

BALLOT PROPOSITION #106
Conserving Arizona's Future

Publicity Pamphlet Fiscal Impact Summary

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of certain ballot measures. Proposition 106 contains provisions that may increase future revenues to state trust land beneficiaries and other provisions that may reduce revenues that otherwise would have been received by these beneficiaries. The proposition sets aside a percent of the proceeds from the disposition of state trust land for trust land administration. This provision may initially provide up to \$6 million annually from proceeds that would otherwise have been invested for the beneficiaries. The additional administrative funding may permit the state to prepare trust land parcels for sale or lease more quickly, which may accelerate revenues to beneficiaries. The value of land generally appreciates over time. If state trust land is sold earlier under the proposition, the longer term fiscal impact may depend, at least in part, on the rate of investment returns of the accelerated revenue compared to the sale price at a later date.

The proposition would permit certain parcels of trust land to be used for conservation without compensation. In this circumstance, the trust beneficiaries would not receive the proceeds from the sale of this land. The level of foregone revenue is difficult to predict in advance.