

**BALLOT PROPOSITION # 101  
State Trust Land Conservation Exchanges**

*Fiscal Impact Summary*

Proposition 101 is projected to increase revenues to the state in an amount that cannot be determined in advance. Proposition 101 amends the State Constitution to allow the State Land Department to exchange state trust lands for publicly owned lands under certain conditions. An exchange will only occur if it produces an increase in trust income. This dollar gain cannot be predicted in advance. Trust income is distributed to a number of state agencies. Proposition 101 may also result in higher spending if the State Land Department requires more staff to analyze the land exchanges.

	<b>FISCAL YEAR</b>		
	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>STATE EXPENDITURES</b>			
State General Fund	\$-0-	\$-0-	\$-0-

**FISCAL ANALYSIS**

**Description**

Proposition 101 makes Constitutional changes to allow the State Land Department to exchange state trust lands for publicly owned lands under certain conditions.

**Estimated Impact**

Proposition 101 is projected to increase trust revenues by an amount that cannot be determined in advance. There may also be a General Fund cost if the State Land Department requires more staff to analyze the land exchanges.

The State Land Department estimates that the new land exchange provisions could result in a total General Fund cost of \$250,000 to \$300,000 for the period from FY 2004 through FY 2006. The department would use these monies to pay appraisal and exchange analysis costs. This administrative cost would be subject to legislative appropriation.

**Analysis**

Proposition 101 would amend the State Constitution to allow the exchange of state trust land for publicly owned lands for the purpose of open space conservation. The newly acquired land would be required to be of the same or greater value than the state trust lands given in the exchange, as verified by 2 independent appraisals. An analysis of the exchange would also be required, which shows a net increase in projected trust income, the fiscal impacts on local governments, the natural resource, physical, and economic impacts on surrounding communities, and the impacts on local land use plans.

There would be future additional revenue earnings for state trust beneficiaries for exchanges occurring due to the new authority, since a net increase in projected income would need to be demonstrated prior to any exchange. However, this increase in trust earnings is unknown, and would not occur without first spending monies on the analyses required prior to the exchange.

(Continued)

Due to the discretionary nature of this new authority, there is no mandate that any exchanges take place. Should future land exchanges be pursued as a result of this newly added constitutional authority, the Land Department could incur costs to conduct the mandatory analyses. They estimate their potential General Fund cost to be \$250,000 to \$300,000. Any administrative funding would be subject to legislative appropriation.

**Local Government Impact**

The local government impact would depend on the specific land exchanges. As with state government, the impact cannot be determined in advance.

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This estimate was prepared by Tom Mikesell (602-542-5491).