

Building Trust

STATE TRUST LANDS:
Fiduciary Duty in the Changing West

Winter 2011

Building Trust is an information clearinghouse designed to assist western state trust land managers in enhancing the value of the trust for its beneficiaries by broadening the range of land-use information, tools and policy options available to managers and diverse stakeholders for the long-term sustainable management of state trust lands. **Please forward to interested colleagues.**

New Faces Managing State Trust Land

State	Name	Title
Alaska	Wyn Menefee	Acting Director, Division of Mining, Land, and Water
Arkansas	John Thurston	Commissioner of State Lands
California	Curtis Fossum	State Lands Commission Executive Officer
Colorado	Bill Ryan	Director
Mississippi	Delbert Hosemann	Secretary of State
New Mexico	Ray Powell	Commissioner
North Dakota	Lance Gaebe	Land Commissioner
Oklahoma	Douglas Allen	Commissioners of the Land Secretary
Wyoming	Ed Grant	Interim Director

Many trust land agencies have undergone leadership changes within the last year. One "newcomer" returns after a nine year absence from the post of Commissioner of Land for New Mexico's State Land Office. Commissioner Ray Powell brings a wealth of experience and expertise with him, having served as the State Land Commissioner from 1993 through 2002, and as President and Vice President of the Western States Land Commissioners Association from 1996 to 1998.

Commissioner Powell's priorities include increasing accountability and transparency for the department, with a focus on optimizing long term sustainable revenue generation to support the beneficiaries of the trust. His approach will center on collaboration, cooperation, and building a sense of trust between all the stakeholders involved in trust land management in New Mexico. He is also a strong supporter of renewable energy, and will explore further opportunities to secure revenue for the beneficiaries through renewable energy development on trust lands.

Powell acknowledges the challenges facing the department, particularly in these difficult economic times. Funds to build capacity within the department for planning and project development remain limited. Recently, serious questions were raised by the New Mexico Auditor about the previous administration's state trust land transactions, prompting Commissioner Powell to take speedy action to review procedures and verify that rules and protocols were in place to ensure a fair, open process for land transactions and that state trust lands are managed appropriately.

In spite of these challenges, Commissioner Powell remains optimistic. Powell said, "As Land Commissioner I focus all of my efforts at the State Land Office to work with our outstanding public employees to help generate more jobs, revenues, and projects that enhance our local citizens' quality of

Across the West

Colorado:

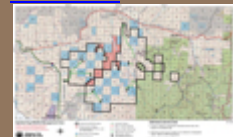


Be the Change, a non-profit organization, has asked the Colorado State Land Board for a moratorium on gas and oil leases in response to an upcoming auction. [Read more.](#)

Idaho:

Idaho Department of Lands addresses the ratio of their annual land endowment revenue through business purchases and participation in joint venture development projects. [Read more.](#)

Montana:



The State Land Board approved a proposal to purchase 27,000 acres and lease an additional 10,000 acres for 10 years. This concludes an on-going 10year effort to protect the Spotted Dog parcel. [Read more.](#)

Washington:

The [Forest Biomass Initiative](#), passed in March 2010, is moving into its second phase - introduction of a bill to establish a bio-aviation facility that will clean up aviation emissions and kick start Washington's development of a woody biomass supply chain. [Read more.](#)

life while protecting the long term health of our public lands." He brings a strong track record of revenue generation and commitment to the health and productivity of state trust land assets.

Western Lands and Communities would like to extend a warm welcome to all of the new faces at state land agencies throughout the West!

Good News and Bad News for Arizona State Trust Lands

Arizona voters faced two state trust land propositions this past November. Proposition 110 sought to grant authority to the Arizona State Land Department to engage in limited state trust land exchanges to ensure the proper management, protection, and conversion to public use. The measure was primarily intended to protect military installations and prevent development from encroaching on trust lands near bases. Proposition 301 was proposed by the state legislature to fill budget gaps by sweeping the Arizona Land Conservation Fund, which was established in 1998 as part of the Growing Smarter Act.

The good news is that Proposition 301 did not pass. The fund will remain intact to help local governments, land trusts, and other conservation groups purchase state trust lands at fair market value for open space. Prop 110 experienced an extremely tight race, losing by less than one percent (9276 votes). This attempt to provide land exchange authority is one of 11 that have been referred to the ballot since 1990, when state land exchange authority was declared unconstitutional. The four measures addressing comprehensive reform over the past decade have also narrowly failed.

Another blow to Arizona came in November when a judge ruled unconstitutional a 2009 law passed by the Arizona State Legislature. The law allowed the Arizona State Land Department to retain a portion of trust revenues to cover the department's administrative and operational costs. Maricopa County Superior Court Judge Donahoe required the immediate stop to current spending of trust funds and repayment to the trust of any funds used in such a manner. The ASLD appealed the decision, was granted a temporary stay in December, and was directed to resolve the funding situation. Had the stay been denied, ASLD would have had to [lay off 101 of 115 employees](#). The Center for Law in the Public Interest, which filed the suit against the ASLD, agreed to the stay, not wanting to "shut down" the ASLD or put people out of work but stressed that the current use of trust funds could not continue long term. These circumstances lend new urgency to the matter of state trust land reform, particularly the issue of allowing ASLD some self-funding capacity.

PHOTO CREDITS: Antero Reservoir - Denver Water, Grand Teton National Park - Istock.

NEWS FROM THE FIELD: If your office has trust land management information and tools in asset management, collaborative planning, real estate development, and/or conservation use which you would like to share, please [send us an email](#). Attach a news release, documents and photos.

Wyoming



HB 156 authorizing the sale of 1,366 acres of state trust land in Grand Teton National Park to the federal government has cleared both the house and senate. [Read more.](#)

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