

MANAGING THE WEST

Wisconsin Arkansas Washington Nevada
North Dakota Utah Alaska Arizona
Wyoming Minnesota Missouri Kansas
Texas Oregon South Dakota Oklahoma
Montana Colorado New Mexico Idaho

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2017 WSLCA

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Welcome to the late Spring 2017 issue of *Managing the West*...

Organizations, like all living things, have a lifecycle—they are born, grow and age. As they change, progressing along their lifecycle, patterns of behavior emerge. As the WSLCA continues its journey toward becoming a “*nationally recognized voice for prudent land management*” we are learning new patterns of behavior and interaction, and reviewing and abandoning old patterns, as necessary. We are exploring new messaging to better communicate *WHY* we exist. According to Adizes’ work on organizational life cycles, our refocusing effort over the past several years can be likened to a rebirth, thus characterizing the WSLCA as in the *Adolescent* phase. In this phase, we are still developing and establishing new standards. Which brings us to the exciting work planned during the upcoming 2017 Summer Conference in Anchorage, Alaska.

It has been both rewarding and motivating for me to have strategic conversations with our member state leaders over the past six weeks. This opportunity to calibrate what the association should *KEEP, STOP, and START* doing, along with feedback about the single most item you value from the association is helping to frame the update of our strategic plan. One thing we know we do as part of the work is create a simple answer to the question, how is the world different because we exist? We have an ability to spark interest and support from others through simple, meaningful communication, and by finding our commonality. I challenge us to think about the big picture and not so much about how we do what we do as states, rather *WHY* the WSLCA exists. Is it as simple as “We fund education”?

At the winter conference in January, we embraced the motto of Rogers, Arkansas “Where Possible Lives”. The event stretched our capacity to bring members together virtually and in-person. This first working conference brought together our collective knowledge and expertise to tackle big picture challenges in an agile and productive way. Explore highlights from the event on the website, and other exclusive information located our ASU data sharing website.

In this edition of WSLCA news review results from state legislative session, explore the possibility for an ASU real estate certificate program for WSLCA members, and learn about new affiliate member, PCC. Finally, don’t forget to register for the summer conference. I look forward to designing the future of WSLCA; a future only we can decide to build and implement.

Brent Goodrum (AK)
President, WSLCA

State legislative news...

ARIZONA:

Arizona's 53rd Legislature, 1st Regular Session is focused a great deal on reducing administrative regulation/oversight and limiting agency redundancy through various legislative proposals. There were proposals related to community facilities districts and county improvement districts (political subdivisions of the state separate from cities and counties) that would have amended existing laws related to their formation and authorities. These special taxing districts are ways in which developers defer some of the costs for infrastructure development. The bills were politically-charged and have all stalled or failed to get out of a committee.

The Arizona State Land Department (ASLD) was not involved in advancing any agency-specific legislation this session; however, the ASLD was engaged in defending the Trust and its authorities from various legislative proposals that would have been unduly burdensome, or imposed statutory provisions that would have conflicted with the State's Constitution and Enabling Act. There were three different proposals that would have mandated that the ASLD issue a "perpetual" right-of-way (ROW) to a private land-owner that was surrounded by state or federal lands. Those iterations were all amended down to 30 years and applicants are required to abide by ASLD rules/policies in securing a ROW instrument.

A vegetative removal bill was advanced that basically will require the State Land Commissioner to work with the State Forester to establish a program that will advance a streamlined program for landscape treatments on State Trust land while compensating the Trust for any natural products removed. The effort may also result in a more robust biomass/biofuel industry in the state.

The session is nearing its end for the year, as the executive branch and legislative branch are engaged in budget negotiations – which sometimes can alter the course of the outstanding policy bills that remain in play until they adjourn the session.

The ASLD has also been working with several of our congressional delegates on forest-related legislation, ACE act, and federal land designations.

ARKANSAS:

Four new laws will directly impact procedures at the county and/or state level.

Act 514 permits county collectors to publish delinquent mineral rights taxes online.

- Arkansas Code § 26-36-213 (a)(1)(c) has been revised to explain that by December 1 of each year, county collectors will compile and provide to the Association of Arkansas Counties a list of delinquent mineral taxes, to be published on a dedicated website.
- Each county's official website will also contain a link to this list.
- Notice will be published in local newspapers directing tax payers to the website as well.

Act 960 permits state agencies, courts and local governments to publish and submit documents electronically.

- Entities may also request electronic receipt verification for the pertinent document(s).

Act 1053 streamlines the process for handling parcels that do not sell at auction and changes the time Excess Proceeds funds are held before escheating back to the county.

- Approval from the Attorney General's office is no longer required for post-auction sales; rather, a quarterly report of such sales will be submitted to the legislature for review. Arkansas Code §26-37-202(b) has been amended to reflect these specific changes.
- §26-37-205(b) has been amended to reflect that the Commissioner's fees collected for post-auction sales will cover, at minimum, recording fees for pertinent documents.
- Further, any funds generated by auction or post-auction sales **after July 1, 2018** will be held for two (2) years before escheating by operation of law to the county in which they are located.

Act 1076 now requires any lessee of state-owned property to pay state ad valorem taxes on the property if the duration of the lease agreement exceeds 90 days.

- The state will communicate lessee information and lease details to the county tax collector within 30 days of lease agreement execution.
- Arkansas Code §26-26-905 has been revised to reflect these changes.

COLORADO:

The Colorado legislature passed a bill last year to create an Investment Board to advise the Permanent Fund (the financial assets of our trust) in order to allow for more overall portfolio growth and diversification.

IDAHO:

Idaho Department of Lands (IDL) received an appropriation of \$54,359,100 for fiscal year 2018. The Idaho Endowment Fund Investment Board (EFIB)

received an appropriation of \$753,600 for fiscal year 2018.

The Idaho constitution requires approval from the state legislature on agency rule changes. IDL received approval for three rule changes; with a fourth set of rule changes rejected by the legislature. The three approved rules are:

[IDAPA 20.02.14](#) – Selling Forest Products on State-Owned Endowment Lands - repealed two sections of rules regarding how cedar poles are sold and harvested on endowment lands. It provides IDL more flexibility in setting up timber sales that contain cedar poles as separate sales are no longer required in all instances.

[IDAPA 20.03.16](#) – Rules Governing Oil and Gas Leasing on Idaho State Lands -revised rules point to the lease length identified in Idaho Code 47-801, increase nomination fees to a minimum of \$250, and increase processing fees to \$100, among other changes.

[IDAPA 20.07.01](#) – Rules of Practice and Procedure before the Idaho Oil and Gas Conservation Commission - repealed rules that went into effect 1992 but were later superseded by the Administrative Procedures Act.

IDL proposed three bills related to oil and gas. All passed and have been signed by the governor.

[H052 Interstate Compact/ Oil and Gas](#) – Idaho may now become a full member of the Interstate Oil and Gas Compact Commission.

[H053 State School Lands, Oil/Gas Development](#) – the State Board of Land Commissioners through the Department of Lands may now issue oil and gas leases for terms of “up to” 10 years, instead of the current requirement of exactly 10 years. This allows discretion to issue leases with terms shorter than 10 years when in the best interest of the endowed beneficiary.

[H064 Oil and Gas Permits, Fees and Hearing](#) – simplifies the integration process and clarifies confusing and potentially conflicting timeframes and processes for notification, publication, review, and approval. It establishes predictable hearing dates that will benefit permittees, affected parties, and the department. It eliminates hearings if no objections are received and clarifies the appeal process.

Legislators presented several bills regarding oil and gas and the Oil and Gas Conservation Commission (OGCC), which directly affect IDL. Four of the bills passed and

have been signed by the governor.

[H301aa Oil and Gas](#) – rewrote many of the existing oil and gas regulations. The makeup of the OGCC now includes three oil and gas experts, the IDL Director, and one county commissioner. Well spacing and requirements for setbacks, reporting and metering have changed as well.

[SI098 Oil and Gas](#) – clarifies what information is to be included on Tax Commission forms for the submission of Gas & Oil Severance Tax and requires a monthly submission of severance tax to the Tax Commission. The Tax Commission is now authorized to conduct audits at least every three years.

[SI099aaH Department of Lands](#) – establishes a new division within IDL to handle oil and gas conservation matters currently handled by program staff in the Lands & Waterways Division. The new Oil and Gas Division will be led by a division administrator qualified to serve the Idaho Oil and Gas Conservation Commission and capable of successfully implementing a professional oil and gas conservation program in Idaho.

[SI203](#) – trailer appropriation for the new IDL Oil and Gas Division ([SI099aaH](#)). It appropriates an additional \$66,400 to IDL for FY17; authorizes an additional three full-time equivalent positions one-time for FY17; appropriates an additional \$375,000 for FY18; and authorizes an additional three full-time equivalent positions ongoing for FY18.

The EFIB presented one bill to the legislature; it passed and has been signed by the governor.

[SI035 Endowment Fund Investment Board](#) – changes \$50/day compensation from salary to honorarium for Endowment Fund Investment Board members. This change will make it easier to attract and retain board members as they will no longer be prevented from making tax deductible IRA contributions. A “salary” makes them a PERSI member but an honorarium does not.

MINNESOTA:

BWCAW appropriation – legislation advances a State and US Forest Service project that seeks to resolve a 50-year land management dispute that has precluded economic development on 83,000 acres of school trust lands locked away in a federal wilderness area.

School Trust Land Management – legislation seeks to address continued fiduciary duty breaches by MN

Department of Natural Resources by (1) transferring management control to MN School Trust Lands Director, (2) creating a school trust management account to halt the DNR practice of commingling funds, and (3) establishes a system whereby the School Trust Lands Director contracts for management of school trust resources.

Compensating Permanent School Fund – MN law requires that the MN DNR compensate the Permanent School Fund for “policies and designations that prohibit revenue generation” on school trust lands. There is an estimated \$80M - \$100M debt owed to Perm. School Fund due to a number of policies and designations. The proposed legislation would sweep surplus budget revenues from the State’s November budget forecast until the Permanent School Fund is made whole.

NEW MEXICO:

State Land Commissioner Aubrey Dunn is laying out an ambitious agenda to initiate new rangeland, forest, and watershed restoration projects on State Trust Lands across New Mexico, after word came that Governor Susana Martinez signed House Bill 24 – the State Trust Lands Restoration and Remediation Fund.

“I appreciate the governor’s support and I am grateful to Rep. Candy Spence Ezzell and Rep. Bill McCamley for sponsoring the legislation,” said Commissioner Dunn, who proposed the measure. “It’s a good day when we can come together and share a common goal.”

There has never been a funding mechanism in place for restoration and remediation efforts on Trust lands. Historically, the State Land Office has asked the Legislature for a special appropriation to pay for these types of projects, but Commissioner Dunn says there is never a guarantee that the money will be appropriated and the fund will create a dedicated revenue stream.

“I’ve invested millions of dollars to protect the health and beauty of Trust lands, which between illegal trespassers, irresponsible lessees, and Mother Nature is no easy task,” Commissioner Dunn said. “My field operations team has identified two dozen projects the fund will help put in motion sooner than later.”

OKLAHOMA:

Several bills were introduced during the ongoing 2017 Oklahoma Legislative Session that could impact the Commissioners of the Land Office.

HBI225 would create a new funding source for Cooperative Extension Offices throughout the state from revenues earned by the CLO. The bill stated that the Commissioners of the Land Office shall transfer from the available funds under their control an amount certified by the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, acting on behalf of Oklahoma State University, as required for funding of county extension offices to Oklahoma State University for distribution to the county extension offices of the state.

The CLO expressed concern with this bill for several reasons, including a direct violation of the Oklahoma Constitution. All revenues earned by the CLO must be distributed to specific beneficiaries mandated by the Oklahoma Constitution and to change the allocation of funds a constitutional amendment must be approved by a vote of the people. This bill did not receive a hearing in committee and cannot move forward for the remainder of this legislative session.

UTAH:

During the 2017 Utah Legislature, the School and Institutional Trust Lands Administration (SITLA) worked on and/or monitored a number of key legislative issues, including a general fund appropriation for public hunting access on trust lands and a resolution urging the president to rescind the Bears Ears National Monument, both of which passed; and legislation exempting SITLA’s permittees from local zoning and outlining employment terms for the Trust’s main beneficiary advocate, both of which failed.

Utah’s governor and legislature approved an ongoing \$1 million general fund appropriation to the state’s Division of Wildlife Resources (UDWR) as payment to SITLA’s beneficiaries for continued public hunting access on most of the 3.4 million acres of trust lands. SITLA is now working with UDWR to finalize another 10-year Hunter Access Agreement and secure the remaining balance of hunter access fees. The appropriation acknowledges that the public must compensate trust beneficiaries for use of the land.

The legislature approved and the governor signed a high-profile concurrent resolution urging President Trump to rescind the newly-designated Bears Ears National Monument, which captures more than 109,000 acres of trust land. Any discussions regarding a state-federal land exchange or other compensation to beneficiaries are on hold.

SITLA currently has a statutory exemption from local planning and zoning, which is seldom, if ever, exercised. A controversial bill was introduced that would have extended this exemption to SITLA's lessees and permittees. However, this bill did not pass.

SITLA also monitored other legislation on property, oil and gas, and water issues.

WSLCA and ASU – Datasharing website updates

At the conference in January the Communications and Datasharing committees talked extensively about the joint WSLCA-ASU website. We went page by page on the site discussing changes and set a schedule of document uploads leading up to our summer conference.

Those changes have been completed and folks are working on uploading documents as we speak! Take a moment to go check it. Remember each state has five logins, if you have trouble logging in please let Kathy Opp or myself know and we will get a new link sent to you.

A few of the changes we made...

- Removed the “Real Estate” page and moved its contents to “Asset Management.” This includes the subfolders of surface, subsurface, submerged lands and waterways, and general resource management. There is also now a subfolder on the “Asset Management” page for Best Practices.
- Removed the “GIS and Maps” page completely. Any maps you have can be placed the appropriate “Asset Management” or “Species and Water” pages.
- Renamed the “Policy” page to “Laws, Rules and Policy.” You can also now find the Governance subfolder on this page (moved from the “Asset Management” page).
- The “Legislative Actions” page has been renamed to “Judicial Actions.”
- The “Newsroom” page has been renamed to “Newsroom and Publications.”
- Finally, there is now a “Member States” page that has the same cool map as our website- just click the state and go straight to their website!

The schedule we came up with was designed to get folks busy uploading information that would be most useful. Items now that can be found on the site include: templates and agreements, HR related documents and

laws, rules and policies. Between now and the summer conference our focus is on species and water.

So...thank you to those who are adding documents! And please, if your state has not done so, log in and see what you can contribute. The more we have out there the better! This project will benefit each of us and we will get out of it what we put into it!



from left; Thomas Bachtell, vice chair for the Board of Trustees of the SITLA, Secretary Ryan Zinke, John Andrews, Associate Director & Chief Legal Counsel for SITLA, Allen Fremeyer, WSLCA Educational Outreach Coordinator

Utah- WSLCA and SITLA officials met with Interior Secretary Ryan Zinke on May 7th during his tour through Utah discussing the monuments. During Secretary Zinke's time in Utah he also met with Governor Herbert, Congressional and Tribal leaders, other state officials and locals before embarking on a tour of the Bears Ears and Grand Staircase monuments. Read more about Secretary Zinke's visit [here](#) and [here](#).



Summer 2017 Conference Update...

July 9-13

Anchorage, Alaska

April showers bring...Anchorage in July! We are looking forward to seeing everyone in July for the summer 2017 Western States Land Commissioners Association Conference in Anchorage, Alaska.

This year's summer conference is sure to be packed full of exciting speakers and beautiful scenery. We are developing a great agenda to include robust breakout sessions and visits with invited guests such as Senator Lisa Murkowski and Environmental Protection Agency Administrator Scott Pruitt, along with visits to [Alyeska Resort](#) and the [Anchorage Museum](#) with the Smithsonian Alaskan Native exhibit on display. To view a copy of the draft agenda, please [click here](#). Additionally, you can find great deals on boat and train tours exclusively for WSLCA attendees by [clicking here](#).

A key component to the success of WSLCA includes the strategic planning session which will be held during the conference. The plan has served the association well; guiding focus, member engagement and strengthening core services and budget. Please plan to participate in the important strategic planning session during the upcoming summer conference.

YOU have the opportunity to be a part of shaping the association strategy for the next 5 years.

Registration information can be submitted [online](#) and all attendees are encouraged to bring their families along for a memorable vacation. Anchorage is the gateway city to the wonders of Alaska so be sure to make your reservations soon to experience the marvels of the "Great Land."



Affiliate Member Spotlight...



PCC was founded in 1995 as a software solutions provider to state and local government entities. They specialize in support for Secretaries of State across the country. In 2016 they were acquired by GCR Inc. whose software solutions and consulting services are utilized by government and infrastructure clients. Together they provide expertise in aviation and security, disaster management, community planning and recovery, right-of-way and land management services, government technologies and elections, and energy and utilities.

PCC's Land Information Management System provides clients the ability to track and report data, manage document and communicate with stakeholders. Please join me in welcoming PCC as a WSLCA affiliate member!

Affiliate Memberships...

WSLCA has adopted an Affiliate Membership program in order to provide public and private entities and individuals who share common interests in the WSLCA's objectives with an opportunity to formally communicate and cooperate with WSLCA members. The program allows Affiliate Members the opportunity to participate in the WSLCA's biannual conferences and to talk directly with other members on issues important to both. Applicants must be a corporation, non-profit entity, or an individual that has been recommended by a member state, approved by the WSLCA Executive Committee and paid at least one year of annual dues. Please see the affiliate page of the WSLCA '[Affiliate Members](#)' web page for more information.

2017 Affiliate Members

Anadarko	Hein & Associates
Anschutz	Holland & Hart
Apex TITAN, Inc.	ITC
Bank of Oklahoma Financial	Kelley Drye & Warren LLP
ConocoPhillips	Opportune
Devon Energy	PCC
DRZ Investment Advisors	QEP Resources
EOG Resources	RVKuhns & Associates, Inc.
EnergyNet	Trimble
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- Commercial and Residential Realtors
- Planning and Design Professionals
- Construction Managers
- Governmental Staff



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If you are interested in participating in this program please contact WSLCA Executive Director, Kathy Opp. 208-870-7407 kathyjopp@gmail.com

Website:
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