COMMISSIONER SHALL OFFER LAND IDENTIFIED BY THE SELECTION BOARD  
10 PURSUANT TO SECTION 37-203, SUBSECTION C TO AN AGENCY OF THE UNITED STATES  
11 FOR PURCHASE AT ITS TRUE VALUE DETERMINED BY APPRAISAL. THE CONSIDERATION  
12 FOR THE LANDS MAY CONSIST OF MONETARY PAYMENTS OR FEDERAL LAND OF EQUAL VALUE  
13 IN LIEU OF MONETARY CONSIDERATION.

14 B. ANY CONVEYANCE OF LANDS UNDER THIS SECTION MUST REQUIRE THAT THE  
15 LANDS ARE:

16 1. PERMANENTLY RESTRICTED, ON CONVEYANCE, AGAINST DEVELOPMENT AS  
17 PRESCRIBED BY LAW, AND SHALL INCLUDE IN THE SALE DOCUMENTS APPROPRIATE  
18 CONDITIONS, COVENANTS AND RESTRICTIONS OR PROVIDE FOR REVERSIONS TO ENSURE  
19 THE USE OF THE LAND IN A MANNER CONSISTENT WITH CONSERVATION.

20 2. SUBJECT TO THE RESERVATION TO THIS STATE OF MINERALS, GASES AND  
21 HYDROCARBON SUBSTANCES LOCATED UNDER THE LAND SURFACE.

22 3. SUBJECT TO REASONABLE PUBLIC ACCESS.

23 Sec. 7. Section 37-331, Arizona Revised Statutes, is amended to read:

24 37-331. Definitions

25 In this article, unless the context otherwise requires:

26 ~~1. "Conservation" has the same meaning prescribed in section 37-311.~~

27 ~~2.~~ 1. "Existing lessee" means any of the following:

28 (a) The lessee who is entitled to the use of state lands at the time  
29 such lands are considered for classification and are classified as urban  
30 lands suitable for urban planning.

31 (b) An existing lessee who continues to lease urban lands following  
32 classification as urban lands suitable for urban planning.

1 (c) A person who leases urban lands following classification as urban  
2 lands suitable for urban planning.

3 ~~3.~~ 2. "Local planning authorities" means any city, town or county in  
4 which urban lands suitable for urban planning are located. When urban lands  
5 that are located in an unincorporated area of a county are designated as  
6 urban lands suitable for urban planning, a city or town whose corporate  
7 boundaries are three miles or less from these lands shall be considered to be  
8 a local planning authority, together with the governing body of the county in  
9 whose jurisdiction the lands are located.

10 ~~4.~~ 3. "Planning contractor" means the person or persons who contract  
11 with the department to formulate a development or secondary plan for urban  
12 lands suitable for urban planning.

13 ~~5.~~ 4. "State general plan" means a policy document that addresses  
14 appropriate uses for state lands, provides a general basis for a development  
15 plan and makes policy statements related to the use and management of state  
16 lands.

17 Sec. 8. Conditional enactment; notice

18 A. Sections 1 through 7 of this act are not effective unless both of  
19 the following occur:

20 1. Article X, section 3, Constitution of Arizona, is amended by vote  
21 of the people at the next general election to authorize the disposition of  
22 state trust land that is suitable for conservation purposes without  
23 advertisement or auction.

24 2. On or before December 31, 2014, the Arizona-New Mexico Enabling Act  
25 (Act of June 20, 1910; 36 Stat. 557) is amended by Congress and signed into  
26 law to authorize the disposition of state trust lands as proposed by  
27 paragraph 1. On or before December 31, 2014, the state land commissioner  
28 shall notify the director of the Arizona legislative council in writing  
29 whether or not this condition occurred and the date the enabling act was  
30 amended.

1           B. The enactment of any provision of this act conditioned on the  
2           results of the election does not constitute a submission of any provision of  
3           this act to the voters under the power of the referendum."

4 Amend title to conform

JOHN NELSON

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10:59 AM  
C: dmt