

House Engrossed

state land use; highest; best

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

# HOUSE BILL 2755

AN ACT

AMENDING TITLE 27, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 27-240; AMENDING SECTION 37-102, ARIZONA REVISED STATUTES;  
RELATING TO 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 27, chapter 2, article 3, Arizona Revised  
3 Statutes, is amended by adding section 27-240, to read:

4 27-240. Lease of state lands; minerals; renewal; auction  
5 exemption; indexed royalties

6 A. NOTWITHSTANDING ANY OTHER LAW, THE COMMISSIONER MAY RENEW AN  
7 EXISTING MINERAL OR MINERAL MATERIALS LEASE WITHOUT PUBLIC AUCTION IF THE  
8 COMMISSIONER DETERMINES THAT:

9 1. THE LESSEE IS IN SUBSTANTIAL COMPLIANCE WITH THE TERMS OF THE  
10 LEASE.

11 2. RENEWAL IS IN THE BEST INTEREST OF THE TRUST.

12 3. RENEWAL IS SUPPORTED BY WRITTEN FIDUCIARY FINDINGS.

13 4. THE RENEWAL TERM IS FOR A TERM THAT IS AUTHORIZED BY STATE LAW.

14 B. A LEASE RENEWED PURSUANT TO THIS SECTION SHALL PROVIDE FOR A  
15 ROYALTY RATE THAT IS ADJUSTED USING A MARKET-BASED INDEXING MECHANISM  
16 ADOPTED BY THE DEPARTMENT.

17 C. THE INDEXING MECHANISM MAY INCLUDE PRODUCER PRICE INDICES,  
18 REGIONAL OR STATEWIDE CONSTRUCTION AGGREGATE PRICE INDICES OR OTHER  
19 OBJECTIVE, INDUSTRY-RECOGNIZED MARKET INDICATORS.

20 D. THE COMMISSIONER SHALL REVIEW INDEXED ROYALTY RATES AT INTERVALS  
21 OF NOT MORE THAN FIVE YEARS.

22 Sec. 2. Section 37-102, Arizona Revised Statutes, is amended to  
23 read:

24 37-102. State land department; powers and duties

25 A. The state land department shall administer all laws relating to  
26 lands owned by, belonging to and under the control of this state.

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

31 C. The department, in the name of this state, may commence,  
32 prosecute and defend all actions and proceedings to protect the interest  
33 of this state in lands within this state or the proceeds of lands within  
34 this state. Actions shall be commenced and prosecuted at the request of  
35 the department by the attorney general, a county attorney or a special  
36 counsel under the direction of the attorney general.

37 D. The department shall be the official representative of this  
38 state in any communication between this state and the United States  
39 government in all matters respecting state lands or any interest of this  
40 state in or to the public lands within this state.

41 E. The summons in any action against this state respecting any  
42 lands of this state or the products of such lands and all notices  
43 concerning such lands or products shall be served on the commissioner.  
44 Summonses, warrants or legal notices served on behalf of the department

1 may be served by the commissioner or the commissioner's deputy, or by the  
2 sheriff or a constable of any county of this state.

3 F. The department shall maintain as a public record in each of the  
4 department's offices a public docket and index of all matters before the  
5 department that may be subject to appeal to the board of appeals or to the  
6 courts and all sale, exchange and lease transactions subject to bidding by  
7 the public. The department shall list a matter on the public docket  
8 immediately after an application or other request for department action is  
9 received by the department. The department shall include in the public  
10 docket every formal action and decision affecting each matter in  
11 question. The department shall establish by rule a means by which any  
12 person may obtain a copy of the public docket at the current copying cost.

13 G. The department shall reappraise or update the department's  
14 original appraisal of property to be leased, exchanged or sold if the  
15 board of appeals' approval of the lease or sale occurred more than two  
16 hundred forty days before the auction.

17 H. To the extent possible, the state land department shall:

18 1. Prepare maps of the ancillary military facilities described in  
19 section 28-8461, paragraph 7, subdivisions (b) and (c).

20 2. Make a map of the ancillary military facility described in  
21 section 28-8461, paragraph 7, subdivision (a) available to the public in  
22 printed or electronic format and provide the map in printed or electronic  
23 format to the state real estate department.

24 3. On receipt of proper information from the military installation  
25 commander with responsibility for the military electronics range, prepare  
26 a map of the military electronics range as defined in section 9-500.28 and  
27 make that map available to the public in printed or electronic format and  
28 provide the map in printed or electronic format to the state real estate  
29 department. Within ninety days after receipt of notice of any change in  
30 the boundaries of the military electronics range from the military  
31 installation commander, the state land department shall revise its map and  
32 provide the map to the public and to the state real estate department.

33 4. On or before December 31, 2024 and on receipt of proper  
34 information from the applicable military installation's and range's and  
35 Arizona national guard site's commanders, prepare electronic legal  
36 descriptions and maps of the military installation and range and Arizona  
37 national guard site and their respective influence areas as defined in  
38 sections 9-500.50 and 11-818.01 and provide the legal descriptions and  
39 maps to the state real estate department and the public. The state land  
40 department shall make changes to the boundaries of the military  
41 installation and range and national guard site and their respective  
42 influence areas and provide them to the state real estate department and  
43 the public within ninety days after receipt of those changes from the  
44 military installation's and range's and Arizona national guard site's  
45 commanders.

1           5. RESTRICT THE USE OF A HOLDOVER LEASE TO NOT MORE THAN NINETY  
2 DAYS. A HOLDOVER TENANT WHOSE LEASE IS TERMINATED BY THE DEPARTMENT SHALL  
3 RECEIVE IMMEDIATE REIMBURSEMENT FOR THE FAIR MARKET VALUE OF ANY  
4 REASONABLE AND CUSTOMARY IMPROVEMENTS THAT THE HOLDOVER TENANT MADE TO THE  
5 STATE LAND.

6           6. FOR A LEASE RENEWAL AND SPECIAL LAND USE PERMIT:

7           (a) APPROVE ANY IMPROVEMENTS THAT ARE REASONABLE AND CUSTOMARY IN  
8 THE LESSEE'S OR PERMITTEE'S COURSE OF BUSINESS. ON CONCLUSION OF THE  
9 LEASE OR SPECIAL LAND USE PERMIT, THE DEPARTMENT SHALL REIMBURSE THE  
10 LESSEE OR PERMITTEE FOR THE IMPROVEMENTS WITH MONIES FROM THE STATE LAND  
11 TRUST.

12           (b) PROVIDE AMPLE NOTICE TO A LESSEE OR PERMITTEE BEFORE THE  
13 TERMINATION OF THE LEASE OR SPECIAL LAND USE PERMIT.

14           I. The state land department shall provide each map and the legal  
15 description of the boundaries of each ancillary military facility  
16 described in section 28-8461, paragraph 7 in electronic format to the  
17 state real estate department. Each map prepared by the state land  
18 department pursuant to this section shall:

19           1. Describe the ancillary military facility, the territory in the  
20 vicinity of the ancillary military facility and the high noise and  
21 accident potential zone, accident potential zone one and accident  
22 potential zone two associated with the ancillary military facility.

23           2. Be submitted to the county in which the ancillary military  
24 facility is located.

25           3. Be made available to the public.

26           J. The state land department shall prepare a military training  
27 route map. The map shall contain military training route numbers in this  
28 state that are used by various United States armed forces. The map shall  
29 be dated.

30           K. When preparing the military training route map, the state land  
31 department shall use information contained in the most current department  
32 of defense publication that is entitled "area planning military training  
33 routes for North and South America".

34           L. The military training route map shall be made available to the  
35 public.

36           M. Within ninety days after the department is notified of a change  
37 of a military training route in this state, the department shall prepare a  
38 revised military training route map. The map shall be dated and contain a  
39 statement that the map supersedes all previously dated maps. The state  
40 land department shall send the revised map to the state real estate  
41 department electronically and shall also send an accompanying letter  
42 specifying the military training route changes. The state land department  
43 shall send the revised map and an accompanying letter specifying the  
44 military training route changes to the municipalities affected by the  
45 changes and to all counties.

1 N. The department shall submit the military training route map  
2 prepared pursuant to this section to the counties in either an electronic  
3 or a printed format. The format shall be determined by the receiving  
4 county.

5 O. The state land department shall provide the legal description of  
6 the boundaries of the military training routes as delineated in the  
7 military training route map to the state real estate department in  
8 electronic format.

9 P. The state land department shall prepare a military restricted  
10 airspace map. The map shall contain military restricted airspace in this  
11 state that is used by various United States armed forces. The map shall  
12 be dated.

13 Q. When preparing the military restricted airspace map, the state  
14 land department shall use information contained in the most current  
15 department of transportation publication that is entitled "aeronautical  
16 chart".

17 R. The military restricted airspace map shall be made available in  
18 printed or electronic format to the public at the state land department  
19 and at the state real estate department.

20 S. Within ninety days after the department is notified of a change  
21 of military restricted airspace in this state, the department shall  
22 prepare a revised military restricted airspace map. The map shall be  
23 dated and contain a statement that the map supersedes all previously dated  
24 maps. The state land department shall send the revised map to the state  
25 real estate department electronically and shall also send an accompanying  
26 letter specifying the military restricted airspace changes. The state  
27 land department shall send the revised map and an accompanying letter  
28 specifying the military restricted airspace changes to the municipalities  
29 affected by the changes and to all counties.

30 T. The department shall submit the military restricted airspace map  
31 prepared pursuant to this section to the counties in either an electronic  
32 or a printed format. The format shall be determined by the receiving  
33 county.

34 U. The state land department shall provide the legal description of  
35 the boundaries of the military restricted airspace as delineated in the  
36 military restricted airspace map to the state real estate department in  
37 electronic format.

38 V. The department may accept title to and manage real estate,  
39 property rights and related infrastructure acquired pursuant to section  
40 26-262, subsection K for preserving or enhancing military installations in  
41 this state.

42 Sec. 3. Legislative findings

43 The legislature finds that:

44 1. Minerals and common variety minerals exist where they are.

1           2. Minerals and common variety minerals are needed for all forms of  
2 commercial development on state trust lands, including affordable housing  
3 and semiconductor fabrication.

4           3. Development that occurs over state trust lands that contains  
5 minerals permanently locks away those minerals, preventing the minerals  
6 from being extracted and permanently foreclosing their revenues from  
7 accruing to the trust.

8           4. Mineral extraction is subject to reclamation plans that restore  
9 the land to its previous condition before extraction occurred and this  
10 makes the land usable for other commercial uses once mining is completed.

11           5. Pursuant to the Arizona Constitution and the Enabling Act, the  
12 extraction of minerals must occur before any other commercial land use.