STATE TRUST LAND (Prop 103)

Summary of key provisions:

- Permanently prohibits development on 570,000 acres of state trust land and allows the Legislature, counties, cities, and towns to designate any other parcels of trust land for conservation.

- Requires the state to cooperate with the counties, cities, or towns in which trust land is located when preparing plans for the development of any trust land parcel.

- Allows the appraisals, which establish the minimum price for which any trust land parcel may be sold, to account for the nonmonetary value the trust would receive from a transaction, including the value of future land use agreements or provisions of infrastructure.

- Permits the sale, without a public auction, of conservation lands to government entities for the appraised value as described above.

- Allows the sale, without a public auction, of rights-of-way across any trust land parcel. These transactions could also sale for the appraised value as described above.

- Allows the Legislature to divert a percentage of trust fund revenues to the fund’s administration.

- Continues to honor current leases and to allow for their renewal.

ATRA Policy Concerns/Issues:

Loss of Compensation for Beneficiaries
Both the federally passed Arizona/New Mexico Enabling Act and the Arizona Constitution require that the state trust lands be sold to the highest and best bidder. The revenue produced from the trust land is disbursed to the beneficiaries (primarily public schools) to whom the Enabling Act granted the trust land. If enacted, this initiative will deprive trust fund beneficiaries of revenue to which they are otherwise entitled. Any trust land parcel, under this initiative, could potentially be disposed of without any payment to the trust’s beneficiaries.

Earmarking
In 2006, ATRA opposed Prop. 106, Conserving Arizona’s Future, primarily because the initiative would have allowed a board of political appointees to divert up to 8% of the trust fund revenue to a management fund that would support the trust fund’s administration. ATRA opposed permanently earmarking revenue in this way that bypassed the scrutiny of the Legislature’s appropriation process. This year’s initiative also allows the diversion of trust fund revenue (an undefined percentage) to “enhance, maintain, or protect the value of the said lands…” but, unlike Prop 106, the diversion of revenue allowed in this year’s initiative is subject to legislative appropriation.

ATRA Position: None