

Senate Engrossed

military affairs commission; membership; appropriation

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

# SENATE BILL 1672

AN ACT

AMENDING SECTIONS 26-261, 26-262 AND 26-263, ARIZONA REVISED STATUTES;  
RELATING TO THE MILITARY AFFAIRS COMMISSION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 26-261, Arizona Revised Statutes, is amended to  
3 read:

4 26-261. Military affairs commission; confidential discussions  
5 and information; definition

6 A. The military affairs commission is established. The commission  
7 membership consists of:

8 1. ~~Sixteen~~ **THE FOLLOWING** members who are appointed by the governor  
9 ~~and who include the following:~~

10 ~~(a) Twelve members who reside in a community in which a military~~  
11 ~~installation is located. Of this group, six members shall have expertise~~  
12 ~~in military affairs and six members shall be local elected officials.~~

13 ~~(b) Four members who represent private property interests in the~~  
14 ~~territory in the vicinity as defined in section 28-8461 or in a community~~  
15 ~~in which a military installation is located.~~

16 ~~2. One member who represents private property interests in the~~  
17 ~~territory in the vicinity as defined in section 28-8461 or in a community~~  
18 ~~in which a military installation is located and who is appointed by the~~  
19 ~~president of the senate.~~

20 ~~3. One member who represents private property interests in the~~  
21 ~~territory in the vicinity as defined in section 28-8461 or in a community~~  
22 ~~in which a military installation is located and who is appointed by the~~  
23 ~~speaker of the house of representatives.~~

24 (a) **FOUR MEMBERS WHO ARE RETIRED FROM THE UNITED STATES ARMED**  
25 **FORCES OR THE NATIONAL GUARD, WHO ARE EXPERIENCED IN WORKING WITH THE**  
26 **UNITED STATES DEPARTMENT OF DEFENSE PLANNING, PROGRAMMING, BUDGETING AND**  
27 **EXECUTION PROCESSES OR SUCCESSOR PROCESSES AND WHO ARE AT LEAST THE**  
28 **FOLLOWING RANKS:**

29 (i) **IF A COMMISSIONED OFFICER, A COLONEL OR CAPTAIN.**

30 (ii) **IF A WARRANT OFFICER, A CHIEF WARRANT OFFICER FOUR.**

31 (iii) **IF AN ENLISTED NONCOMMISSIONED OFFICER, A MASTER SERGEANT,**  
32 **FIRST SERGEANT, SENIOR CHIEF PETTY OFFICER OR SENIOR MASTER SERGEANT.**

33 (b) **SIX MEMBERS WHO REPRESENT EACH COMMUNITY MILITARY SUPPORT**  
34 **ORGANIZATION RECOGNIZED BY A MILITARY INSTALLATION IN THIS STATE OR THE**  
35 **NATIONAL GUARD.**

36 (c) **TWO MEMBERS WHO HAVE FEDERAL EXPERIENCE AND EXPERTISE ON**  
37 **MILITARY AND DEFENSE POLICY.**

38 (d) **TWO MEMBERS FROM ORGANIZATIONS THAT REPRESENT MEMBERS OF THE**  
39 **NATIONAL DEFENSE AND ACADEMIC RESEARCH AND DEVELOPMENT INDUSTRIES.**

40 (e) **TWO MEMBERS FROM ORGANIZATIONS THAT REPRESENT MEMBERS WITHIN**  
41 **THE NATIONAL DEFENSE AND AEROSPACE INDUSTRIES.**

42 ~~4.~~ **2. Four** **SIX** nonvoting advisory members who are not counted for  
43 the purpose of determining a quorum, consisting of:

44 (a) The adjutant general or a designee of the adjutant general.

1 ~~(b) A representative of a military installation commander who is~~  
2 ~~appointed by the governor.~~

3 (b) THE CHAIRPERSON OR COCHAIRPERSON OF THE ARIZONA COMMANDERS  
4 SUMMIT.

5 (c) A representative from a federal agency involved in land use  
6 issues who is appointed by the governor.

7 (d) The state land commissioner or a designee of the commissioner.

8 (e) THE CHIEF EXECUTIVE OFFICER OF THE ARIZONA COMMERCE AUTHORITY  
9 OR THE CHIEF EXECUTIVE OFFICER'S DESIGNEE.

10 (f) THE CHAIRPERSON OF THE ARIZONA BOARD OF REGENTS OR THE  
11 CHAIRPERSON'S DESIGNEE.

12 B. The military affairs commission shall have geographic diversity  
13 in its membership. The governor shall designate two of the governor's  
14 appointees as cochairpersons of the commission. UNLESS OTHERWISE  
15 PROVIDED, MEMBERS or designees of the commission shall not send alternates  
16 to represent them at commission meetings. The voting members shall serve  
17 six-year terms.

18 C. The department of emergency and military affairs shall staff the  
19 commission.

20 D. The commission shall:

21 1. Meet at least annually.

22 2. Meet on a regular basis with the governor AND, IF APPLICABLE,  
23 the president of the senate and the speaker of the house of  
24 representatives, either individually or collectively, to provide  
25 recommendations on military issues AND INDUSTRIES RELATED TO DEFENSE and  
26 report on the progress of the military affairs commission.

27 3. Annually meet with the appropriate legislative committees that  
28 have jurisdiction over military installations.

29 4. Advise the governor and the legislature on matters affecting the  
30 operational viability of Arizona military facilities, including military  
31 installations, military training routes, military restricted airspace,  
32 military ranges or areas under the jurisdiction of an active OR RESERVE  
33 COMPONENT OR unit of the uniformed armed services of the United States or  
34 any ~~reserve or~~ national guard component OR UNIT OF THIS STATE OR of the  
35 uniformed armed services of the United States.

36 5. Develop criteria, including accountability requirements, for  
37 awarding monies from the military installation fund established by section  
38 26-262.

39 6. Review applications for monies to be awarded from the military  
40 installation fund.

41 7. Annually recommend to the department of emergency and military  
42 affairs a priority listing of monies with available resources.

43 8. Recommend to the department of emergency and military affairs  
44 how the monies in the military installation fund should be awarded.

1           9. Proactively assist with coordination among the United States  
2 military operating in Arizona, the congressional delegation, the governor,  
3 the state legislature and state and local leaders.

4           10. PROACTIVELY recommend executive, legislative and federal actions  
5 necessary to sustain military operations and enhance ~~the~~ THIS state's  
6 preparedness to ~~respond to potential~~ ATTRACT new missions and prevent  
7 military facilities from closure or downsizing.

8           11. Study issues relating to veterans, active duty, national guard  
9 and reserve members of the United States armed forces and other military  
10 quality of life issues.

11           12. RECOMMEND PROJECTS IN THIS STATE THAT REQUIRE FUNDING TO THE  
12 ARIZONA FINANCE AUTHORITY AND THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY  
13 THAT DO ALL OF THE FOLLOWING:

14           (a) ENHANCE THE MILITARY VALUE OF AREA MILITARY INSTALLATIONS AND  
15 DEFENSE FACILITIES.

16           (b) PROVIDE ASSISTANCE TO COMMUNITIES THAT ARE NEGATIVELY IMPACTED  
17 BY BASE REALIGNMENTS OR CLOSURE OR BY LOSS OF A MISSION FOR AN ECONOMIC  
18 DEVELOPMENT PROJECT.

19           (c) PROVIDE ASSISTANCE TO COMMUNITIES THAT ARE POSITIVELY IMPACTED  
20 BY BASE REALIGNMENTS OR CLOSURE FOR AN INFRASTRUCTURE PROJECT.

21           (d) SUPPLEMENT THE COMMUNITY ECONOMIC REDEVELOPMENT VALUE OF A  
22 CLOSED MILITARY INSTALLATION OR DEFENSE FACILITY.

23           13. SUBMIT A REPORT ON OR BEFORE SEPTEMBER 1 OF EACH EVEN-NUMBERED  
24 YEAR TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE  
25 HOUSE OF REPRESENTATIVES ABOUT MILITARY INSTALLATIONS AND DEFENSE-RELATED  
26 BUSINESSES IN THIS STATE. THE REPORT SHALL INCLUDE ALL OF THE FOLLOWING:

27           (a) AN ECONOMIC IMPACT STATEMENT DESCRIBING IN DETAIL THE EFFECT OF  
28 THE MILITARY AND DEFENSE INDUSTRY ON THE ECONOMY OF THIS STATE.

29           (b) A STATEWIDE ASSESSMENT OF FEDERAL AND NATIONAL GUARD MILITARY  
30 INSTALLATIONS AND CURRENT MISSIONS.

31           (c) A STATEWIDE STRATEGY TO ATTRACT NEW MILITARY MISSIONS AND  
32 DEFENSE-RELATED BUSINESS AND INCLUDE SPECIFIC ACTIONS THAT ADD MILITARY  
33 VALUE TO EXISTING MILITARY INSTALLATIONS.

34           (d) A LIST OF STATE AND FEDERAL ACTIVITIES THAT HAVE A SIGNIFICANT  
35 IMPACT ON ACTIVE MILITARY INSTALLATIONS AND CURRENT MISSIONS.

36           (e) A STATEMENT IDENTIFYING ALL OF THE FOLLOWING:

37           (i) THE STATE AND FEDERAL PROGRAMS AND SERVICES THAT ASSIST  
38 COMMUNITIES IMPACTED BY MILITARY BASE CLOSURES OR REALIGNMENTS AND THE  
39 EFFORTS TO COORDINATE THOSE PROGRAMS.

40           (ii) THE EFFORTS TO COORDINATE STATE AGENCY PROGRAMS AND SERVICES  
41 THAT ASSIST COMMUNITIES IN RETAINING ACTIVE MILITARY INSTALLATIONS AND  
42 CURRENT MISSIONS.

43           (iii) AN EVALUATION OF INITIATIVES TO RETAIN EXISTING AND ATTRACT  
44 NEW DEFENSE-RELATED BUSINESSES.

1 E. STATE AGENCIES SHALL COOPERATE WITH AND ASSIST THE COMMISSION  
2 WITH THE FOLLOWING:

3 1. PREPARING THE REPORT REQUIRED BY SUBSECTION D, PARAGRAPH 13 OF  
4 THIS SECTION, INCLUDING PROVIDING INFORMATION ABOUT REGULATIONS, POLICIES,  
5 PROGRAMS AND SERVICES THAT MAY IMPACT COMMUNITIES DEPENDENT ON MILITARY  
6 INSTALLATIONS, DEFENSE-RELATED BUSINESSES AND THE VIABILITY OF EXISTING  
7 MILITARY MISSIONS IN THIS STATE.

8 2. SUPPORTING AN INSTALLATION COMMANDER WHO REQUESTS ASSISTANCE IN  
9 PREPARING AN EVALUATION OF THAT INSTALLATION BASED ON CRITERIA FOR THE  
10 INSTALLATION BY THE UNITED STATES DEPARTMENT OF DEFENSE FOR MISSION  
11 RETENTION OR ASSIGNMENT OR THE BASE REALIGNMENT AND CLOSURE PROCESS.

12 ~~F.~~ F. Discussions that are related to the federal government's  
13 process to determine the closure, realignment, relocation, expansion or  
14 forced structure reduction of military installations and to proprietary  
15 alternatives to this state's military base closure or realignment  
16 strategies are not subject to title 38, chapter 3, article 3.1.

17 ~~F.~~ G. Information that is developed or obtained by the commission  
18 AND that pertains to proprietary strategies of the commission or that is  
19 related to the relocation of military units is confidential and is not  
20 subject to title 39, chapter 1, including documents related to the federal  
21 government's process to determine the closure, realignment, relocation,  
22 expansion or forced structure reduction of military installations until  
23 the federal government has issued a final, unappealable decision in that  
24 process or, in the event of litigation, a court of competent jurisdiction  
25 has entered a final, unappealable order regarding the closure,  
26 realignment, relocation, expansion or forced structure reduction of the  
27 military installations. If the commission enters into a confidentiality  
28 agreement with a third party, the commission may disclose information that  
29 is deemed confidential pursuant to this subsection to that third party.

30 ~~G.~~ H. For the purposes of this section, "military installation"  
31 means a military airport or ancillary military facility as defined in  
32 section 28-8461 or any real property that services, supports or is used by  
33 the military.

34 Sec. 2. Section 26-262, Arizona Revised Statutes, is amended to  
35 read:

36 26-262. Military installation fund; rules; application  
37 review; award and use of monies; reporting  
38 requirements; definitions

39 A. The military installation fund is established consisting of  
40 revenues made available to the fund from any lawful source. The adjutant  
41 general shall administer the fund. On notice from the adjutant general,  
42 the state treasurer shall invest and divest monies in the fund as provided  
43 by section 35-313, and monies earned from investment shall be credited to  
44 the fund. The fund is exempt from the provisions of section 35-190  
45 relating to lapsing of appropriations.

1 B. Monies in the fund are continuously appropriated for the  
2 purposes of this section.

3 C. The department, in conjunction with the military affairs  
4 commission established by section 26-261, shall adopt by rule procedures  
5 for THE ACQUISITION OF PROPERTY AND FOR receiving and evaluating  
6 applications and awarding the monies as provided by subsection G of this  
7 section. If ACQUISITION PROPOSALS AND applications for monies exceed the  
8 amount available in the fund, the department may request applicants to  
9 reduce the amount of the applications or deny or award reduced amounts.

10 D. The department shall PREPARE EACH ACQUISITION PROPOSAL AND  
11 receive each application for fund monies and shall forward each  
12 ACQUISITION PROPOSAL AND application to the military affairs commission.  
13 The military affairs commission shall review each ACQUISITION PROPOSAL AND  
14 application and recommend to the department ~~both~~ ALL of the following:

15 1. Each applicant that should be awarded monies from the fund.

16 2. The dollar amount that each applicant pursuant to paragraph 1 of  
17 this subsection should be awarded from the fund.

18 3. EACH ACQUISITION, IN THE NAME OF THIS STATE, BY GIFT, GRANT,  
19 PURCHASE OR ANY OTHER LAWFUL MANNER, OF REAL PROPERTY, PROPERTY RIGHTS AND  
20 RELATED BUILDINGS AND INFRASTRUCTURE THAT IS VITAL TO THE PRESERVATION OR  
21 ENHANCEMENT OF A MILITARY INSTALLATION IN A HIGH NOISE OR ACCIDENT  
22 POTENTIAL ZONE AS DEFINED IN SECTION 28-8461 OR IN AN AREA THAT IS VITAL  
23 TO THE OPERATION AND SUPPORT OF A MILITARY INSTALLATION IN ACCORDANCE WITH  
24 SUBSECTION G, PARAGRAPH 1 OF THIS SECTION.

25 E. The department shall consider the military affairs commission's  
26 recommendations and shall decide how the monies in the fund ~~shall~~ WILL be  
27 ~~awarded~~ DISBURSED among the ACQUISITION PROPOSALS AND FUND  
28 applicants. The department, after reviewing the recommendations by the  
29 military affairs commission, shall make the monies in the fund available  
30 for the purpose of military installation preservation and enhancement  
31 projects. Except as provided in subsection F of this section, after the  
32 department makes ~~an award~~ A decision the department shall ~~award~~ DISBURSE  
33 the monies.

34 F. If the department does not comply with the military affairs  
35 commission's recommendation for the awards, within five days after the  
36 department's decision the department shall report in writing to the  
37 military affairs commission, the president of the senate, the speaker of  
38 the house of representatives and the governor. The report shall include  
39 the award decision of the department and the recommendation of the  
40 military affairs commission. The department shall not distribute monies  
41 from the fund to the applicants for at least sixty days after the report  
42 is received.

43 G. The department shall:

44 1. Award eighty percent of the monies in the fund for the following  
45 purposes, except that up to twenty percent of this amount may be awarded

1 to cities, towns and counties for the purpose of acquiring private land  
2 ~~for the purposes~~ AS prescribed in paragraph 2 of this subsection:

3 (a) Acquisition of private property for the purpose of preserving a  
4 military installation.

5 (b) Acquisition of real estate and rights to real estate and  
6 otherwise preserving real estate from development or mitigating impacts on  
7 development in high noise or accident potential zones as defined in  
8 section 28-8461 ~~and~~ OR in areas as required to support a military  
9 installation.

10 (c) Acquisition of real estate, property rights and related  
11 infrastructure that are vital to ~~the preservation~~ PRESERVING or  
12 ~~enhancement of~~ ENHANCING a military installation.

13 (d) Structural renovations or construction of building  
14 modifications or improvements that mitigate or attenuate impacts in high  
15 noise or accident potential zones.

16 (e) Removal of structures or improvements that are necessary ~~for~~  
17 ~~acquisition of~~ TO ACQUIRE private property for the purpose of preserving a  
18 military installation.

19 (f) Management of acquired property that is necessary to preserve  
20 and enhance military missions and military installations.

21 2. Except as provided by subsection M of this section, award twenty  
22 percent of the monies in the fund to cities, towns and counties for:

23 (a) Military installation preservation and enhancement projects or  
24 analytical reports or studies that are requested by federal or state  
25 agencies or military facilities in this state.

26 (b) Investment in or construction of capital improvements or  
27 infrastructure for the purpose of preserving a military installation.

28 (c) Structural renovations or construction of building  
29 modifications or improvements that mitigate or attenuate impacts in high  
30 noise or accident potential zones.

31 (d) Removal of structures or improvements that are necessary ~~for~~  
32 ~~acquisition of~~ TO ACQUIRE private property for the purpose of preserving a  
33 military installation.

34 (e) Management of acquired property that is necessary to preserve  
35 and enhance military missions and military installations.

36 H. Before awarding monies pursuant to subsection G of this section,  
37 the department shall submit a report of the proposed awards to the joint  
38 committee on capital review for review. The legislature shall review the  
39 distribution formula prescribed in subsection G of this section at least  
40 once every four years.

41 I. Monies in the fund may be awarded for debt service on bonds  
42 issued by a political subdivision for the purpose of acquisition of  
43 private property for the purpose of preserving a military airport or  
44 ancillary military facility as defined in section 28-8461 if the land  
45 acquisition occurs after December 31, 2004.

1 J. The department shall annually report the awards made pursuant to  
2 this section. The report shall be in writing and shall be sent to the  
3 president of the senate, the speaker of the house of representatives and  
4 the governor. The department shall send a copy of this report to the  
5 secretary of state.

6 K. The department may:

7 1. **NOTWITHSTANDING SECTION 37-803**, transfer any real estate,  
8 property rights and related infrastructure that are acquired pursuant to  
9 this section to any other governmental agency for the purposes of  
10 preserving or enhancing military installations in this state.

11 2. Sell or otherwise dispose of any real estate, property rights  
12 and related infrastructure **THAT ARE** acquired pursuant to this  
13 section. The conveyance shall be made to the highest and most responsible  
14 bidder at a public sale held for that purpose.

15 3. After establishing, laying out or substantially completing an  
16 improvement to real property, convey the real property or any interest in  
17 the real property that the department determines is not necessary, useful  
18 or convenient for the use of the improvement by the department. The  
19 conveyance shall be made to the highest and most responsible bidder at a  
20 public sale held for that purpose.

21 4. Lease or sublease at fair rental value any real estate or  
22 related infrastructure that is acquired pursuant to this section. A lease  
23 or sublease that is granted pursuant to this paragraph is exempt from  
24 section 41-2752.

25 L. Before any conveyance, lease or sublease pursuant to subsection  
26 K, paragraph 2, 3 or 4 of this section, the department shall ensure that  
27 the use or development of any real estate, property rights and related  
28 infrastructure, real property or improvements to real property complies  
29 with section 28-8481.

30 M. If monies remain after the award of monies pursuant to  
31 subsection G, paragraph 2 of this section, the department may use the  
32 remaining monies and any monies received pursuant to subsection K,  
33 paragraphs 2, 3 and 4 of this section for either of the following:

34 1. The purposes prescribed in subsection G, paragraph 1 of this  
35 section.

36 2. Projects or studies necessary to preserve or enhance military  
37 missions and military installments in this state.

38 N. **NOTWITHSTANDING SECTION 37-803**, any agency of this state may  
39 accept title to and manage real estate, property rights and related  
40 infrastructure that are acquired pursuant to this section.

41 O. For the purposes of this section:

42 1. "Department" means the department of emergency and military  
43 affairs.

44 2. "Military installation" has the same meaning prescribed in  
45 section 26-261.



1           Sec. 3. Section 26-263, Arizona Revised Statutes, is amended to  
2 read:

3           26-263. Appropriations; purposes; exemption

4           A. The sum of ~~\$90,000~~ \$200,000 and ~~1~~ 2 FTE POSITIONS are  
5 appropriated from the state general fund in fiscal year ~~2011-2012~~  
6 2024-2025 and each fiscal year thereafter to the department of emergency  
7 and military affairs.

8           B. The sum of \$85,000 is appropriated from the state general fund  
9 in fiscal year 2011-2012 and each fiscal year thereafter to the attorney  
10 general's office for implementation of section 9-461.06, title 11, chapter  
11 6, article 1 and section 28-8481.

12           C. NOTWITHSTANDING SECTION 26-262, THE SUM OF \$100,000 IS  
13 APPROPRIATED FROM THE STATE GENERAL FUND IN FISCAL YEAR 2024-2025 AND EACH  
14 FISCAL THEREAFTER TO THE MILITARY INSTALLATION FUND ESTABLISHED BY SECTION  
15 26-262 TO PRESERVE OR ENHANCE MILITARY MISSIONS AND MILITARY INSTALLMENTS  
16 IN THIS STATE AND TO COMPLETE THE REPORT REQUIRED BY SECTION 26-261,  
17 SUBSECTION D, PARAGRAPH 13.

18           ~~C.~~ D. The appropriations made in this section are exempt from the  
19 provisions of section 35-190 relating to lapsing of appropriations.

20           Sec. 4. Retention of members

21           Notwithstanding section 26-261, Arizona Revised Statutes, as amended  
22 by this act, all persons serving as members of the military affairs  
23 commission on the effective date of this act may continue to serve until  
24 the expiration of their normal terms. All subsequent appointments shall be  
25 made as prescribed by statute.