

**Joint Legislative Study Committee on Government and Private
Lands**

**2012
ANNUAL REPORT**

Members:

Senator Gail Griffin, Co Chair
Senator Sylvia Allen
Senator Robert Meza

Representative David Gowan, Co Chair
Representative David Stevens
Representative Bruce Wheeler

JOINT LEGISLATIVE STUDY COMMITTEE ON GOVERNMENT AND PRIVATE LANDS

MEMBERS:

Senator Gail Griffin, Co Chair
Senator Sylvia Allen
Senator Robert Meza

Representative David Gowan, Co Chair
Representative David Stevens
Representative Bruce Wheeler

MEMBERSHIP:

- Three members from the Senate
- Three members from the House of Representatives

ESTABLISHMENT:

The Joint Legislative Study Committee on Government and Private Lands was established by Laws 2012, Chapter 176.

COMMITTEE CHARGE:

The Committee will examine the consequences of the transfer of real property from private parties to government entities. The Committee is charged with the following:

- Conduct hearings to evaluate the practice and impact of government entities' acquisition of private property.
- Review the historical tax assessments on a sampling of the acquisitions of private real property.
- Examine the frequency and circumstances of government acquisition of private real property.
- Consider ways to ensure that government acquisition of real property is conducted according to law and appropriately can continue.
- Identify the appropriate entity or entities to administer and review recording, tracking and reporting tax-supported government acquisitions.
- Submit a report regarding the Committee's activities and recommendations on or before December 31, 2012.

PUBLIC MEETINGS:

December 4, 2012: The Committee introduced members and discussed the issue involving the federal government and land ownership in Arizona. It was decided that Senator Griffin and Representative Gowan would co-chair the Committee. The meeting included discussion by the members and public testimony from Todd Madeksza, County Supervisors Association, and Representatives-Elect Bob Thorpe, District 6, and Sonny Borelli, District 6.

ATTACHMENTS:

Attachment A-
Attachment B-

December 4, 2012 minutes and handouts
Payments in lieu of taxes from the federal government

Attachment A

Interim agendas can be obtained via the Internet at <http://www.azleg.state.az.us/InterimCommittees.asp>

ARIZONA STATE LEGISLATURE

INTERIM MEETING NOTICE

OPEN TO THE PUBLIC

JOINT LEGISLATIVE STUDY COMMITTEE ON GOVERNMENT AND PRIVATE LANDS

Date: Tuesday, December 4, 2012

Time: 3:30 P.M.

Place: SHR 3

AGENDA

1. Welcome and Introductions
2. Discussion of issue - why committee was formed
3. Discussion of committee goals
4. Discussion of committee procedures
5. Other issues
6. Date/time of next meeting
7. Adjourn

Members:

Senator Sylvia Allen
Senator Gail Griffin
Senator Robert Meza

Representative David Gowan
Representative David Stevens
Representative Bruce Wheeler

11/28/12
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For questions regarding this agenda, please contact Senate Research Department.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the Senate Secretary's Office: (602) 926-4231 (voice). Requests should be made as early as possible to allow time to arrange the accommodation.

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ARIZONA STATE LEGISLATURE
Fiftieth Legislature – Second Regular Session
**JOINT LEGISLATIVE STUDY COMMITTEE ON
GOVERNMENT AND PRIVATE LANDS**

Minutes of Interim Meeting
Tuesday, December 4, 2012
Senate Hearing Room 3 – 3:30 p.m.

Senator Griffin called the meeting to order at 3:34 p.m. and attendance was noted by the secretary.

Members Present

Senator Sylvia Allen
Senator Gail Griffin
Senator Robert Meza

Representative David Stevens
Representative David Gowan

Members Absent

Representative Bruce Wheeler

Senator Griffin welcomed everyone to the meeting and introduced Members.

COMMITTEE CHARGE

Senator Griffin asked Bill Boyd, Senate Analyst, to explain the Committee's purpose.

Bill Boyd, Senate Analyst, advised that Laws 2012, Chapter 176, established the Joint Legislative Study Committee on Government and Private Lands consisting of three Members from the Senate and three Members from the House. The Committee will examine the consequences of the transfer of real property from private parties to government entities. The Committee is charged with the following:

- Conduct hearings to evaluate the practice and impact of government entities' acquisition of private property.
- Review the historical tax assessments on a sampling of the acquisitions of private real property.
- Examine the frequency and circumstances of government acquisition of private real property.
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DISCUSSION OF ISSUES

Senator Griffin advised that the Joint Legislative Study Committee on Government and Private Lands was formed last session because more and more private property is being lost. The county assessors have been asked to provide information on how much land is private, how much land is tax exempt and how much is in conservation status. She called Members' attention to maps depicting the breakdown of private land, federal land, Bureau of Land Management and Forest Service land, tribal land and military bases in Arizona. Maps were distributed showing that most of the land in the nation east of the Mississippi River is in private hands while most of the land west of the Mississippi River is under federal control (Attachment 1).

Senator Griffin stated that during this past session, Gila County provided data showing that only 4.07 percent of

land in the county is privately owned; the amount of private property that is tax exempt is 62.89 acres. She noted that this is the tax base that Arizona's counties and cities rely on for development.

DISCUSSION OF COMMITTEE PROCEDURES

Senator Griffin announced that she and Representative Gowan will co-chair the Committee. She identified Representative Stevens, Representative Wheeler and Senator Meza as Committee Members, and noted that Senator Allen will be a Member of the Committee until the new Senate Members are sworn into office.

DISCUSSION

Co-Chairman Gowan brought up the two issues that precipitated this discussion: a different set of rules for land management and an effort to get government entities to relinquish private lands or pay for properties they have through taxation. He said he would like Arizona's private land to be identified as well as to ensure that Arizona land is affordable now and in the future. He pointed out that Arizona receives compensation from the government; however, he questioned whether the amount received equals the taxation the government gets from the land.

Senator Allen related that when Arizona became a state, the federal government agreed to make payment in lieu of tax (PILT) payments. She advised that her county receives about \$1.5 million in PILT payments every year because Navajo County does not have private lands that it can tax. The majority of the money goes to the schools and a small portion is used for roads. The county has now been informed that the PILT payments will no longer be sent because of the federal government problems. She stated that the county just lost its paper mill and will lose \$340,000 in taxes from the mill next year, so it is becoming a serious problem. Additionally, in the land exchange resolutions, the federal government has traditionally asked states for a three-to-one swap.

To that point, Co-Chairman Griffin revealed that Cochise County just lost 1,800 acres to a non-profit organization, resulting in a loss to the tax base. Also, the City of Scottsdale recently lost about 6,400 acres for conservation purposes.

Senator Meza queried whether other western states are moving in this direction to identify private land. Co-Chairman Griffin said that Utah has gathered a lot of information.

Senator Meza asked whether U.S. Senators Kyl and McCain have been consulted on this. Co-Chairman Griffin replied in the negative. She said she will provide information on this issue to newly-elected U.S. Senator Flake.

Co-Chairman Gowan revealed that in the past, affected states have forced the federal government to sell land so the states could have more private land. In 2009, Hawaii sued the government and that is a precedent that Arizona can refer to.

Representative Stevens brought up the 1828 lawsuit which Illinois and Indiana won, giving them private land. He said the Enabling Act that created states required the government to dispose of land in a reasonable amount of time, which has not happened so far. He revealed that U.S. Representative Ivory from Utah has formed a western-states coalition to pursue the next lawsuit, so there are two precedents that Arizona can cite for the sale of land which will benefit everyone in the state.

Co-Chairman Griffin stated that last session she contacted most of the counties to inform them of this issue. She will be sending a letter to all counties requesting information and said she understands they are working on the data and are being very cooperative. She stated it is to everyone's advantage to have this information.

Todd Madeksza, Director of Legislative Affairs, County Supervisors Association, made himself available for questions. In response to Co-Chairman Gowan, he advised that the county assessors are working on the private land data that has been requested. He understands that four or five counties have completed and are double-checking the information they gathered to ensure this Committee has the correct ratios.

Co-Chairman Griffin advised that the counties were requested to provide this information by January 2014.

Co-Chairman Griffin addressed the PILT payments from the federal government. The PILT payments are voluntary and have been cut over the years. She would like to compare data to see how much the state and the state's schools have lost over the years.

Other information was provided to Members (Attachments 2, 3 and 4):

- PILT Payments to Counties
- Land Ownership and Management
- Information from the American Lands Council

State Representative-Elect Bob Thorpe, Legislative District 6, testified that the payments from the federal government are approximately \$35 million, which is about 71 cents per acre. He opined that it is appalling for them to control so much of Arizona and for Arizona to receive so little in benefits. He maintained that it is the duty of the state to try to turn that equation around. He said that from an enumerated-powers standpoint, the federal government does not have jurisdiction to hold on to this much land. Enumerated powers give them the ability to reserve land for a post office or a garrison, but to have millions of acres of land is unprecedented in this country's history. The best course of action is for Arizona to partner with other western states that are affected by this issue and to build a coalition to put enough pressure on the federal government to turn that equation around. He said he does not advocate privatizing all the lands under federal control; however, a future Arizona needs a more expanded private ownership which will provide opportunities for private owners and result in improved Arizona land. Improving the health of the land will have many positive benefits for Arizona, such as jobs and revenue for the state.

State Representative-Elect Sonny Borrelli, Legislative District 5, mentioned that when a private citizen owes property taxes, that property is levied and eventually seized by the city or county. He wondered whether that could be another vehicle for fighting back against the federal government.

Co-Chairman Griffin reiterated her understanding that the PILT payments are voluntary. The latest information she has is that the payments may be eliminated next year.

OTHER ISSUES

Co-Chairman Griffin thanked everyone for attending the meeting and wanting to be involved in solving some of the problems that the state faces with government ownership of land. She advised that a report will be issued by the end of the month and stated that this Committee will probably not be meeting during session because of other obligations.

Without objection, the meeting adjourned at 4:00 p.m.

Joanne Bell, Committee Secretary
December 12, 2012

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)

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JOINT LEGISLATIVE STUDY COMMITTEE ON
GOVERNMENT AND PRIVATE LANDS

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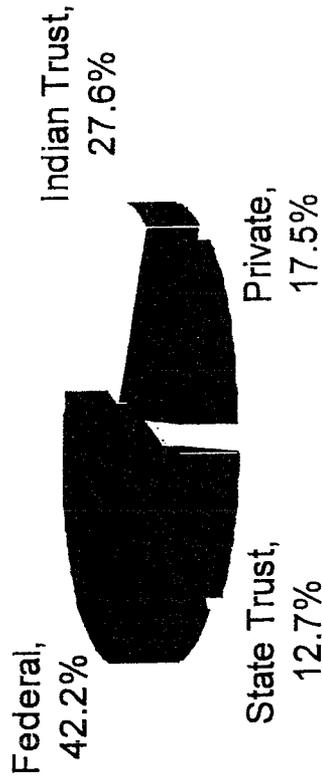
December 4, 2012

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Land Ownership and Management

Land Ownership in Arizona

The State of Arizona contains an estimated 72,931,000 acres, or approximately 113,417 square miles, making it the sixth largest state in the United States. The surface land ownership in Arizona can be classified into four basic categories.



The percentages are estimates derived from digitized map data. The category called Private is overestimated due to the inclusion of small amounts of land owned by local, State, and Federal agencies.

State Trust Land within Each County

COUNTY	ACRES
Apache	652,660
Cochise	1,370,681
Coconino	1,125,118
Gila	31,231
Graham	496,321
Greenlee	172,104
La Paz	254,411
Maricopa	640,214
Mohave	565,350
Navajo	370,155
Pima	860,483
Pinal	1,204,538
Santa Cruz	61,154
Yavapai	1,264,280
Yuma	186,830
Misc*	2,540
TOTAL	9,258,071

*Trust lands located in California or Nevada due to realignment of Colorado River

Attachment B

1999

2000

2001

2002

COUNTY	PAYMENT	TOTAL ACRES	PAYMENT	TOTAL ACRES	PAYMENT	TOTAL ACRES	PAYMENT	TOTAL ACRES	PAYMENT	TOTAL ACRES
APACHE	\$ 489,540.00	680,968	\$ 523,885.00	680,968	\$ 745,100.00	680,968	\$ 795,723.00	680,968	\$ 976,944.00	680,968
COCHISE	\$ 619,422.00	841,942	\$ 653,544.00	841,942	\$ 936,958.00	843,839	\$ 976,944.00	843,839	\$ 1,329,731.00	843,839
COCONINO	\$ 789,440.00	4,711,070	\$ 820,879.00	4,711,073	\$ 1,260,220.00	4,717,333	\$ 1,574,039.00	4,717,333	\$ 1,574,039.00	4,717,333
GILA	\$ 942,506.00	1,774,604	\$ 1,046,543.00	1,774,229	\$ 1,498,572.00	1,773,893	\$ 1,574,039.00	1,773,893	\$ 1,574,039.00	1,773,893
GRAHAM	\$ 749,771.00	1,081,861	\$ 817,889.00	1,081,858	\$ 1,187,783.00	1,081,858	\$ 1,248,837.00	1,081,858	\$ 1,248,837.00	1,081,858
GREENLEE	\$ 286,757.00	900,141	\$ 345,990.00	900,140	\$ 473,543.00	896,815	\$ 530,056.00	896,815	\$ 530,056.00	896,815
LA PAZ	\$ 448,830.00	1,849,713	\$ 473,763.00	1,849,673	\$ 837,591.00	1,849,608	\$ 879,288.00	1,849,608	\$ 879,288.00	1,849,608
MARICOPA	\$ 969,069.00	2,309,656	\$ 1,019,264.00	2,299,643	\$ 1,465,414.00	2,299,602	\$ 1,539,003.00	2,299,602	\$ 1,539,003.00	2,299,602
MOHAVE	\$ 996,910.00	6,448,544	\$ 1,052,149.00	6,448,652	\$ 1,509,613.00	6,448,675	\$ 1,584,701.00	6,448,675	\$ 1,584,701.00	6,448,675
NAVAJO	\$ 415,070.00	597,161	\$ 435,569.00	596,483	\$ 641,880.00	596,484	\$ 694,151.00	596,484	\$ 694,151.00	596,484
PIMA	\$ 998,178.00	1,527,086	\$ 1,061,362.00	1,527,386	\$ 1,529,516.00	1,527,956	\$ 1,618,859.00	1,527,956	\$ 1,618,859.00	1,527,956
PINAL	\$ 377,565.00	516,901	\$ 396,290.00	516,581	\$ 568,264.00	516,581	\$ 599,120.00	516,581	\$ 599,120.00	516,581
SANTA CRUZ	\$ 315,323.00	420,902	\$ 331,976.00	420,832	\$ 475,255.00	420,832	\$ 498,484.00	420,832	\$ 498,484.00	420,832
YAVAPAI	\$ 879,521.00	2,403,266	\$ 973,796.00	2,403,374	\$ 1,417,178.00	2,403,295	\$ 1,473,737.00	2,403,295	\$ 1,473,737.00	2,403,295
YUMA	\$ 997,394.00	1,516,533	\$ 1,052,736.00	1,509,182	\$ 1,510,193.00	1,509,181	\$ 1,585,382.00	1,509,181	\$ 1,585,382.00	1,509,181

COUNTY	2003		2004		2005	
	TOTAL ACRES	PAYMENT	TOTAL ACRES	PAYMENT	TOTAL ACRES	PAYMENT
APACHE	680,967	\$ 926,386.00	680,967	\$910,399	652,473	\$ 930,466.00
COCHISE	846,074	\$ 1,089,494.00	846,075	\$1,225,198	900,174	\$ 1,251,218.00
COCONINO	4,718,092	\$ 858,124.00	4,719,237	\$896,233	4,725,640	\$ 935,081.00
GILA	1,782,052	\$ 1,798,227.00	1,782,615	\$1,849,029	1,783,407	\$ 1,884,123.00
GRAHAM	1,081,858	\$ 1,421,185.00	1,081,858	\$ 1,461,333	1,129,341	\$ 1,492,061.00
GREENLEE	896,815	\$ 341,525.00	896,738	\$353,908	907,375	\$ 367,750.00
LA PAZ	1,848,542	\$ 1,008,984.00	1,849,012	\$1,037,241	1,842,767	\$ 1,059,374.00
MARICOPA	2,299,624	\$ 1,725,495.00	2,307,190	\$1,775,295	2,456,262	\$ 1,813,162.00
MOHAVE	6,453,967	\$ 1,818,201.00	6,457,191	\$1,869,675	6,079,265	\$ 1,909,487.00
NAVAJO	596,484	\$ 794,619.00	596,484	\$826,810	604,701	\$ 845,282.00
PIMA	1,528,206	\$ 1,841,427.00	1,530,972	\$1,901,776	1,599,417	\$ 1,930,009.00
PINAL	516,581	\$ 673,798.00	518,313	\$842,978	626,905	\$ 861,637.00
SANTA CRUZ	420,832	\$ 569,132.00	420,832	\$597,577	431,917	\$ 614,189.00
YAVAPAI	2,403,385	\$ 1,359,624.00	2,415,353	\$1,280,574	2,586,685	\$ 1,430,065.00
YUMA	1,509,156	\$ 1,819,027.00	1,565,616	\$1,870,117	1,563,999	\$ 1,909,810.00

2006 2007 2008 2009

COUNTY	2006		2007		2008		2009	
	PAYMENT	TOTAL AGREES	PAYMENT	TOTAL AGREES	PAYMENT	PAYMENT	PAYMENT	
APACHE	\$ 946,414.00	652,583	\$ 956,164.00	662,655	\$ 1,462,097.00	\$ 1,553,599.00	\$ 1,553,599.00	
COCHISE	\$ 1,242,640.00	900,746	\$ 1,236,526.00	900,747	\$ 2,044,105.00	\$ 2,062,865.00	\$ 2,062,865.00	
COCONINO	\$ 958,986.00	4,726,727	\$ 951,551.00	4,732,001	\$ 1,517,895.00	\$ 1,548,284.00	\$ 1,548,284.00	
GILA	\$ 1,826,289.00	1,775,512	\$ 1,896,351.00	1,775,370	\$ 3,049,527.00	\$ 3,133,057.00	\$ 3,133,057.00	
GRAHAM	\$ 1,519,665.00	1,114,133	\$ 1,487,969.00	1,114,413	\$ 2,474,390.00	\$ 2,564,987.00	\$ 2,564,987.00	
GREENLEE	\$ 269,139.00	907,644	\$ 376,788.00	907,854	\$ 612,682.00	\$ 643,949.00	\$ 643,949.00	
LA PAZ	\$ 1,077,843.00	1,842,767	\$ 1,070,982.00	1,829,124	\$ 1,700,374.00	\$ 1,744,946.00	\$ 1,744,946.00	
MARICOPA	\$ 1,858,155.00	2,457,360	\$ 1,844,364.00	2,457,368	\$ 2,915,379.00	\$ 2,997,005.00	\$ 2,997,005.00	
MOHAVE	\$ 1,944,307.00	6,080,727	\$ 1,935,970.00	6,083,280	\$ 3,069,876.00	\$ 3,148,076.00	\$ 3,148,076.00	
NAVAJO	\$ 744,028.00	599,165	\$ 749,814.00	598,123	\$ 1,335,324.00	\$ 1,418,214.00	\$ 1,418,214.00	
PIMA	\$ 1,925,348.00	1,600,332	\$ 1,902,625.00	1,600,331	\$ 3,003,013.00	\$ 3,073,106.00	\$ 3,073,106.00	
PINAL	\$ 868,239.00	627,294	\$ 858,776.00	627,294	\$ 1,374,260.00	\$ 1,403,450.00	\$ 1,403,450.00	
SANTA CRUZ	\$ 574,210.00	432,961	\$ 570,905.00	432,566	\$ 931,234.00	\$ 1,006,572.00	\$ 1,006,572.00	
YAVAPAI	\$ 1,323,467.00	2,587,148	\$ 1,323,147.00	2,587,023	\$ 2,113,869.00	\$ 2,214,680.00	\$ 2,214,680.00	
YUMA	\$ 1,944,685.00	1,564,516	\$ 1,936,291.00	1,564,437	\$ 3,070,448.00	\$ 3,149,333.00	\$ 3,149,333.00	

2010

2011

2012

COUNTY	TOTAL		TOTAL		TOTAL		TOTAL	
	AGRES	PAYMENT	AGRES	PAYMENT	AGRES	PAYMENT	AGRES	PAYMENT
APACHE	662,743	\$ 1,589,034.00	662,743	\$ 1,602,166.00	662,743	\$ 1,635,348.00	662,743	
COCHISE	900,752	\$ 1,860,869.00	900,752	\$ 1,914,667.00	900,752	\$ 2,000,332.00	900,209	
COCONINO	4,732,288	\$ 1,563,802.00	4,732,288	\$ 1,561,960.00	4,738,152	\$ 1,609,371.00	4,738,152	
GILA	1,775,022	\$ 3,108,571.00	1,775,022	\$ 3,023,345.00	1,775,022	\$ 3,271,245.00	1,775,022	
GRAHAM	1,114,629	\$ 2,672,505.00	1,114,629	\$ 2,644,642.00	1,114,629	\$ 2,700,447.00	1,114,629	
GREENLEE	907,852	\$ 755,663.00	907,852	\$ 816,028.00	907,852	\$ 891,483.00	907,852	
LA PAZ	1,831,900	\$ 1,786,191.00	1,831,900	\$ 1,806,515.00	1,857,761	\$ 1,842,363.00	1,857,761	
MARICOPA	2,440,166	\$ 2,652,085.00	2,440,166	\$ 2,728,933.00	2,441,551	\$ 2,802,089.00	2,441,551	
MOHAVE	6,143,366	\$ 3,216,280.00	6,143,526	\$ 3,248,358.00	6,412,188	\$ 3,314,048.00	6,413,652	
NAVAJO	615,318	\$ 346,772.00	615,318	\$ 1,341,507.00	598,339	\$ 1,451,974.00	598,339	
PIMA	1,600,331	\$ 2,800,949.00	1,600,331	\$ 2,855,411.00	1,595,852	\$ 2,958,214.00	1,594,428	
PINAL	624,688	\$ 1,070,449.00	625,328	\$ 1,096,781.00	622,487	\$ 1,146,328.00	622,487	
SANTA CRUZ	432,595	\$ 322,344.00	432,595	\$ 777,268.00	432,595	\$ 956,273.00	432,595	
YAVAPAI	2,587,482	\$ 853,278.00	2,588,213	\$ 2,872,793.00	2,582,989	\$ 2,985,878.00	2,582,746	
YUMA	1,563,464	\$ 3,224,801.00	1,563,564	\$ 3,256,516.00	1,564,711	\$ 3,321,182.00	1,564,863	