

Arizona State Trust Land – Some Should Be Preserved as Open Space

Overall Description

The Arizona State Land Department manages, leases and sells Arizona State Trust lands and resources based on their determination of the "highest and best use". In accord with the Arizona Enabling Act and the State Constitution, they must enhance value and optimize economic return for the 14 trust beneficiaries. Beneficiaries are: Common Schools (public K-12); University Land Code; Public Buildings; Penitentiary, State Hospital; School for the Deaf and Blind; Teacher Education Schools; State Charitable, Penal, and Reformatory Institutions; Agricultural and Mechanical Colleges; School of Mines; Military Institutions; University of Arizona; and two grants for the Miners' Hospital. State Trust Lands are not public; its uses are regulated. Recreation is allowed under certain conditions and the user must have a permit http://www.land.state.az.us/programs/natural/recreation_permit.htm.

Revenues earned from Trust land are classified as either Permanent or Expendable depending on the source of the revenue. Permanent funds come from non-renewable sources, such as land sales and mineral royalties; these funds are invested by the State Treasurer in stocks, bonds, and interest-bearing securities. Portions of this investment are distributed annually to the beneficiaries according to a constitutional formula. Expendable revenues come from renewable sources, such as lease rental revenues, permits, and interest from the deferred payments associated with land sales; these funds are distributed directly to the beneficiaries.

History

Designation of Arizona State Trust lands began with the 1863 Act that created the Territory of Arizona and was finalized through the 1910 State Enabling Act and its amendments. While the fundamentals of the acres, beneficiaries, and management definitions have not changed, the Enabling Act has been amended several times including three times (1957, 1998 and 1999) related to state trust land investments and earnings distribution. The Enabling Act is superior to the Constitution of the State of Arizona; however the State Constitution may establish more stringent fiduciary requirements. As of 2009, Arizona holds roughly 9.3 million acres in trust. About 9.1 million acres of the surface area and about 1.2 million acres of the subsurface area are under leases or other contracts. In the 88 years since statehood, the State has disposed of, or exchanged, about 1,628,079 acres of the original approximately 10,900,000 acres.

Benefit to Public Schools (Common Schools – K-12)

Of the acres of Trust Land remain, roughly 87 percent are held in trust for the Common Schools (K-12). Approximately 90 percent of the Trust revenues go to that Trust. However, it is interesting to note that the State Trust Land revenues account for only 3% to 6% of their Arizona State Legislative budget appropriations. By far, their largest appropriation comes directly from property tax revenue generated by the various tasking districts.

Key Legislation Affecting Status

- 1981 Urban Lands Act – authorizes and encourages the Department to have a development plan prepared for urban lands to increase their value.
- 1996 - The Arizona Preserve Initiative (API) – approved by the Arizona voters and designed to encourage the preservation of select parcels of State Trust land in and around urban areas for open space to benefit future generations. The implementation of this Act has been held up in the courts.
- Growing Smarter Act (1998) and Growing Smarter Plus Act (2000) - requires cities and counties to address the issues associated with urban growth and development. Towns, cities, and counties are to coordinate with the State Land Department (SLD) to incorporate the conceptual plans for State Trust lands, located within the growth areas in their general (comprehensive) plans.

Need For Designated Open Spaces Created With State Trust Lands

We can work for preservation of important environmental resources and open space while still enhancing value and optimizing economic return for the trust beneficiaries. Economic productivity of all lands held in public trust is dependent on sound stewardship, including protecting the beauty, natural values, open space, and wildlife habitat thereof, for this and future generations. Therefore, state trust lands should not only be evaluated in terms of development, but also in terms of the preservation of open space and natural resource preservation.

- Open spaces can increase the value of adjoining land.
- Open spaces mitigate light, air, dust, and water pollution that affect land value and quality of life.
- Residents or employers considering relocation options are concerned with quality of life factors and amenities - or "livability factors" which include parks
- Economically and physically healthy communities should be designed to facilitate exercise and outdoor recreation by having features such as parks, and walking and biking trails close to where people live and work.
- Opens spaces can be productive and accessible to lessees, sportsmen, recreators, and other traditional users.