

REFERENCE TITLE: state land; exchanges

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1150

Introduced by
Senator Gowan

AN ACT

AMENDING SECTION 37-604, ARIZONA REVISED STATUTES; RELATING TO STATE TRUST
LAND EXCHANGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 37-604, Arizona Revised Statutes, is amended to
3 read:

4 37-604. Exchange of state land; procedure; rules; limitation
5 and exceptions; definition

6 A. State land may be exchanged for ~~public~~ OTHER land in this state
7 to improve the management of state lands for the purpose of sale or lease
8 or conversion to public use of state lands or to assist in preserving and
9 protecting military facilities in this state. Exchanges may be made for
10 land owned or administered by A PERSON, other state agencies, counties,
11 municipalities or the United States or its agencies. Exchanges with the
12 United States or its agencies shall be in conformance with section 37-722,
13 but the department shall also follow the procedures and requirements
14 prescribed by article X, section 12, Constitution of Arizona, subsection
15 C, paragraph 7 of this section and the classification procedures in
16 section 37-212.

17 B. The department shall adopt rules governing the application and
18 procedure for the exchange of state land. ~~Such~~ THE rules shall include
19 the following requirements:

20 1. The application shall include:

21 (a) The name, mailing address, telephone number and relevant
22 affiliation, if any, of the applicant.

23 (b) A legal description of all lands to be considered for exchange.

24 (c) A list of permanent improvements on the state lands to be
25 considered for exchange.

26 (d) A list of the leasehold interest in the state land to be
27 considered for exchange.

28 (e) Accompanying agreements, if any, with the leaseholder or owner
29 of improvements on the state land to be considered for exchange.

30 2. Payment of fees prescribed for that purpose pursuant to section
31 37-107.

32 3. ~~Such~~ ANY additional requirements as the department determines to
33 be necessary. On determining that the application is complete and
34 correct, including payment of the required fees, and on completion of
35 processing and analyzing the application, and on determining that the
36 proposed exchange would benefit the applicable trust, the department shall
37 notify and deliver a report containing details of the proposed exchange to
38 the president of the senate, the speaker of the house of representatives
39 and the state legislators from the legislative districts in which the
40 lands proposed to be exchanged are located.

41 C. Exchanges of state lands are subject to the following
42 requirements:

43 1. The commissioner shall determine by at least two independent
44 appraisals that the state lands being considered for exchange are of

1 substantially equal value or of lesser value than the land offered by the
2 applicant.

3 2. At least two independent analyses of the proposed exchange must
4 be conducted to determine:

5 (a) The income to the trust from the lands before the exchange and
6 the projected income to the trust after the exchange.

7 (b) The fiscal impact of the exchange on each county, city, ~~or~~ town
8 and school district in which all the lands involved in the exchange are
9 located.

10 (c) The physical, economic and natural resource impacts of the
11 proposed exchange on the surrounding or directly adjacent communities and
12 the impacts on military facilities, local land uses and land use plans.

13 3. The commissioner may require the applicant to pay the cost of
14 the independent appraisals and analyses required by this subsection.

15 4. ~~No~~ A county or municipality may NOT be permitted to select lands
16 in another county or municipality.

17 5. State lands known to contain oil, gases and other hydrocarbon
18 substances, coal or stone, metals, minerals, fossils and fertilizer, in
19 paying quantities, and state lands adjoining lands on which there are
20 producing oil or gas wells, or adjoining lands known to contain any of
21 such substances in paying quantities shall not be exchanged. These
22 prohibitions against exchange shall not prevent the exchange of lands
23 where ~~the~~ THIS state does not own such substances, minerals or metals in
24 the lands to be considered for exchange.

25 6. All state lands offered for ~~trade~~ EXCHANGE pursuant to this
26 section must be located in the same county as the lands offered to ~~the~~
27 THIS state. However, lands in adjoining counties more than three miles
28 outside the corporate boundaries of incorporated cities and towns ~~having~~
29 WITH a population of ten thousand people or less and lands in adjoining
30 counties but more than five miles outside the corporate boundaries of
31 incorporated cities and towns ~~having~~ WITH a population in excess of ten
32 thousand people may be exchanged to facilitate consolidating land
33 ownership if the boards of supervisors of the counties in which lands are
34 to be exchanged give their prior approval.

35 7. Prior to public notice of a proposed exchange of state lands for
36 other lands, the department shall give thirty days' notice in writing to
37 ~~other interested state agencies, counties, municipalities, the military~~
38 ~~affairs commission established by section 26-261, each military facility~~
39 ~~at the address on record at the department~~ PARTIES and to leaseholders on
40 state lands that are to be exchanged and on state lands that are adjacent
41 to the lands to be exchanged.

42 8. Before any state land may be considered for exchange under this
43 article, the land shall be classified as suitable for ~~such~~ THE purposes in
44 accordance with section 37-212. Any person THAT IS adversely affected by

1 ~~such~~ THE classification may appeal from the decision as provided in
2 section 37-215.

3 9. After determining that the application is complete and correct
4 and all required payments, appraisals and analyses have been completed,
5 the department shall publish notice of the proposed exchange in the same
6 manner and places as is required for the sale of state lands pursuant to
7 section 37-237, except that the notice shall be published once each week
8 for six consecutive weeks. The notice shall contain a legal description
9 of the properties involved and ANY other pertinent terms and conditions of
10 the exchange. The department shall also schedule at least two public
11 hearings on the exchange contemplated in the notice. One hearing must be
12 held at the state capital and another hearing must be held in a location
13 of general accessibility in the proximate vicinity of the state lands THAT
14 ARE being exchanged. Any person may appear and comment on the proposed
15 exchange at that time.

16 10. Within sixty days after the conclusion of the last hearing, the
17 commissioner shall determine and issue a written finding recommending
18 either that the exchange be denied or approved and shall transmit the
19 finding to the governor, the president of the senate, the speaker of the
20 house of representatives and the secretary of state.

21 D. Each exchange transaction must be approved by the ~~qualified~~
22 ~~electors of this state in the form of a referendum submitted and conducted~~
23 GOVERNOR pursuant to article ~~IV X, part 1,~~ section ~~1- 12,~~ Constitution of
24 Arizona, ~~at the next regular general election.~~ To be approved, the
25 proposition must receive ~~an~~ THE affirmative ~~vote of a majority of the~~
26 ~~qualified electors voting on the measure~~ SIGNATURE OF THE GOVERNOR.

27 E. Lands conveyed to ~~the~~ THIS state under this article ~~shall,~~ on
28 acceptance of title and recording, SHALL be dedicated to the same purpose
29 and administered under the same laws to which the lands conveyed were
30 subject, ~~but~~ may be reclassified as provided in section 37-212.

31 F. This section applies with respect to the exchange of lands held
32 in trust by this state pursuant to the enabling act and the Constitution
33 of Arizona and does not apply with respect to any other state land under
34 the jurisdiction of the department or the commissioner.

35 G. The provisions of this section do not diminish or otherwise
36 affect the commissioner's fiduciary responsibilities with respect to lands
37 held in trust by this state as provided by the enabling act and the
38 Constitution of Arizona.

39 H. For the purposes of this section, "military facilities"
40 includes:

41 1. Military airports, ancillary military facilities, military
42 training routes, high noise or accident potential zones and territory in
43 the vicinity as defined in section 28-8461.

44 2. Military reservations or other real property owned by, leased
45 to, designated for, reserved to or under the jurisdiction of an active

1 unit of the uniformed services of the United States or any reserve or
2 national guard component of the uniformed services of the United States.

3 3. Military electronics ranges as defined in section 9-500.28.

4 4. Military restricted airspace identified pursuant to section
5 37-102.

6 5. The Barry M. Goldwater range as described in section 37-620,
7 subsection D, paragraph 3, SUBDIVISION (a).

8 Sec. 2. Conditional enactment

9 This act does not become effective unless the Constitution of
10 Arizona is amended by vote of the people at the next general election by
11 passage of Senate Concurrent Resolution ____, fifty-seventh legislature,
12 first regular session, relating to state trust land.