



ARIZONA'S STATE TRUST LAND

Providing for economic growth and sustainable natural resources

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Background

Many of our rural residents are fortunate to live in close proximity to wide open spaces that provide a myriad of opportunities for sport and recreation. Arizona is a state with a considerable percentage of land owned by the federal government and managed as public land (Figure 1). While you may be familiar with the National Forest system, what do you know about Arizona's State Trust lands? Did you know that roughly 9.2 million acres in Arizona are held in trust primarily for the benefit of our public education system? Did you also know that State Trust land is not public land?

An Act of Congress, that established the Arizona Territory in 1863, endowed the new Territory with two sections of lands withdrawn from the federal domain and dedicated to specific purposes. Sections 16 and 36 of each township were dedicated by this Act for the benefit of the Common Schools. Later, through the 1910 State Enabling Act, Sections 2 and 32 of each township were also dedicated and held in trust. In 1915 the State Land Code established the Land Department and the system by which State Trust lands are managed today. The Land Department manages Trust land to maximize revenues for 14 beneficiaries including our public schools. The largest beneficiaries are the Common Schools (K-12), receiving approximately 87% of Trust land revenue. Some other beneficiaries include the Legislative, Executive & Judicial Buildings, the University of Arizona, and the School for the Deaf & Blind located in Tucson.

Arizona State Land Department's Mission

To manage State Trust lands and resources to enhance value and optimize economic return for the Trust beneficiaries, consistent with sound stewardship, conservation, and business management principles supporting socioeconomic goals for citizens here today and generations to come. To manage and provide support for resource conservation programs for the well-being of the public and the State's natural environment.

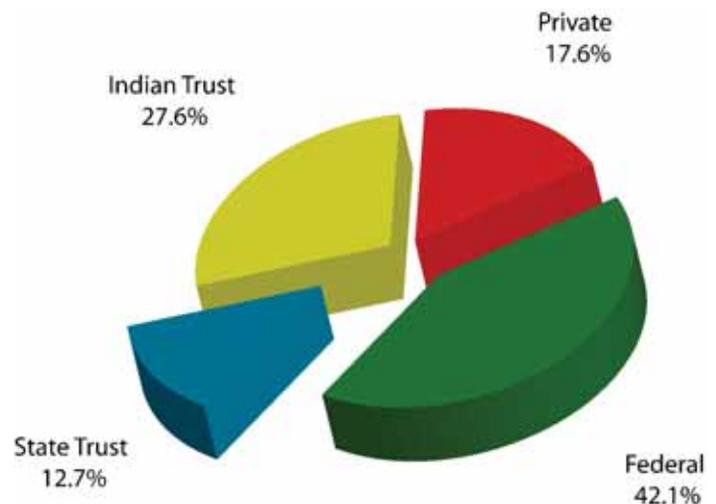


Figure 1. Land ownership in the State of Arizona.

Sales, Leases and Revenue

In order to generate revenue, State Trust land is either leased for its highest and best use or sold to the highest bidder at public auction, which is mandated by law. There are two categories of leases issued by the Land Department – surface and subsurface leases. The subsurface leases include minerals and oil and gas leases, whereas surface leases are issued for agriculture, grazing, rights of ways (roads and utilities), and commercial purposes. A large majority (about 8.4 million acres) of Trust land is leased for livestock grazing often as part of a ranching operation with associated private and federal land (Figure 2). State grazing leases are issued for a term of 10 years or less, and some have been held by ranching families for multiple generations.

The Land Department typically sells a relatively small amount of Trust land each year. For example, in fiscal year 2007 the Land Department held 16 auctions and sold 4,262 acres, including a 26 acre parcel in northeast Phoenix which sold for \$28.5 million. Fiscal year 2007 was a historic revenue year for the Land Department – receipts totaled \$332 million. This was due in part to some very competitive sales auctions, a Land



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Figure 2. Private and State Trust land managed together as part of a cattle ranch in southern Yavapai County.

Commissioner with considerable real estate knowledge and experience, and the hard work of the Land Department's employees.

Revenue generated by the Land Department is deposited based on its source to either the Permanent Fund or is distributed to beneficiaries as Expendable revenue. The Permanent Fund receives revenue from natural product sales, royalties from mineral materials, and sales of Trust land. The State Treasurer manages the Permanent Fund. Expendable revenue includes rent from leases, interest on sales contracts, and the State Treasurer's formula distribution from the Permanent Fund. These dollars are transferred directly to the beneficiaries for use in their operations.

Hunting and Recreation

While Trust land comprises a substantial portion of the open space where Arizona's residents can enjoy the outdoors, no one may enter State Trust land without a permit. Authority for granting permits has been given by the Legislature to the Land Department in all instances except those concerning hunting, fishing, and access for archaeological purposes. Hunting and fishing permits are administered by the Game and Fish Department, and the scope of their use is limited to hunting and fishing purposes exclusively. Likewise, permits for entry on State Trust land for archaeological purposes are issued by the Arizona State Museum. Any other use of State Trust lands must be permitted by the Land Department.

A recreation permit is required to camp, hike, or travel on State Trust land that is open to recreational uses. Some State Trust lands have been closed by Land Commissioner Order due to environmental concerns or hazardous conditions. Other activities authorized with a recreation permit

include horseback riding, picnicking, bicycling, photography, sightseeing and bird watching. Camping is allowed under a recreation permit but is limited not to exceed 14 days. Target shooting is not allowed on State Trust land. In rural areas, most Trust land is available for recreation and these areas are typically leased for livestock grazing. It is important for recreationists not to interfere with other permitted users of State Trust land. Those seeking outdoor recreation are encouraged to consult maps to learn the land ownership pattern where they plan to visit.

Conclusion

Each agency that manages land has its own rules and regulations to enforce. The Land Department is no different, and since 1915 it has managed land under the mandates of the federal Enabling Act and the Arizona Constitution. As Arizona continues to experience growth and development, the Land Department will continue to have an important role in providing land for permitted users. It is the hope of this author that you are now more informed about Trust land and its relationship to public education and natural resources.

For more information on the Land Department and its management of Trust land, please visit <http://www.land.state.az.us>.

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