

RESULTS FROM THE ORGANIZATION TEAM (THE TEAM)

The Team charted a course to review the existing Articles of Incorporation and Bylaws to determine if WSLCA needed to change structurally in light of the Association's strategic initiatives.

The Team determined that the Association should retain its 501(c)(3) non-profit tax status, and alternatively could look to create a 501(c)(4) sister organization in the future should the new Association need to buffer its educational work from lobbying work on behalf of the new Association.

Currently, WSLCA is incorporated in California. The Team first addressed the question of whether or not to remain a California corporation. The Team determined that California is not the most advantageous state for the Association. California has a number of stringent and tedious laws related to 501(c)(3) corporations from annual financial filings, statutory default bylaws for nonprofits and the inability to transfer assets.

The Team next researched where a new association should seek to incorporate and found the most advantageous states were Arizona, Nevada and Utah. The Team chose Arizona as the new state of incorporation based on Arizona incorporation laws, member involvement, and affiliate member involvement in Arizona.

The Organization Team determined the most expeditious process to incorporate and dissolve is as follows:

1. Consider new name recommended by Branding Team. Vote on a proposed new name.
2. Drafting new Articles of Incorporation and new Bylaws to create a new association as an Arizona corporation.
3. Distribute draft documents to leadership for discussion at April Virtual Meeting.
4. Establish the new association as an Arizona corporation by filing the Articles and Bylaws with the Arizona Secretary of State.
5. Seek 501(c)(3) status/determination from the IRS by completing and filing the appropriate paperwork with the IRS.
6. Upon receipt of 501(c)(3) determination, WSLCA then will formally seek to dissolve the current California corporation.
7. WSLCA, upon dissolution, will transfer its existing assets, liabilities and contracts to the newly formed 501(c)(3) as set forth in 8.02 of the existing Bylaws

NON-PROFIT (501C3) STATUS

The new association, once incorporated, will seek non-profit tax-exempt status from the IRS. In most cases (but not always), the IRS approves tax-exempt status requests in around **four months or so (3 to 11 months)** is the typical range).

WHAT CHANGES, IF ANY, WERE MADE TO THE ARTICLES OF INCORPORATION?

The only substantive change is the selection of a new name for the Association. Otherwise the new association will carry-on the same affairs. They are:

1. Promoting the maximization of income, preservation of assets, and prudent administration of members' educational and institutional trusts;
2. Acquiring and evaluating information about public and state trust lands, water, and resource management policies, activities, and the effects thereof;
3. Developing prudent public and state trust lands, water, and resource management policies; and
4. Providing information, education, and assistance concerning the foregoing to the member states and interested parties.

WHAT CHANGES, IF ANY, WERE MADE TO THE BYLAWS FOR THE NEW ASSOCIATION?

The Organization Team is recommending the following changes to the current WSLCA Bylaws.

1. **The existing committee structure of WSLCA will no longer exist. The new association will have the following standing committees:**
 - a. Executive Committee consisting of the President, Vice President, Treasurer, Secretary, immediate past president.
 - b. Resolution Committee consists of the President and other at-large members appointed by the President or elected by membership. The Resolution Committee has the same charge to draft and review resolutions, and recommend association resolutions to the membership.
 - c. Nominating Committee consists of the Executive Committee. The Nominating Committee has a similar charge to nominate candidates for association offices.

The following committees will no longer exist within the new association.

- a. Asset Management
- b. Communications & Data Sharing
- c. Legislative
- d. Subsurface Lands
- e. Surface and Land Tenure
- f. Submerged Land & Water Management.

Without question these standing committees proved worthwhile in the past to educate and update members on the various issues. However, the Organization Team, working with the Executive Committee, believe a new structure of Special Committees and Task Forces would better serve the new association.

2. **New section discussing the use of Special Committees and Task Forces**

The Executive Committee will have authority in the new association to form or dissolve Special Committees and Task Forces at its discretion.

Doing so permits the Executive Committee and the new association to be more flexible and agile in addressing contemporaneous association issues. Additionally, it offers the Executive Committee and all members (State members, Associate members and Affiliate members) an opportunity to serve on a temporary Special Committee or Task Force that is limited in duration and scope.

3. Member Voting rights

The Organization Team believed it was important to maintain the original structure with respect to the voting rights for State members. As such, voting rights on business matters will not be extended to Associate or Affiliate members in the new association.

4. Associate and Affiliate Members

Current WSLCA Bylaws from 2017 contemplate non-state membership. The new association maintains both Associate Memberships and Affiliate Memberships.

- a. An Associate Member is a similarly situated manager of trust lands that benefit education or another relevant trust beneficiary (eg. Alaska Mental Health Trust), and that is not a US State. The Bylaws envision that potential Associate members would be USA territories, Canadian provinces or Mexican states. Associate members have no voting rights and cannot hold office in the new association. A majority of state members must vote to admit an Associate member at a regular meeting.
- b. An Affiliate Member is a private sector organization that chooses to join the new association to seek partnerships that advance the mutual goals of the Affiliate member, the new association and state members. Affiliate members have no voting rights and cannot hold office in the new association. The Executive Committee has authority to establish an affiliate membership program, and sole responsibility to approve the admission of new affiliate members.

NAME CHANGE – NATIONAL ASSOCIATION OF STATE TRUST LANDS

Why did we choose the new name, National Association of State Trust Lands (NASTL)?

There has been considerable discussion among the membership to provide for greater inclusiveness in the association. Several have suggested that Western States Land Commissioners implies greater restriction than is currently represented in the membership, and does not provide for expansion opportunity. Discussions at business sessions have suggested the desire to open membership to other states agencies and state trusts that have management responsibilities for state trust lands and beneficiaries in addition to, or other than public education. Six current member states have somewhat blended or non-standard roles. We have talked to them about the name change. They seem to prefer greater inclusiveness reflected in the name, NASTL. The change of name would also welcome

participation from Eastern States as members, as well as participation from US Territories and Canadian Provinces, if desired.

The Association is undergoing a transformation through its Strategic Plan to become the foremost advocate for state trust land management for the purpose of helping states fund education. As an organization our state members recognized the need to expand our knowledge base and expertise in our efforts to efficiently manage trust assets, and to expand our influence through effective management of state trust resources through partnerships with affiliate members.

Have State Members agreed to the proposed new association's name – NASTL?

Yes. The Executive Committee determined that an expedited voting process on a new name for the association could be accomplished using an online voting tool pursuant to WSLCA Bylaws 7.04. On February 5, 2019 an electronic polling link was sent to the Department head of each member state in good standing. The polling resulted in 14 states voting "yes", 2 states voting "no" and 4 states not responding.

IMPLEMENTATION TIMELINE

April 2019 – distribute proposed Articles of Incorporation, Bylaws (revised) and FAQ document to state leaders. Request feedback by June 1st.

May 2019 – Organization Team to discuss suggested revisions to Articles, Bylaws or FAQs with Executive Committee.

June 2019 - file Articles of Incorporation in Arizona for the new National Association of State Trust Lands. Begin preparing 501(c)(3) documents for filing with IRS.

July 2019 – upon receipt of filed NASTL Articles of Incorporation, complete 501(c)(3) documents and submit to IRS. President to update members on status of filing and process at the Summer Conference.

July 2019 – approval of new by-laws at the summer conference in Montana.

February 2020 (estimate) – upon approval of 501(c)(3) status initiate process to wind-down WSLCA in California and transfer WSLCA assets to NASTL

May 2020 (estimate) – complete transfer of WSLCA assets to NASTL, dissolution of WSLCA as a California corporation.