

House Engrossed

land department; audit; recommendations; checklist

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

# HOUSE BILL 2427

AN ACT

REQUIRING THE STATE LAND DEPARTMENT TO IMPLEMENT RECOMMENDATIONS BY THE  
AUDITOR GENERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. State land department; auditor general report;  
3 recommendations; implementation; checklist;  
4 notification; delayed repeal

5 A. Within two years after the effective date of this section, the  
6 state land commissioner shall implement all fifty-one recommendations in  
7 the auditor general's July 2025 performance audit and sunset review of the  
8 state land department.

9 B. Until the state land commissioner implements all of the auditor  
10 general's recommendations, the state land commissioner shall meet with the  
11 auditor general quarterly and report on the progress of the state land  
12 department's implementation of the recommendations.

13 C. The auditor general shall maintain a checklist of the  
14 recommendations and shall update the checklist after each meeting  
15 consistent with the completion of any of the recommendations to the  
16 satisfaction of the auditor general.

17 D. The auditor general may enter any premises, conduct any  
18 investigation or inspect any documents in possession of the state land  
19 department to ensure the state land department implements the  
20 recommendations to the auditor general's satisfaction.

21 E. Each fiscal quarter, the auditor general shall provide an update  
22 of the current status of the recommendation checklist to the following:

23 1. Each member of the joint legislative audit committee.

24 2. The governor.

25 3. The chairperson of the committee of reference that the president  
26 of the senate tasks with oversight of the state land department.

27 4. The chairperson of the committee of reference that the speaker  
28 of the house of representatives tasks with oversight of the state land  
29 department.

30 F. If the state land department fails to implement the auditor  
31 general's recommendations within two years after the effective date of  
32 this section, the auditor general shall:

33 1. Notify the following:

34 (a) Each member of the joint legislative audit committee.

35 (b) The governor.

36 (c) The chairperson of the committee of reference that the  
37 president of the senate tasks with oversight of the state land department.

38 (d) The chairperson of the committee of reference that the speaker  
39 of the house of representatives tasks with oversight of the state land  
40 department.

41 2. Request a special meeting of the joint legislative audit  
42 committee to evaluate potential remedies and future action.

43 G. This section is repealed from and after December 31, 2028.

1           Sec. 2. Legislative findings

2           The legislature finds that this act is necessary to ensure the best  
3 interest of the state land trust, state land trust beneficiaries and this  
4 state.