

Western States Land Commissioners Association
Roll Call Notes
January 8, 2007 – Las Vegas, Nevada

Mark Wilcox, President of the Western States Land Commissioner's Association (WSLCA), welcomed the participants to the conference.

Elinor Schwartz provided a Federal Update.

The November elections brought a change in the control of both Houses of Congress, putting in notion enormous political change.

Congress returned for the lame duck session and passed the Interior and Related Agencies Appropriations along with nine other remaining FY2007 appropriations and a Continuing Resolution that will last until February 15th. It is expected that the FY2007 appropriations will pass at about the same rate as the FY 2006 spending levels but without earmarks until transparency and accountability reforms are in place.

Conservation tax incentives passed in spite of the Washington Post reports exposing questionable financial practices of the Nature Conservancy. A grass roots groundswell made it possible. Congress also extended the expiring tax credits for electricity produced from renewable energy from 2007 to 2008.

The Pipeline Protection, Inspection and Enforcement Act passed authorizing the Office of Pipeline Safety and a fifty percent increase in federal pipeline safety inspectors as well as regulation of low-stress oil and gas distribution pipelines.

Diane Feinstein (CA) will chair the Interior and Environment Appropriations Sub-committee and Norm Dickson from Washington will head the Interior and Environment Appropriations Sub-committee in the House.

The Secure Rural Schools Act has expired and will impact rural schools depending on that funding until it can be re-enacted. The farm bill is up for the customary five year update. An energy policy bill will be introduced by Harry Reid that features both maintaining production and a piece on bio-fuels.

Kathleen Clark is leaving the BLM in February. Jim Hughes and Henry Passant are both likely candidates though no decision has yet been made.

Dave Hebertson, Secretary of WSLCA conducted the Roll Call of the States. He notified the participants that the order of the roll call is a social and government statistic ranking from the most to the least or worst to the best depending on one's perspective. It was requested that each state representative give a brief explanation of the board and management structure in their state as part of the report.

Oklahoma – Keith Kuhlman

Oklahoma has five commissioners who are all statewide elected officials except the commissioner of agriculture who is appointed by the governor. The secretary of the commissioners and an assistant are both appointed by the commissioners.

The Oklahoma Legislature is upset with the land office because they wanted more money for the state from the Lake Texoma project and did not like hearing that the proceeds from the project belong to the trust. The land office has been promised that nothing they want this year will pass.

Texas – Jerry Patterson

In Texas the land commissioner is a statewide elected officer who sits on the land board with two appointees. One is appointed by the attorney general and other is appointed by the governor. The legislature convenes this week. The new governor is republican and was elected by 93% of the vote. Commissioner Patterson has been re-elected as well.

Texas has become the largest producer of wind power surpassing California. It is estimated that the state will produce 300,000 megawatts from wind power next year. The expense of transmission continues to be the problem since the lines are expensive. Off shore wind power is closer to the lode so transmission is not as big a problem.

The land office continues to look for new opportunities to generate revenue from the land recognizing that oil and gas production peaked in the 70's and 80's and the resource is being depleted. Revenues from oil and gas are up but production is not.

Montana was not present.

California was not present.

Colorado – John Brejcha

Colorado has a five member land board appointed for four year terms by the governor. The members are approved by the senate. For the first time since anyone can remember Colorado will have a democratic governor along with a democratic majority in the house and senate. New appointments to the board will be decided soon and there could be as many as three new appointments or perhaps as few as one.

The Lowry Project, a 26,000 acre parcel southeast of the Denver Met area is moving forward. The development and conservation contracts, both pieces of the project, have just been awarded by the board. Lend Lease of Australia will be the developer.

Over the course of 20-30 years the project is projected to generate 400 million dollars for the trust. The 3100 acre parcel at Emerald Mountain near Steamboat Springs has been under discussion for several years as the trust tried to determine how to extract value without developing it. A three party exchange has emerged where the trust will receive 12 million dollars from the BLM. The BLM will now have the mountain and private parties receive several scattered parcels of BLM land.

The land office is part of a deal to build an office building that will cost four million dollars to complete and then will provide ongoing revenue to the trust.

Idaho - Kathy Opp

Idaho has a five member land board that is made up of the top elected officials in the state. The governor serves as the chair. The board selects the director and as most are aware Director Wiggins has retired during the past year. In addition, Denise Mills has

moved to the State of Washington in another capacity. The elections have changed faces on the land board and a search is under way for a new director.

Over the past year the land office hired a development specialist who has researched prospective development land holdings. The office has learned that most of the 52,000 acres of trust land located in the Boise metropolitan area has been designated for trails and open space. The board approved an asset management policy in June. The land office has contracted their first ever wind-power lease.

The Summer 2008 WSLCA Conference will be held in conjunction with the CLASS Conference in Boise, Idaho. The conference will be held the 13th through the 18th of July. Boise has been named one of the top ten most livable cities. The Idaho office welcomes everyone to the 2008 Conference.

Arizona – Mark Winkleman

The Arizona land commissioner is appointed by the governor and oversees all operations of the land office. There is no land board. Governor Napolitano, a democrat, has been re-elected in the very republican state of Arizona. She appointed Mr. Winkleman. Jamie Hogue has been appointed deputy commissioner replacing Richard Hubbard.

Land sales have slowed in Arizona. A reserve water right lawsuit that the land office has reported on previously has been adjudicated but it is anticipated that it will be another eight or nine months until the land office knows how the ruling will impact the trust.

The citizen's initiative involving the trust, supported by conservation groups cost about two million dollars on each side and failed to pass in the recent election. A referendum also placed on the ballot by the legislature dealing with the trust also did not pass.

The governor has established a new growth cabinet that the land commissioner will sit on.

Nebraska – Jay Gildersleeve

Nebraska has a five member land board who are appointed by the governor for five-year rotating terms. The newly elected governor is a republican as was the prior governor. The appointments may or may not change going forward.

Among those in the legislature there is some growing support for selling more trust land. There are some who believe it should all be sold. There is a water shortage in Nebraska in both the Platt River and the Republican River. This shortage resulted in Kansas filing a lawsuit that Kansas was expected to win. Nebraska agreed to settle. If it rains, there will be no problem but if it doesn't the legislature will need to find a way to limit water use for agriculture. Recent proposals to resolve the problem have surfaced in the legislature. One proposal in 2006 proposed to take the water rights from the trust but to do so would have required the legislature to compensate the trust about a hundred million dollars. The proposal was dismissed but is expected to come up again in the 2008 session.

An auditor has learned recently that the revenues over the past two years from the land have gone into the reserve account and have never been deposited into the permanent fund. That revenue has been generating just two percent.

New Mexico – Patrick Lyons

The land commissioner is elected in New Mexico and Pat Lyons has just been re-elected. He was the only republican that won a statewide race. As push back, legislation has been introduced to establish a board to oversee the land commissioner. It is believed that such a statute change is unconstitutional.

New Mexico has received record breaking snow resulting in an unprecedented 50-58 inches in some places.

The land office generated 495 million dollars in the past year. About 92% came from oil and gas revenues. In New Mexico gas production is up and oil production is down.

A biomass lease has been negotiated that will produce electricity from woody vegetation on 6800 acres of trust land.

Mesa Del Sol now has four business leases on the 15,000 acre parcel. New Mexico cannot gin cotton due to air regulations resulting in the gins being moved across the boarder to Texas.

Senator Domenici has established a royalty policy commission for the BLM and Commissioner Lyons has been asked to be on the commission.

North Dakota was not present.

South Dakota was not present.

Louisiana was not present.

Minnesota was not present.

Washington – Bruce MacKay

Commissioner Sutherland did not have an election this year but republicans did not fare well in Washington State in the recent election. The commissioner in Washington is elected to head the nine agencies in the Department of Natural Resources. There is also a board.

During the past year a record 365,000 acres burned in Washington. The fires burned the forest right up to the state lands, where the lands are managed. That is where the fire stopped. The expense of fighting fires is considerable and to add to the difficulty, in a prior fire season, four men lost their lives fighting fires. Charges of involuntary manslaughter have been brought against the agency.

Washington has five land exchanges in process totaling 300,000 acres in twenty-nine counties. Multiple use legislation passed in 1971 designating trust lands open for public recreation as long as it “doesn’t impact the trust” but increasingly recreation is impacting the trust. As a result the land office is working with recreationalists to find a solution that will allow recreation to continue without negatively impacting the trust.

The land managers are facing bug infested lands and are in need of increased revenues to manage the infested areas.

The American Indian Tribe has filed a suit claiming that their promised “fair share” of the rivers is 50% of the fish removed from the rivers. The law provides that the tribe get their fair share but what a “fair share” is has not been specifically defined. It is understood that what the tribe really wants is co-management of all lands in Washington both state and federal.

Wisconsin – Doug LaFollet

Mr. LaFollet is the chair of the land commission in Wisconsin that is made up of three elected officials. He has been re-elected along with a new attorney general and a new state treasurer. The director manages the operations of the land office with Tom German, the deputy director, also attending the conference. In Wisconsin there is school land and an associated trust fund that is loaned to schools and municipalities. The revenue generated from the fund goes to public school libraries.

A plan has recently been negotiated to protect some 65,000 acres of forested land that was being over-harvested. The new plan provides for a sustainable harvest that will protect the wetland waterfront.

The land office now has the ability to purchase new lands with funds attained by selling other lands. They are using this tool to consolidate the land holdings for better management.

Oregon – Steve Purchase

The land board in Oregon is made up of the secretary of state, the state treasurer and the governor. Louise Solliday has recently been appointed by the governor to be the director. For perhaps the first time in history, the people of Oregon have elected a democratic land board with a democratic majority in both the house and the senate.

The Common School Fund passed the one billion dollar mark last year. The board has adopted an asset management plan and a strategic plan that the land office has been working on for some time.

The Environmental Protection Agency has designated a section of the Portland Harbor as a superfund clean-up site.

The agency continues to work towards completion of in-lieu selections and hope to complete those under consideration by the end of 2008.

The Elliot State Forest lands have been a topic of considerable discussion including some controversy about the lands remaining in trust ownership at all. Ultimately the decision was made that the trust should maintain ownership but that decision was made with a different political mind-set than is now representing the state of Oregon.

Alaska – Rick Thompson

The Alaska Department of Natural Resources is a comprehensive land management agency that is responsible for many land management purposes. The commissioner is appointed by the governor and Alaska has a new governor. During the governor’s election campaigns one major point of discussion was a new gas line contract. Newly elected Governor Sarah Palin promised to scrap the new contract and start over. The commissioner and deputy commissioner left over disagreement about the pipeline

contract with the most recent governor. The new governor has hired them both back to the department but a new commissioner has not yet been appointed.

A sizeable spill on the North Slope that occurred in the last year revealed that some lines hadn't been cleaned in several years resulting in new federal legislation addressing pipeline maintenance. Considerable controversy surrounds the proposed Pebble Mine in Southwest Alaska that will impact an important salmon habitat.

Arkansas – Mark Wilcox

Commissioner Wilcox won re-election by taking 85% of the vote. Under term limitations this will be his last term. The land office in Arkansas does not manage trust lands.

The land office lost the lawsuit dealing with proper notification and are now looking for a way to make the land owner partially responsible to stay engaged with the land office.

At the time the commissioner took office, a priority was established to dispose of approximately 40,000 parcels of land held on their books that should have been sold to generate revenue. Four years later there remain just 1400 parcels, some of which may not actually exist.

Hawaii was not present.

Mississippi was not present.

Nevada – Jim Lawrence

Jim Lawrence welcomed the participants to Nevada. The Nevada Division of State Lands has no board. The department head is appointed by the governor. It is not expected that the newly elected Governor Gibbons will change the appointment of the department head nor will the appointment of Pam Wilcox change.

There are currently thirty bills dealing with land management and eminent domain that have been filed for consideration in the upcoming legislative session creating considerable work ahead for the land office. In a recent session legislation passed requiring that all disposals of state land have two appraisals and then be sold at auction. The law has created quite a problem since the requirement of two appraisals sometimes costs more than the land is worth. The office will be working to amend the provision.

The Southern Nevada Planning Process is going well that generates revenue from the sale of federal lands, including 5% for schools.

Utah – Kevin Carter

Utah has a seven member board of trustees who are appointed by the governor from names sent forward by a nominating committee. They serve for six-year rotating terms. The board appoints a director for a four year term with concurrence of the governor.

The Utah office has been working for two years on a congressional exchange process to trade 45,000 acres on each side. It passed the house and was bundled with a package of bills in the Senate to pass on consent. Senator Coburn put a hold on any bill with an appropriation and part of the bundle included a bill with an appropriation to purchase the Bill Clinton boy hood home. The package didn't pass. The bill will be reintroduced early in this Congress.

Tabby Mountain, a parcel of 28,000 acres located at between 6500 and 10,000 feet, heavily forested with a stream of water running through it, has been in a planning process that included a list of possibilities for use. The focus for communities became centered on one possible option being a sale. Neither county wants it to go into private hands. The governor put 20 million dollars in his budget to buy the land. The beneficiaries don't want it sold and the board of trustees may state that it is not currently for sale at any price.

It has been a record revenue year with oil and gas revenues up along with all other assets. The ratio of oil and gas to the other categories was down including the rising category of real estate. The agency has been building that program over the past ten years under the direction of Ric McBrier, who has recently announced that he will be leaving in the next quarter. The agency is looking for someone to fill that position.

Wyoming was not present.

Alaska Mental Health Trust was not present.

Republic of the Marianas was not present.

CLASS – The Children's Land Alliance Supporting Schools – Paula Plant

CLASS thanked the land commissioners for their on-going support of the organization including their membership. A Birthright Forever, a CLASS produced DVD presented in a draft form at the Summer Conference in Sheridan, Wyoming has been completed. Each land office should have received a copy.

CLASS continues to make contact with education leaders in states with school trust lands and policy makers to educate them about the trusts. Since the summer conference, a presentation was made to the Conference of Western Attorneys General held in Alaska in August. While in Anchorage, contacts were made with education leaders in Alaska. Appointments have been scheduled with education leaders in the Las Vegas area over the next few days as well as the governor's office. Margaret Bird expects to do a follow-up presentation to the Conference of Governments–West in anticipation of a joint presentation at the upcoming CLASS Conference. The summer conference will be held in conjunction with the WSLCA in Salt Lake City, July 21-24 at the Little America Hotel. CLASS will be asking for help from WSLCA in some presentations.

There was no representative from the BLM.

Roll Call Order was determined by rank according to the states with the truest to the least true lottery with states that don't have a lottery organized by alphabetical order at the end. A true lottery is defined by the lottery post.com website as being as a lottery not generated by a computer. It was noted that in Nevada, lotteries are against the law.

Fourteen of the twenty-three member states were present.