

## Building Trust

September 2008



LINCOLN INSTITUTE  
OF LAND POLICY

The [State Trust Lands Project](#) quarterly e-news alert, **Building Trust**, will provide land-use information and tools, share research and policy analyses, highlight innovative approaches to trust-land management, and discuss state trust land laws and regulations to assist trust land managers and engaged stakeholders in meeting their fiduciary duty in the changing West.

**Please forward this alert to interested colleagues.**

### UNIVERSITY OF MONTANA LAW REVIEW

Alex Sienkiewicz authored the article, *A Battle of Public Goods: Montana's Clean and Healthful Environment and the School Trust Land Question*, for the Montana Law Review in 2006. It examines how the Montana constitutional guarantee of "the right to a clean and healthful environment"



may conflict with resource extraction practices on state trust lands. While generation of revenue from state trust lands provides funding for the beneficiaries, the focus and fiduciary duty of trust land managers often excludes a broader set of public values captured by the Montana constitutional provision. Some methods for mitigating this tension offered by the article include depoliticizing the Land Board to temper the political incentive for short-term revenue production, as well as pursuit of land tenure adjustment to consolidate holdings and remove environmentally sensitive lands from the trust portfolio. State trust lands could then be managed with an eye toward sustainable long-term revenue production, thus serving to maintain the value of those assets for future generations of trust beneficiaries. [View the article.](#)

### FEDERAL/STATE LAND EXCHANGE BEST PRACTICES

Throughout the West, improving the management of state trust lands is complicated by a variety of factors, from a lack of resources and tools, to limitations on total asset management techniques. Another complicating factor is represented by the land ownership patterns created by the original trust grants, and worsened by the railroad land grant system. This has resulted in broad swaths of trust lands intermingled with private lands in a checkerboard fashion. Nearly all Western states hold a significant portion of their lands in these problematic land ownership patterns.

Efforts to solve this problem through consolidation of state trust land holdings have met with limited success. Land exchanges have a controversial history in the West, and have often been met with suspicion by local communities and stakeholders. However, land tenure adjustment remains a priority issue among trust land managers, and will be a necessary tool to resolve problematic land ownership patterns.

The Lincoln Institute of Land Policy—Sonoran Institute Joint Venture plans to conduct a review of land exchanges involving state trust lands in the West, with an eye toward developing best practices for engaging in land tenure adjustment efforts. It is our hope that this will provide helpful guidelines to trust managers for successful land tenure adjustment.

### Across the West

#### Washington:

The Washington State Department of Natural Resources is proposing a [2,144 acre trust land exchange](#) in King County, under the state's Trust Land Transfer Program. This transfer would involve six state land trusts and the Common School Trust.

#### Arizona:

State trust land initiative "Conserving Arizona's Water and Land" failed to make the November ballot, however supporters won't give up saying voters will see it again in [2010](#).

#### New Mexico:

The New Mexico State Land Office is pursuing [solar energy development](#) on state trust lands. The agreement with Forest City Enterprises secures two locations to begin solar development in New Mexico.

Commissioner of State Trust Lands, Patrick Lyons is reviewing a [state trust land exchange](#) bid involving lands in Las Cruces.

### Announcements

**Sonoran Institute is currently hiring a [Communications Project Manager](#), to work with our State Trust Lands Project in our Phoenix office. Please select the link to read more about the position and the application procedure. The closing date for applications is **October 15, 2008**.**

### NEWS FROM THE FIELD

If your office has trust-land management information and tools in asset management, collaborative planning, real estate development, and/or conservation use that you'd like the Project to consider sharing through this e-news alert, send the Project an [email](#).

To sign up for this alert or to remove your name from our email list, please [click here](#)