

House Engrossed

state trust land; subleases; approval

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# HOUSE BILL 2268

AN ACT

AMENDING TITLE 37, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 37-111; AMENDING SECTIONS 37-281 AND 37-283, ARIZONA  
REVISED STATUTES; RELATING TO THE LEASE OF STATE LANDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 37, chapter 1, article 1, Arizona Revised  
3 Statutes, is amended by adding section 37-111, to read:

4 37-111. State lands wind farm; solar farm; prohibition of  
5 conveyance of commercial lease of right-of-way

6 NOTWITHSTANDING ANY OTHER LAW, A PERSON WITH AN INTEREST IN A  
7 COMMERCIAL LEASE OR RIGHT-OF-WAY ON STATE LANDS FOR A WIND FARM OR SOLAR  
8 FARM MAY NOT CONVEY THE INTEREST TO ANY OTHER PERSON.

9 Sec. 2. Section 37-281, Arizona Revised Statutes, is amended to  
10 read:

11 37-281. Lease of state lands for certain purposes without  
12 advertising; terms and conditions

13 A. All state lands are subject to lease OR SUBLEASE as provided in  
14 this article for a term of not more than ten years for agricultural,  
15 commercial and homesite purposes, ~~—~~ without advertising. The leases OR  
16 SUBLEASES shall be granted according to the constitution, the law and the  
17 rules of the ~~state land~~ department.

18 B. ~~No~~ A lease OR SUBLEASE shall NOT be granted as provided by this  
19 section without application. All applications for leases OR SUBLEASES  
20 shall be made ~~upon~~ ON forms prepared and furnished by the department,  
21 shall be signed and sworn to by the applicant or ~~his~~ THE APPLICANT'S  
22 authorized agent or attorney and shall be filed with the department. In  
23 lieu of signing and swearing to the application before a notary public or  
24 other person WHO IS authorized to take acknowledgments, the applicant may  
25 affix ~~his~~ THE APPLICANT'S signature to the application, accompanied by a  
26 certification, under penalty of perjury, that the information and  
27 statements made in the application are to the best of ~~his~~ THE APPLICANT'S  
28 knowledge and belief true, correct and complete, and the application shall  
29 be accepted as duly executed.

30 C. Any material false statement or concealment of facts made by an  
31 applicant, ~~his~~ THE APPLICANT'S authorized agent or ~~his~~ THE APPLICANT'S  
32 attorney in the application to lease, which, if known to the department,  
33 would have prevented issuance of the lease in the form or to the person  
34 issued, shall be grounds for cancellation of a lease issued ~~upon~~ ON such  
35 application.

36 D. ~~No~~ A lessee shall NOT use lands leased to ~~him~~ THE LESSEE except  
37 for the purpose for which the lands are leased.

38 E. ~~No~~ A lessee shall NOT sublease lands leased to ~~him~~ THE LESSEE  
39 without written APPLICATION TO AND WRITTEN permission of the ~~state land~~  
40 department.

41 F. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, A SUBLESSEE SHALL  
42 NOT USE STATE LANDS SUBLEASED TO THE SUBLESSEE EXCEPT FOR THE PURPOSE FOR  
43 WHICH THE LANDS ARE LEASED.

44 G. THE COMMISSIONER MAY NOT AUTHORIZE OR ISSUE A RIGHT-OF-WAY ON  
45 STATE LANDS THAT ARE USED FOR GRAZING IF THE PURPOSE OF THE RIGHT-OF-WAY

1 IS TO SERVE A PROPOSED WIND FARM OR WIND TURBINE UNLESS ALL OF THE  
2 FOLLOWING CONDITIONS APPLY:

- 3 1. THE GRAZING LESSEE APPROVES THE RIGHT-OF-WAY IN WRITING.  
4 2. THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE LAND  
5 IS LOCATED APPROVES THE WIND FARM OR WIND TURBINE IN WRITING.  
6 3. THE ARIZONA CORPORATION COMMISSION APPROVES THE WIND FARM OR  
7 WIND TURBINE IN WRITING.

8 Sec. 3. Section 37-283, Arizona Revised Statutes, is amended to  
9 read:

10 37-283. Subleases by grazing lessee; limitation on grazing  
11 use; sublease surcharge

12 A. A grazing lessee shall not sublease ~~his~~ THE GRAZING LESSEE'S  
13 lease or sell or lease pasturage to lands included in ~~his~~ THE GRAZING  
14 LESSEE'S lease, ~~—~~ without written APPLICATION TO AND WRITTEN permission  
15 from the ~~state land~~ department AS PRESCRIBED IN SECTION 37-281. A grazing  
16 lessee, ~~his~~ THE GRAZING LESSEE'S sublessee or users under pasturage  
17 agreement shall not graze, without written permission of the department,  
18 in excess of the carrying capacity as previously determined by the  
19 department, ~~upon~~ ON state lands under lease or being used by such persons,  
20 within the exterior boundaries of any one ranch unit or units in the same  
21 general locality jointly operated. If permission is granted for such  
22 excess, the department shall assess and collect the rental for the excess  
23 on the rental basis provided for in this article.

24 B. In addition to the annual rental on grazing lands established  
25 pursuant to section 37-285, grazing subleases are subject to a surcharge  
26 that is equal to twenty-five ~~per cent~~ PERCENT of the annual rental on  
27 grazing land, multiplied by the number of animal unit months to be grazed  
28 on the subleased state trust land. The surcharge shall be assessed only  
29 for that period of time the state trust land is subleased. The surcharge  
30 shall be paid to the department when the annual rental is due, or ~~upon~~ ON  
31 receiving department permission to sublease if the sublease is approved  
32 after the annual rental is due.