



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2572: state land; oversight board

Sponsor: Representative Biasiucci, LD 30

Committee on Land, Agriculture & Rural Affairs

Overview

Establishes the State Land Oversight Board (Oversight Board) and outlines its membership, powers, and duties. Modifies the State Land Board of Appeals (Board of Appeals) membership.

History

The [Arizona State Land Department](#), under the direction of the State Land Commissioner (Commissioner), manages approximately 9.2 million acres of land, held in trust for 13 trust land beneficiaries. Management of the land is governed by provisions of the Enabling Act, the Arizona Constitution, Arizona Revised Statutes, and case law that provides a framework for sale and leases of trust land, rights of way across trust land and sale and removal of products of the land. The State Land Commissioner is appointed by the Governor and confirmed by the Senate ([A.R.S. § 37-131](#)).

Current law outlines the responsibilities of the State Land Board of Appeals. A final decision of the Commissioner, relating to classification or appraisal of lands or improvements, may be appealed to the Board of Appeals by any person adversely affected by the decision ([A.R.S. § 37-215](#)).

The Board of Appeals consists of five board members, appointed by the Governor to six-year terms, confirmed by the Senate. The 15 counties in the state are divided into three districts and one member of the Board represents each of the three districts. Two members serve as at-large members ([A.R.S. § 37-213](#)).

Provisions

State Land Board of Appeals

1. Increases the number of members on the Board of Appeals from five to seven and modifies the areas each district member represents. (Sec. 1)
2. Expands the number of districts, from three to five, and revises the counties each district includes. (Sec. 1)
3. Specifies that members are appointed by the Governor, President of the Senate and Speaker of the House of Representatives. (Sec. 1)
4. Modifies membership eligibility requirements and requires members to represent the following industries:
 - a) natural resources;
 - b) agricultural;
 - c) commercial development or transportation;
 - d) energy; and

- e) land or wildlife conservation. (Sec. 1)
- 5. Decreases the term of appointment from six to four years. (Sec. 1)

Oversight Board Membership

- 6. Establishes the Oversight Board and requires members of the Oversight Board to be the same members of the Board of Appeals. (Sec. 2)
- 7. Requires the Department to maintain all records of the Oversight Board. (Sec. 2)
- 8. Allows any person who is adversely affected by a final decision of the Oversight Board to request a hearing and seek judicial relief. (Sec. 2)
- 9. States that any decision that has exhausted its appeal or an appeal is not pursued with the allotted time frame must be declared a final decision. (Sec. 2)
- 10. Prohibits the Oversight Board members from participating in any matter that the member has a direct financial interest. (Sec. 2)

Oversight Board Powers and Duties

- 11. Requires the Oversight Board to review and approve the sale or lease of:
 - a) state land involving more than 1,000 acres or is valued at greater than \$500,000; or
 - b) natural product that includes more than 1,000,000 acre-feet of water or more than \$10,000,000 of net present value. (Sec. 2)
- 12. Establishes conditions for approval of the sale or lease based on district representation. (Sec. 2)
- 13. Outlines the process, procedures and timeline for review, action, approval and execution of proposed sales or leases. (Sec. 2)
- 14. Establishes a process to address proposed transactions that are not approved by the Oversight Board, including notice requirements and an opportunity to submit a new bid. (Sec. 2)
- 15. Allows the Oversight Board to adopt rules to implement and perform its duties. (Sec. 2)

Oversight Board Approval of Improvements

- 16. Establishes an approval process for the Oversight Board to review an application for improvements subject to reimbursement greater than \$1,000,000 or any series of improvements for one applicant that exceeds \$5,000,000. (Sec. 2)
- 17. Prohibits an improvement, that requires a determination of the Oversight Board, from being executed until approved by the majority of the Oversight Board present at an official meeting and either:
 - a) the vote of the member of the board whose district includes the county where the sale or lease is to take place; or
 - b) the affirmative vote of a majority of members representing the districts and two members at large. (Sec. 2)
- 18. Allows the Oversight Board to consider the Enabling Act and the Arizona Constitution during the review of the determination of approval of improvements. (Sec. 2)
- 19. Provides a timeframe to review applications for improvements and requires notice to the Commissioner and the applicant if an application is not approved. (Sec. 2)

Oversight Board Public Meetings

20. Outlines the Oversight Board public meeting requirements, chairperson's responsibilities and public comment procedures. (Sec. 2)
21. Prohibits the Commissioner or any person with a direct financial interest in a matter that requires determination of the Oversight Board from making any comment regarding the transaction that requires approval outside of a public meeting of the Oversight Board until a final determination is made. (Sec. 2)

Miscellaneous

22. Allows current Oversight Board members to continue to serve until the expiration of their normal terms (Sec. 3).
23. Defines *direct financial interest*. (Sec. 1 and 2)
24. Makes technical and conforming changes. (Sec. 1)