



**Bill Number: S.B. 1115**  
**Kern Floor Amendment**  
**Reference to: Printed Bill**  
**Amendment drafted by: Leg Council**

## **FLOOR AMENDMENT EXPLANATION**

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- 1. Expands the definition of foreign entity to include certain entities in Saudi Arabia or indirectly or directly controlled by the government of Saudi Arabia, including an individual who is a citizen of Saudi Arabia.**
- 2. Reinserts the prohibition of leases and subleases of state lands to corporations or associations not qualified to transact business in Arizona.**
- 3. Makes technical and conforming changes.**

KERN FLOOR AMENDMENT  
SENATE AMENDMENTS TO S.B. 1115  
(Reference to printed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 37-101, Arizona Revised Statutes, is amended to  
3 read:

4 37-101. Definitions

5 In this title, unless the context otherwise requires:

6 1. "Agricultural lands" means lands ~~which~~ THAT are used or can be  
7 used principally for:

8 (a) Raising crops, fruits, grains and similar farm products.

9 (b) Algaculture. For the purposes of this subdivision,  
10 "algaculture" means the controlled propagation, growth and harvest of  
11 algae.

12 2. "Amortized value" means the value for improvements established  
13 pursuant to section 37-281.02, subsection G.

14 3. "Commercial lands" means lands ~~which~~ THAT can be used principally  
15 for business, institutional, religious, charitable, governmental or  
16 recreational purposes, or any general purpose other than agricultural,  
17 grazing, mining, oil, homesite or rights-of-way.

18 4. "Commissioner" means the state land commissioner.

19 5. "Community identity package" means a design theme, including such  
20 elements as architecture, landscape, lighting, street furniture, walls and  
21 signage.

22 6. "Department" means the state land department.

23 7. "FOREIGN ENTITY":

24 (a) MEANS ANY OF THE FOLLOWING:

25 (i) A FOREIGN GOVERNMENT OR A STATE-CONTROLLED ENTERPRISE OF A  
26 FOREIGN GOVERNMENT.

1 (ii) A COMPANY OR OTHER ENTITY THAT IS HEADQUARTERED IN CHINA, CUBA,  
2 IRAN, NORTH KOREA, RUSSIA, SAUDI ARABIA, SYRIA OR VENEZUELA.

3 (iii) A COMPANY OR OTHER ENTITY THAT IS DIRECTLY OR INDIRECTLY HELD  
4 OR CONTROLLED BY THE GOVERNMENT OF CHINA, CUBA, IRAN, NORTH KOREA, RUSSIA,  
5 SAUDI ARABIA, SYRIA OR VENEZUELA.

6 (iv) A COMPANY OR OTHER ENTITY THAT IS OWNED BY OR THE MAJORITY OF  
7 STOCK OR OTHER OWNERSHIP INTEREST OF WHICH IS HELD OR CONTROLLED BY  
8 INDIVIDUALS WHO ARE CITIZENS OF CHINA, CUBA, IRAN, NORTH KOREA, RUSSIA,  
9 SAUDI ARABIA, SYRIA OR VENEZUELA.

10 (v) A COMPANY OR OTHER ENTITY THAT IS OWNED BY OR THE MAJORITY OF  
11 STOCK OR OTHER OWNERSHIP INTEREST OF WHICH IS HELD OR CONTROLLED BY A  
12 COMPANY OR ENTITY DESCRIBED IN ITEM (ii), (iii) OR (iv) OF THIS  
13 SUBDIVISION.

14 (vi) AN INDIVIDUAL WHO IS A CITIZEN OF CHINA, CUBA, IRAN, NORTH  
15 KOREA, RUSSIA, SAUDI ARABIA, SYRIA OR VENEZUELA.

16 (b) DOES NOT INCLUDE THE UNITED STATES GOVERNMENT OR ITS STATES,  
17 TERRITORIES OR POSSESSIONS.

18 ~~7.~~ 8. "Grazing lands" means lands ~~which~~ THAT can be used only for  
19 the ranging of livestock.

20 ~~8.~~ 9. "Holding lease" means a commercial lease issued solely to  
21 grant a limited use leasehold interest in state land in anticipation of  
22 future development.

23 ~~9.~~ 10. "Homesite lands" means lands ~~which~~ THAT are suitable for  
24 residential purposes.

25 ~~10.~~ 11. "Improvements" means anything permanent in character ~~which~~  
26 THAT is the result of labor or capital expended by the lessee or ~~his~~ THE  
27 LESSEE'S predecessors in interest on state land in its reclamation or  
28 development, and the appropriation of water ~~thereon~~ ON THAT STATE LAND, and  
29 ~~which~~ THAT has enhanced the value of the land.

30 ~~11.~~ 12. "Infrastructure" means facilities or amenities, such as  
31 streets, utilities, landscaping and open space, ~~which~~ THAT are constructed  
32 or located on state lands and ~~which~~ THAT are intended to benefit more than

1 the land on which they are immediately located by enhancing the development  
2 potential and value of the state lands impacted by the facility or  
3 amenities.

4 ~~12.~~ 13. "Leapfrog development" means the development of lands in a  
5 manner requiring the extension of public facilities and services from their  
6 existing terminal point through intervening undeveloped areas that are  
7 scheduled for development at a later time, according to the plans of the  
8 local governing body having jurisdiction for the area and ~~which~~ THAT is  
9 responsible for the provision of these facilities and services.

10 ~~13.~~ 14. "Leased school or university land" means school or  
11 university land for which a lease has been issued by ~~the~~ THIS state, or the  
12 territory of Arizona, under which the lessee retains rights.

13 ~~14.~~ 15. "Master developer" means a person who assumes, as a  
14 condition of a land disposition, the responsibilities prescribed by the  
15 department for infrastructure or community identity package amenities, or  
16 both, or for implementing a development plan containing a master plan area.

17 ~~15.~~ 16. "Participation contract" means a contract arising out of a  
18 sale together with other rights and obligations in trust lands whereby the  
19 department receives a share of the revenues generated by subsequent sales  
20 or leases.

21 ~~16.~~ 17. "Section of land" means an area of land consisting of six  
22 hundred forty acres.

23 ~~17.~~ 18. "State lands" means any land owned or held in trust, or  
24 otherwise, by ~~the~~ THIS state, including leased school or university land.

25 ~~18.~~ 19. "Sublease" means an agreement in which the lessee  
26 relinquishes control of the leased land to another party for the purposes  
27 authorized in the lease.

28 ~~19.~~ 20. "Urban lands" means any state lands ~~which~~ THAT are  
29 adjoining existing commercially or homesite developed lands and ~~which~~ THAT  
30 are either:

31 (a) Within the corporate boundaries of a city or town.

32 (b) Adjacent to the corporate boundaries of a city or town.

1 (c) Lands ~~for which the designation~~ THAT ARE DESIGNATED as urban  
2 lands ~~is~~ AS requested pursuant to section 37-331.01.

3 ~~20.~~ 21. "Urban sprawl" means the development of lands in a manner  
4 requiring the extension of public facilities and services on the periphery  
5 of an existing urbanized area where such extension is not provided for in  
6 the existing plans of the local governing body having the responsibility  
7 for the provision of these facilities and services to the lands in  
8 question."

9 Renumber to conform

10 Page 1, line 11, strike "~~the state~~ THIS STATE'S" insert "the state"

11 Page 3, line 31, strike "; definition"

12 Strike lines 40 through 44, insert:

13 "Sec. 4. Title 37, chapter 2, article 4, Arizona Revised Statutes,  
14 is amended by adding section 37-292, to read:

15 37-292. Prohibited leases or subleases of state lands

16 A. LEASES OR SUBLEASES OF STATE LANDS MAY NOT BE MADE TO  
17 CORPORATIONS OR ASSOCIATIONS NOT QUALIFIED TO TRANSACT BUSINESS IN THIS  
18 STATE.

19 B. BEGINNING FROM AND AFTER THE EFFECTIVE DATE OF THIS SECTION,  
20 LEASES OR SUBLEASES OF STATE LANDS MAY NOT BE MADE TO A FOREIGN ENTITY."

21 Amend title to conform

ANTHONY KERN

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C: ED