



STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY  
GOVERNOR

EXECUTIVE OFFICE

March 16, 2018

The Honorable Michele Reagan  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2<sup>nd</sup> Regular Session, which I signed on March 16, 2018:

HB 2013 trust companies; liquid capital; definition (Finchem)  
HB 2019 civil rights advisory board; continuation (Kern)  
HB 2025 workers' compensation; rate deviations (Livingston)  
HB 2026 county school superintendent; services; entities (Boyer)  
HB 2043 occupational therapy board; continuation (Carter)  
HB 2061 financial institutions department; superintendent duties (Shope)  
HB 2079 single axle tow dolly; definition (Shope)  
HB 2098 insurance; inducements (Livingston)  
HB 2115 bonds; ballot language; procedures (Mitchell)  
HB 2150 manufactured home sales; licensure; exemption (Weninger)  
HB 2178 secretary of state; notary public (Coleman)  
HB 2278 child support rights transfer (Cobb)  
HB 2317 disability plates; permanent placards (John)  
HB 2413 public road maintenance; primitive designation (Cook)  
HB 2484 local food tax; equality (Shope)  
SB 1038 state land sales; payment method (Griffin)  
SB 1042 backflow prevention; state fire code (Kavanagh)  
SB 1057 county school superintendent; report; approval (Burgess)  
SB 1072 DCS; contractor employees; fingerprint requirement (Brophy McGee)

SB 1076 assault; public safety contractors; workers (Barto)  
SB 1082 full-day kindergarten; instruction requirements (Allen, S.)  
SB 1089 purple heart day (Borrelli)  
SB 1205 unemployment insurance; educational employers; interest (Fann)  
SB 1207 lease authority; airports; air terminals (Pratt)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive, flowing style.

Douglas A. Ducey  
Governor  
State of Arizona

cc: Senate Secretary  
Chief Clerk of the House of Representatives  
Arizona News Service

Senate Engrossed

State of Arizona  
Senate  
Fifty-third Legislature  
Second Regular Session  
2018

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

**CHAPTER 18**  
**SENATE BILL 1038**

AN ACT

AMENDING SECTION 37-241, ARIZONA REVISED STATUTES; RELATING TO THE SALE OF  
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 37-241, Arizona Revised Statutes, is amended to  
3 read:

4 37-241. Terms of sale of state land; payment; interest rate

5 A. The terms of sale of state land are as follows:

6 1. At least ten ~~per cent~~ PERCENT, but not more than twenty-five ~~per~~  
7 ~~cent~~ PERCENT, of the appraised value, as stated in the auction notice,  
8 which shall be applied to principal, together with the required fees  
9 prescribed pursuant to section 37-107, shall be paid by cashier's check  
10 ~~upon~~ OR ANY OTHER FORM OF PAYMENT APPROVED BY THE COMMISSIONER ON  
11 announcement of the successful bidder.

12 2. If the amount bid for the land exceeds the appraised value,  
13 further payment shall be made within thirty days so that the total amount  
14 paid, including the amount paid on the date of sale, ~~shall equal~~ EQUALS  
15 the percentage of the bid, as stated in the auction notice, which shall be  
16 allocated to principal, together with the required fees prescribed under  
17 section 37-107.

18 B. ~~Upon~~ ON payment of the amounts provided in subsection A of this  
19 section, ~~and upon~~ ON compliance by the purchaser with the requirements of  
20 this article, ~~and the~~ ON payment of the fees under section 37-107, a  
21 certificate of purchase shall issue as provided in section 37-244. On  
22 full payment for the entire tract of land sold within thirty days after  
23 the auction, the department shall issue a patent as provided in section  
24 37-251.

25 C. If the purchaser fails to complete the payment of the percentage  
26 of the bid stated in the auction notice, together with the fees required  
27 pursuant to section 37-107, or to enter into a contract of sale within the  
28 time provided in the certificate of purchase offered by the department:

29 1. The purchaser forfeits all amounts paid, including:

30 (a) All payments made on the purchase price, which shall be deemed  
31 to be rental for the land.

32 (b) All amounts paid under section 37-107.

33 2. The commissioner may declare that the bid placed before the  
34 final bid accepted is the highest bid, ~~and that bidder has five business~~  
35 days after notification by the department to pay by cashier's check OR ANY  
36 OTHER FORM OF PAYMENT APPROVED BY THE COMMISSIONER all amounts due under  
37 this section and section 37-107.

38 D. The balance of the purchase price is payable as follows:

39 1. The commissioner shall establish ~~prior to~~ BEFORE the notice of  
40 sale the length of the term over which the balance shall be paid, ~~and~~  
41 whether a variable or fixed interest rate is appropriate, ~~or whether the~~  
42 entire balance without interest is due and payable within thirty days  
43 after the auction. This determination shall be based on the nature of the  
44 land being sold and general market conditions in effect at the time.

1           2. After establishing the length of the term and whether a fixed or  
2 variable rate is appropriate, the commissioner shall notify the state  
3 treasurer to establish the interest rate after consideration of local  
4 prevailing prime interest rates and mortgage rates and the maximum amount  
5 of interest set by statute by this state, if any.

6           3. If a variable rate is established, the interest rate charged a  
7 purchaser may vary from year to year. The department shall annually  
8 notify each purchaser of the interest rate specified by the state  
9 treasurer to be paid by the purchaser for the following year and the total  
10 amount of interest payable the following year with the purchaser's annual  
11 payment.

12           E. The commissioner shall establish ~~prior to~~ BEFORE the notice of  
13 sale the length of the term over which the balance shall be paid. The  
14 term shall not exceed twenty-five years.

15           F. The length of term and interest rate and whether the rate is  
16 variable or fixed shall be considered terms of the sale to be included in  
17 the notice required by section 37-237.

18           G. The purchaser may discharge the entire debt at any time and be  
19 entitled to a patent for the land if the purchaser pays the entire  
20 purchase price, together with the applicable fees, and demonstrates that  
21 all terms and conditions of the certificate of purchase have been  
22 satisfied.

**APPROVED BY THE GOVERNOR MARCH 16, 2018**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 16, 2018**

Passed the House March 13, 20 18

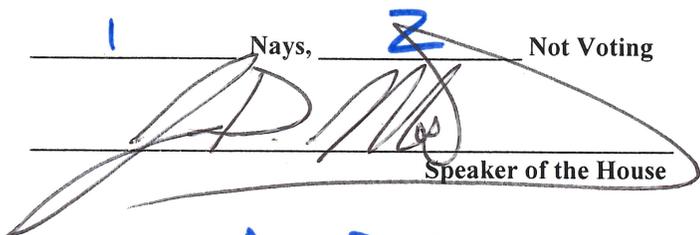
Passed the Senate January 30, 20 18,

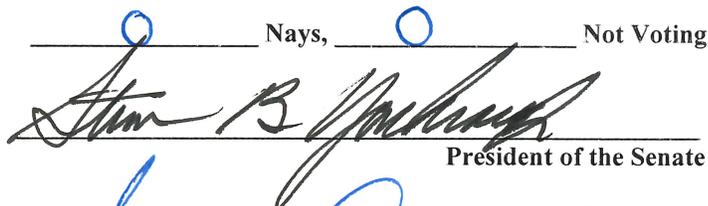
by the following vote: 57 Ayes,

by the following vote: 30 Ayes,

1 Nays, 2 Not Voting

0 Nays, 0 Not Voting

  
Speaker of the House

  
President of the Senate

Jim Drake  
Chief Clerk of the House

Susan Owens  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

14 day of March, 20 18,

at 1:50 o'clock P. M.

  
Secretary to the Governor

Approved this 16<sup>th</sup> day of

March, 20 18,

at 11:00 o'clock A. M.

Joseph A. Ivey  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 16<sup>th</sup> day of March, 20 18,

at 12:19 o'clock P. M.

Michelle Reagan  
Secretary of State

S.B. 1038