

Senate Engrossed House Bill

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
House of Representatives
Fiftieth Legislature
First Regular Session
2011

CHAPTER 284

HOUSE BILL 2397

AN ACT

AMENDING SECTIONS 27-235, 37-252 AND 37-253, 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. Section 27-235, Arizona Revised Statutes, is amended to
3 read:

4 27-235. Offering permits and leases at auction; terms of lease;
5 financial security termination

6 A. The state land commissioner may offer MINERAL EXPLORATION PERMITS
7 OR mineral leases at public auction, after advertising, for state lands on
8 which a mineral exploration permit or mineral lease has been CANCELLED,
9 terminated or not been renewed by the lessee or permittee, OR MAY OFFER
10 MINERAL EXPLORATION PERMITS AT PUBLIC AUCTION, AFTER ADVERTISING, FOR STATE
11 TRUST LANDS THAT HAVE BEEN CLOSED BY COMMISSIONER'S ORDER. The commissioner
12 may establish by rule the procedure for conducting the auction, but bidding
13 is limited to a cash bonus to be paid in full before the commissioner
14 executes THE PERMIT OR the lease documents. The land rental and royalty rate
15 are not subject to bidding.

16 B. Every mineral lease of state lands shall be for a term of twenty
17 years.

18 C. The lease shall confer the right:

19 1. To extract and ship minerals from the leased land located within
20 planes drawn vertically downward through the exterior boundary lines of the
21 leased land.

22 2. To use as much of the surface as required for purposes incident to
23 mining.

24 3. Of ingress to and egress from other state lands, whether or not
25 leased for purposes other than mining.

26 D. Every mineral lease of state lands shall provide for:

27 1. The development and use of the property according to the lessee's
28 general mining plan approved by the commissioner.

29 2. The fencing of all shafts, exploration holes, adits, tunnels and
30 other dangerous mine workings for the protection of public health and safety
31 and livestock.

32 3. The construction of necessary improvements and installation of
33 necessary machinery and equipment with the right to remove it upon
34 expiration, termination or abandonment of the lease, if the lessee is not in
35 default of the terms and conditions of the lease.

36 4. The right of the lessee and the lessee's assigns to transfer the
37 lease.

38 5. Termination of the lease by the commissioner upon written notice
39 specifically setting forth the default for which forfeiture is declared, and
40 preserving the right to cure the default within a stated period of not less
41 than thirty days.

42 E. If financial security is required under this subsection, it shall
43 be in the form of a cash deposit, a certificate of deposit, a surety bond or
44 any other form of financial assurance acceptable to the commissioner. On
45 default, the commissioner may use the proceeds of the financial security for

1 the purposes described in paragraph 1, 2 or 3 of this subsection. Financial
2 security may be required in the following circumstances:

3 1. The commissioner may require financial security to guarantee the
4 payment of all monies due under the lease as royalty to this state.

5 2. The commissioner shall require financial security in a reasonable
6 amount to be fixed by the commissioner conditioned on the lessee's reclaiming
7 the surface of the land described in the lease to a reasonable condition in
8 accordance with the reclamation measures approved by the commissioner. The
9 commissioner may enter into agreements pursuant to title 11, chapter 7,
10 article 3 with the state mine inspector's office, THE United States bureau of
11 land management, THE United States forest service and other agencies that
12 manage public lands and take other appropriate measures to coordinate the
13 review and approval of reclamation plans, including designating a lead agency
14 for reclamation plan review and action. The commissioner shall avoid
15 redundant, inconsistent or contradictory reclamation, inspection,
16 administration, enforcement and financial assurance requirements unless such
17 requirements are necessary as a result of the commissioner's trust
18 obligations.

19 3. The commissioner shall require financial security conditioned on
20 the lessee's prompt payment to the owner or lessee of the surface of the
21 state land described in the lease, or across which the lessee exercises the
22 right of ingress, for any loss to the owner or lessee from damage or
23 destruction caused by the lessee or the lessee's agents or employees to
24 grass, forage, crops or improvements on the land.

25 F. The lessee of any mineral lease who has met the applicable terms
26 and conditions of the lease from the time of issuance to the time of
27 termination, as determined by the commissioner, may terminate the lease at
28 any time during its term by giving the commissioner thirty days' written
29 notice of the termination.

30 Sec. 2. Section 37-252, Arizona Revised Statutes, is amended to read:

31 37-252. Taxation of lands sold

32 A. All lands sold under the provisions of this article shall NOT be
33 subject to taxation UNTIL THE DEPARTMENT ISSUES A PATENT FOR SUCH LANDS
34 PURSUANT TO SECTION 37-251 OR UNTIL SEVEN YEARS AFTER THE DATE OF AUCTION,
35 WHICHEVER OCCURS FIRST.

36 B. IF A PATENT FOR SUCH LANDS PURSUANT TO SECTION 37-251 HAS NOT BEEN
37 ISSUED WITHIN SEVEN YEARS AFTER THE DEPARTMENT ISSUED A CERTIFICATE OF
38 PURCHASE FOR SUCH LANDS UNDER SECTION 37-244, ALL LANDS SOLD UNDER THE
39 PROVISIONS OF THIS ARTICLE SHALL BE TAXED ~~as other lands~~, and the taxes
40 assessed ON THOSE LANDS ~~thereon~~ shall be collected and enforced as against
41 other lands. ~~If the taxes are not paid by the purchaser of the lands when~~
42 ~~the next annual deferred payment on the land becomes due, the failure shall~~
43 ~~constitute a forfeiture of the land to the state, as for failure to make~~
44 ~~payments when due. Upon~~ THE DEPARTMENT SHALL NOT ISSUE A PATENT UNDER
45 SECTION 37-251, SUBSECTION A OR B UNTIL ALL TAXES THAT ARE DUE ON THE LANDS

1 HAVE BEEN PAID. ON payment of taxes on lands held under certificate of
2 purchase, the county treasurer to whom the taxes are paid shall immediately
3 furnish to the state land department a statement of the taxes paid. The
4 statement shall be made on forms supplied for that purpose by the department.

5 Sec. 3. Section 37-253, Arizona Revised Statutes, is amended to read:
6 37-253. Report to assessor

7 As soon as possible after a sale of state land AND WHEN A PATENT IS
8 ISSUED, the state land department shall transmit to the assessor of the
9 county in which the land is located a report of the sale AND PATENT setting
10 forth separately a description thereof, the name of the purchaser, the amount
11 paid for the land and the improvements thereon.

12 Sec. 4. Retroactivity; refunds

13 A. Section 37-252, Arizona Revised Statutes, as amended by this act,
14 applies retroactively to taxable periods beginning from and after
15 December 31, 2007 and to certificates of purchase issued from and after
16 January 1, 2006.

17 B. A taxpayer may not claim a refund of any property taxes based on
18 the retroactive application of this act.

APPROVED BY THE GOVERNOR APRIL 27, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 27, 2011.

Passed the House March 14, 20 11

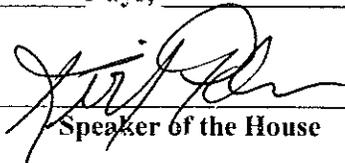
Passed the Senate April 19, 20 11

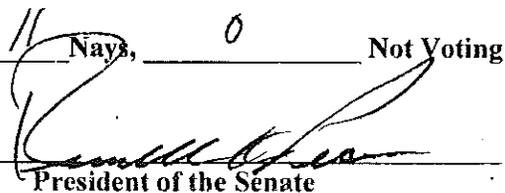
by the following vote: 58 Ayes,

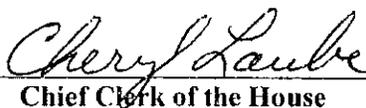
by the following vote: 19 Ayes;

0 Nays, 2 Not Voting

11 Nays, 0 Not Voting


Speaker of the House


President of the Senate


Cheryl Laube
Chief Clerk of the House


Charmion Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

 day of , 20

at o'clock M.

Secretary to the Governor

Approved this day of

at o'clock M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this day of , 20

at o'clock M.

Secretary of State

H.B. 2397

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 20, 2011,

by the following vote: 39 Ayes,

19 Nays, 2 Not Voting



Speaker of the House



Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

20 day of April, 2011,

at 8:30 o'clock A. M.

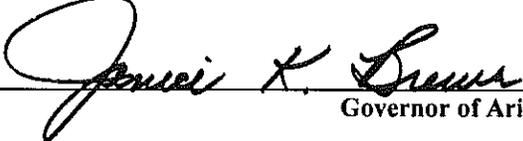


Secretary to the Governor

Approved this 27th day of

April, 2011,

at 2:50 o'clock P. M.



Governor of Arizona

H.B. 2397

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 27th day of April, 2011,

at 4:45 o'clock P. M.



Secretary of State