

House Engrossed

state land oversight board; establishment

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

HOUSE BILL 2943

AN ACT

AMENDING TITLE 37, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 2.2; AMENDING SECTION 37-331.03, 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 37, chapter 2, Arizona Revised Statutes, is
3 amended by adding article 2.2, to read:

4 ARTICLE 2.2. STATE LAND OVERSIGHT BOARD

5 37-226. State land oversight board; membership

6 A. THE STATE LAND OVERSIGHT BOARD IS ESTABLISHED CONSISTING OF FIVE
7 MEMBERS. BEGINNING AT THE 2028 GENERAL ELECTION AND EVERY FOUR YEARS
8 THEREAFTER, THE QUALIFIED ELECTORS OF THIS STATE SHALL ELECT THE BOARD
9 MEMBERS OF THE STATE LAND OVERSIGHT BOARD.

10 B. A BOARD MEMBER SHALL SERVE A FOUR-YEAR TERM BEGINNING ON THE
11 FIRST MONDAY IN JANUARY SUBSEQUENT TO THEIR ELECTION. IF A VACANCY AS
12 PRESCRIBED IN SECTION 38-291 OCCURS DURING A BOARD MEMBER'S TERM, THE
13 GOVERNOR SHALL APPOINT A NEW BOARD MEMBER AS PRESCRIBED IN SECTION 16-230.

14 C. BOARD MEMBERS ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE
15 ELIGIBLE FOR REIMBURSEMENT OF EXPENSES PURSUANT TO TITLE 38, CHAPTER 4,
16 ARTICLE 2.

17 D. THE BOARD MAY MEET AT ANY TIME OR PLACE EXPEDIENT TO THE
18 PERFORMANCE OF THE BOARD'S DUTIES. THE MEMBERS OF THE BOARD SHALL SELECT
19 A CHAIRPERSON AND VICE CHAIRPERSON FROM THE MEMBERSHIP OF THE BOARD.

20 E. THE CHAIRPERSON SHALL:

21 1. SCHEDULE THE TIME, DATE AND LOCATION OF MEETINGS OF THE
22 OVERSIGHT BOARD. THE CHAIRPERSON SHALL CALL AT LEAST ONE MEETING EACH
23 MONTH.

24 2. SET THE AGENDA FOR ANY OVERSIGHT BOARD MEETINGS, WHICH MAY BE
25 MODIFIED BY A MAJORITY VOTE OF THE BOARD MEMBERS.

26 3. DISTRIBUTE WRITTEN DECISIONS OF THE OVERSIGHT BOARD.

27 F. THE VICE CHAIRPERSON SHALL FULFILL ALL DUTIES OF THE CHAIRPERSON
28 IF A VACANCY OCCURS FOR THE POSITION OF CHAIRPERSON.

29 G. A MEMBER OF THE BOARD MAY NOT PARTICIPATE IN ANY MATTER IN WHICH
30 THE MEMBER HAS A DIRECT FINANCIAL INTEREST. FOR THE PURPOSES OF THIS
31 SUBSECTION, "DIRECT FINANCIAL INTEREST" INCLUDES BEING A RELATIVE OF,
32 BUSINESS PARTNER OF OR HOLDING STOCKS OR BONDS IN, EXCEPT THROUGH A MUTUAL
33 OR EXCHANGE FUND, AN ENTITY THAT HAS A MATTER PENDING BEFORE THE BOARD.

34 H. THE DEPARTMENT SHALL MAKE MEETING SPACE AVAILABLE TO THE BOARD
35 AT LOCATIONS AND TIMES CONVENIENT TO THE BOARD AND SHALL PROVIDE ALL
36 ADMINISTRATIVE AND OTHER STAFF SUPPORT NECESSARY TO PERFORM THE POWERS AND
37 DUTIES OF THE BOARD.

38 37-227. Powers and duties

39 A. NOTWITHSTANDING SECTION 38-211, THE STATE LAND OVERSIGHT BOARD
40 MAY REMOVE THE COMMISSIONER FROM OFFICE SUBJECT TO ALL OF THE FOLLOWING
41 CONDITIONS:

42 1. THE BOARD PROVIDES THE COMMISSIONER WITH A NOTICE AND AN
43 OPPORTUNITY TO BE HEARD BEFORE A FINAL VOTE ON REMOVAL.

44 2. SUBSTANTIAL EVIDENCE EXISTS THAT THE COMMISSIONER BE REMOVED FOR
45 CAUSE.

1 3. THE REMOVAL OF THE COMMISSIONER IS IN THE BEST INTEREST OF THE
2 STATE LAND TRUST.

3 B. ON THE REMOVAL OF THE COMMISSIONER PURSUANT TO SUBSECTION A OF
4 THIS SECTION, THE GOVERNOR SHALL APPOINT A NEW COMMISSIONER AS PRESCRIBED
5 IN SECTION 38-211.

6 C. THE BOARD SHALL DO ALL OF THE FOLLOWING:

7 1. OVERSEE THE FILING OF ALTERNATIVE APPEALS AND INVESTIGATE
8 ALLEGATIONS OF VIOLATIONS OF THE ARIZONA SMALL BUSINESS BILL OF RIGHTS AND
9 SUBSTANTIVE POLICY STATEMENTS PURSUANT TO SECTION 37-228.

10 2. EVERY TEN YEARS, REVIEW AND ENSURE THE COMMISSIONER SUBMITS THE
11 CONCEPTUAL LAND USE PLAN REQUIRED BY SECTION 37-331.03.

12 3. EVERY FIVE YEARS, REVIEW AND ENSURE THE COMMISSIONER SUBMITS THE
13 FIVE-YEAR DISPOSITION PLAN REQUIRED BY SECTION 37-331.03.

14 4. REVIEW ALL DETERMINATIONS OF THE COMMISSIONER OF THE HIGHEST AND
15 BEST USE OF STATE LANDS MADE PURSUANT TO THIS TITLE OR SECTION
16 27-251. THE COMMISSIONER'S DETERMINATION OF HIGHEST AND BEST USE OF STATE
17 LANDS IS NOT VALID UNLESS AFFIRMED BY THE STATE LAND OVERSIGHT BOARD.

18 5. REVIEW ALL PROPOSED RULEMAKING AND SUBSTANTIVE POLICY STATEMENTS
19 MADE BY THE DEPARTMENT. A SUBSTANTIVE POLICY STATEMENT OR RULEMAKING
20 PACKAGE IS NOT VALID UNLESS AFFIRMED BY THE STATE LAND OVERSIGHT BOARD.

21 6. ENSURE THAT THE COMMISSIONER AND THE DEPARTMENT COMPLY WITH ALL
22 APPLICABLE PROVISIONS OF TITLE 41, CHAPTER 6, INCLUDING ALL OF THE
23 FOLLOWING:

24 (a) LICENSING TIME FRAMES.

25 (b) RULEMAKING REQUIREMENTS.

26 (c) THE GOVERNOR'S REGULATORY REVIEW COUNCIL'S REVIEW.

27 (d) THE CRAFTING AND ENFORCEMENT OF SUBSTANTIVE POLICY STATEMENTS.

28 7. REVIEW ALL PROPOSED NOTICES OF VIOLATIONS AND ENFORCEMENT
29 ACTIONS OF THE DEPARTMENT. A NOTICE OF VIOLATION AND ENFORCEMENT ACTION
30 IS NOT VALID UNLESS AFFIRMED BY THE STATE LAND OVERSIGHT BOARD.

31 8. REVIEW ALL MATTERS OF THE DEPARTMENT INVOLVING THE OFFICE OF
32 ADMINISTRATIVE HEARINGS. NOTWITHSTANDING SECTION 41-1092.08, ANY DECISION
33 OF THE OFFICE OF ADMINISTRATIVE HEARINGS RELATING TO THE DEPARTMENT IS NOT
34 VALID UNLESS AFFIRMED BY THE STATE LAND OVERSIGHT BOARD.

35 D. THIS SECTION DOES NOT INFRINGE ON ANY RIGHT TO FURTHER APPEAL AS
36 PROVIDED BY LAW.

37 37-228. Alternative appeal process

38 A. IN LIEU OF FILING AN ADMINISTRATIVE ACTION OR APPEAL OF A
39 DECISION MADE BY THE COMMISSIONER WITH THE OFFICE OF ADMINISTRATIVE
40 HEARINGS, A PERSON MAY SEEK RELIEF FROM THE STATE LAND OVERSIGHT BOARD.

41 B. IN LIEU OF FILING A COMPLAINT OR PETITION WITH THE GOVERNOR'S
42 REGULATORY REVIEW COUNCIL ALLEGING A VIOLATION OF THE ARIZONA SMALL
43 BUSINESS BILL OF RIGHTS OR THAT A SUBSTANTIVE POLICY STATEMENT EXCEEDS THE
44 PERMISSIBLE SCOPE, A PERSON MAY SEEK RELIEF FROM THE STATE LAND OVERSIGHT
45 BOARD.

1 C. FOR THE PURPOSES OF THIS SECTION, THE STATE LAND OVERSIGHT BOARD
2 MAY REWARD THE SAME RELIEF AS THE GOVERNOR'S REGULATORY REVIEW COUNCIL OR
3 THE OFFICE OF ADMINISTRATIVE HEARINGS.

4 D. A PERSON WHO IS CHALLENGING AN ADMINISTRATIVE ACTION, FILING AN
5 APPEAL OR ALLEGING A VIOLATION OF THE LAWS OF THIS STATE IS NOT REQUIRED
6 TO PURSUE ON ALTERNATIVE APPEAL PRESCRIBED BY THIS SECTION TO PROVE THE
7 PERSON EXHAUSTED ALL APPLICABLE ADMINISTRATIVE REMEDIES.

8 E. THIS SECTION DOES NOT INFRINGE ON ANY RIGHT TO FURTHER APPEAL AS
9 PROVIDED BY LAW.

10 Sec. 2. Section 37-331.03, Arizona Revised Statutes, is amended to
11 read:

12 37-331.03. Conceptual land use plans; urban state trust
13 lands; five-year state trust land disposition
14 plans; definitions

15 A. The commissioner shall create conceptual land use plans for all
16 urban state trust land in this state and other state trust lands the
17 commissioner considers to be appropriate. The commissioner shall:

18 1. Prioritize the creation of conceptual plans to the extent
19 possible to:

20 (a) Correlate with the rate of population growth in the urban areas
21 in this state.

22 (b) Coincide with the production of municipal general plans under
23 title 9, chapter 4, article 6 and county plans under title 11, chapter 6,
24 article 1.

25 2. Revise and update each plan at least every ten years.

26 3. Consult with the city, town or county in which the land is
27 located and with any regional planning organization regarding integrating
28 the conceptual LAND USE plan into the general land use plan of the city,
29 town or county.

30 4. Submit each CONCEPTUAL LAND USE plan, and revision of the
31 CONCEPTUAL LAND USE plan, to the urban land planning oversight committee
32 AND THE STATE LAND OVERSIGHT BOARD for review.

33 B. On approval of the conceptual land use plan by the commissioner
34 under this section, the conceptual LAND USE plan is considered to be a
35 state general plan for THE purposes of this article.

36 C. The commissioner may create the conceptual land use plans under
37 subsection A of this section by any of the following methods:

38 1. Using department staff or private consultants.

39 2. Entering into participation contracts pursuant to section
40 37-239.

41 3. Issuing planning permits for urban lands pursuant to section
42 37-338.

43 4. Entering into planning contracts for urban lands or other state
44 trust lands the commissioner considers to be appropriate, including
45 compensation as provided by section 37-338, subsection D.

1 D. The commissioner shall create ~~five-year~~ FIVE-YEAR disposition
2 plans for all state trust land in this state, based at a minimum on market
3 demand, ~~AND~~ anticipated transportation and infrastructure availability.
4 The commissioner shall:
5 1. Review and update each FIVE-YEAR DISPOSITION plan each year as
6 may be necessary.
7 2. Consult with the city, town or county in which the land is
8 located and with any regional planning organization.
9 3. Submit each FIVE-YEAR DISPOSITION plan and revision to the urban
10 land planning oversight committee AND THE STATE LAND OVERSIGHT BOARD to
11 ensure conformity with the conceptual LAND USE plan under subsection A OF
12 THIS SECTION.
13 E. For the purposes of this section:
14 1. "Conceptual land use plan" means a plan that is developed for
15 urban state trust land and other state trust lands the commissioner
16 considers to be appropriate and that identifies:
17 (a) Appropriate land uses, including commercial, industrial,
18 residential and open space uses.
19 (b) Transportation corridors and infrastructure requirements.
20 (c) All natural and artificial constraints and opportunities
21 associated with the land.
22 2. "~~Five-year~~ FIVE-YEAR disposition plan" means a plan that
23 identifies the land projected to be sold, leased, reclassified for
24 conservation purposes, master planned or zoned during the next five years.